

19 March 2025

Botswana Diamonds PLC ("Botswana Diamonds", "BOD" or the "the Company")
Unaudited Interim Statement and Financial Results for the Six Months Ended 31 December 2024

It is pleasing to be able to report good news during what has been a tough period for the diamond industry. Firstly, we have excellent results from our AI investigation of our huge diamond geology database. This cutting-edge technology identified seven previously unreported kimberlite anomalies.

This really is a spectacular result.

Many diamond explorers, including ourselves, set out to first find anomalies that might contain kimberlites which in turn might contain diamonds. Traditionally early stage prospecting it would take months and big expenditure and often led to failure in finding anomalies. One of the seven anomalies is on ground that we already hold. Three more are on open ground, which we have applied for, and our applications have been accepted. One of these anomalies has most, if not all, of the characteristics deemed essential to be a kimberlite discovery. In addition, it is in the Jwaneng region, home to the world's richest diamond mine producing large quantities of high value diamonds. Once the license applications are granted, we will undertake ground surveys to specify likely drill sites.

In effect what we have done is applied cutting edge technology onto a massive, high-quality database to accelerate a huge amount of advanced diamond exploration work in a fraction of the usual time - and at a fraction of the normal cost.

Secondly, the AI analysis has identified a series of polymetallic targets covering copper, cobalt, silver, zinc and gold. With hindsight this should not have been a surprise. Botswana is predominately a diamond province and underexplored for other minerals. As a result of the analysis, we have applied for eleven prospecting licenses over open ground covering over 7,000 sq kms. The applications have been accepted and we hope to hear shortly that they have been granted.

Thirdly, we have received, after a long delay, a mining permit over our Thorny River deposit in South Africa. Let me remind you - Thorny River is a dyke system close to the mined out Klipspringer mine and the mined out Marsfontein mine. These dyke systems generally are narrow but can stretch over long distances. Often, they are high grade with good quality diamonds. Sometimes dykes can swell out providing what is referred to as a 'Blow'. BOD explored the Thorny River system over a seven kilometer distance. Two 'Blows' - the River Blow and the River Extension have been identified, mapped and feasibility studied. A technical evaluation and a Competent Persons Report have also previously been carried out

Results summary:	Grade	46-74 cph
	Diamond Value	US 120-220/ct
	Volume	1.2-2.1m tons

BOD used their exploration permit over the adjacent Marsfontein dumps to produce diamonds as a proof-of-concept project. Contractors were employed to run the entire operation with BOD receiving a 15% revenue royalty. The depression in diamond prices led to the operations being put on Care and Maintenance. When diamond prices recover the operation will restart.

Markets

The diamond industry is going through tough times, being hit by two events. A downturn in retail sales and the growth of Lab Grown. The weakness in overall sales is a cyclical downturn exacerbated by a post-covid surge in luxury purchases and by the impact of Lab Grown. The market correction may already have run its course, Lab Grown is a bigger concern. The industry will become bimodal - basically two distinct segments - value for money lab grown and the exclusive natural diamond segment. A lab grown is a diamond, but it is made in an industrial factory - it is cheap and will get cheaper. A Natural diamond is extremely rare - coming from deep in the ground (280km) to the surface in a small volcano called a kimberlite pipe. It can be up to 2,500 million years old!

Comparing a 5-carat natural with a 5 carat lab grown is like comparing a Ferrari to a Ford Mondeo. Both excellent cars but one has the aura of rarity, aspiration and fashion. The other is a good car. As more people in the world enter the middle class they aspire to a certain way of life.

A significant growth in the natural diamond market is females buying for themselves. As women get wealthier, they have greater disposable income some of which goes on beautiful things - including diamonds. This is particularly evident in the United States where quality diamond sales have held up well. This is already happening in Asia and the middle east.

Other activities

We are focused on Botswana.

KX 36

The KX 36 diamond discovery in the Kalahari Is being maintained. KX 36 is the sole kimberlite in area. This is very rare as pipes come in clusters. We obtained ground around the find and have undertaken extensive work which has produced five drillable targets. We have completed an environmental impact statement on the targets and have received drill permits for 5 holes, which will be drilled once funding is obtained.

Maibwe

The Maibwe joint venture was restructured, during the period under review with the BOD subsidiary, Siseko (BOD 51.7%) increasing their stake to 50% with the balance held by locals. Maibwe is a collection of licenses south of KX 36. Earlier drilling produced diamonds in four licenses. The major shareholder, a now closed Botswana copper company has exited. The next step is a drilling programme.

