5<sup>th</sup> March 2015

Field Exploration Update – Orapa, Botswana

**Highlights:**

- Alrosa / Botswana Diamonds plc (BOD) joint team restarts exploration on Blocks PL 206, 207 and 210 in Orapa, Botswana
- The objective is to find major new kimberlites.
- Focus on PL 206 to verify whether the identified Kimberlitic Indicator Minerals (KIMs) are from the known Orapa kimberlite cluster or from previously undiscovered kimberlites in or around PL 206
- Focus on PL 207 is on the north east of the block to discover the source of the heavy concentration of KIMs found including two diamonds
- Focus on PL 210 is to estimate the travel distance of the KIMs

The Board of Botswana Diamonds (AIM: BOD) is pleased to provide an update on the exploration activities of our joint ventures with Alrosa, the world’s biggest diamond company, in the Orapa area of Botswana:

A team of seven Alrosa geologists, mineralogists and geophysicists have arrived on site to join the Botswana Diamonds team and conduct follow-up exploration on blocks PL 206, 207 and 210. A comprehensive exploration programme conducted in Q3 2014 followed by detailed analyses in the Alrosa laboratories highlighted specific target areas on the above blocks. The next stage of work will entail further soil sampling, electromagnetic and ground magnetic surveys.

Alrosa uses senior, qualified geologists to take soil samples. Alrosa’s expert mineralogists then use an on-site mobile laboratory to immediately analyse soil and hard rock samples. Kimberlitic Indicator Minerals (KIMs) such as garnets, picroilmenites, chrome diopsides and pyropes are compared to the ‘fingerprint’ of the same minerals from local diamond mines Orapa, Damtshaa and Letlhakane. This procedure saves time and money by focusing the work, giving prompt direction for the next stages of exploration.

Selected KIMs and rock samples are then sent to the Alrosa central laboratories for more detailed analyses. Data thereby generated is then married to the geophysical data collected. The result is an exploration programme focused on the discovery of new kimberlites.
The latest exploration programme involves state-of-the-art geophysics and soil sampling, designed to:

- Verify the likely source of the KIMs found on PL 206
- Focus on the north east of PL 207 where a high concentration of KIMs, including two diamonds, were found.
- Carry out additional heavy concentrate sampling on PL 210 where analyses of the heavy pyrope concentration found suggests that the pyropes of various sizes and colours are in close proximity to a potential kimberlite.

Results of this work will be available by the end of June 2015.

The Botswana Diamonds / Alrosa joint venture is 50/50. The joint venture budget for 2015 is $1 million.

John Teeling, Chairman, commented “As you would expect from the world’s biggest and most successful diamond company, Alrosa are conducting a professional and exciting exploration programme on our Botswana acreage. Using the comprehensive databases supplied by Botswana Diamonds, their own proprietary technology and the results of the first exploration programme, Alrosa focuses their efforts on priority ground. The objective is to find major new kimberlites. Their on-site approach using highly skilled and experienced geologists for all facets of fieldwork, together with onsite mineralogical analyses, is impressive, efficient and timely. By June 2015 we will have a clearer picture of the priority targets on our ground.”

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.

Glossary:

**Chrome Diopside:** A bright green hard rock found in some limestones and metamorphic rocks, and sometimes used as a gem. Dispersed grains are found near kimberlite pipes, and as such are a prospecting indicator for diamonds.

**Pyrope:** A deep yellowish-red garnet that consists of magnesium aluminium silicate, which is used as a gemstone. It is also a kimberlite indicator.
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