

BOTSWANA DIAMONDS PLC

Corporate Presentation – December 2019



BOTSWANA
DIAMONDS PLC

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BOTSWANA DIAMONDS PLC

At a glance

AIM: BOD, BSE: BOD ————— Diamond explorer listed in **London & Botswana**

TECHNOLOGY ————— Using **third generation exploration technology**

EXPERIENCED MANAGEMENT ————— Good history. Discovered AK6/Karowe Mine in Botswana: African Diamonds plc returned **25x investment**

VISION ————— Development of **quality**, advanced, **primary diamond** projects
Balanced project pipeline close to current or historical diamond mines.

BEST ADDRESS ————— **Botswana:** 'The Switzerland of Africa'
South Africa: under explored but with strong infrastructure
Zimbabwe: under explored, opening up for business
Kaapvaal Craton

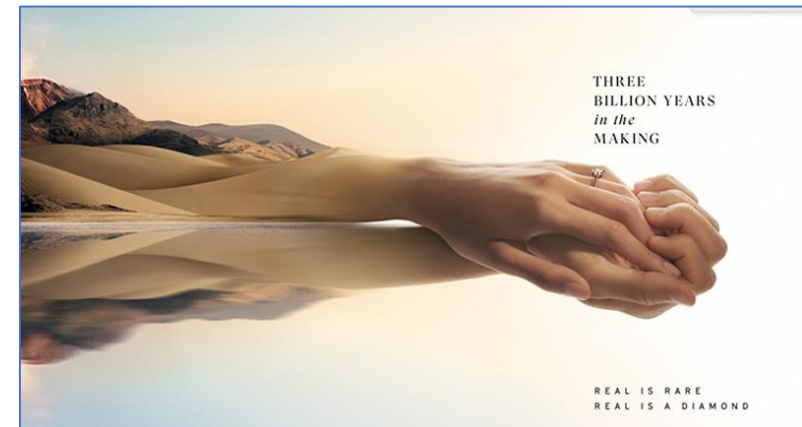
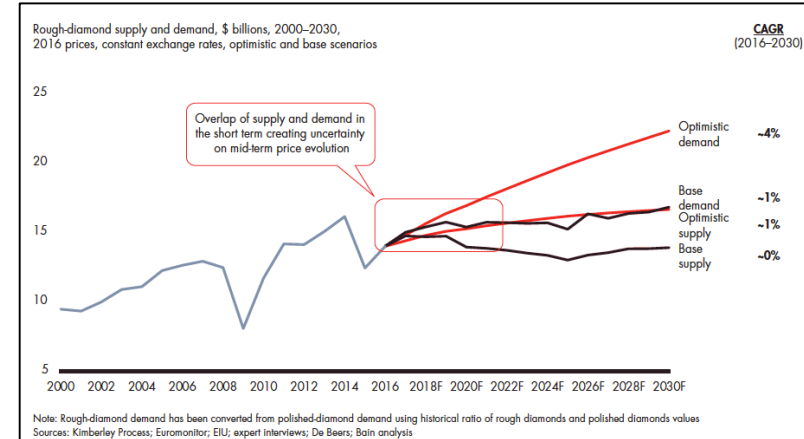
PARTNERSHIPS ————— Botswana: **BCL/Maibwe**
Risk sharing South Africa: **Vutomi Mining Pty Ltd**
Zimbabwe: **Vast Resources plc**



WHY DIAMONDS?

Positive industry fundamentals

- **Positive long-term outlook:** dwindling supply of natural diamonds due to depletion of existing mines & minimal new commercial discoveries (only Luaxe, Angola).
- The **global portfolio of diamond mines will shrink** from over 50 commercial mines today to c.14 by 2040. Production in carat volume will fall from 145 million carats to c.60 million carats
- **US expected to continue to lead demand** for diamond jewellery with real GDP growth between 2 and 3%
- **China and India are the major growth centres**
- **Lab Grown Diamonds ('LGD') prices are falling** and will continue to fall. Over time it is believed that consumers will view LGD's as fashion jewellery



HIGHLIGHTS

Four ventures on the highly prospective Kaapvaal Craton

Sunland Minerals (Botswana)

Grass roots exploration on 8 Licenses in the Orapa and Kalahari regions. Drill ready targets

Maibwe Joint Venture with BCL (Botswana)

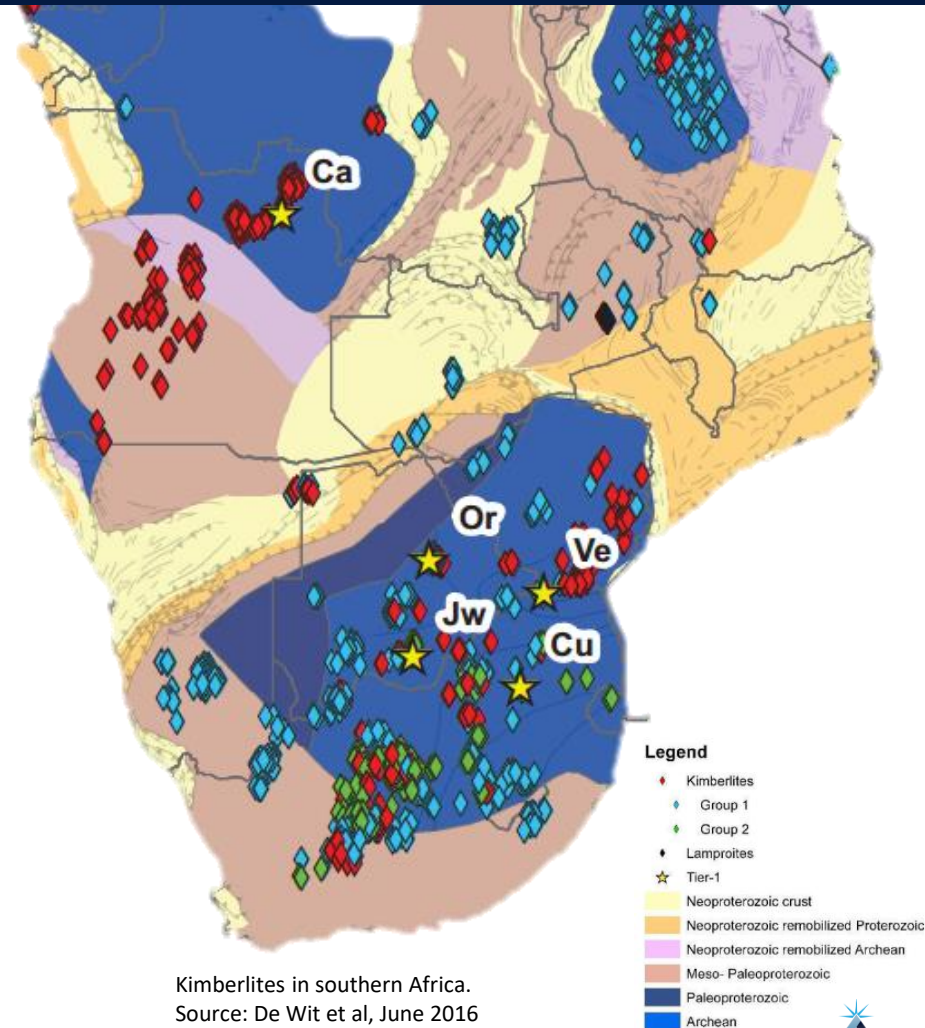
JV on a block of 10 licences in the Kalahari with partners BCL, Future Minerals & Siseko. Abundant microdiamonds discovered in earlier drilling

