6th December 2021

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

Annual Results for the Year Ended 30 June 2021

Botswana Diamonds plc (AIM: BOD) today announces its audited annual results for the year ended 30 June 2021.

Chairman's Statement

Botswana Diamonds (BOD) is evolving from a pure diamond explorer to a diamond producer. We have an expectation that one or more of our advanced projects will in the near future potentially turn into a diamond mine. Our focus remains Botswana and South Africa, particularly the geology at the Kaapvall craton which straddles the border between the two countries. This area has produced many of the biggest and most valuable diamonds ever discovered from some of the largest diamond mines ever developed. We believe that more discoveries are likely particularly using modern techniques and technology.

Before turning to a review of our projects let me look at the diamond market. Prices have rebounded in recent times after a severe fall in the past two years. Demand is strong for gem quality diamonds in the emerging markets and in the US. Meanwhile supply is at best static with closures in Australia and production problems in Siberia among other problems. The long-term future looks strong as more people enter the middle class and want the things that most European and American consumers buy. Who would have thought that a pandemic would be positive for the diamond traders? As we re-emerge from the shadow of the pandemic we believe that the middle market of the industry (traders and cutters) is in the best shape for many years. Stocks are low, liquidity is good, prices are going up and demand for both rough and polished is very strong. The post-Covid years should see very strong diamond acquisition and gifting. We expect good times ahead for the industry.

Botswana

Botswana, the country, is the largest diamond producer by value in the world with up to 80% of annual production being gem quality.

The management and directors of BOD have extensive experience of operating in the country. They were part of the team which discovered in 2004 the Karowe diamond mine which in operation since 2012, has produced some of the largest diamonds ever found. BOD emerged from the exploration arm of African Diamonds, which in joint venture with De Beers, discovered Karowe.

We are very active with a series of actual and potential operations in the country both 100% owned and in joint venture. The operations range from an existing closed mine (Ghaghoo), a significant diamond discovery (KX36), late stage exploration (Sunland), to early stage prospecting using a very large data base (Sekaka).

Ghaghoo is a well-known diamond mine located in the Central Kalahari. As announced earlier this year in August, Okwa Diamonds, a joint venture with Vast Resources plc in which we have an initial 10% carried interest, conditionally agreed to acquire Gem Diamonds Botswana whose primary asset is the fully permitted Ghaghoo diamond mine in central Botswana which is currently under care and maintenance. BOD in a joint venture with Vast Resources, are proposing to acquire the mine and plant. BOD can also earn up to a further 20% interest in Okwa through funding 20% of expenditure.

A resource estimate for Ghaghoo was prepared by Venmyn with an effective date of 1 January 2014 which reported SAMREC compliant Indicated Resource based on which the Ghaghoo deposit is estimated to contain 20.5 million carats at a value likely to be in excess of $200 a carat. The mine and plant, currently on care and maintenance, has an output capacity of between 300,000 and 400,000 carats a year. The mine operated for a short period of time but a combination of lower diamond prices and operational difficulties with water and sand ingress led to a shutdown. BOD has done extensive due diligence and believes that the difficulties with sand and water can be handled and that changes to operating equipment such as solar power instead of diesel and new diamond sorting technology can make the mine cash positive. It is expected that the acquisition should complete in the early part of 2022.

This is a very rare opportunity to acquire a proven deposit of good gem quality stones together with a built mine and full plant. Initial work will involve processing the dumps, mine dewatering and an updated feasibility study. We will work closely with the Botswana authorities who are eager to see the mine restart.

Some 70kms south of Ghaghoo lies the 100% BOD owned KX36 deposit with a historic SAMREC compliant Indicated Resource containing 8.6m carats of diamonds. This deposit was hailed as a new frontier in diamonds when first discovered by Petra Diamonds. The site contains an inventory of plant and equipment which is being maintained. Resource estimates in 2016 include an Indicated Resource of 17.9m tonnes at 35 carats per hundred tonnes (cpht) and an Inferred Resources of 6.7m tonnes at 36 cpht. The overall value per carat ranges from $65-107 per carat. More recent modelling by BOD suggest improved overall grades of between 57 and 76 cpht. BOD acquired the property plant and database for $300,000 US and a 5% royalty on diamond production.

