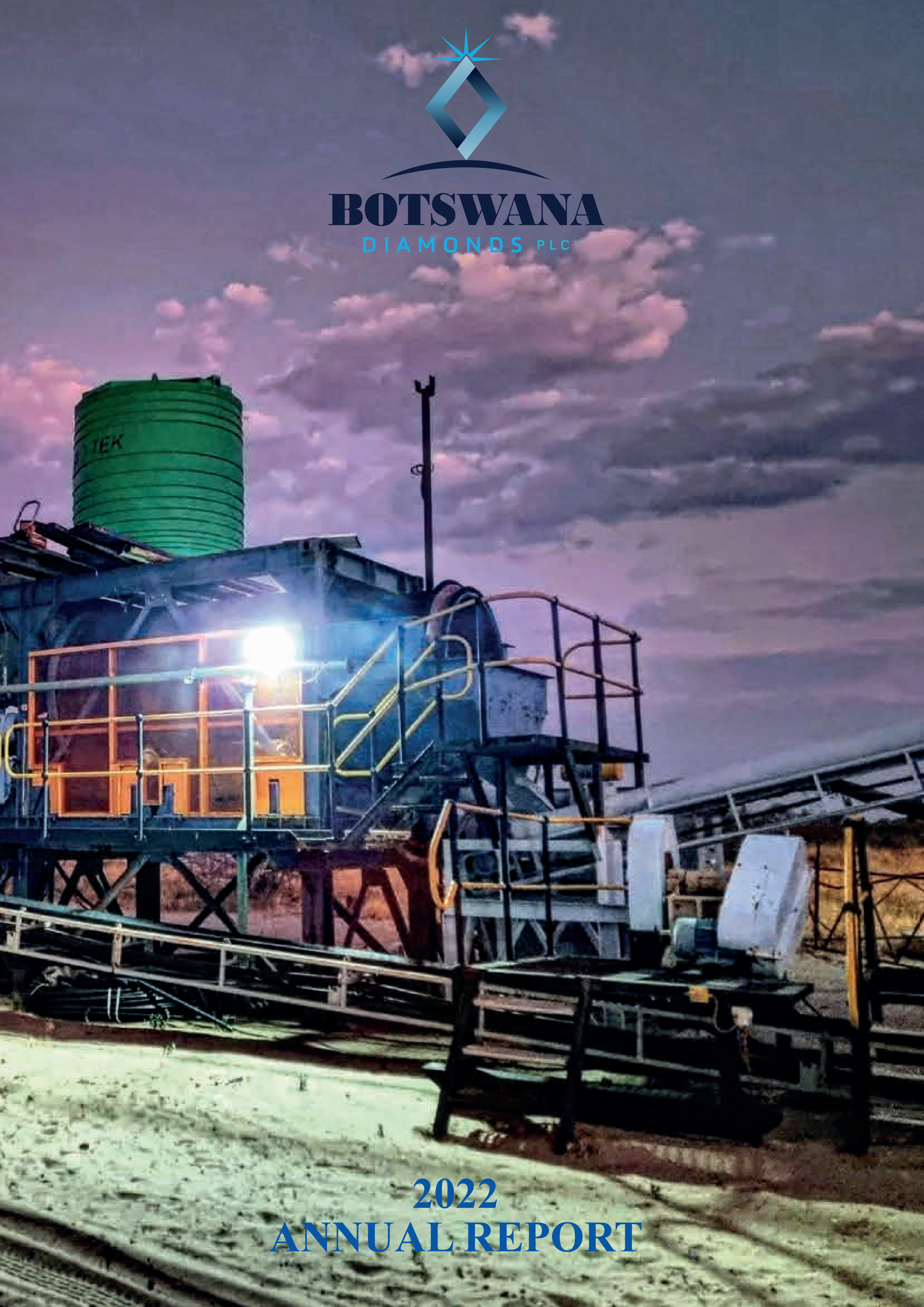

BOTSWANA
DIAMONDS PLC

2022
ANNUAL REPORT

Front cover: KX36 plant

CHAIRMAN'S STATEMENT

Botswana Diamonds (BOD) is a rare animal – a listed diamond explorer. In recent years mineral exploration has gone out of fashion. Explorers spend money and it has become extremely hard to raise exploration finance from either the public or institutions. Money to finance expensive exploration programmes is virtually impossible to raise and yet the potential rewards for a successful discovery are substantial.

