



25 March 2024

**Botswana Diamonds PLC (“Botswana Diamonds”, “BOD” or the “the Company”)
Unaudited Interim Statement and Financial Results for the Six Months Ended 31 December 2023**

In turbulent times I am pleased to share some positive developments in Botswana Diamonds.

- A gravity survey has discovered a high-grade anomaly similar in size or larger than BOD’s KX36 high-grade kimberlite pipe in the Kalahari.
- Positive progress on the awarding of the Thorny River Mining Permits.
- There is renewed interest in the Ghaghoo diamond mine.
- A Prospecting Licence was granted over diamond properties in Eswatini after a long application period.

Market

While the diamond market was depressed throughout 2023, it is important to recognise that it is the long term trend which is important for the diamond industry, and particularly for explorers. Meanwhile 2024 has started in more positive fashion with diamond sales taking place and a semblance of stability after a difficult last year.

We believe that the long-term outlook for mined diamonds remains strong. Over the next 20 years up to 3 billion people will enter the Middle Class. These new Asian and African consumers will want many of the products purchased in the West including diamonds. Lab grown diamonds will take a share of the overall growing market but there are strong indications that the rarity of natural mined diamonds will always prevail and be valued.

Any discovery by BOD in 2024 is unlikely to come into production before 2032. But it is important to realise that the shareholder base for explorers differs radically from that of producers. A successful diamond find would be expected to ratchet up the share price and provide liquidity for shareholders wishing to cash out.

Botswana

The Kalahari is likely to become the third main diamond producing area in Botswana. It is the area where BOD is focused.

Earlier this year a gravity survey on a licence adjacent to our KX36 diamond discovery found a high-grade anomaly. Current indicators are that the anomaly is as big or bigger than KX36. Further work needs to be done on this anomaly. An Environmental Impact Study is underway. Follow-up drilling is likely. Kimberlites are found in clusters. The discovery of the new anomaly strongly indicates that more will be discovered in the surrounding area. BOD has applied for further ground in the area and is hopeful for expeditious award of the licences.

The KX36 project is a 3.5 hectares (“Ha”) kimberlite pipe in the Kalahari. The pipe has resources of 17.9 million tonnes (“Mt”) at 35 carats per hundred tonnes (“cpht”) (indicated) and 6.7Mt at 36 cpht (inferred) at \$65 per carat (“/ct”). The modelled grade range is 57-76 cpht at an estimated diamond value of up to \$107/ct.

The Board understands there is interest from a new investor in acquiring the Ghaghoo mine. Ghaghoo, which is currently on care and maintenance, together with KX36, and the new anomaly, if diamondiferous, and the

Maibwe licences in which BOD is a joint venture partner, could provide the core for a new diamond-producing area in Botswana.

I have written before about the extensive diamond data base held by BOD. We are examining a proposal to use Data Analytics and Artificial Intelligence techniques to evaluate the data. We strongly believe that this approach will identify new targets.

South Africa

Our Africa diamond producing area in South Africa, Marsfontein, was placed on care and maintenance at the end of 2023 as a result of rising fuel prices and falling diamond prices. It is important to remember the purpose of mining the Marsfontein dumps and dykes is to provide information and experience prior to mining the adjacent Thorny River dyke deposits.

The operations at Marsfontein and Thorny River are contracted out on a royalty basis thus there are no costs to BOD.

BOD applied for the necessary mining permits on Thorny River in 2022. Slow but good progress has been made with the outstanding hurdle being community support which is at an advanced stage of completion. Further updates will be provided as and when appropriate.

Samples have been taken and submitted for analysis on the Reivilo group of pipes, where BOD hold 100% of the ground. Previous work on their pipes discovered they were diamondiferous.

Other

The company has been awarded a Prospecting License in Eswatini where, with our local partners, it is currently undertaking a desktop study with a view to commencing operations.

The company is also of the view that Zimbabwe remains highly prospective and thus continues to engage with various partners to gain a reasonable entry into the country.

Outlook

Junior mineral explorers are and have been friendless for the past number of years. The recent diamond price falls and the growth of the lab grown diamonds have exacerbated the gloom. But, without exploration there will be no new mines. Producing diamond mines do not last forever. BOD is one of the only remaining active junior explorers in the diamond producing area of Southern Africa. We remain focused on our task and are well positioned for an upturn in the market when it comes. We must last the course and take advantage of the rich potential coming from the decline in exploration activity. Funding is critical, but with the right backing we have a great deal of work to do and remain optimistic of delivering shareholder returns in the long term.

John Teeling
Chairman
22 March 2024

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, the Institute of Materials, Metals and Mining (UK) and the Geological Society of South Africa and who has over 35-years' experience in the diamond sector.

