25th October 2016

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

Update on PL 260 in Orapa

Highlights

- A diamond has been found in the early stage of the re-analysis by Alrosa specialists of concentrate from Large Diameter Drilling on kimberlite pipe AK21 on PL 260. It is a 1mm octahedron-shaped diamond.
- Drilling AK22 on Prospecting Licence PL 260 in Orapa has encountered fresh kimberlite.

New Diamond Discovered

As previously announced, two Large Diameter Drillholes (LDD) were completed on AK21 on Licence PL 260 in April 2016. Eighty tonnes of samples were sent to a processing facility in South Africa. Control microdiamonds were included in the material, in line with best practice to detect inefficacies in the processing plant.

The results from the laboratory demonstrated that test work was insufficiently robust as no diamonds were recovered, not even the control diamonds. Accordingly Botswana Diamonds recovered the concentrate from the processing facility and re-analysed it using Alrosa mineralogists, who travelled from Russia to Botswana.

The first 20kg re-analysed produced a 1mm octahedron diamond – this was a newly discovered diamond and not one of the control stones. A further 60kg of sample is currently being analysed.

Core Hole Drilling

Drilling is ongoing on PL 260. Two core holes are targeting pipe AK22. Fresh, virgin kimberlite has been discovered. The objective of these two holes is to compare the mineralogy with the results obtained from historical drilling. Core from these holes will be initially analysed in Letlhakane, Botswana, by Alrosa mineralogists and then sent to St. Petersburg, Russia, for detailed evaluation.

John Teeling, chairman, commented “The Alrosa/BOD joint venture identified licence PL 260 in Orapa as having strong potential. It had already identified anomalies which deserved attention. Moreover, historical drilling had found several diamonds, albeit not yet enough to be commercial grade.”
We now believe that there is commercial potential, so we have undertaken both a core hole and a LDD hole programme. The discovery of a 1mm diamond in the first 20kg of material is a positive development as we now know there are diamonds in the pipe. We have more work to do on the material.

The current core hole drilling is on a known kimberlite, AK 22, which is close to AK 21. We have intersected the pipe and are pleased with the material being recovered.

This release has been approved by Benjamin Mosigi, MSc (Mineral Exploration and Mining Geology), who is a member of the Geological Society of South Africa.

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

Enquiries:

Botswana Diamonds PLC

John Teeling, Chairman +353 1 833 2833
Jim Finn, Director
Dipti Mehta

Northland Capital Partners Limited

David Hignell/Gerry Beaney (Corporate Finance) +44 (0) 203 861 6625
John Howes (Broking)

Dowgate Capital Stockbrokers Limited

Jason Robertson +44 (0) 129 351 7744
Blythessay
+44 (0) 207 138 3204
Camilla Horsfall +44 (0) 781 784 1793
Nick Elwes +44 (0) 7831 851 855
Rachael Brooks
Jonathan Garfield

PSG Plus

Colm Heatley +353 (0) 1 661 4055
Alan Tyrrell +353 (0) 1 661 4055

www.botswanadiamonds.co.uk