

Highly commended BOTSWANA DIAMONDS

The management team at Botswana Diamonds has a proven ability to identify attractive diamond prospects and develop them into valuable assets.

The team was part of the successful discovery and eventual sale of the Karowe diamond mine by African Diamonds (AFD) for \$90 million.

Lucara Diamond Corp. (LUC) bought Karowe in 2010. The mine is now acknowledged as one of the world's leading producers of high value diamonds.

The team also developed West African Diamonds (WAD) which later merged into Stellar Diamonds for \$6 million value.

Botswana Diamonds was formed when the AK6 project or now Karowe Mine was sold to LUC.

Botswana Diamonds took the exploration interests from AFD and was admitted to AIM in February 2011 having been spun out of AFD, on its sale to LUC.

The founders of Botswana Diamonds have a long track record in exploration and in Africa having established numerous stock exchange listed companies including: Minquest – acquired by Arcon; Kenmare; African Gold – now ASA Mining; African Diamonds – acquired by Lucara; Pan Andean – acquired by Petrominerales and West African Diamonds (WAD) – acquired by Stellar Diamonds.

James Campbell was previously MD of AFD, executive deputy chairman of WAD and a non-executive director of Stellar Diamonds.

The Vutomi opportunity in South Africa was presented to the Botswana Diamonds board as unique due to the confluence of several factors.

The first is a portfolio of 20 high interest kimberlites in 10 prospecting rights spanning some 50 000 ha of prospective

ground with the additional potential of further kimberlite discoveries.

These projects span the resource pipeline from exploration properties through to Inferred Resource. The flagship project (Frischgewaagt) is near the worked out Marsfontein mine which was operated by a De Beers / SouthernEra joint venture and ran at grades of 172 cpht and with a return on the \$25 million investment being achieved in four days.

Secondly, Botswana Diamonds and Vutomi believe that South Africa may prove to be the next diamond exploration frontier as there has been very little recent diamond exploration activity, particularly outside of De Beers.

This means that the latest (third generation) exploration technologies have not been applied to the numerous deposits in the country.

Probably the most successful example of the application of modern exploration technology is the proving-up of the AK6 project (now the Karowe Mine operated by LUC) by De Beers and AFD (the predecessor of BOD) following the original discovery of the pipe in 1969 by De Beers.

Thirdly, there is a perception of high risk and high barriers for entry to South Africa whilst in reality there is both a sophisticated fixed and banking infrastructure and a long history of diamond production in the country.

The Vutomi team has strong commercial, financial and technical competencies along with sound local ownership and have identified this opportunity and delivered this package of highly prospective ground.

The deal which was announced on 6 February 2017 is structured as an earn-in with Botswana Diamonds offering 100 million shares and £942 000 in cash to acquire 72% of Vutomi.

Notable nomination

Copperzone Resources & Kalahari Copper for their project generation business model focused on Zambia, Namibia and Botswana primarily