Vutomi Earn-In (South Africa)

Ramping-up production on the Marsfontein Mining Permit and an advanced kimberlite project on Thorny River plus three other kimberlite pipe projects in the country.

Vast Resources plc (Zimbabwe)

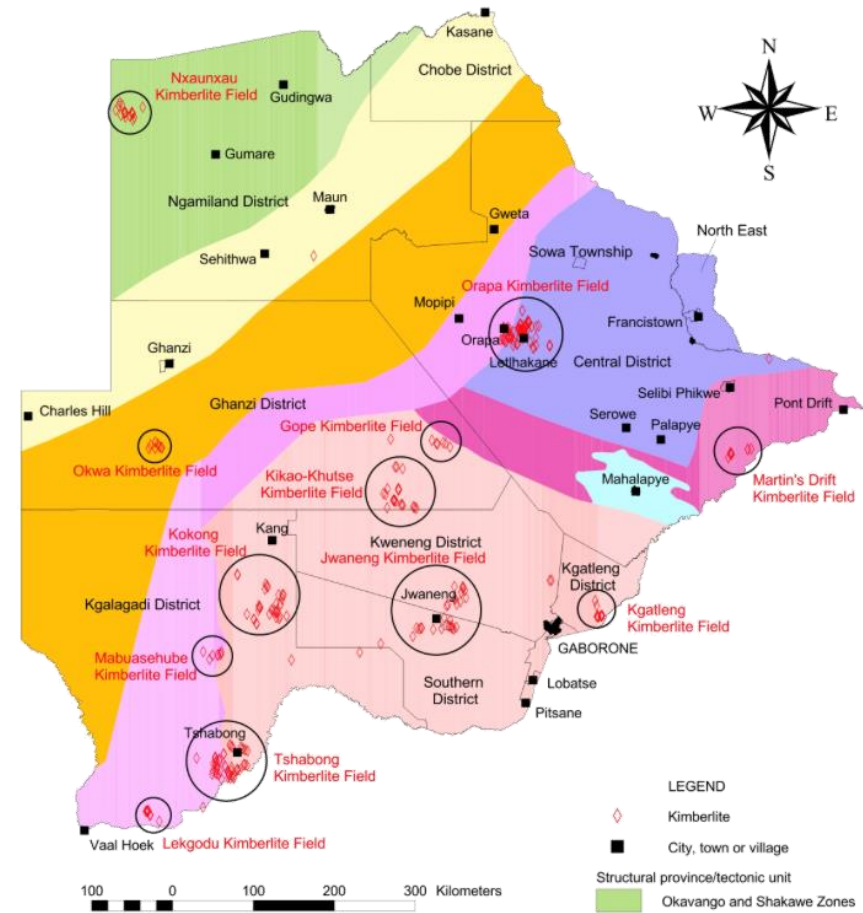
Joint venture signed for development of a concession in the prolific Marange Diamond Fields.



EXPLORATION IN BOTSWANA

World's best address for diamond investment

- Botswana is the **Switzerland of Africa**; stable, wealthy democracy
- **World's largest diamond producer** (by value) with world-leading diamond mines: Orapa, Letlhakane, Jwaneng, Damtshaa and Karowe
- Sunland Minerals: Eight Licenses in the Kalahari & Orapa
- Prospecting is chiefly focused in the Kalahari where kimberlitic indicators reported over **eight high-grade geophysical anomalies**
- Four drill ready targets. Planning to drill in 2020.
- Maibwe JV: Ten Licenses in the Kalahari
 - JV owned by BCL (51%), Future Minerals (20%) & Siseko (29%). Siseko is 51% owned by BOD. BOD has a 15% carry through to BFS
 - A 2015 drilling programme **discovered kimberlites containing significant quantities of microdiamonds**
 - The liquidation of BCL has delayed the project.



