



25<sup>th</sup> April 2022

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

**Thorny River Open Pit Mining Evaluation**

Botswana Diamonds, the London AIM and BSE listed diamond explorer, is pleased to announce the results of a conceptual open pit mine optimisation evaluation ("Evaluation") on the River Blow on its Thorny River property ("the Property") in South Africa.

**Highlights**

- An analysis of the River Blow and its extension indicates potential open pit options.
- Assuming mid-range diamond values of \$170/ct, mid-range mining costs, a discount rate of 10%, a recovered grade of 40cpt and 1.7M tons of kimberlite mined indicates that a mine is likely to be commercial.
- The results exclude any additional resources from adjacent targets which will be drilled in the coming months.

Managing Director, James Campbell commented: *"The purpose of this exercise was to determine whether there was commercial potential in the Thorny River discoveries. The conceptual open pit evaluation shows that even at low revenue factors the kimberlite is potentially commercial when applying current industry standard mining and processing costs. This exercise will be updated following drilling on the adjacent high priority targets"*.

Chairman, John Teeling commented: *"The Evaluation shows that there is potential for an open pit mine at Thorny River and that there is the potential for operational positive cash flow even at low levels of diamond recovery. We will continue to work on the project including determining the capital cost. We anticipate that drilling in the coming months will extend mineable kimberlite volume"*.