Future

This is a very active and exciting time for BOD. The AI analysis has been a great success. The board are looking at ways to advance our diamond projects and the new polymetallic projects. We know there is a rush currently on to access critical minerals, so we are well placed. The diamond market will recover and there will also be a shortage of natural diamonds in the future - and this is what we are positioning ourselves for.

John Teeling

Chairman

(18 March 2025)

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

ENDS

Enquiries:

Botswana Diamonds PLC

John Teeling, Chairman	+353 1 833 2833
James Campbell, Managing Director	+27 83 457 3724
Jim Finn, Director	+353 1 833 2833

Nominated & Financial Adviser

Strand Hanson Limited

Ritchie Balmer
Rory Murphy
David Asquith

+44 (0) 20 7409 3494

Broker

First Equity Limited

Jason Robertson

+44 (0) 207 374 2212

Public Relations

BlytheRay

Megan Ray
Said Izagaren

+44 (0) 207 138 3204

Teneo

Luke Hogg

+353 (0) 1 661 4055

Botswana Diamonds plc
Financial Information (Unaudited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Months Ended 31 Dec 24 unaudited	Six Months Ended 31 Dec 23 unaudited	Year Ended 30 Jun 2024 audited
	£'000	£'000	£'000
REVENUE			
Royalties	-	24	24
Operating expenses	-	(10)	(10)
GROSS PROFIT	-	14	14
Administrative expenses	(225)	(265)	(578)
OPERATING LOSS	(225)	(251)	(564)
LOSS BEFORE TAXATION	(225)	(251)	(564)
Income tax expense	-	-	-
LOSS AFTER TAXATION	(225)	(251)	(564)
Exchange difference on translation of foreign operations	(1)	-	3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(226)</u>	<u>(251)</u>	<u>(561)</u>
LOSS PER SHARE - basic and diluted	<u>(0.02p)</u>	<u>(0.02p)</u>	<u>(0.05p)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	31 Dec 24 unaudited	31 Dec 23 unaudited	30 Jun 2024 audited
	£'000	£'000	£'000
ASSETS:			
NON-CURRENT ASSETS			
Intangible assets	5,586	5,509	5,512
Plant and equipment	207	207	207
TOTAL ASSETS	<u>5,793</u>	<u>5,716</u>	<u>5,719</u>
CURRENT ASSETS			
Other receivables	277	266	276
Cash and cash equivalents	55	334	78
TOTAL ASSETS	<u>332</u>	<u>600</u>	<u>354</u>
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	(970)	(870)	(937)
TOTAL LIABILITIES	<u>(970)</u>	<u>(870)</u>	<u>(937)</u>
NET ASSETS	<u>5,155</u>	<u>5,446</u>	<u>5,136</u>
EQUITY			
Share capital - deferred shares	1,796	1,796	1,796
Share capital - ordinary shares	2,995	2,800	2,800
Share premium	12,448	12,398	12,398
Share based payments reserve	111	111	111
Retained Deficit	(11,212)	(10,676)	(10,986)
Other reserves	(983)	(983)	(983)
TOTAL EQUITY	<u>5,155</u>	<u>5,446</u>	<u>5,136</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share Premium £'000	Payment Reserves £'000	Retained Deficit £'000	Other Reserve £'000	Total Equity £'000
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	<u>4,596</u>	<u>12,398</u>	<u>111</u>	<u>(10,676)</u>	<u>(983)</u>	<u>5,446</u>
Ordinary shares issued	-	-	-	-	-	-
Transfer of reserves				-	-	-
Total comprehensive loss				(310)	-	(310)

As at 30 June 2024	4,596	12,398	111	(10,986)	(983)	5,136
Ordinary shares issued	195	55	-	-	-	250
Share issue expenses	-	(5)	-	-	-	(5)
Total comprehensive loss	-	-	(226)	-	-	(230)
As at 31 December 2024	4,791	12,448	111	(11,212)	(983)	5,151