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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Months Ended 31 Dec 23 unaudited £'000	Six Months Ended 31 Dec 22 unaudited £'000	Year Ended 30 Jun 2023 audited £'000
REVENUE			
Royalties	24	-	15
Operating expenses	(20)	-	(5)
GROSS PROFIT	4	-	10
Administrative expenses	(255)	(330)	(567)
Impairment of exploration and evaluation assets	-	-	(3,124)
OPERATING LOSS	(251)	(330)	(3,681)
LOSS BEFORE TAXATION	(251)	(330)	(3,681)
Income tax expense	-	-	-
LOSS AFTER TAXATION	(251)	(330)	(3,681)
Exchange difference on translation of foreign operations	-	(24)	299
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(251)	(354)	(3,382)
LOSS PER SHARE - basic and diluted	(0.02p)	(0.04p)	(0.38p)

CONDENSED CONSOLIDATED BALANCE SHEET

	31 Dec 23 unaudited £'000	31 Dec 22 unaudited £'000	30 Jun 2023 audited £'000
ASSETS:			
NON-CURRENT ASSETS			
Intangible assets	5,509	8,764	5,442
Plant and equipment	207	207	207
	5,716	8,971	5,649
CURRENT ASSETS			
Other receivables	266	38	283
Cash and cash equivalents	334	95	199
	600	133	482
TOTAL ASSETS	6,316	9,104	6,131
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	(870)	(1,041)	(802)
TOTAL LIABILITIES	(870)	(1,041)	(802)
NET ASSETS	5,446	8,063	5,329
EQUITY			
Share capital - deferred shares	1,796	1,796	1,796
Share capital - ordinary shares	2,800	2,392	2,610
Share premium	12,398	11,844	12,220
Share based payments reserve	111	111	111
Retained Deficit	(10,676)	(6,774)	(10,425)
Translation Reserve	-	(323)	-
Other reserves	(983)	(983)	(983)
TOTAL EQUITY	5,446	8,063	5,329

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
As at 30 June 2022	3,994	11,487	111	(6,444)	(299)	(983)	7,866
Ordinary shares issued	194	357	-	-	-	-	551
Share issue expenses	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	(330)	(24)	-	(354)
As at 31 December 2022	4,188	11,844	111	(6,774)	(323)	(983)	8,063
Ordinary shares issued	218	376	-	-	-	-	594
Transfer of reserves	-	-	-	(299)	299	-	-
Total comprehensive loss	-	-	-	(3,352)	24	-	(3,328)
As at 30 June 2023	4,406	12,220	111	(10,425)	-	(983)	5,329
Ordinary shares issued	190	190	-	-	-	-	380
Share issue expenses	-	(12)	-	-	-	-	(12)
Total comprehensive loss	-	-	-	(251)	-	-	(251)
As at 31 December 2023	4,596	12,398	111	(10,676)	-	(983)	5,446

CONDENSED CONSOLIDATED CASH FLOW

	Six Months Ended 31 Dec 23 unaudited £'000	Six Months Ended 31 Dec 22 unaudited £'000	Year Ended 30 Jun 2023 audited £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period	(251)	(330)	(3,681)
Impairment of exploration and evaluation assets	-	-	3,124
Foreign exchange losses	-	(2)	2
	(251)	(332)	(555)
Movements in Working Capital	85	76	82
NET CASH USED IN OPERATING ACTIVITIES	(166)	(256)	(473)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to exploration and evaluation assets	(67)	(105)	(132)
NET CASH USED IN INVESTING ACTIVITIES	(67)	(105)	(132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	380	295	647
Share issue costs	(12)	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	368	295	647
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	135	(66)	42
Cash and cash equivalents at beginning of the period	199	159	159
Effect of foreign exchange rate changes	-	2	(2)
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	334	95	199

Notes:

1. INFORMATION

The financial information for the six months ended 31 December 2023 and the comparative amounts for the six months ended 31 December 2022 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 2023 Annual Report, which is available at 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):

	Six Months Ended 31 Dec 23 £'000	Six Months Ended 31 Dec 22 £'000	Year Ended 30 Jun 23 £'000
Numerator			
For basic and diluted EPS retained loss	(251)	(330)	(3,681)
	No.	No.	No.
Denominator			
Weighted average number of ordinary shares	1,057,998,118	924,921,167	977,271,808
Loss per share – Basic and Diluted	(0.02p)	(0.04p)	(0.38p)

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

4. INTANGIBLE ASSETS

	31 Dec 23	31 Dec 22	30 June 23
	£'000	£'000	£'000
Exploration and evaluation assets:			
Cost:			
Opening balance	10,188	9,807	9,807
Additions	67	603	381
Exchange variance	-	(24)	-
	10,255	10,386	10,188
Impairment:			
Opening balance	4,746	1,622	1,622
Provision for impairment	-	-	3,124
	4,746	1,622	4,746
Carrying Value:			
Opening balance	5,442	8,185	8,185
Closing balance	5,509	8,764	5,442
Regional Analysis	31 Dec 23	31 Dec 22	30 Jun 23
	£'000	£'000	£'000
Botswana	3,550	6,638	3,550
South Africa	1,959	2,126	1,892
Zimbabwe	-	-	-
	5,509	8,764	5,442

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.