The principals in BOD believe that they can deliver meaningful returns to investors. They have done so in their earlier vehicle, African Diamonds, which discovered, with their partners De Beers, what is now Lucara Diamond Karowe mine in Botswana. The BOD directors and employees are very experienced in diamonds, Africa, mining and exploration.

We are using this experience to acquire exploration assets in areas of good diamond potential, Botswana, South Africa, and possibly, Zimbabwe. While we have pure blue sky exploration licences we tend to focus on areas where diamonds have already been discovered but for a variety of reasons the ground has been or is being let go. There is an exploration saying – the best place to find a mine is where there is or was a mine. You can see this approach in our Botswana strategy where we have increased our stake in the Maibwe joint venture, in the acquisition of the KX36 discovery which contains substantial quantities of diamonds and in our unsuccessful attempt to acquire the closed Ghaghoo mine. In South Africa, we have taken our Thorny River project to mining application stage. We would hope to begin production in Q2 / Q3 of 2023. In the meantime, the adjacent Marsfontein ground will be contract mined from early 2023. We have recently been awarded a five-year prospecting licence on the Reivilo cluster of kimberlites in South Africa. We have acquired an extensive body of exploration data on Reivilo in return for a small royalty. We continue to liaise with the authorities in Zimbabwe on entering the diamond sector. There are significant geological opportunities in the country. The objective is to find a formula which suits all parties.

Turning to the diamond market. In a turbulent world it is good to report a significant recovery from the impact of Covid. Diamond mining companies, even the more marginal operators, have had a good post-Covid return to business. Both prices and also volumes have increased, prices substantially. Even more interesting is the large growth in sales in the United States. But global recession and Chinese turbulence suggest the near-term future could be rocky. The growth in sales of Lab Grown Diamonds must be watched but a comparison is the luxury goods sectors. You can buy good quality department store clothes but the luxury clothing sector continues to grow. Likewise, the demand for buying luxury cars still continues to grow. A natural diamond is a rare creation of nature from billions of years ago; these diamonds will certainly endure and natural diamonds are internationally scarce, rare and collectibles.

Projects

Botswana

We are focused on the Kaapvaal craton in Botswana, South Africa and Zimbabwe – an area which hosts, and has hosted, many of the largest and best diamond mines in the world.

Botswana has been our focus. The country is the largest producer by value and is a good country to work in, stable with the Rule of Law. We work in the Kalahari where the sand cover is a major obstacle. Techniques to "see" through the sand are evolving and we are using, and will use, this new technology.

The principle focus during the period under review was the attempt to acquire the Ghaghoo mine in the Kalahari. The mine had a short unsuccessful history and we undertook a study to see if we could improve operational efficiencies and we believe that we can. We needed a partner and we found one who was ultimately unable to provide the required funds. However, we continue to keep a watching brief. The attractions of Ghaghoo is a large deposit of good quality diamonds and a fully built plant and infrastructure. The Government of Botswana have also been most helpful and encouraging from a regulatory perspective.

We own the KX36 discovery to the south of Ghaghoo. We acquired this diamond deposit as part of the acquisition of Sekaka Diamonds, a subsidiary of Petra Diamonds. It is estimated the deposit holds up to 24 million tonnes containing up to 76 carats per hundred tonnes (chpt). Diamond value was previously estimated at $65 a carat and utrestimates are up to $97 a carat. Diamond deposits are very rare and incredibly difficulty to discover.

We hold exploration licences surrounding KX36 where we expect there should be additional kimberlites as it is rare to find one isolated kimberlite. We also hold a 26% interest in the Maibwe kimberlites to the south of KX36.

On our wholly-owned licences in Sunland Minerals we identified 200 priority targets. We have narrowed this to 8 targets that need to be further explored and drilled.

