

# **BOTSWANA DIAMONDS PLC**

Corporate Presentation – February 2021



**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 **advanced 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 close to current or historical diamond mines.  
*Balanced project pipeline*

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

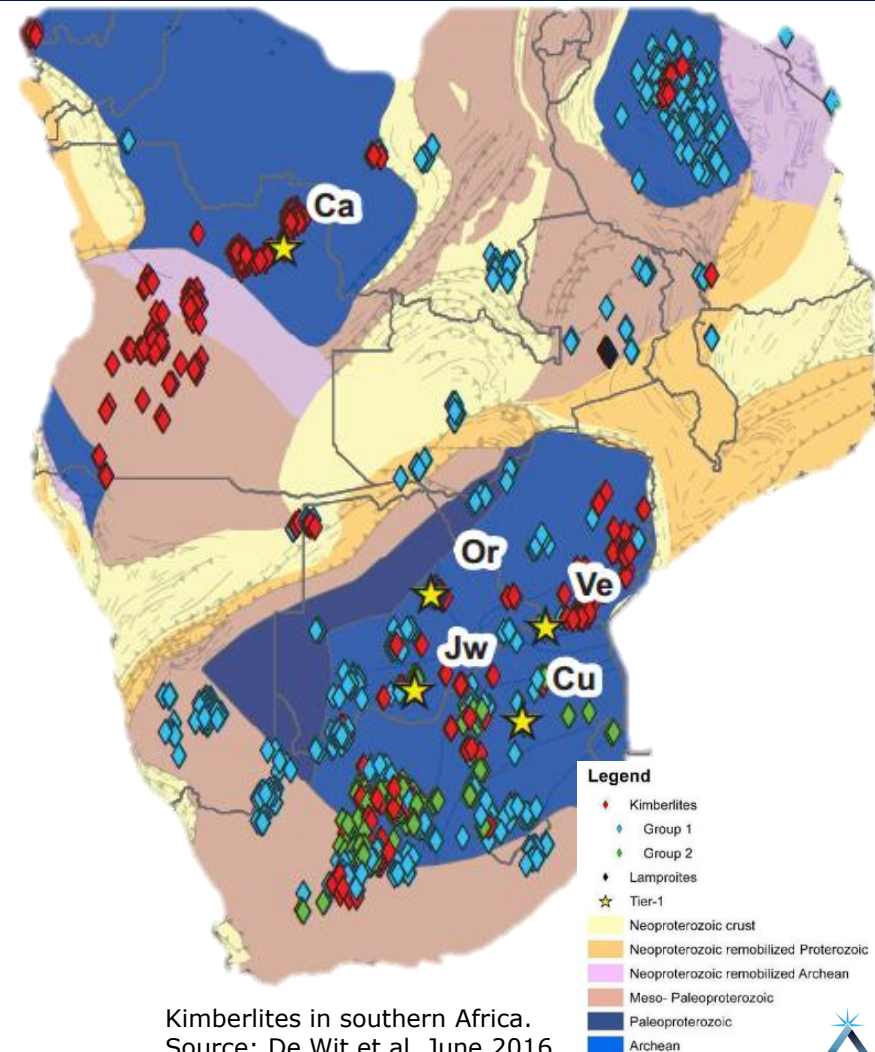
**PARTNERSHIPS** ————— Botswana: **Burgundy/DESB & BCL/Maibwe**  
*Risk sharing* South Africa: **Vutomi Mining**  
Zimbabwe: **Vast Resources plc**



# HIGHLIGHTS

## Focus areas for 2021

- Botswana
  - **Target new discoveries** using the Sekaka database in alliance with DESB
  - Detailed review of KX36 resource to plan focused bulk sampling to **optimise diamond grade & value**
  - Assess innovative mining techniques to **improve capex and opex** estimates for KX36
  - **Restart** Maibwe
- South Africa:
  - **Core drilling** to define newly discovered kimberlite pipe size on Thorny River
  - **Drill targets** identified by Subterrane which could be kimberlite pipes on Thorny River
  - **Bulk sample** the Marsfontein gravels
- Zimbabwe:
  - Progress with Vast's concession on the **Marange diamond fields**
  - **Conclude licensing** process on targets elsewhere in the country



