



1<sup>st</sup> February 2022

**Botswana Diamonds PLC**  
**("Botswana Diamonds", "BOD" or the "Company")**

**Update on joint venture acquisition of Ghaghoo diamond mine in Botswana**

The Board of BOD announced in August 2021 that Okwa Diamonds Pty Ltd ("Okwa"), a joint venture with Vast Resources plc ("VAST") in which BOD has an initial 10% carried interest, had conditionally agreed to acquire Gem Diamonds Botswana Pty Ltd ("GDB"), a wholly owned subsidiary of Gem Diamonds Ltd ("Gem Diamonds"), for a cash consideration of US\$4 million. GDB's primary asset is the fully permitted Ghaghoo diamond mine in central Botswana which is currently under care and maintenance.

Under the terms of the joint venture agreement, VAST was responsible for funding Okwa with the first US\$15 million of funding required for the purposes of carrying out due diligence, acquiring GDB and placing the mine back into production. Completion was subject to a number of conditions (with a long stop date of 31 January 2022) including relevant regulatory and competition authority approvals within Botswana which have now been fulfilled and written approvals have been obtained from the Competition Authority and, most recently in December 2021, the Ministry of Mineral Resources, Green Energy and Technology of the Government of the Republic of Botswana.

VAST has informed the Boards of BOD and Gem Diamonds that they do not intend to proceed with the transaction.

The Board of BOD has identified alternative potential partners to replace VAST as its joint venture partner in Okwa and has confirmed to Gem Diamonds its commitment to conclude the transaction as originally envisaged as soon as possible. BOD, VAST and Gem Diamonds are working together towards a mutually beneficial outcome and have agreed to extend the long stop date under the sale agreement from 31 January 2022 to 31 March 2022 to allow BOD to secure an alternative joint venture partner. The new partner replacing VAST in the Okwa joint venture may require further approval from the relevant Government of Botswana authorities.

A further announcement will be made in due course.

**Further information on Okwa**

BOD acquired its 10% carried interest in Okwa in consideration of the services it has provided to Okwa and does not currently have a funding commitment to Okwa nor does BOD currently intend to provide further funding under its earn-in arrangements. BOD's interest in Okwa will be accounted for as an investment. Under the joint venture agreement, while BOD will be appointed (subject to agreement of the relevant documentation) as the operator of the Ghaghoo mine, the operational team will be directly employed by Okwa and BOD may recharge identified executive management costs to Okwa.

This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), a Fellow of the Geological Society of South Africa, 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 35-years' experience in the diamond sector.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

The person who arranged the release of this announcement on behalf of the Company was James Campbell.

A copy of this announcement is available on the Company's website, at [www.botswanadiamonds.co.uk](http://www.botswanadiamonds.co.uk)

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**ENDS**