6 June 2018

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

Update on South African Exploration Projects

The board of Botswana Diamonds (AIM: BOD) are pleased to provide an update on the Company’s exploration projects in South Africa.

Headlines:

• Botswana Diamonds has been awarded the priority 2.5 hectare Mooikloof kimberlite pipe concession close to De Beers’ flagship Venetia Mine.
• The Technical and Economic Study on Thorny River is completed and Botswana Diamonds is now evaluating its options for the project.
• Drilling shows Ontevreden kimberlite pipe to be smaller than expected. No further work is warranted, as we have higher potential targets.

Mooikloof

The award of the Mooikloof Prospecting Licence is an important development for Botswana Diamonds. Mooikloof is a known 2.5 hectare diamondiferous kimberlite pipe last prospected in 1986. The adjacent Oaks mine was owned and successfully operated by De Beers. The Oaks mine had a grade of 53 carats per hundred tonne of ore (“cpht”) at a value of $156 per carat. The large flagship Venetia mine, operated by De Beers, is close by and in the same general geology.

Based on our experience elsewhere, we suspect that past explorers may have systematically underestimated the kimberlite pipe size, grade and diamond quality of the Mooikloof kimberlite. We will deploy state-of-the-art exploration techniques to reassess the Mooikloof kimberlite, and maybe open another bypassed kimberlite pipe development.
Thorny River

The company has now received the Technical Economic Evaluation Report (“TEE Report”) on the Thorny River Project. The deposit is between 1.2 and 2 million tons, the grade is between 46 and 74 cpht and carat values between US$120 and US$220 per carat. The TEE Report indicated positive economics could potentially be achieved using the top end of the grade and value ranges, assuming additional kimberlite volume of similar grade and value can be defined with further exploration.

While not a Scoping Study as the Company had previously envisaged in the announcements dated 15 February 2018 and 21 March 2018, the TEE Report has provided the Company’s Directors with sufficient information to conclude that the Thorny River Project requires further investigation. Consequently, the directors are considering the Company’s various technical and commercial options, which will be studied simultaneously with ongoing exploration.

Ontevreden Exploration

Drilling at Ontevreden confirmed the existence of a kimberlite pipe, but showed the pipe to be smaller than the previously indicated geophysical anomaly. Given our attractive priorities elsewhere, we now propose no further work on Ontevreden.

John Teeling, Chairman, commented: “Significant progress has been made on our joint venture projects in South Africa.

“We are pleased to finally be awarded the Mooikloof concession. This was discovered and explored in the 1980s by De Beers who went on to develop the Oaks mine next door. The pipe is historically estimated at 2.5 hectares in size and contains diamonds. Using recently developed exploration techniques we will re-assess this high potential pipe.

“Analysis shows that a mine on the Thorny River deposit could be profitable assuming positive results from additional exploration. Now we must refine the volume, grade and value estimates while working on the mining model.

“But modern mineral exploration technology is not a magic bullet. Modern geophysics indicated a 0.7 hectare pipe at Ontevreden. Our drilling confirmed a smaller pipe, which is not currently commercial”.

This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), a Fellow of the South African Institute of Mining and Metallurgy, a Fellow of the Institute of Materials, Minerals and Mining with over 32-years’ experience in the diamond sector.

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