



30th November 2020

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

Acquisition of Sekaka Diamonds completed

Highlights:

- **Acquisition completed**
- **Sekaka owns:**
 - **The high grade KX36 kimberlite pipe**
 - **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 the acquisition of Sekaka Diamonds Pty Ltd ('Sekaka'), as previously announced on 20th July 2020, has now been completed. 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.

John Teeling, chairman, commented. "We are delighted that this acquisition has now closed. This now paves the way to explore commercial development options for KX36 and begin to evaluate the extensive database in conjunction with ours to discover more kimberlites in prime diamond real estate".

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 cpht, and an Inferred Resource of 6.7 million tonnes at 36 cpht, 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 27th November 2021, being the first anniversary of completion of the acquisition.

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

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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.