Kimberlite pipes normally come in clusters; so it is believed that other pipes exist in the vicinity. BOD holds two prospecting licences adjacent to KX36. Exploration is planned on the licences.

KX36, being located in the Kalahari desert, is remote with almost no infrastructure; so a restart of Ghaghoo some 70kms away will help with infrastructure and supplies and enhances the possibility of development. The possibility of mining at KX36 and processing at Ghaghoo is one such scenario. I cannot over-emphasise the value of having a combined inferred and indicated resource of 29 million carats of diamonds. Diamonds are hard to find, very hard. 29 million carats is significant. The two discoveries, though remote, are in the best diamond address in the world. BOD is working to reopen Ghaghoo after which the feasibility of KX36 will be examined.

Turning now to our exploration activities.

BOD has a JV with Diamexstrat / Burgundy whereby the extensive BOD diamond database is being analysed by Diamexstrat, with the objective of targets being identified and drilled. Depending on the licence BOD has either a carry or an earn-in. The first phase work is completed and targets identified.

BOD holds 100% of licences in the Kalahari in areas adjacent to Ghaghoo and KX36. Extensive early-stage work has been done on the ground. Assuming positive mineral chemistry on the samples recovered, a decision will be made on a drilling programme.

BOD has a 15% interest in the Maibwe joint venture, where BCL, a state-owned copper nickel producer, owns 51%. BCL was due to complete an exploration programme but went into liquidation. After some years in limbo it is expected that BCL will shortly be sold. It is also expected that Maibwe will be sold off. BOD, in partnership with a local Botswana company, Future Minerals, has made an offer for the BCL stake. Maibwe identified 4 kimberlite pipes. Work to date has found extensive diamonds in one of these pipes.

South Africa

We believe that South Africa has become more competitive for investment due to lower royalties and clarification of the shares to be given to local investors (26%). The extensive history of diamonds in South Africa has left a treasure trove of data. The best chance to find a new diamond mine is often where there is or was a mine. The uncertainties of recent years has meant that many companies have abandoned the country leaving open ground. BOD personnel have identified a series of potential opportunities in the country.

Our exploration vehicle in South Africa is Vutomi Mining and we announced in September that we had exercised our pre-emptive right to acquire the outstanding third-party interests and which, on completion, will be 74% owned by BOD and 26% owned by Baroville our local empowerment partner when final approvals are granted. The focus of Vutomi is the Thorny River advanced stage project.

Thorny River is a kimberlite dyke system located close to the fabled Marsfontein and Klipspringer mines. BOD has a very specific focus in Thorny River – to identify blows or swells in the kimberlite dykes which could contain high concentrations of good quality diamonds. Significant work has been undertaken on potential blows discovered by geophysics. Three drilling programmes have been undertaken with success, discovering the River Blow, the River Expansion Blow and recently a drilling programme joined the two blows into one orebody. Work is ongoing to produce a 3D model of the combined structures which will enable BOD to estimate the overall volume of kimberlite. Analysis of the River Blow indicated 46-74 cpht with a diamond value of $120 to 220 US per carat. These figures are consistent with results in the overall dyke system. The stones recovered to date are of good size, clarity, colour and quality.

The next step is to look at the feasibility of commercial production by open cast mining. In addition we need to continue to explore to increase the volume. Ongoing work has identified ten possible blows of which four are close to the existing discoveries.

Other opportunities exist on the ground in the area, particularly the Marsfontein gravels which have a potential for low-cost mining. This opportunity plus others on Vutomi-owned licences are on the back burner while Thorny River is being evaluated.

Future

This is a time of great opportunity for BOD but the market has not yet realised it. As a junior explorer we have punched well above our weight by joint venturing with companies with finance and/or projects.