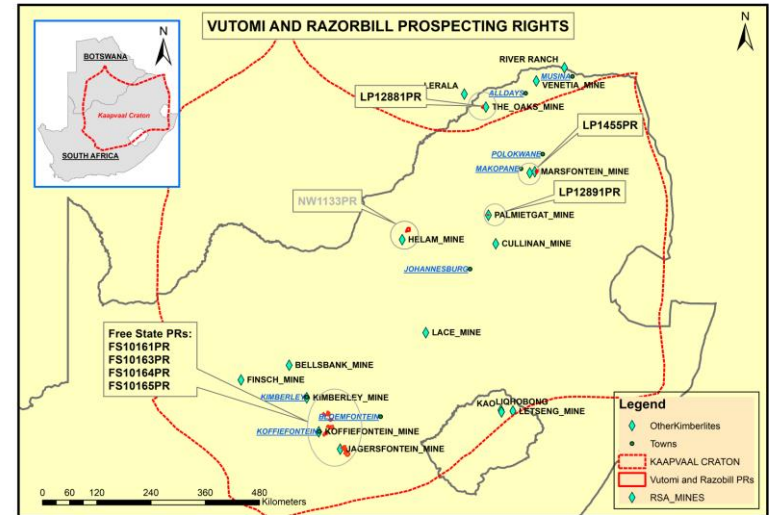
Map source: Brook, 2012 on 11KC website



EXPLORATION IN SOUTH AFRICA

Long history of diamond production

- South Africa: 700 M carats of diamonds produced since 1870 and produces in excess of **US\$1 BN of gems per year** (c.7% global supply)
- Thorny River: an extension of the **Klipspringer & Marsfontein Mine** kimberlite dyke/pipe system
 - Estimated 1.2–2.1 M tons to 100 m and **in-situ value of \$60-140/ton** on the dyke complex outlined so far.
 - Technology partner Subterrane have outlined **five drill ready targets** which could be kimberlite pipes.
 - **Royalty mining contractor** ramping-up on the Marsfontein Mining Permit which forecasts to be **cash flow generative** at negligible cost to shareholders
- Other projects, all diamondiferous kimberlite pipes:
 - Free State: **eight pipes**, next step is drilling.
 - Palmietgat **three pipes**, potential for royalty mining
 - Mooikloof: **pipe, potential for more**, desktop study



+11 Diamond Sieve



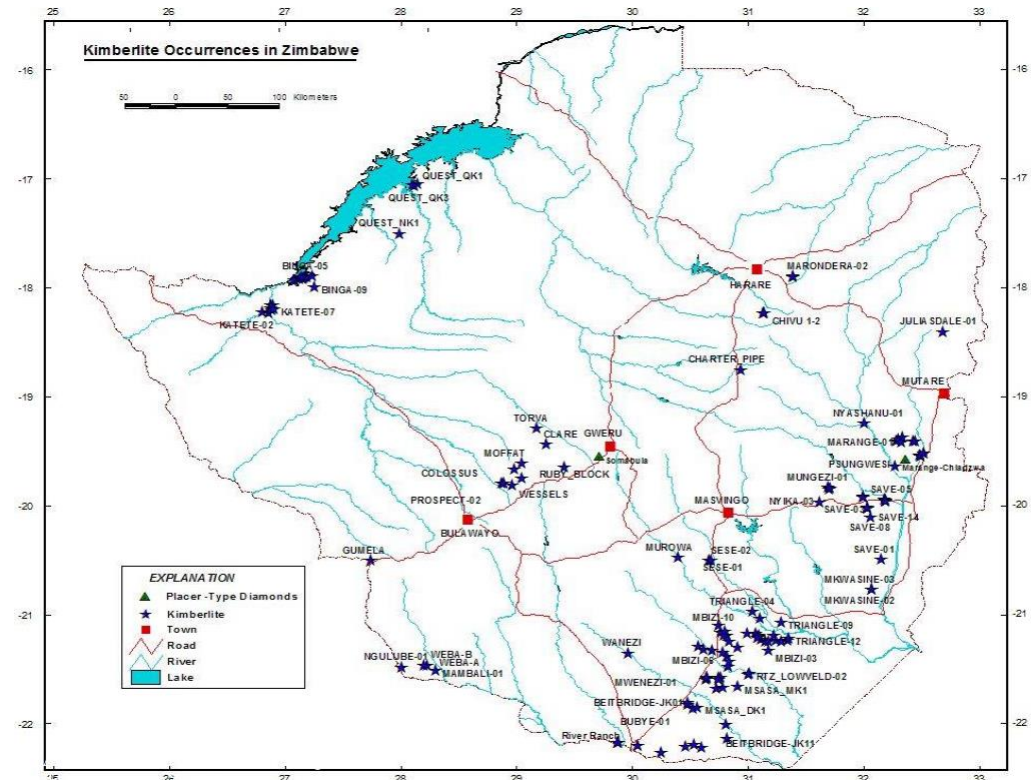
+9 Diamond Sieve



EXPLORATION IN ZIMBABWE

Open for business

- Zimbabwe:
 - Open for business following the **democratic elections**
 - History of diamond production at River Ranch, Murowa and contains the **prolific Marange Diamond Field**
- Vast Resources plc:
 - **MoU signed with Vast** to develop Zimbabwe's diamond potential
 - BOD has 2.5% of an SPV with Vast to develop the Chiadzwa Community Diamond Concession in the **Marange Diamond Fields.**
 - At an early stage in setting-up a BOD owned exploration venture in a JV with local interests.



BOTSWANA DIAMONDS PLC

2020 news flow

- Botswana
 - Drilling on **Sunland Minerals** properties
 - **Maibwe** project development
- South Africa
 - Marsfontein Mining **production**
 - Drilling of the Subterranean targets on **Thorny River**
- Zimbabwe
 - Development of a concession in the **Marange Diamond Fields**.
 - Development of **kimberlite** opportunities outside of Marange.



