4th October 2018

Botswana Diamonds PLC
("Botswana Diamonds” or the “Company”)

Botswana Diamonds agrees development of concessions in the Marange Diamond Fields of Zimbabwe with Vast Resources plc

Botswana Diamonds, (‘BOD’) the AIM and BSE listed explorer, is pleased to announce that it has concluded an agreement with Vast Resources plc (‘Vast’) the AIM listed mining and resource development company, for the development of their concessions in the prolific Marange Diamond Fields (‘MDF’) of eastern Zimbabwe. A separate agreement will cover the joint development of diamond properties outside of the MDF, which will be a straightforward 50/50 joint venture, though the initial focus of our joint work is on the MDF.

As previously announced, Vast has exclusive access to key diamond concessions (the ‘Heritage Concession’) in the MDF of the Chiadzwa region of eastern Zimbabwe, through an agreement with a community organisation. BOD will perform due diligence on the area to conclude a joint venture agreement for diamond exploration, mining and marketing. The 15km² Heritage Concession neighbours Vast’s historic MDF claim, and seems to be a geological extension of that system.

To develop diamond properties in Zimbabwe, BOD and Vast signed a MoU in May 2018, which has matured into an agreement on the MDF, including:

- A Special Purpose Vehicle (‘SPV’) between BOD and Vast to develop diamond resources in the MDF.
- Initial shareholdings will be BOD - 13.33% and Vast - 86.67%.
- Vast will contribute up to US$1 million as initial funding.
- If any additional funds are required, this will be via an equity raise.
- BOD and Vast may contribute to any future equity raise on a pro rata basis. If either party does not take up its allocation, the other may. Further announcements will be made as appropriate.

The next step is a desktop review, which is now underway. Results will be announced shortly.

John Teeling, Chairman, commented, “I am delighted that we have concluded terms with Vast on developing their concessions within the prolific Marange Diamond Fields. We look forward to working with them to realise the full potential of this prospective area and others, as they emerge, with Zimbabwe opening up further for
Work on the initial due diligence is far advanced and we look forward to providing further updates to the market in due course.”

This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), a Fellow of the Southern African Institute of Mining and Metallurgy, a Fellow of the Institute of Materials, Metals and Mining (UK) and with over 33-years’ experience in the diamond sector.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

ENDS

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