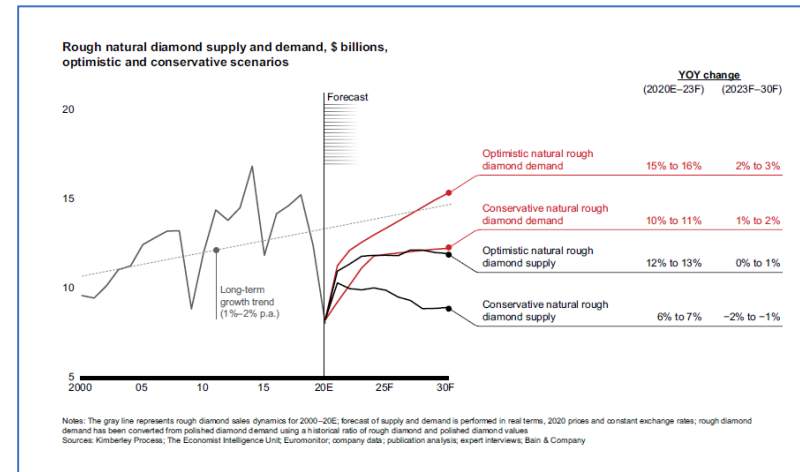
Kimberlites in southern Africa.  
Source: De Wit et al, June 2016



# 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)
- **V-shaped recovery** and two recent rough price increases following the peak of the 2020 Covid-19 pandemic
- 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



# EXPLORATION IN BOTSWANA

## World's best address for diamond investment

- Botswana is the **Switzerland of Africa** a stable, wealthy democracy
  - **World's largest diamond producer** (by value) with world-leading diamond mines: Orapa, Letlhakane, Jwaneng, Damtshaa and Karowe
- Sekaka Diamonds: **acquired from Petra Diamonds**
  - High grade KX36 diamond discovery
  - Two adjacent Prospecting Licences
  - A fit for purpose bulk sampling plant
  - An **extensive diamond exploration database**
- Sunland Minerals: Ten licenses in the Kalahari
  - **Four drill ready targets**
- Maibwe JV: Ten licenses in the Kalahari
  - A 2015 drilling programme **discovered kimberlites containing significant quantities of microdiamonds**
  - The majority partner which is in liquidation is expected to be sold. This may release the logjam



