



25<sup>th</sup> March 2020

**Botswana Diamonds PLC (“Botswana Diamonds” or the “the Company”)  
Interim Statement and Financial Results for the Six Months Ended 31<sup>st</sup> December 2019**

Botswana Diamonds (“BOD”), the AIM and BSE listed diamond explorer, continues to develop its portfolio of eight exploration projects in three sub Saharan countries, Botswana, South Africa and Zimbabwe. The projects in these highly prospective diamond region include, greenfield exploration in the Kalahari desert in Botswana to the development of diamondiferous kimberlites in South Africa and a JV in Marange, Zimbabwe.

*Botswana*

- Sunland Minerals (100% BOD) has undertaken heavy mineral sampling and detailed geophysics in five of our licences in the Kalahari. An analysis of the results identified eight high grade targets. Environmental assessment work is being undertaken on three of these targets. This is a requirement to obtain drilling permits. Current plans call for drilling in the second half of 2020.
- BOD has applied for and expects the imminent award of some additional licences in the Kalahari.
- The Maibwe joint venture (BOD 15%) has been subject to significant delays due in large part to the liquidation of the main partner, BCL. BCL was a state-owned copper producer providing many thousands of jobs in Botswana. A new liquidator has been appointed and proposals are circulating which would lead to a resumption of work on the four licences where drilling discovered high diamond grade kimberlites.

*South Africa*

- Drilling on the Marsfontein ground intersected kimberlite. The concession is contiguous to the former Marsfontein mine. A significant bulk sample of the kimberlitic ground has been recovered and transported for analysis. It will be processed in the coming weeks.
- Exploration continues on Thorny River which is adjacent to Marsfontein. Drilling in early 2020 did not intersect kimberlite. The site locations were selected using the latest state of the art technology. The data is being analysed and the techniques recalibrated to select the next tranche of drill sites. The targets are kimberlite pipes covered by a dolerite layer.
- The company holds prospective ground in Palmietget, Mooikloof and the Free State. The ground is contains diamondiferous kimberlite pipes. Given the ongoing focus on the Marsfontein and Thorny River concession only limited work is being undertaken at present.



### Zimbabwe

- BOD has been interested in the diamond potential of Zimbabwe several years. Significant early stage work has been undertaken to identify opportunities.
- The prolific Marange diamond field is a target. BOD has a joint venture agreement with Vast Resources on a specific concession in the Marange field. The award of the licence has been imminent for a period of time. The award will pave the way for rapid exploration which will include trial mining.
- Apart from Marange, BOD has continued to examine other brownfield kimberlite opportunities.

### Corporate

The company raised £250,000 in early 2020 to fund exploration and for general working capital purposes.

The current global uncertainty as a result of the outbreak and spread of Covid-19 makes planning very difficult. No one knows how long the pandemic will last, the real impact on global diamond markets and the financial system generally. A National Disaster in respect of Covid-19 has been declared in South Africa and this will impact the scheduling of our activities in South Africa and particularly the Marsfontein project in the coming weeks. However, our operations are flexible and we plan to return to planned activity levels in due course as and when conditions allow..

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This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), 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 34-years' experience in the diamond sector.

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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](http://www.botswanadiamonds.co.uk)

**ENDS**



John Teeling  
Chairman  
25<sup>th</sup> March 2020

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**Botswana Diamonds plc**  
**Financial Information (Unaudited)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Six Months Ended 31 Dec 19 unaudited £'000	Six Months Ended 31 Dec 18 unaudited £'000	Year Ended 30 Jun19 audited £'000
<b>REVENUE</b>	-	-	-
Cost of sales	-	-	-
<b>GROSS PROFIT</b>	-	-	-
Administrative expenses	( 194 )	( 190 )	( 337 )
Impairment of exploration and evaluation assets	-	-	( 435 )
<b>OPERATING LOSS</b>	( 194 )	( 190 )	( 772 )
<b>LOSS BEFORE TAXATION</b>	( 194 )	( 190 )	( 772 )
Income tax expense	-	-	-
<b>LOSS AFTER TAXATION</b>	( 194 )	( 190 )	( 772 )
Exchange difference on translation of foreign operations	-	-	( 133 )
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	( 194 )	( 190 )	( 905 )
<b>LOSS PER SHARE - basic and diluted</b>	(0.03p)	(0.04p)	(0.14p)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	31 Dec 19 unaudited £'000	31 Dec 18 unaudited £'000	30 Jun19 audited £'000
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	8,267	8,364	8,035
Financial assets	-	-	-
	8,267	8,364	8,035
<b>CURRENT ASSETS</b>			
Trade and other receivables	21	12	40
Cash and cash equivalents	13	39	14
	34	51	54
<b>TOTAL ASSETS</b>	8,301	8,415	8,089
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	( 425 )	( 386 )	( 398 )
<b>TOTAL LIABILITIES</b>	( 425 )	( 386 )	( 398 )
<b>NET ASSETS</b>	7,876	8,029	7,691
<b>EQUITY</b>			
Share capital - deferred shares	1,796	1,796	1,796
Share capital - ordinary shares	1,569	1,273	1,441
Share premium	10,418	10,099	10,300
Share based payments reserve	111	104	111
Reserves	( 5,035 )	( 4,260 )	( 4,974 )
Other reserves	( 983 )	( 983 )	( 983 )
<b>TOTAL EQUITY</b>	7,876	8,029	7,691