BOTSWANA DIAMONDS PLC

Exploration upside

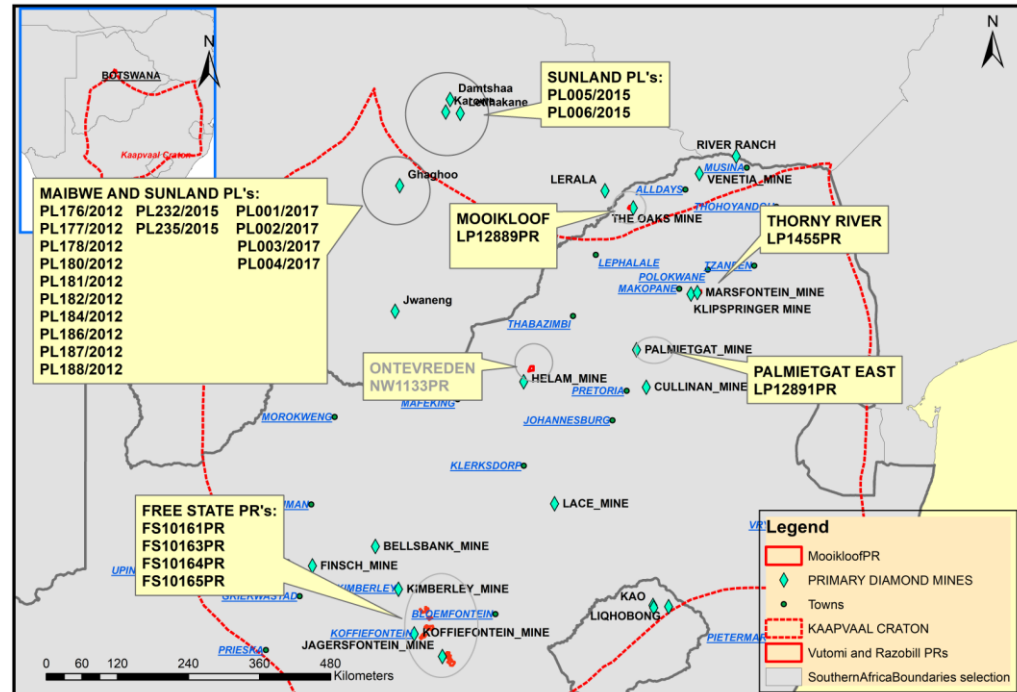
- The **only explorer active on all three major countries on the highly prospective Kaapvaal Craton** of southern Africa.
- Botswana
 - **Drilling** of high grade anomalies
 - Fresh tracts of land becoming available in the Kalahari
- South Africa
 - Using **leading edge** geophysical and structural geological techniques in the pursuit of another Marsfontein
 - **Drilling** of diamondiferous kimberlite pipes in the Free State
- Zimbabwe
 - Brown fields exploration on kimberlites last looked at **over 30-years ago**.



BOTSWANA DIAMONDS PLC

Investment proposition

- Listed on London AIM and the Botswana Stock Exchange
- Experienced team** which developed the AK6 (Karowe Mine) in Botswana
- The **right address with a balanced portfolio** of early stage and advanced kimberlite projects in South Africa, Botswana & Zimbabwe
- Risk sharing partnerships** with Vutomi, Maibwe & Vast Resources plc
- Production** from the Marsfontein Mining Permit
- Use of **fit-for-purpose technology**
- Looking at **new projects** in Botswana, South Africa and Zimbabwe with a clear set of commercial filters



BOTSWANA DIAMONDS PLC

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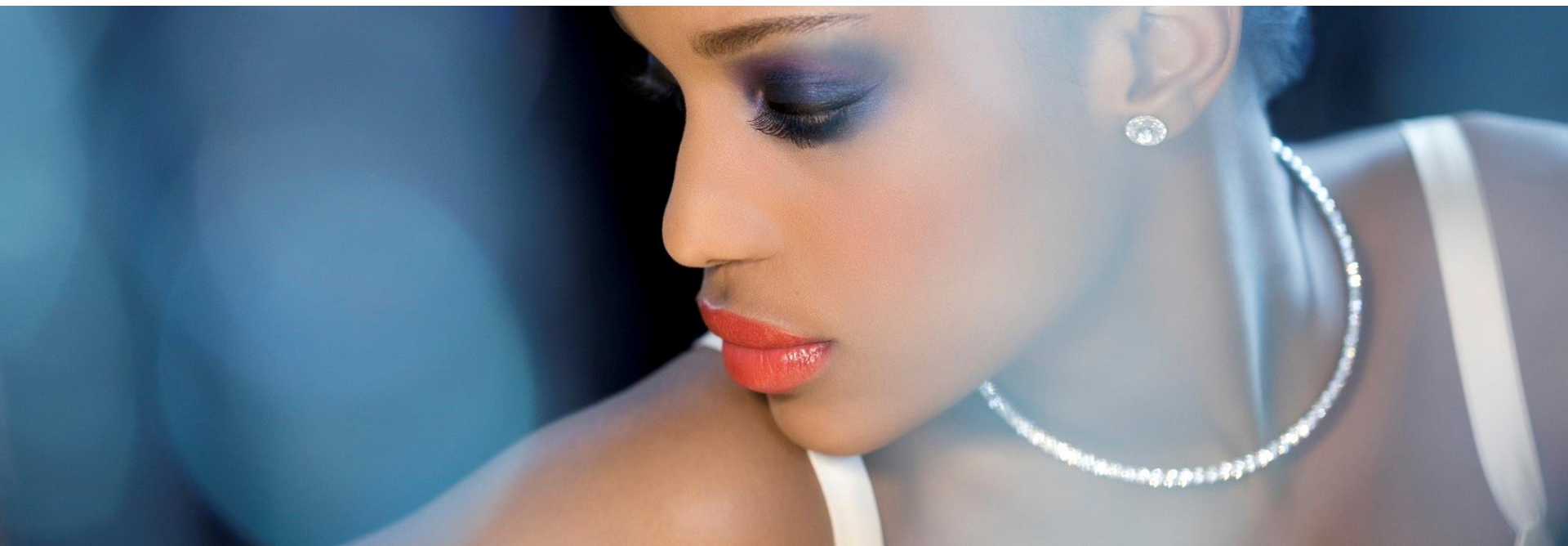