The coming months will be very significant. While we are a minority partner, when the acquisition of Ghaghoo is completed we will be the operator. A recovering diamond price improves value of the 10% carry and the 20% earn-in gives us potentially a significant stake at no upfront cost. The joint venture with Diamexstrat has identified some exciting targets which need to be drilled, again at no cost to BOD. I am sure that the inclusion of the 100% owned KX36 diamond discovery will be a powerful asset to our portfolio as activities in Botswana grow.

The drilling campaign in South Africa has been positive. The current modelling will assist in evaluating the commerciality of what we have; but note that our work has identified other anomalies likely to be blows, some of

which are bigger than anything we have to date. The Marsfontein mine within kilometres of our blows was so rich in diamonds that the capital investment was paid back in 4.5 days.

Following outside interest in acquiring Vutomi Mining, we exercised our pre-emptive right to acquire the shares we did not own at the same price as the offer and we will have 74% of the equity when all approvals are granted.

The stock markets in recent years has been a hostile place for junior explorers including diamonds. Explorers need continued funding at least until a discovery goes into commercial production. A small group of investors have supported placings in BOD and I anticipate that this will continue. We have moved a very long way from a greenfield explorer. We now have a pipeline of projects at various stages of development.

John Teeling
Chairman

3rd December 2021

Annual Report and Notice of Annual General Meeting

The Company's Annual Report and Accounts for the year ended 30 June 2021 (the "Annual Report") will be mailed shortly only to those shareholders who have elected to receive it. Otherwise, shareholders will be notified that the Annual Report and Accounts will be available on the website at www.botswanadiamonds.co.uk. Copies of The Annual Report will also be available for collection from the company's registered office at Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB

The Annual General Meeting ("AGM") is due to be held on 27th January 2022 at The Hilton London Paddington, 146 Praed St, London W2 1EE, United Kingdom at 11.00am. A Notice of the AGM will be included in the Annual Report.

Coronavirus (Covid-19)

The Board continues to closely monitor developments in relation to the Covid-19 pandemic and the health and wellbeing of the Shareholders and the Company's employees continue to remain of paramount importance. At the date of this announcement, there are limited restrictions in England on public gatherings of the nature envisaged for the Meeting, but this situation may have changed at the date of the Meeting. All Shareholders are encouraged to exercise their right to vote by appointing the Chairman of the Meeting as their proxy. If a Shareholder appoints any person other than the Chairman of the Meeting to act as their proxy, that person (for their own safety, and for the safety of others) may not be granted access to the Meeting and in such circumstances their appointing Shareholder's votes would not be counted. If law and/or guidance requires us to restrict entry to the Meeting, it is intended that it would be convened in accordance with the Company's Articles of Association and in line with the UK Government guidance. In such circumstances, the Company would make arrangements such that the legal requirements to hold the Meeting can be satisfied through the physical attendance of a minimum number of people required to form a quorum under the Company's Articles of Association and who are essential for the business of the Meeting to be conducted. These attendees would be officers or employees of the Company.

In view of the continuing risk posed by Covid-19, we reserve the right to put in place arrangements to protect attendees from any risk to their health and may refuse entry to persons who do not comply with such arrangements. In particular, Shareholders are reminded that they should not attend the Meeting in person if they or someone living in the same household feels unwell or has been in contact with anyone who has, or may have, Covid-19.

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 ("MAR"). The person who arranged for the release of this announcement on behalf of the Company was John Teeling, Director.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	£	£
Administrative expenses	**(402,089)**	(356,831)
Impairment of exploration and evaluation assets	**(70,018)**	(34,394)
OPERATING LOSS	**(472,107)**	(391,225)
LOSS FOR THE YEAR BEFORE TAXATION	**(472,107)**	(391,225)
Income tax expense	-	-
LOSS AFTER TAXATION	**(472,107)**	(391,225)
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign operations	**(85,392)**	(103,715)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(557,499)**	(494,940)
Loss per share – basic	**(0.06p)**	(0.06p)
Loss per share – diluted	**(0.06p)**	(0.06p)