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share Premium £'000	Share based Payment Reserves £'000	Retained Deficit £'000	Translation Reserve £'000	Other Reserve £'000	Total Equity £'000
<b>As at 30 June 2018</b>	3,069	10,099	104	(4,070)	-	(983)	8,219
Total comprehensive loss				(190)	-	-	(190)
<b>As at 31 December 2018</b>	3,069	10,099	104	(4,260)	-	(983)	8,029
Ordinary shares issued	168	201	7	-	-	-	376
Total comprehensive loss				(581)	(133)	-	(714)
<b>As at 30 June 2019</b>	3,237	10,300	111	(4,841)	(133)	(983)	7,691
Ordinary shares issued	128	128	-	-	-	-	256
Share issue expenses	-	(10)	-	-	-	-	(10)
Total comprehensive loss				(194)	133	-	(61)
<b>As at 31 December 2019</b>	<u>3,365</u>	<u>10,418</u>	<u>111</u>	<u>(5,035)</u>	<u>-</u>	<u>(983)</u>	<u>7,876</u>

## CONDENSED CONSOLIDATED CASH FLOW

	Six Months Ended 31 Dec 19 unaudited £'000	Six Months Ended 31 Dec 18 unaudited £'000	Year Ended 30 Jun19 audited £'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the period	(194)	(190)	(772)
Impairment of exploration and evaluation assets	-	-	435
Exchange movements	(4)	-	(132)
	<u>(198)</u>	<u>(190)</u>	<u>(469)</u>
Movements in Working Capital	46	99	66
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(152)</u>	<u>(91)</u>	<u>(403)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration costs capitalised	(99)	(130)	(214)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(99)</u>	<u>(130)</u>	<u>(214)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue	256	-	370
Share issue costs	(10)	-	-
<b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>	<u>246</u>	<u>-</u>	<u>370</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5)	(221)	(247)
Cash and cash equivalents at beginning of the period	14	260	260
Effect of foreign exchange rate changes	4	-	1
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<u>13</u>	<u>39</u>	<u>14</u>

**Notes:****1. INFORMATION**

The financial information for the six months ended 31 December 2019 and the comparative amounts for the six months ended 31 December 2018 are unaudited. The financial information above does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Interim Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the Group 2019 Annual Report, which is available at [www.botswanadiamonds.co.uk](http://www.botswanadiamonds.co.uk)

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

**2. DIVIDEND**

No dividend is proposed in respect of the period.

**3. LOSS PER SHARE**

Basic loss per share is computed by dividing the loss after taxation for the period available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the period.

Diluted loss per share is computed by dividing the loss after taxation for the period 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 period.

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

	<b>Six Months Ended 31 Dec 19 £'000</b>	<b>Six Months Ended 31 Dec 18 £'000</b>	<b>Year Ended 30 Jun 19 £'000</b>
<b>Numerator</b>			
For basic and diluted EPS retained loss	<u>(194)</u>	<u>(190)</u>	<u>(772)</u>
<b>Denominator</b>			
Weighted average number of ordinary shares	<u>621,741,536</u>	<u>509,282,508</u>	<u>537,481,761</u>
Loss per share – Basic and Diluted	<u><b>(0.03p)</b></u>	<u><b>(0.04p)</b></u>	<u><b>(0.14p)</b></u>

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:

	<b>No.</b>	<b>No.</b>	<b>No.</b>
Share options	<u>11,410,000</u>	<u>11,410,000</u>	<u>11,410,000</u>