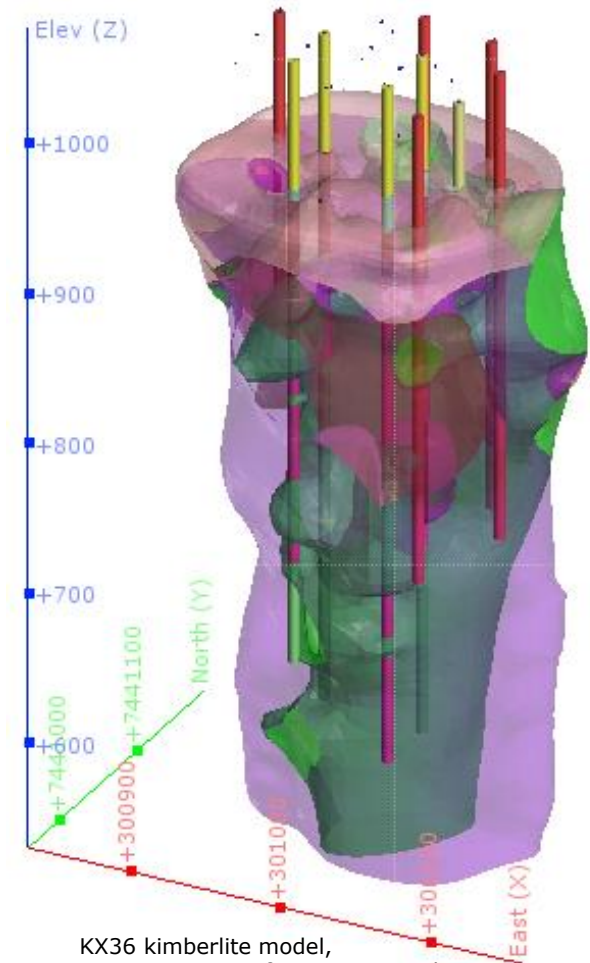
Source: Brook 2012 on 11IKC Website



# SEKAKA DIAMONDS

## A transformatory acquisition

- KX36 a **3.5 Ha kimberlite** in the Kalahari
  - Indicated Resource of 17.9M tons @ 35 cpht\*
  - Inferred Resource of 6.7M tons @ 36 cpht\*
  - Modelled grade range of 57 – 76 cpht\*
  - Diamond value of \$65/ct with modelled upside to \$107/ct\*
- Fit for purpose **bulk sampling plant** including crushing, screening, scrubbing, Dense Media Separation & X-Ray recovery
- Extensive **exploration database** with over 15-years of data
- Work programme:
  - Detailed review of the resource to plan focused bulk sampling to **optimise diamond grade and value**
  - Review of innovative mining techniques to **improve capex and opex estimates**
  - **Target new discoveries** using the Sekaka database



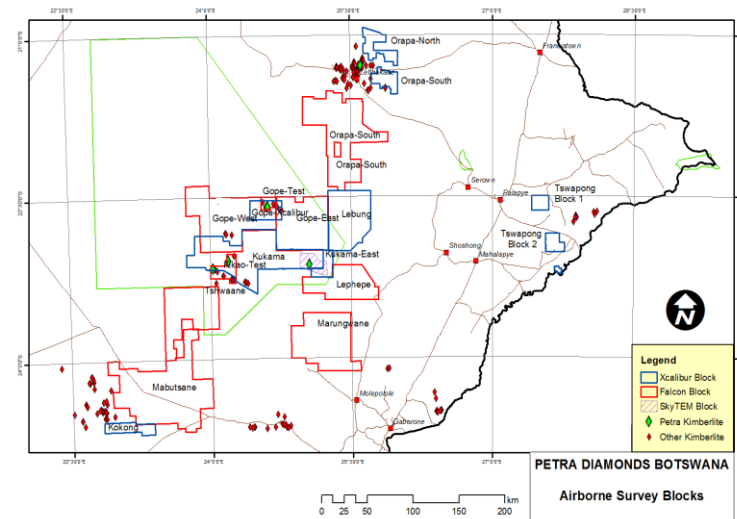
KX36 kimberlite model,  
image courtesy of Petra Diamonds



# BURGUNDY DIAMONDS / DIAMEXSTRAT

## A complimentary strategic alliance

- Diamexstrat ('DESB') is a privately owned company focused on diamond exploration in Botswana and has an alliance agreement with **Burgundy Diamonds (ASX: BDM)**
- Highlights of agreement:
  - DESB (and its partner, Burgundy) can earn up to a 70% interest in BOD's Sunland Minerals and Sekaka's Prospecting Licences by delivering a BFS
  - BOD can earn a 15% interest in Prospecting Licences held by DESB (and partners) on the first US\$1.5m spent on exploration by DESB where BOD's database assists in the discovery of a primary kimberlite
  - On third party Prospecting Licences where targets are identified in BOD's database, a joint earn-in will be negotiated at the time
  - For new Botswana Prospecting Licences, DESB (and its partner, Burgundy) can earn up to 70%
- **Comprehensive database review** has already commenced



