07 August 2013

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

Joint Venture Agreed on Licence PL117 in the Orapa Region of Botswana

The directors of Botswana Diamonds (AIM: BOD), announce an agreement between the Company and Eversharp Investments (Pty) Ltd (“Eversharp”) over the PL 117/2011 licence in the Orapa area of Botswana, covering 2.9 sq km. Eversharp is a private Botswanian company holding exploration licences in Botswana.

Under the terms of the agreement Botswana Diamonds becomes operator of the block and will earn into a new joint venture company which will own PL117/2011 (“Newco”). Botswana Diamonds can earn up to a 51 per cent interest in Newco by spending up to US$300,000 over three years.

Over the last two years, Botswana Diamonds personnel and its diamond major international partner have analysed all available geochemical and geophysical data on the Orapa region. The Orapa region is well known to be highly prospective for diamonds, containing several producing diamond mines and diamond development projects. We have identified a series of focused targets, one of which is on this specific block, PL 117/2011. This licence measures 2.9 sq km and contains AK10, a diamondiferous kimberlite, discovered in 2004 by African Diamonds plc (“African Diamonds”), the predecessor of Botswana Diamonds. African Diamonds is now owned by Lucara Diamond Corp who built and operate the Karowe Diamond Mine in Orapa some 10 km from AK10. Extensive drilling of AK 10 by African Diamonds did not reveal a commercial deposit however a recent review of all data suggests that this area is worth revisiting.

Detailed work on the block will commence within weeks. This involves ground work to identify the best location to drill the target and will be followed by drilling.

John Teeling, chairman of Botswana Diamonds, commented,

“This joint venture is the first tangible result of our 18 month joint venture with a diamond multinational. A top priority target has been identified on this very small block. We will drill this once a specific location is identified by ground geophysics.”

“We know this area well. It contains the five hectare AK10 drilled by African Diamonds, the predecessor company to Botswana Diamonds. During African Diamonds tenure we found good quality diamonds in the block but not enough of them to go to commercial mining. We are now using new technology and new eyes to look at the licence. This is a very prospective area.”
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