In the prior year the Group incurred expenditure to date of £3,124,284 on certain licences held in Botswana, these licences lapsed and were not renewed. The directors decided to fully impair the expenditure and accordingly, an impairment charge of £3,124,284 was recorded in the prior year.

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. A separate agreement for funding of exploration resulted in the Company's interest in Vutomi increasing from 40% to 45.94%.

On 28 September 2022 the Board announced that it had exercised its pre-emptive right to acquire the outstanding third-party interests in Vutomi and had increased its' interest from 45.94% to 74%.

The consideration for Vutomi comprised 56,989,330 new ordinary shares of £0.0025 each in the Company ("Consideration Shares"). The Consideration Shares were issued in two tranches. 28,464,665 Consideration Shares (First Tranche) were issued to the vendors on 28 September 2022 and the balance of 28,524,665 (Second Tranche) was issued on 27 January 2023.

The Company also agreed that immediately on completion of the Acquisition, the Company would sell 26% of Vutomi for a deferred consideration of US\$316,333 to the Company's local South African Empowerment partner, Baroville Trade and Investments 02 Proprietary Limited ("Baroville"), in order to comply with South African requirements on empowerment ownership, which will be funded by a loan from Botswana Diamonds (Note 6). On completion, the Company therefore owns 74% of Vutomi.

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 period are £28,000 (June 2023: £71,521) of directors' remuneration which has been capitalized. This is for time spent directly on the operations rather than on corporate activities.

5. SHARE CAPITAL

Deferred Shares – nominal value of 0.75p per share	Number	Share Capital £'000	Share Premium £'000
At 1 July 2022 and 1 July 2023	239,487,648	1,796,157	-
At 30 June 2023 and 31 December 2023	239,487,648	1,796,157	-

Ordinary Shares – nominal value of 0.25p per share	Number	Share Capital £'000	Share Premium £'000
At 1 July 2022	879,071,902	2,198	11,487
Issued during the period	77,543,877	194	357
Share issue expenses	-	-	-
At 31 December 2022	956,615,779	2,392	11,844
Issued during the period	87,262,120	218	376
Share issue expenses	-	-	-
At 30 June 2023	1,043,877,899	2,610	12,220
Issued during the period	76,000,000	190	190
Share issue expenses	-	-	(12)
At 31 December 2023	1,119,877,899	2,800	12,398

Movements in share capital

On 27 November 2023 the Company raised £380,000 through the issue of 76,000,000 new ordinary shares at a placing price of 0.5p via a placing and subscription with existing and new investors. Each Placing Share has one warrant attached with the right to subscribe for one new Ordinary Share at 0.5p per new Ordinary Share for a period of two years from 27 November 2023.

6. OTHER RECEIVABLES

	31 Dec 23	31 Dec 22	30 Jun 23
	£'000	£'000	£'000
Prepayments	17	38	34
Debtor Baroville (Note 4)	249	-	249
	266	38	283

The carrying value of other receivables approximates to their fair value.

7. TRADE AND OTHER PAYABLES

	31 Dec 23	31 Dec 22	30 Jun 23
	£'000	£'000	£'000
Trade payables	86	82	51
Petra Diamonds creditor	123	123	123
Accruals	661	594	628
Consideration due – Vutomi acquisition	-	242	-
	870	1,041	802

It is the Company's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, payment is made accordingly. In the absence of agreed terms it is the Company's policy that the majority of payments are made between 30 – 40 days. The carrying value of trade and other payables approximates to their fair value.

8. SHARE BASED PAYMENTS

WARRANTS

	Dec 2023		Jun 2023		Dec 2022	
	Number of Warrants	Weighted average exercise price in pence	Number of Warrants	Weighted average exercise price in pence	Number of Warrants	Weighted average exercise price in pence
Outstanding at beginning of period	55,000,000	2.0	113,737,455	1.28	162,816,667	1.07
Issued	76,000,000	0.50	-	-	-	-
Exercised	-	-	(58,737,455)	0.60	(49,079,212)	0.60
Expired	-	-	-	-	-	-
Outstanding at end of period	131,000,000	1.13	55,000,000	2.0	113,737,455	1.28

Further information on the warrants are detailed in Note 5 above.

9. POST BALANCE SHEET EVENTS

There are no material post balance sheet events affecting the Group.

10. APPROVAL

The Interim Report for the period to 31st December 2023 was approved by the Directors 22 March 2024.

11. AVAILABILITY OF REPORT

The Interim Statement will be available on the website at www.botswanadiamonds.co.uk