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021

	30/06/2021	30/06/2020
	£	£
ASSETS:		
NON CURRENT ASSETS		
Intangible assets	**8,194,032**	8,086,573
Plant and equipment	**206,788**	-
	8,400,820	8,086,573
CURRENT ASSETS		
Other receivables	**42,038**	25,387
Cash and cash equivalents	**164,658**	17,994
	206,696	43,381
TOTAL ASSETS	**8,607,516**	8,129,954
LIABILITIES:		
CURRENT LIABILITIES		
Trade and other payables	**(744,149)**	(432,488)
TOTAL LIABILITIES	**(744,149)**	(432,488)
NET ASSETS	**7,863,367**	7,697,466
EQUITY		
Called-up share capital – deferred shares	**1,796,157**	1,796,157
Called-up share capital – ordinary shares	**1,981,805**	1,678,055
Share premium	**10,984,362**	10,564,712
Share based payment reserves	**111,189**	111,189
Retained deficit	**(5,704,805)**	(5,232,698)
Translation reserve	**(322,054)**	(236,662)
Other reserve	**(983,287)**	(983,287)
TOTAL EQUITY	**7,863,367**	7,697,466

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Translation Reserve £	Other Reserves £	Total £
At 30 June 2019	3,237,545	10,300,379	111,189	(4,841,473)	(132,947)	(983,287)	7,691,406
Issue of shares	236,667	281,333	-	-	-	-	518,000
Share issue expenses	-	(17,000)	-	-	-	-	(17,000)
Loss for the year and total comprehensive income	-	-	-	(391,225)	(103,715)	-	(494,940)
At 30 June 2020	3,474,212	10,564,712	111,189	(5,232,698)	(236,662)	(983,287)	7,697,466
Issue of shares	**303,750**	**425,250**	-	-	-	-	**729,000**
Share issue expenses	-	**(5,600)**	-	-	-	-	**(5,600)**
Loss for the year and total comprehensive income	-	-	-	**(472,107)**	**(85,392)**	-	**(557,499)**
At 30 June 2021	**3,777,962**	**10,984,362**	**111,189**	**(5,704,805)**	**(322,054)**	**(983,287)**	**7,863,367**

Share Premium

The share premium reserve comprises of a premium arising on the issue of shares. Share issue expenses are deducted against the share premium reserve when incurred.

Share Based Payment Reserve

The share based payment reserve arises on the grant of share options under the share option plan.

Retained Deficit

Retained deficit comprises of losses incurred in the current and prior years.

Translation Reserve

The translation reserve arises from the translation of foreign operations.

Other Reserves

During 2010 the Company acquired certain assets and liabilities from African Diamonds plc, a Company under common control. The assets and liabilities acquired were recognised at their book value and no goodwill was recognised on acquisition. The difference between the book value of the assets acquired and the purchase consideration was recognised directly in reserves.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	30/06/2021	30/06/2020
	£	£
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	**(472,107)**	(391,225)
Foreign exchange (gains)/losses	**(4,187)**	4,796
Impairment of exploration and evaluation assets	**70,018**	34,394
	(406,276)	(352,035)
MOVEMENTS IN WORKING CAPITAL		
Increase in trade and other payables	**112,417**	19,701
(Increase)/decrease in other receivables	**(16,651)**	14,842
NET CASH USED IN OPERATING ACTIVITIES	**(310,510)**	(317,492)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to exploration and evaluation assets	**(262,869)**	(174,530)
NET CASH USED IN INVESTING ACTIVITIES	**(262,869)**	(174,530)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	**729,000**	518,000
Share issue costs	**(5,600)**	(17,000)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**723,400**	501,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	**150,021**	8,978
Cash and cash equivalents at beginning of the financial year	**17,994**	13,812
Effect of foreign exchange rate changes	**(3,357)**	(4,796)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	**164,658**	17,994

1. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these financial statements are consistent with those published in the Group's Annual Report for the year ended 30 June 2020.

