



16th November 2020

Botswana Diamonds PLC
("Botswana Diamonds" or the "Company")

Satisfaction of conditions precedent for acquisition of Sekaka Diamonds

Highlights:

- **All pre-conditions for acquisition of Sekaka Diamonds now satisfied**
- **Completion expected on or around 20th November 2020**
- **Sekaka owns:**
 - **The high grade KX36 kimberlite pipe**
 - **Three Prospecting Licenses, one of which has been extended**
 - **A fit-for-purpose kimberlite processing plant**
 - **An extensive diamond exploration database**

Botswana Diamonds ('BOD'), the AIM and BSE listed diamond explorer, is pleased to announce that all the Conditions Precedent for the acquisition of Sekaka Diamonds Pty Ltd ('Sekaka'), as previously announced on 20th July 2020, have now been satisfied. . Sekaka's Prospecting License which holds the KX36 high-grade kimberlite pipe has also been extended for a further two years to 30th September 2022.

The transaction has been approved by Petra's lenders and noteholders as well as by the Botswana Minister of Mineral Resources, Green Technology and Energy Security.

Sekaka was Petra's exploration vehicle in Botswana and holds three Prospecting Licenses in the Central Kalahari Game Reserve ("Kalahari") in Botswana, PL169/2019, PL058/2007 and PL224/2007, which includes the high grade KX36 kimberlite pipe. The acquisition also includes an extensive database, built up over 15 years of exploration.

KX36 is a 3.5Ha kimberlite pipe, discovered by Sekaka, in the Kalahari. The kimberlite is situated approximately 70 km from Gem Diamonds' Ghaghoo Mine, and 260 km north-west of Botswana's capital Gaborone. Sekaka has undertaken extensive exploration work on KX36, including extensive core and Large Diameter Drilling ('LDD'). There is a historic SAMREC compliant Indicated Resource of 17.9 million tonnes at 35 cph, and an Inferred Resource of 6.7 million tonnes at 36 cph, estimated for the pipe by Z-Star in 2016. As Sekaka owns 100% of KX36, gross and net resources are the same. Sekaka is the operator of KX36. BOD has not independently verified the historic resource estimate. Modelling these grade estimates suggests overall

grades of between 57 cphT and 76 cphT. The estimated diamond value from the LDD is \$65/ct, with an upside range of between \$97/ct and \$107/ct, all assuming a +1.15mm Bottom Cut-Off ('BCOS') or +3 DTC diamond sieve.

Sekaka also holds a recently constructed, fit-for-purpose bulk sampling plant on site. The sampling plant includes crushing, scrubbing, dense media separation circuits and x-ray recovery modules within a secured area.

Sekaka's extensive diamond exploration database contains the results of work undertaken since 2005. The data include data in respect of airborne (including the Falcon survey) and ground magnetics (including gravity and Electromagnetics), in addition to heavy mineral sampling. BOD believes that the information contained in the database will provide substantial support to its future kimberlite exploration activities in Botswana.

The first deferred consideration cash payment of US\$150,000 will be payable on or about 20th November 2021, being the first anniversary of completion of the acquisition.

John Teeling, chairman, commented. "We are grateful to the Botswana Authorities for the quick approval of our acquisition of the KX36 discovery, the extension of the licence and the award of two surrounding licences.

We are convinced that a review and reworking of the existing database on KX36 will identify areas where the grade and volume can be improved. We have significant work done on this and are ready to go when exploration restrictions are lifted.

Kimberlite pipes, like KX36, are rarely if ever found on their own. It is of major importance that we got two adjacent licences where we are now very hopeful to find other kimberlites. The Kalahari Desert is a tough environment but finding something as rare as KX36 containing an estimated indicated resource of 17.9m tons at 35cphT is very rare. The potential far outweighs the challenge".

This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), a Member 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.

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

ENDS

Enquiries:

Botswana Diamonds PLC

John Teeling, Chairman +353 1 833 2833
James Campbell, Managing Director +27 83 457 3724
Jim Finn, Director +353 1 833 2833

Beaumont Cornish - Nominated Adviser

Michael Cornish +44 (0) 202 7628 3396
Roland Cornish

Beaumont Cornish Limited – Broker

Roland Cornish +44 (0) 207 628 3396
Felicity Geidt

First Equity Limited – Joint Broker

Jason Robertson +44 (0) 207 374 2212

Blytheweigh – PR

Megan Ray +44 (0) 207 138 3206
+44 (0) 207 138 3553
Rachael Brooks +44 (0) 207 138 3206
Said Izagaren +44 (0) 207 138 3206
Naomi Holmes +44 (0) 207 138 3206

Teneo

Luke Hogg +353 (0) 1 661 4055
Alan Tyrrell +353 (0) 1 661 4055
Ross Murphy +353 (0) 1 661 4055

www.botswanadiamonds.co.uk

Glossary

Kimberlite: an igneous rock, typically formed under high pressure and temperature, which sometimes contains diamonds.

LDD: Large Diameter Drilling. A drilling technology typically used to evaluate the grade of kimberlites. In this case, 23” wide diameter rotary percussion holes were drilled.

SAMREC: South Africa Mineral Reporting Codes.

CPHT: Carats per Hundred Tons. A unit of measure which defines the grade of a kimberlite. A carat is 0.2 grams and the name is derived from the fruit of the carob seed, a seed commonly found in the Kimberley area of South Africa, one of the most prolific historical diamond producing areas.

BCOS: diamond grades should always be stated with an associated Bottom Cut-Off Size. Typically, the higher the BCOS, the lower the average grade and the higher the average diamond value. This is because diamonds follow a logarithmic distribution.