#### 4. INTANGIBLE ASSETS

	31 Dec 19 £'000	31 Dec 18 £'000	30 June 19 £'000
<b>Exploration and evaluation assets:</b>			
<b>Cost:</b>			
Opening balance	9,299	9,063	9,063
Additions	99	130	369
Exchange variance	133	-	(133)
	<u>9,531</u>	<u>9,193</u>	<u>9,299</u>
<b>Impairment:</b>			
Opening balance	1,264	829	829
Provision for impairment	-	-	435
	<u>1,264</u>	<u>829</u>	<u>1,264</u>
<b>Carrying Value:</b>			
Opening balance	<u>8,035</u>	<u>8,234</u>	<u>8,234</u>
Closing balance	<u>8,267</u>	<u>8,364</u>	<u>8,035</u>

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.

During the prior year, some licences held by the Group in its subsidiary company Sunland Minerals (Pty) Ltd were relinquished. Therefore, the directors decided to impair the costs of exploration on these licences. Accordingly, an impairment allowance of £435,139 (2018: £179,524) had been recorded by the Group in the prior 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 associate.

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.

As at December 31<sup>st</sup> 2019 the group has earned a 40% interest in Vutomi.

The directors believe that there were no facts or circumstances indicating that the carrying value of intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. 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:

- 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 (Jun 2019: £6,951) of share based payments, £7,529 (Jun 2019: £15,754) of wages and salaries and £37,642 (Jun 2019: £74,620) of directors remuneration. The remaining balance pertains to the amounts capitalised to the respective licenses held by the entity.

## 5. SHARE CAPITAL

Deferred Shares	Number	Share Capital £'000	Share Premium £'000
At 1 July 2018 and 1 July 2019	239,487,648	1,796,157	-
<b>At 30 June 2019 and 31 December 2019</b>	<b>239,487,648</b>	<b>1,796,157</b>	<b>-</b>

  

Ordinary Shares	Number	Share Capital £'000	Share Premium £'000
At 1 July 2018	509,282,508	1,273	10,099
Issued during the period	-	-	-
<b>At 31 December 2018</b>	<b>509,282,508</b>	<b>1,273</b>	<b>10,099</b>
Issued during the period	67,272,727	168	201
<b>At 30 June 2019</b>	<b>576,555,235</b>	<b>1,441</b>	<b>10,300</b>
Issued during the period	51,000,000	128	128
Share issue expenses	-	-	(10)
<b>At 31 December 2019</b>	<b>627,555,235</b>	<b>1,569</b>	<b>10,418</b>

### Movements in share capital

On 28 January 2019, the Company raised £370,000 through the issue of 67,272,727 new ordinary shares of 0.25p each at a price of 0.55p 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 2019.

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.

## 6. 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.

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

### Warrants

	Dec 2019		Jun 2019		Dec 2018	
	Number of Options	Weighted average exercise price in pence	Number of Options	Weighted average exercise price in pence	Number of Options	Weighted average exercise price in pence
Outstanding at beginning of the period	67,272,727	0.60	-	-	28,298,700	0.85
Issued	-	-	67,272,727	0.60	-	-
Exercised	1,000,000	0.60	-	-	-	-
Expired	-	-	-	-	(28,298,700)	0.85
Outstanding at end of the period	<b>66,272,727</b>	<b>0.60</b>	<b>67,272,727</b>	<b>0.60</b>	<b>-</b>	<b>-</b>



In the period to 31 December 2018 the 28,298,700 warrants that were granted on 22 December 2015 expired.

As part of the placing on 28 January 2019, the Company issued 67,272,727 warrants to each subscriber of the placing shares. Each placing share has one warrant attached with the right to subscribe for one new ordinary share at 0.60p per share for a period of two years from 23 January 2019.

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

## **7. POST BALANCE SHEET EVENTS**

On 28 January 2020 the Company announced that it had raised £250,000 via the placing of 41,666,667 new ordinary shares at a placing price of 0.60p per share. Each placing share has one warrant attached with the right to subscribe for one new ordinary share at 0.6p per new ordinary share for a period of two years from 28 January 2020.

The net proceeds of the placing will fund ongoing diamond exploration in South Africa and Botswana and will also provide the Company with additional working capital.

## **8. APPROVAL**

The Interim Report for the period to 31<sup>st</sup> December 2019 was approved by the Directors on 25<sup>th</sup> March 2020.

## **9. AVAILABILITY OF REPORT**

The Interim Statement will be available on the website at [www.botswanadiamonds.co.uk](http://www.botswanadiamonds.co.uk)