The financial statements have also been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial information set out below does not constitute the Group's financial statements for the year ended 30 June 2021 or 30 June 2020, but is derived from those accounts. The financial statements for the year ended 30 June 2020 have been delivered to Companies House and those for the year ended 30 June 2021 will be delivered to Companies House shortly

The auditors have reported on the 2021 statements; their report was unqualified with an emphasis of matter in respect of considering the adequacy of the disclosures made in the financial statements concerning the valuation of intangible assets, and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

2. GOING CONCERN

The Group incurred a net loss for the year of £557,499 (2020: loss of £494,940) after exchange differences on retranslation of foreign operations of £85,392 (2020: £103,715) at the balance sheet date. The Group had net current liabilities of £537,453 (2020:£ 389,107) at the balance sheet date. These conditions represent material uncertainties that may cast doubt on the Group's ability to continue as a going concern.

The directors have prepared cashflow projections and forecasts for a period of not less than 12 months from the date of this report which indicate that the group will require additional funding for working capital requirements and develop existing projects. As the Group is not revenue or cash generating it relies on raising capital from the public market. On 25 October 2021 the Group raised £550,000 by placing 55,000,000 new ordinary shares and related warrants. Further details are outlined in Note 9.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

3. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the profit or loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets forth the computation for basic and diluted earnings per share (EPS):

	2020	2020
	£	£
Numerator		
For basic and diluted EPS – loss after taxation	**(472,107)**	(391,225)
Denominator	**No.**	No.
For basic and diluted EPS	**739,571,217**	642,643,820
Basic EPS	**(0.06p)**	(0.06p)
Diluted EPS	**(0.06p)**	(0.06p)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of shares for the purposes of the diluted earnings per share:

	No.	No.
Share options	**11,410,000**	11,410,000

4. INTANGIBLE ASSETS

Exploration and evaluation assets:

	2021	2020
	£	£
Cost:		
At 1 July	**9,385,051**	9,299,236
Additions	**262,869**	189,530
Exchange losses	**(85,392)**	(103,715)
At 30 June	**9,562,528**	9,385,051
Impairment:		
At 1 July	**1,298,478**	1,264,084
Impairment	**70,018**	34,394
At 30 June	**1,368,496**	1,298,478
Carrying Value:		
At 1 July	**8,086,573**	8,035,152
At 30 June	**8,194,032**	8,086,573

Segmental analysis	**2021**	2020
	£	£
Botswana	**7,042,620**	7,024,389
South Africa	**1,151,412**	1,038,411
Zimbabwe	**-**	23,773
	8,194,032	8,086,573

Exploration and evaluation assets relate to expenditure incurred in exploration for diamonds in Botswana and South Africa. The directors are aware that by its nature there is an inherent uncertainty in exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalized exploration and evaluation assets.

To date the Group incurred expenditure of £58,815 on exploring for new licences in Zimbabwe and £11,203 miscellaneous costs. As at year end no licences have been granted. Therefore, the directors have decided to impair the costs. Accordingly, an impairment of £70,018 (2020: £34,394) has been recorded by the Group in the current year.

On 11 November 2014 the Brightstone block was farmed out to BCL Investments (Proprietary) Limited, a Botswana Company, who assumed responsibility for the work programme. Botswana Diamonds will retain a 15% equity interest in the project.

On 6 February 2017 the Group entered into an Option and Earn-In Agreement with Vutomi Mining Pty Ltd and Razorbill Properties 12 Pty Ltd (collectively known as 'Vutomi'), a private diamond exploration and development firm in South Africa. Pursuant to the terms of the Agreement, Botswana Diamonds earned a 40% equity interest in the project. More recently a separate agreement for funding of exploration resulted in the Company's interest in Vutomi increasing from 40% to 45.94%.