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APPENDICES

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EXPLORATION ACTIVITIES

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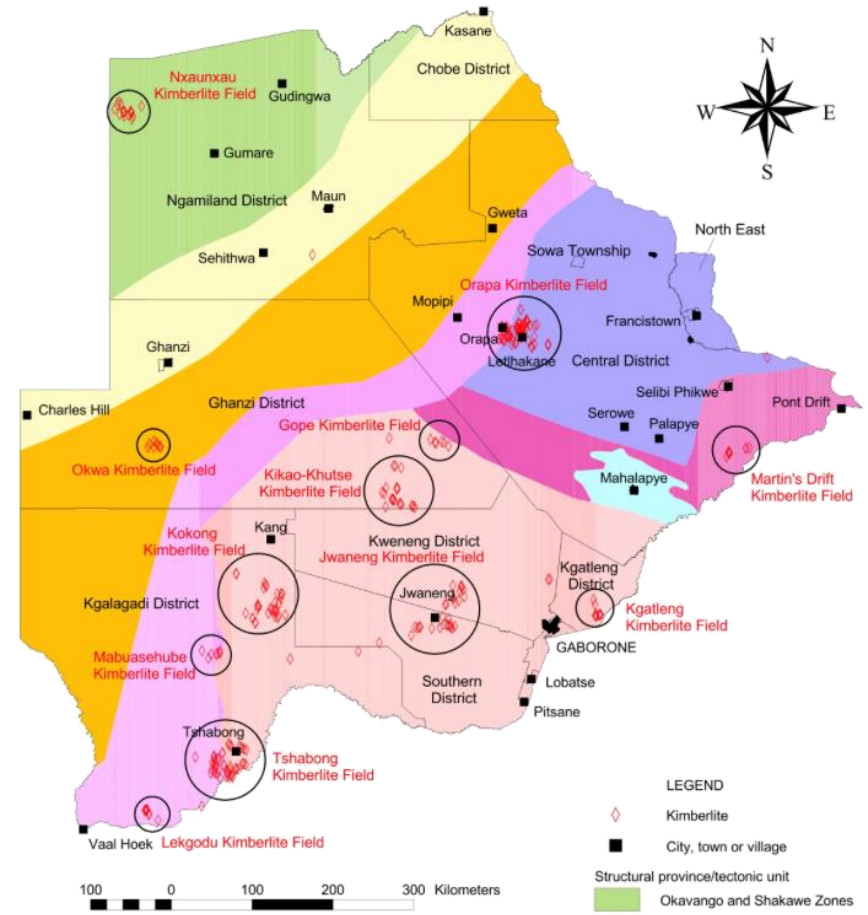


EXPLORATION IN BOTSWANA

Key country facts

Botswana IS diamond country

- World's best address for diamond investment
- The **Switzerland of Africa**; stable, wealthy democracy
- Continued political stability; rule of law; good title
- Good governance; prudent economic & natural resource management
- Robust economic growth supported by revenue flows consequent to the discovery of diamonds
- **World's largest diamond producer** (by value) with world-leading diamond mines: Orapa (1972), Letlhakane (1973), Jwaneng (1982), Damtshaa (2002) & Karowe (2012)
- Lucara's **Karowe discovered in 2004 by BOD team**, came on stream in 2012, producing exceptional large and valuable stones



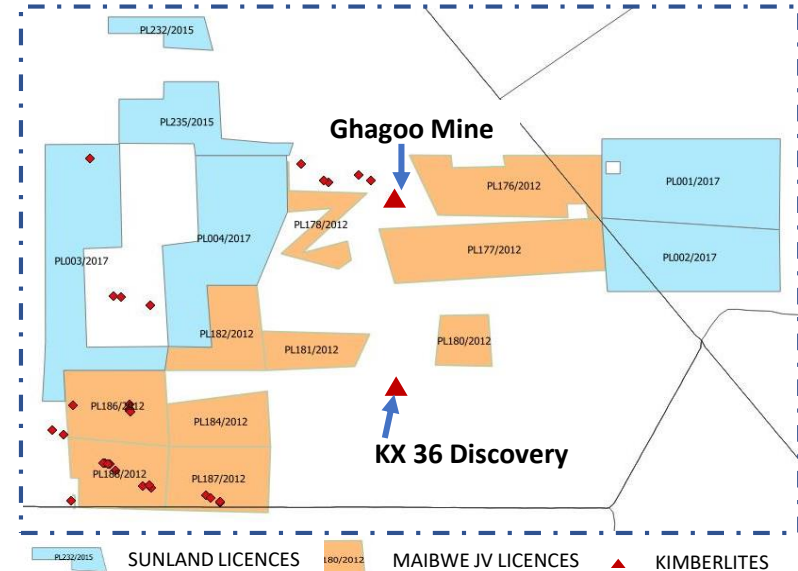
Source: Brook 2012 on 11KC Website



MAIBWE JOINT VENTURE WITH BCL

Abundant microdiamonds discovered

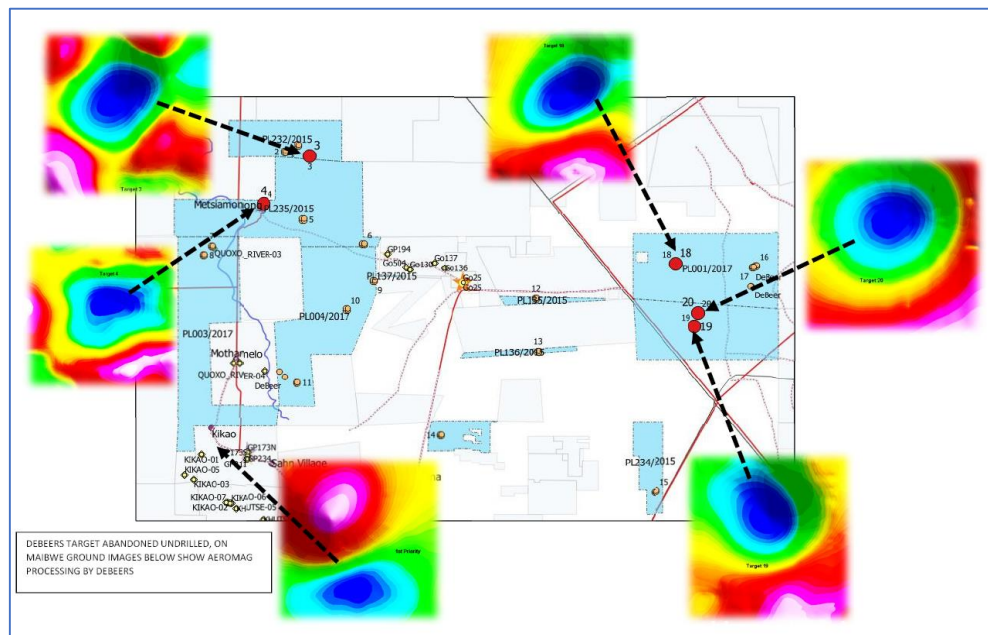
- Maibwe Joint Venture owned by BCL (51%), Future Minerals (20%) and Siseko (29%)
- Siseko is 51% owned by BOD
- BOD has a **15% carry** through to Bankable Feasibility Study
- 10 licences held by Maibwe in the Kalahari
- Surrounding area hosts Gem's Ghaghoo mine and Petra KX-36 discovery
- A 2015 drilling programme on PL 186 discovered kimberlites containing **significant quantities of microdiamonds**
- BCL is in liquidation and unable to finance an agreed work programme
- A new liquidator has been appointed and an **offer to buy BCL's share in the project has been made.**