CONDENSED CONSOLIDATED CASH FLOW	Six Months Ended 31 Dec 24	Six Months Ended 31 Dec 23	Year Ended 30 Jun 2024
	unaudited £'000	unaudited £'000	audited £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period	(225)	(251)	(564)
Impairment of exploration and evaluation assets	-	-	5
	(225)	(251)	(559)
Movements in Working Capital	32	85	142
NET CASH USED IN OPERATING ACTIVITIES	(193)	(166)	(417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to exploration and evaluation assets	(74)	(67)	(70)
NET CASH USED IN INVESTING ACTIVITIES	(74)	(67)	(70)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	250	380	380
Share issue costs	(5)	(12)	(12)
NET CASH GENERATED FROM FINANCING ACTIVITIES	245	368	368
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(22)	135	(119)
Cash and cash equivalents at beginning of the period	78	199	199
Effect of foreign exchange rate changes	(1)	-	(2)
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	55	334	78

Notes:

1. INFORMATION

The financial information for the six months ended 31 December 2024 and the comparative amounts for the six months ended 31 December 2023 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 2024 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 24 £'000	Six Months Ended 31 Dec 23 £'000	Year Ended 30 Jun 24 £'000
Numerator			
For basic and diluted EPS retained loss	(225)	(251)	(564)
Denominator			
Weighted average number of ordinary shares	1,165,984,456	1,057,998,118	1,088,730,358
Loss per share - Basic and Diluted	(0.02p)	(0.02p)	(0.05p)

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 24 £'000	31 Dec 23 £'000	30 June 24 £'000
Exploration and evaluation assets:			
Cost:			
Opening balance	10,258	10,188	10,188
Additions	74	67	70
Exchange variance	-	-	-
	10,332	10,255	10,258
Impairment:			
Opening balance	4,746	4,746	4,746
Provision for impairment	-	-	-
	4,746	4,746	4,746
Carrying Value:			
Opening balance	5,512	5,442	5,442
Closing balance	5,586	5,509	5,512
Regional Analysis			
Botswana	3,587	3,550	3,572
South Africa	1,999	1,959	1,940
Zimbabwe	-	-	-
	5,586	5,509	5,512

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.

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 had retained a 15% equity interest in the project. On 20 July 2022 the Group increased its' stake to 26%

equity interest in the project.

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.

On 28 September 2022 the Board announced that it had exercised its pre-emptive right to acquire the outstanding third-party interests in Vutomi. 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. On completion, the Company therefore owns 74% of Vutomi.

On 23 May 2024 the Company announced that it has been granted four Prospecting Licenses in the Kalahari of Botswana. These Prospecting Licenses cover a total area of 2,331.81 square kilometres and have reference numbers PL0213, 0214, 0218 and 0219 of 2024 which adds to the Company's existing acreage in the Kalahari. These Prospecting Licenses are in the same general area as the Company's KX36 project.

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 (June 2024: £28,125) 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	Share Premium
		£'000	£'000
At 1 July 2023 and 1 July 2024	239,487,648	1,796,157	-
At 30 June 2024 and 31 December 2024	239,487,648	1,796,157	-
Ordinary Shares - nominal value of 0.25p per share	Number	Share Capital	Share Premium
		£'000	£'000
At 1 July 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
Issued during the period	-	-	-
Share issue expenses	-	-	-
At 30 June 2024	1,119,877,899	2,800	12,398
Issued during the period	78,125,000	195	55
Share issue expenses	-	-	(5)
At 31 December 2024	1,198,002,899	2,995	12,448

Movements in share capital

On 7 August 2024 the Company raised £250,000 through the issue of 78,125,000 new ordinary shares at a placing price of 0.32p 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 7 August 2024.

6. OTHER RECEIVABLES

	31 Dec 24 £'000	31 Dec 23 £'000	30 Jun 24 £'000
Prepayments	28	17	27
Debtor Baroville (Note 4)	249	249	249
	277	266	276

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

7. TRADE AND OTHER PAYABLES

	31 Dec 24 £'000	31 Dec 23 £'000	30 Jun 24 £'000
Trade payables	109	86	102
Petra Diamonds creditor	123	123	123
Accruals	738	661	712
	970	870	937

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 2024		Jun 2024		Dec 2023	
	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	131,000,000	1.13	131,000,000	1.13	55,000,000	2.0
Issued	78,125,000	0.5	-	-	76,000,000	0.5
Exercised	-	-	-	-	-	-
Expired	(55,000,000)	2.0	-	-	-	-
Outstanding at end of period	154,125,000	0.5	131,000,000	1.13	131,000,000	1.13

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 2024 was approved by the Directors on 18 March 2025.

11. AVAILABILITY OF REPORT

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

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