The realisation of these intangible assets is dependent on the successful discovery and development of economic diamond resources and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of significant potential risks, as set out below:

The Group's exploration activities are subject to a number of significant and potential risks including:

- licence obligations;
- exchange rate risks;
- uncertainties over development and operational costs;
- political and legal risks, including arrangements with governments for licenses, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- title to assets;
- financial risk management ;
- going concern; and
- operational and environmental risks.

Included in additions for the year are £Nil (2020: £ Nil) of share based payments, £14,225 (2020: £14,599) of wages and salaries and £65,553 (2020: £76,910) of directors' remuneration which has been capitalized. This is for time spent directly on the operations rather than on corporate activities.

5. PLANT AND EQUIPMENT

	2021	2020
	£	£
At 1 July	-	-
Additions	**206,788**	-
At 30 June	**206,788**	-

On 18 July 2020 the Group entered into an agreement to acquire the KX36 Diamond discovery in Botswana, along with two adjacent Prospecting Licences and a diamond processing plant. These interests are part of a package held by Sekaka Diamond Exploration (Pty) Ltd. The acquisition was completed on 20 November 2020. The diamond processing plant is 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.

6. CALLED-UP SHARE CAPITAL

Deferred Shares– nominal value of 0.75p	**Number**	**Share Capital £**	**Share Premium £**
At 1 July 2019 and 2020	239,487,648	1,796,157	-
At 30 June 2020 and 2021	**239,487,648**	**1,796,157**	**-**

Ordinary Shares - nominal value of 0.25p **Allotted, called-up and fully paid:**	**Number**	**Share Capital £**	**Share Premium £**
At 1 July 2019	576,555,235	1,441,388	10,300,379
Issued during the year	94,666,667	236,667	281,333
Share issue expenses	-	-	(17,000)
At 30 June 2020	671,221,902	1,678,055	10,564,712
Issued during the year	**121,500,000**	**303,750**	**425,250**
Share issue expenses	**-**	**-**	**(5,600)**
At 30 June 2021	**792,721,902**	**1,981,805**	**10,984,362**

Movements in share capital

On 18 July 2019, the Company raised £250,000 through the issue of 50,000,000 new ordinary shares of 0.25p each at a price of 0.50p per share to provide additional working capital and fund development costs.

On 18 November 2019, a total of 1,000,000 warrants were exercised at a price of 0.60p per warrant for £6,000.

On 28 January 2020, the Company raised £250,000 through the issue of 41,666,667 new ordinary shares of 0.25p each at a price of 0.60p per share to provide additional working capital and fund development costs. Each placing share has one warrant attached with the right to subscribe for one new ordinary share at 0.6p per share for a period of two years from 28 January 2020.

On 12 June 2020, a total of 2,000,000 warrants were exercised at a price of 0.60p per warrant for £12,000.

On 7 September 2020, the Company raised £300,000 through the issue of 50,000,000 new ordinary shares of 0.25p each at a price of 0.60p per share to provide additional working capital and fund development costs. Each placing share has one warrant attached with the right to subscribe for one new ordinary share at 0.6p per share for a period of two years from 7 September 2020.

On 22 January 2021, the Company raised £363,000 through the issue of 60,500,000 new ordinary shares of 0.25p each at a price of 0.60p per share to provide additional working capital and fund development costs. Each placing share has one warrant attached with the right to subscribe for one new ordinary share at 0.6p per share for a period of two years from 23 January 2021.

On 13 May 2021, a total of 11,000,000 warrants were exercised at a price of 0.60p per warrant for £66,000.

7. SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant.

Fair value is measured by use of a Black-Scholes valuation model.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant.