SUNLAND MINERALS JOINT VENTURE

Abundant kimberlitic indicators discovered

- BOD owns 100% and is currently the operator of Sunland
- Eight Prospecting Licences held by Sunland Minerals:
 - Two in the Orapa area
 - Six in the Kalahari
- Prospecting is mainly focused in the Kalahari where abundant kimberlitic indicators reported over **eight high-grade geophysical anomalies** have been discovered
- **Drilling** planned for 2020 over four drill ready anomalies



Geophysical anomalies



Garnet



Chromium Diopside



Olivine



Ilmenite



EXPLORATION IN SOUTH AFRICA

Key country facts

A confluence of:

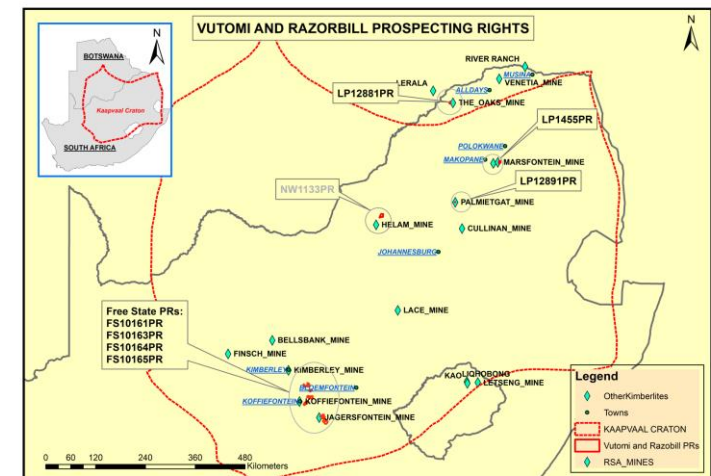
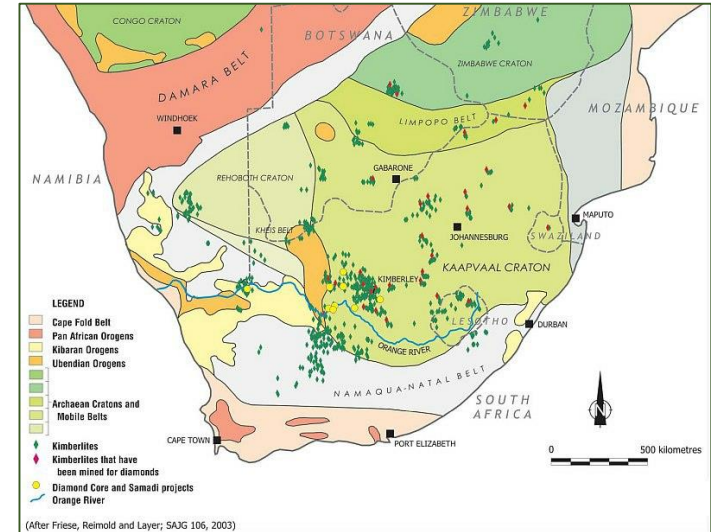
- Perceptions of high risk and barriers to entry
- A historic legacy of South Africa as the domain of De Beers, which is no longer the case
- Limited competition for exploration ground
- Latest generation diamond exploration technologies not yet applied

And the oversight of:

- Sophisticated fixed and banking infrastructures
- A long history of diamond production with some 700m carats of diamonds produced since 1870
- The county produces in excess of US\$1 billion of gems per year (c.8% of global supply)

Highlights of Vutomi earn-in:

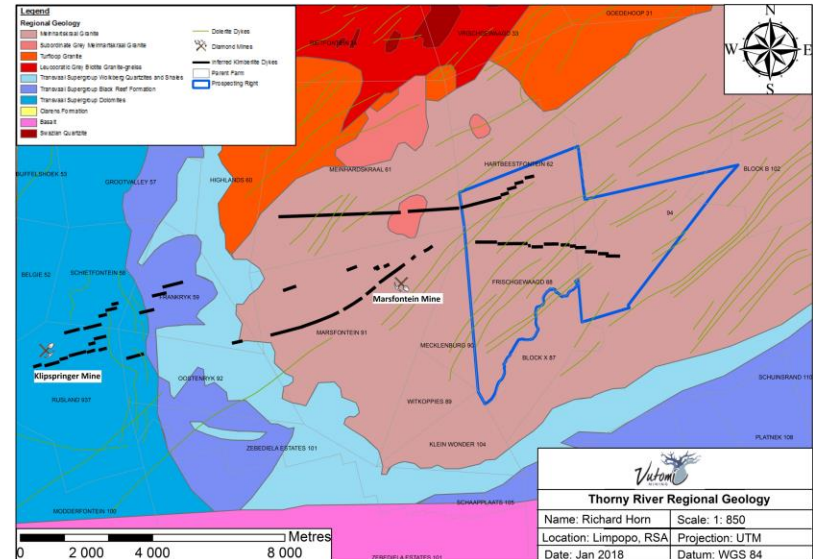
- Portfolio of highly prospective multi-stage projects in the vicinity of known diamond mines
- 20 high-interest kimberlites already identified on the various prospecting rights



VUTOMI VENTURE: THORNY RIVER

Exploration Results – advanced stage project

- Consolidation of three properties into 2,771 hectare project
- Extension of **Klipspringer & Marsfontein Mine** kimberlite dyke/pipe system
- Minimum kimberlite dyke strike length of 4 km
- Estimated 1.2 – 2.1 M tons to 100 metres
Modelled value of US\$259/ct (BCOS of +2mm) in 2016
- Estimated (modelled) Total Content grade of 46-74 cpht (BCOS +1mm) or 35-56 cpht (BCOS +2mm)
- In-situ value of **\$60-140/ton**
- **Five drill ready targets** identified by technology partner Subterrane which could be kimberlite pipes