### Sekaka Database

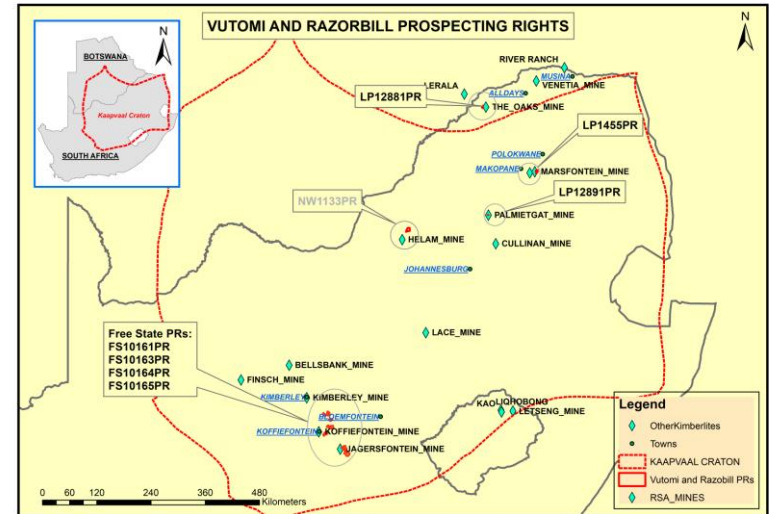
- **c.95,000 sq km of data**
- Airborne geophysical data: c.375,000 line km
- Ground geophysical surveys: 506
- Soil sample results: c.228k
- Drill hole logs: c.32k.



# EXPLORATION IN SOUTH AFRICA

## Long history of diamond production

- South Africa has a long history of strong diamond production since 1870
- Thorny River: an extension of the **Klipspringer & Marsfontein Mine** kimberlite dyke/pipe system
- **Kimberlite pipe** discovered on Thorny River: core drilling planned
- **Drill targets** identified by technology partner Subterrane which could be kimberlite pipes on Thorny River
- Received **positive report on the Marsfontein gravels**, bulk sampling planned
- Estimated 1.2–2.1 M tons to 100 m and **in-situ value of \$60-140/ton** on the kimberlite dyke complex outlined so far