SHARE OPTIONS

	30/06/2021 Options	**2021 Weighted average exercise price in pence**	30/06/2020 Options	2020 Weighted average exercise price in pence
Outstanding at beginning of year	**11,410,000**	**5.14**	11,410,000	5.14
Issued	-	-	-	-
Outstanding at end of the year	**11,410,000**	**5.14**	11,410,000	5,14
Exercisable at end of the year	**11,410,000**	**5.14**	11,410,000	5.14

WARRANTS

	30/06/2021 Warrants	**2021 Weighted average exercise price in pence**	30/06/2020 Warrants	2020 Weighted average exercise price in pence
Outstanding at beginning of year	**105,939,394**	**0.60**	67,272,727	0.60
Issued	**110,500,000**	**0.60**	41,666,667	0.60
Exercised	**(11,000,000)**	**0.60**	(3,000,000)	0.60
Expired	**(66,272,727)**	**0.60**	-	-
Outstanding at end of the year	**139,166,667**	**0.60**	105,939,394	0.60

Refer to note 6 Called up Share Capital for the details of the share options and warrants.

8. POST BALANCE SHEET EVENTS

On 23 August 2021 the Company announced that Okwa Diamonds Pty Ltd, a joint venture with Vast Resources plc ("VAST") in which Botswana Diamonds 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.

The Company has an initial free carried interest of 10% in Okwa Diamonds Pty Ltd ("Okwa") for the first US$15 million of expenditure by Okwa, which is being funded by VAST (including the acquisition cash consideration). Thereafter, Botswana Diamonds will not be diluted below 2.5% of Okwa. Botswana Diamonds can also earn up to a further 20% interest in Okwa through funding 20% of expenditure. Under the terms of the joint venture with VAST, Botswana Diamonds will be the operator of the Ghaghoo mine until such time as an agreed management team is in place.

The acquisition of GDB is conditional, *inter alia*, on relevant regulatory and competition authority approvals in Botswana

On 29 September 2021 the Company exercised its pre-emptive right to acquire the outstanding third-party interests in Vutomi Mining (Proprietary) Limited and Razorbill Properties 12 (Proprietary) Limited.

Vutomi holds the mineral rights to the Thorny River Diamond Project as well as other exploration assets.

The consideration for Vutomi comprises 56,989,330 new ordinary shares in Botswana Diamonds plc which, at the closing mid-market price on 28 September 2021 of 1.10p per share, is valued at £626,883.

There are no lock-in arrangements, but the consideration shares will be issued in two equal tranches (three months apart) following Completion. Completion is subject to a number of conditions (with a long stop date of 22 September 2022 unless otherwise agreed between the parties).

The Company expects the conditions to be fulfilled and the transaction to complete during Q2 2022.

The Company has further agreed that, immediately on completion of the acquisition, the Company will sell 26% of Vutomi for a deferred consideration of US$316,333 to the Company's local South African Empowerment partner, Baroville, in order to comply with South African requirements on empowerment ownership, which will be funded by a loan from Botswana Diamonds.

On completion, the Company will own 74% of Vutomi.

The Company has separately agreed to sell its interests in Evoid to Red Sky Trust. Evoid is currently dormant and holds the Mooikloof prospecting licence and Palmietgat prospecting licence on which very limited work has been carried out to date. Red Sky has agreed that as soon as Evoid has the available cash to do so, Evoid will settle the outstanding shareholder loans provided by the Company to Evoid and which amounts to ZAR320,374 (equivalent to approximately £16,000). There is no further consideration payable. Any consideration received from the sale to Baroville and Red Sky will be retained for working capital.

On 25 October 2021 the Company announced that it had raised £550,000 via the issue of 55,000,000 new ordinary shares at a placing price of 1p per share. Each share has one warrant attached with the right to subscribe for one new ordinary share at 2p per new ordinary share for a period of three years from 25 October 2021 being the date of the warrants issue.

9. GENERAL INFORMATION

The Annual Report and Accounts will be mailed shortly only to those shareholders who have elected to receive it. Otherwise, shareholders will be notified that the Annual Report and Accounts will be available on the website at www.botswanadiamonds.co.uk. Copies of The Annual Report will also be available for collection from the company's registered office at Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB

10. ANNUAL GENERAL MEETING

The Annual General Meeting is due to be held 27th January 2022 at The Hilton London, Paddington, 146 Praed St, London W2 1EE, United Kingdom at 11.00am. A Notice of the Annual General Meeting is included in the Company's Annual Report.

ENDS