+11 Diamond Sieve



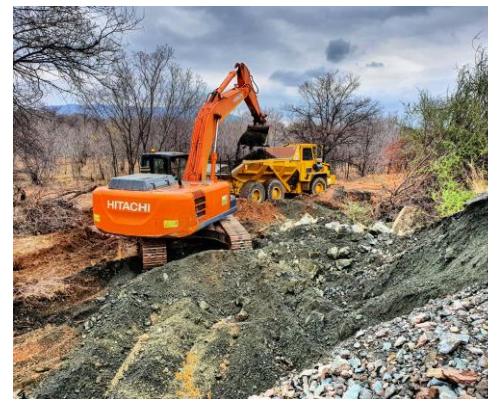
+9 Diamond Sieve



VUTOMI VENTURE : THORNY RIVER

Marsfontein Mining Permit – ramping-up production

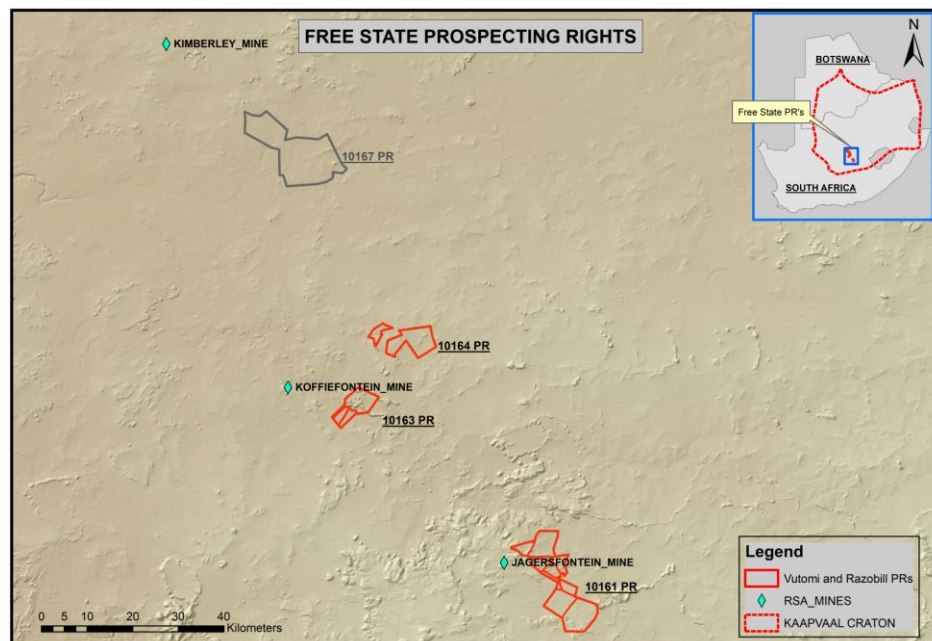
- Royalty mining agreement signed with Eurafrika Diamond Corporation to **mine the residual dumps and gravels on the farm Marsfontein.**
 - 25% of the pre-tax revenue from larger or high value “Special Stones” (any stones weighing 10.8 carats or more or valued at more than \$8,000 per carat) and
 - 5% from the standard “Run of Mine” stones accruing to Vutomi.
- Mining operations currently in the **pre-production phase** which consists of:
 - Load & haul operations
 - Processing plant which consists of primary screening, two rotary pans, grease and Flow Sort x-ray recovery.
- Plant processing rate of 200 tons per pan per day.
- Estimated c.320,000m³ of residual dumps.
- Extensive and under explored gravels.



VUTOMI VENTURE: FREE STATE KIMBERLITES

Exploration Results

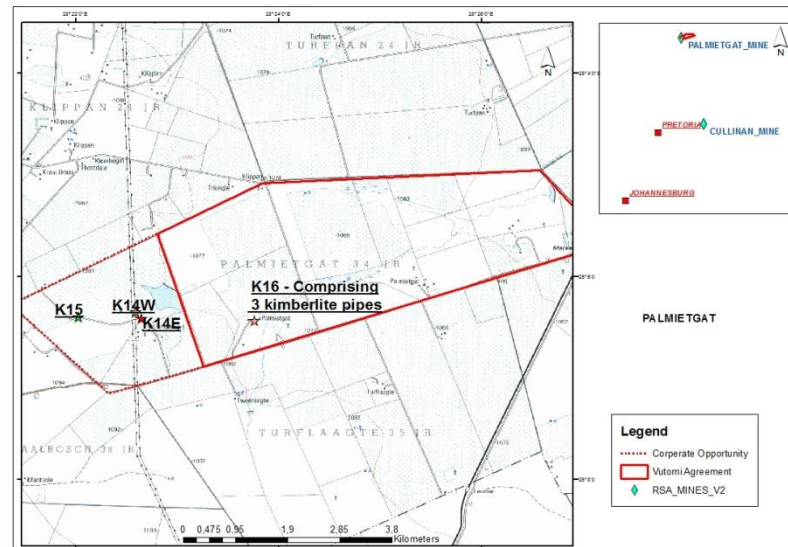
- **Eight kimberlite pipes** identified in the Free State from historical **diamond production** records and ground truthing
- Kimberlites confirmed through whole rock geochemistry
- Detailed ground geophysical survey completed with kimberlite pipe surface areas of up to 1.5 hectares
- **High interest mineral chemistry** from all eight kimberlites (3,100 grains analysed)
- **Drilling on first kimberlite planned 2020**