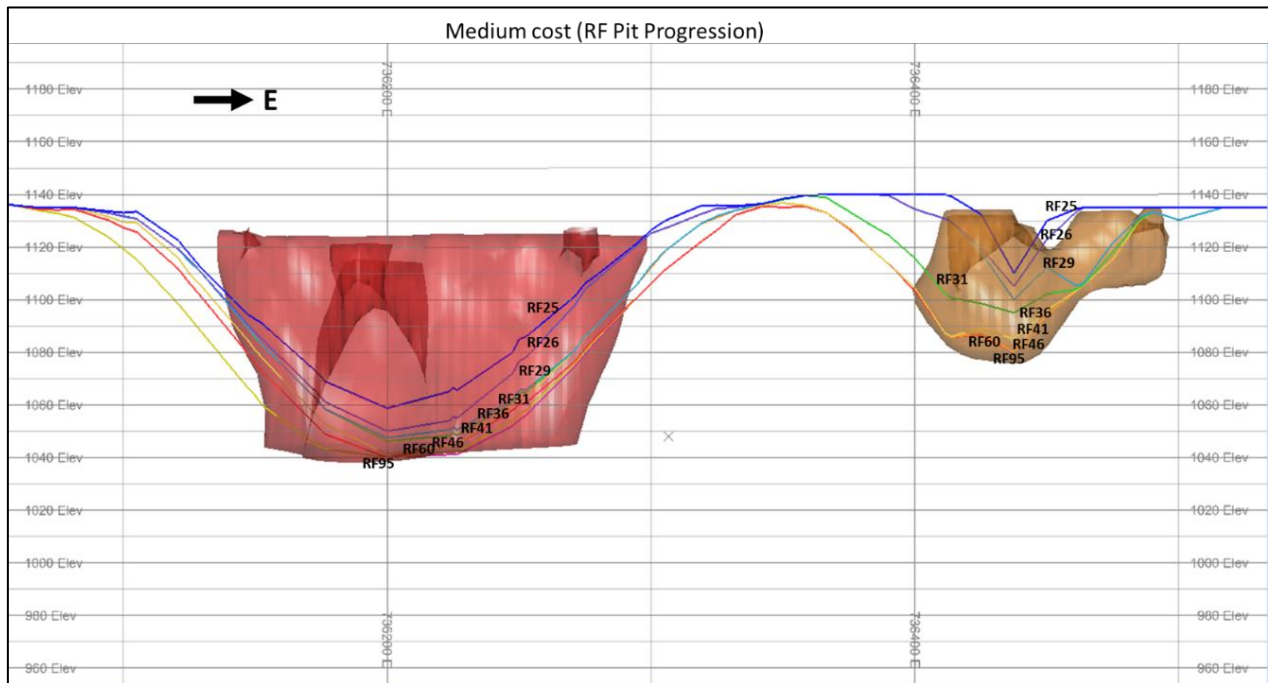
**Details**

The Evaluation was completed by South African-based independent mining advisory consultants, Practara (Pty) Ltd, together with modelling input from ABGM Pty Limited of Australia. Conceptual open pit mine plan models were developed under a number of scenarios to assess the open pit mining potential of the River and River Extension blows (collectively "the River"). The models used the results of several drilling programmes. Grade and diamond value data was based on previous microdiamond and bulk sampling data as well as production results from the adjacent Klipspringer mine and the Technical Economic and

Evaluation Report (“TEE Report”) on the Thorny River Project as announced in June 2018 (and which was a pre-scoping study analysis). Cost data was benchmarked against similar operations.

Shareholders should note that the Evaluation is preliminary in nature and was prepared from drilling and geophysical modelling results and on which no resource has yet been declared. The Evaluation is purely conceptual and indicative of what could potentially be considered for more detailed work. The Evaluation is based on pre-tax illustrative estimates of cashflow before provision of capital expenditure or pre-production costs and which have not yet been determined. The objective of the Evaluation was to identify the best open pit mining option and considered low, medium, and high-cost scenarios for mining.

The following graphic [click here to view] depicts the Evaluation’s open pit models with the kimberlite for reference, based on various revenue factors, for a mid-range (‘medium’) cost mining operation applicable to a deposit of this nature.



The following are the illustrative results of the medium-cost scenario in the Evaluation at a mid-range diamond value of \$170/ct and a discount rate of 10%. Grade and diamond values are stated at a bottom cut-off of +1mm.

Open Pit Ore Tonnes	Open Pit Waste Tonnes	Strip Ratio Tw:To	Average Grade Recovered cpht	Discounted Cashflow
				NPV(10%) (Excluding capex and taxation) US\$'M
1,187,334	2,286,459	1.93	20	US\$78.5
1,601,003	3,774,640	2.36	30	US\$94.5
1,702,550	4,559,875	2.68	40	US\$97.1
1,743,335	5,031,522	2.89	50	US\$97.8
1,754,394	5,197,872	2.96	60	US\$97.9

The TEE stated that the kimberlite exploration target at Thorny River area has a grade of between 46 and 74 cpht and diamond value of between \$120-220/ct at a bottom cut off of +1mm. For the purposes of the Evaluation, a lower grade of 20 cpht was also considered. The River medium-cost scenario mining model shows positive operational cash flow net present values for potential future open pit exploitation options at a conceptual level. Any open pit that is formed on the basis of a low revenue assumption (i.e. at revenue factors less than 80%) coupled with the maximum open pit size are indicated to be commercial. Additional survey work and in particular geological work to better understand the level of dilution is required to further optimise these conceptual mine models. In the high-cost scenario, an average grade recovery of only 20 cpht would not be economic.

The scenarios examined exclude any benefit of the Company's new contiguous targets which were identified through a recent ground geophysics exercise and are indicative of additional kimberlite blows. Drilling of these targets has the potential to add volumes and impetus to a 'hub and spoke' mining model and this is scheduled for the dry Southern African winter season. Following this, the mine plan will be updated, and the capital expenditure assessed. Subsequently, it is expected that mine permitting will then be sought.

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#### **Qualified Person**

This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), a Fellow of the Southern African Institute of Mining and Metallurgy, the Institute of Materials, Metals and Mining (UK) and the Geological Society of South Africa and who has over 35-years' experience in the diamond sector.

**Practara (Pty) Ltd** has reviewed the information in this announcement which has been derived from the Evaluation and has confirmed that the information so presented is balanced and complete and not inconsistent with the Evaluation.

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014. The person who arranged for the release of this announcement on behalf of the Company was James Campbell, Director.

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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## Glossary

“cphT”	Carats per hundred tons
“NPV”	Pre-tax net present value
“TW:TO”	Tons waste : tons ore

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**ENDS**