+11 Diamond Sieve



+9 Diamond Sieve

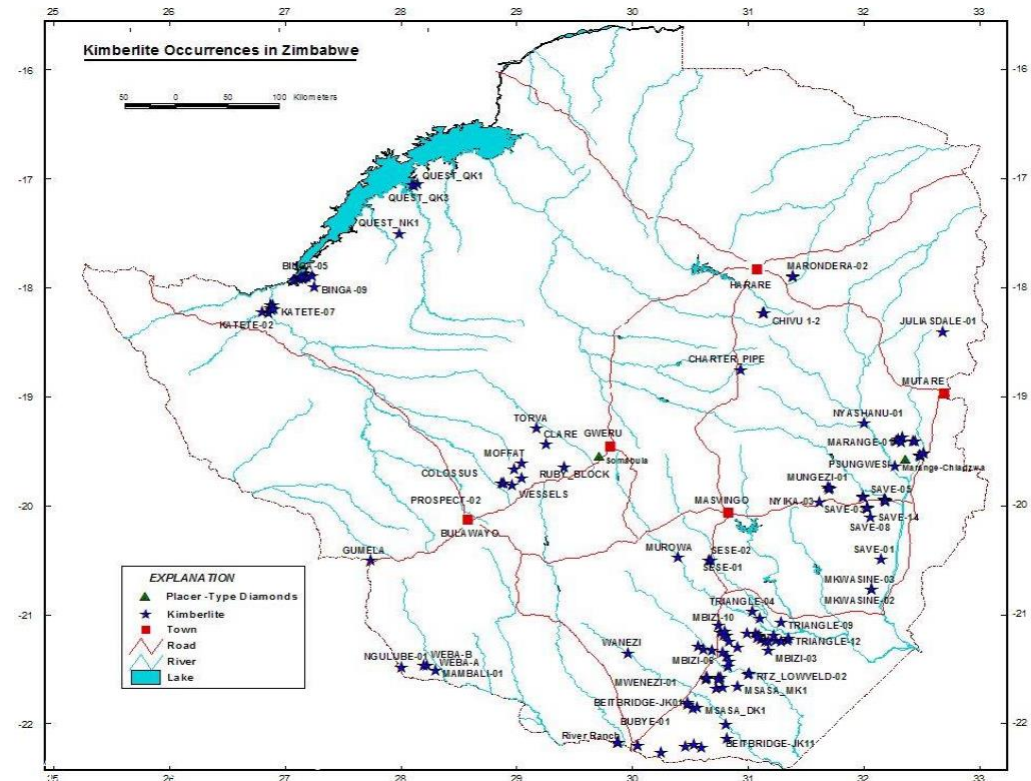
## Thorny River diamonds



# EXPLORATION IN ZIMBABWE

Open for business

- Zimbabwe:
  - 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 an SPV with Vast to develop a concession in the **Marange Diamond Fields**
- Applied for our own **kimberlite concessions** in the North West of the country



# COMPANY SUMMARY

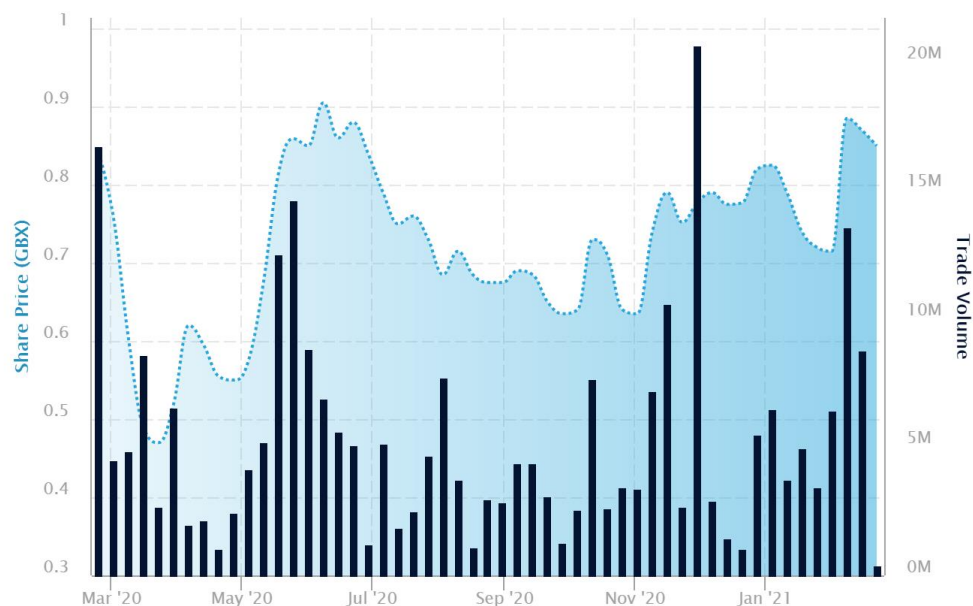
## Key Facts

### CORPORATE INFORMATION

Exchanges	<b>AIM (LSE) / BSE</b>
Ticker	<b>BOD</b>
Shares in Issue	781 M
Market Cap	<b>£6.64 M</b>
Share Price	<b>0.85 p</b> (23 <sup>rd</sup> February 2021)

### SIGNIFICANT SHAREHOLDERS % Holding

Pershing International Nom	15.3
John Teeling	7.5
HSBC Global Nominees	4.9
Interactive Investor Services Nominees	4.7
James Finn	4.1
Euro Clear Nominees Limited	3.4
Bank of New York Nominees	3.1
David Horgan	2.1



# 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.



# BOTSWANA DIAMONDS PLC

## Upside

- The **only diamond explorer active on all three major countries on the highly prospective Kaapvaal Craton** of southern Africa.
- Botswana
  - **Resource upside** on the KX36 diamond discovery
  - Second most **comprehensive diamond database** in Botswana, potential for new discoveries
  - **Strategic alliance** with DESB/Burgundy
- South Africa
  - Using **innovative** exploration techniques in the pursuit of another Marsfontein
- Zimbabwe
  - Brown fields exploration on kimberlites last looked at **over 30-years ago**
  - New concessions



Exploration drilling at Thorny River



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