VUTOMI VENTURE: PALMIETGAT

Exploration Potential

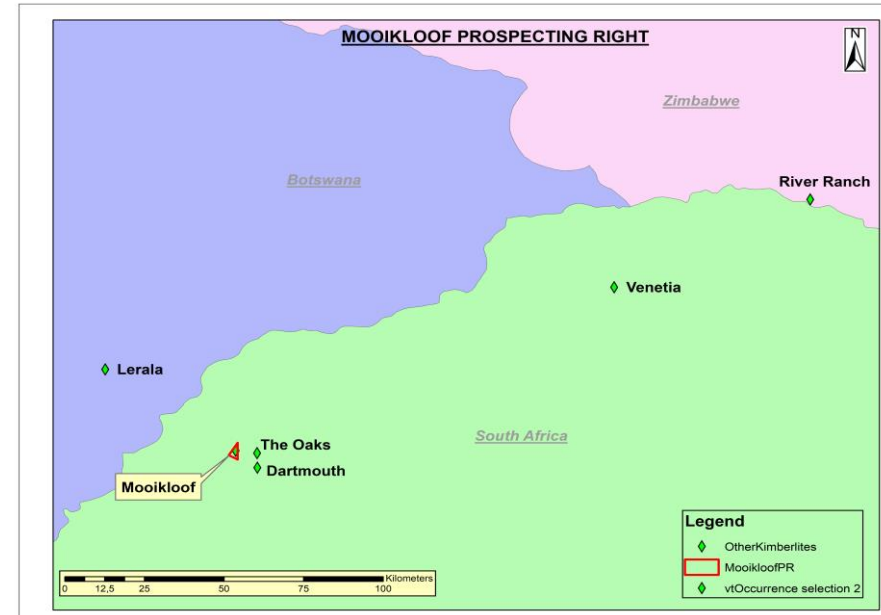
- The Palmietgat area comprises **six diamondiferous kimberlite pipes** of which three fall within the granted prospecting rights area
- Area contiguous to the Palmietgat Mine, formerly operated by Trivalence, with **production** statistics:
 - Extracted 63,379 cts of diamonds from Palmietgat during 2003-4
 - Valued at US\$60.68 per carat (US\$3.846 million)
 - Reported resources of 3.5 million tonnes at an estimated grade of 44 cpht (unknown bottom cut-off and resource classification), to a depth of 110 metres for three of the kimberlites



VUTOMI VENTURE : MOOIKLOOF

Exploration Potential

- 2.5 hectare **diamoniferous kimberlite pipe** discovered by De Beers in 1986
- Adjacent to The Oaks diamond mine, which was a 1 hectare kimberlite pipe, produced 1.4M carats at a grade of 53 cpht and diamond value of \$156/ct (BCOS of +1.2mm)
- The Marnitz kimberlite cluster hosts the **nearby Venetia Mine owned by De Beers** as well as several other kimberlites in South Africa, Botswana and Zimbabwe
- A review of the award of the prospecting rights over 5 hectares out of the 800 hectares by the South African Department of Mineral Resources has been requested by a local company. **Due DMR process was followed in the award of the PR, in accordance with SA legislation.**



EXPLORATION IN ZIMBABWE

Open for business

- Zimbabwe:
 - Open for business following the **democratic elections**
 - Long history of diamond production at River Ranch, Murowa and contains the **prolific Marange Diamond Field**
- Vast Resources plc:
 - **MoU signed with Vast** to develop Zimbabwe's diamond potential
 - **50/50** outside of the Marange Diamond Fields with a primary focus on kimberlites.
 - BOD has 2.5% of an SPV with Vast to develop the Chiadzwa Community Diamond Concession in the **Marange Diamond Fields.**
 - This agreement replaces the previous Heritage Concession agreement.



CORPORATE

Corporate Presentation – December 2019



COMPANY SUMMARY

Key Facts

CORPORATE INFORMATION

Exchanges	AIM (LSE) /BSE
Ticker	BOD
Shares in Issue	627 M
Market Cap	£5.18 M
Share Price	0.80 p (06/12/2019)

SIGNIFICANT SHAREHOLDERS

	% Holding
Pershing International Nom	11.5
John Teeling	8.6
SVS (Nominees) Ltd	5.6
HSBC Global Nominees	5.2
James Finn	4.7
Roy Nominees	3.5
David Horgan	2.5



COMPANY SUMMARY

Management Team



**John
Teeling**

Executive
Chairman

Founder of a number of listed resource companies, including African Diamonds. Corporate transactions in recent years have returned US\$250M to shareholders. Holds a doctorate in business from Harvard Business School as well as an MBA from Wharton.



**James
Campbell**

Managing
Director

Has been Managing Director of Rockwell Diamonds and African Diamonds. Prior to these appointments he was a General Manager with De Beers. Holds degrees in Mining & Exploration geology and an MBA.



**James
Finn**

Finance
Director

20 years' African resource company experience; director of a number of resource and industrial ventures. Has led the listing procedure for ten AIM companies. Holds a degree in business and has an accounting qualification.



**David
Horgan**

Director

Former director of African Diamonds. Holds a Law degree from Cambridge and an MBA from Harvard; 20 years of exploration experience in Africa and South America.



**Robert
Bouquet**

Commercial
Director

20 years' experience in diamond industry; 15 with De Beers/Rio Tinto Diamonds in a variety of strategic and commercial roles.



**Anne
McFarland**

Director

Has worked in finance, commodity trading and manufacturing with Glencore, BP and Russian conglomerates. Fluent in Russian. Holds a degree in classics and is a chartered accountant.



COMPANY SUMMARY

Peer Comparison

Company	Flagship Property	Location	Resources	Exchange of Listing	Market Cap
BlueRock Diamonds	Kareevlei	South Africa	A diamond mining company with activities in the Kimberley region of South Africa. The Kareevlei project contains five diamondiferous kimberlite pipes and has an inferred mineral resource of 359,000 carats.	AIM:BRD	£3.5M
Pangolin Diamonds	Malatswae	Botswana	Has seven 100% owned projects in eight properties across Botswana. Both primary and secondary diamond sources. Led by Dr Leon Daniels.	TSX.V:PAN	CAN\$9.6M
Tsodilo Resources	BK16	Botswana	A diamond, base and precious metal exploration company concentrating its exploration efforts on the southern portion of the Angola / Congo craton in northwest Botswana. Evaluating the BK16 kimberlite in the Orapa area.	CVE:TSD	CAN\$3.1M



BOTSWANA DIAMONDS PLC

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