CHAIRMAN'S STATEMENT (continued)

We increased our stake in the Maibwe joint venture to 50% by acquiring a stake from the liquidator of BCL in Botswana. We agreed a 2% royalty on any future production. There are four kimberlite pipes on the licences. A drill programme is needed.

South Africa

We believe that there are big opportunities for diamond exploration and development in South Africa. We are focusing on where we believe the best opportunities are available to BOD.

The Thorny River venture, on which we have spent significant time and money, is likely to begin production in 2023. Thorny River is a kimberlite dyke system which we have demonstrated to be an extension of the Marsfontein and Klipspringer mines. Exploration has identified two deposits which between them contain up to 2m tons. We expect the grade to be between 46 and 74 cpht of good quality diamonds.

We have applied for mining permits which we expect to be issued by mid-2023.

We are working our way through development options on the discovery. We have a proposal from a contractor who would provide all mining and processing equipment in return for a percentage interest. This is being evaluated and considered as a potential viable option.

Mining is expected to begin in the first quarter of 2023on the Marsfontein waste dumps. We mined here previously, but without success. We have identified the causes and the new plan should overcome the previous mining issues.

Neither Thorny River or Marsfontein are company makers but they will provide cash flow and will make BOD a diamond producer.

In recent months we have been awarded a licence on the Reivilo ground. This is a licence of great interest to BOD. It contains kimberlite pipe. We have obtained a databank on Reivilo from Petra in return for a small royalty. We are reviewing this data and plan on processing Petra's drill core for microdiamonds in the near future.

Zimbabwe

Zimbabwe has excellent potential to be a significant diamond producer. BOD has maintained contacts in the country. We had a joint venture with Vast which ultimately came to nothing. We are now actively involved in discussions on a possible entry. Whether this happens or not will depend on the ground offered and on the joint venture terms.

Finance & Future

Exploration companies have no revenues and active explorers spend money. In recent years BOD has been funded by a small group of private investors as little or no funding was available in London or Johannesburg.

Our strategy is clear. To have a pipeline project at every stage of development. Our first production will come on stream in the near future. We have a number of projects where diamond deposits already exist. We have drill ready exploration projects. Our task now is to get our message out to investors.

John Teeling
Chairman

9 December 2022

MANAGING DIRECTOR'S STATEMENT

EXECUTIVE SUMMARY

Botswana Diamonds plc ('BOD' or 'the Company') is focused on the exploration for and development of commercial diamond deposits in Southern Africa with specific emphasis on the Kalahari in Botswana and the Thorny River / Marsfontein kimberlite complex in South Africa.

In Botswana, the 100% owned KX36 discovery, which is close to Gem Diamond Ltd Ghaghoo mine, which was acquired from Petra Diamonds Ltd ('Petra') is in the process of assessment. Across the Kalahari and in Botswana in general, the company is active on both its Sekaka Diamonds Ltd ('Sekaka') and Sunland Minerals Pty Ltd ('Sunland') licenses. Also in the Kalahari, the company has conditionally acquired an additional stake in the Maibwe joint venture to bring its interest to 50%.

In South Africa, two Mining Permits have been applied for at Thorny River, both of which have been 'Accepted' following extensive exploration work in the area over several years. Once 'Granted' production will commence. The company has also concluded the acquisition of the outstanding third-party interests in its Vutomi Mining associate whilst maintaining compliance with local Black Economic Empowerment ('BEE') legislation. Elsewhere in South Africa, the company has signed a data deal with Petra following the 'Granting' and Execution of the Prospecting License over Farm 21 / 18OP kimberlite pipe cluster which is close to Reivilo on the borders of the North West and Northern Cape Provinces.

STRATEGY

The Company is focused on the Kaapvaal craton which straddles the Southern African countries of Botswana, South Africa, Zimbabwe, eSwatini and Lesotho. The craton, which hosts some of the oldest rocks on earth, is host to a long legacy of diamond production and is thus highly prospective for new discoveries, particularly using new technology and thinking.

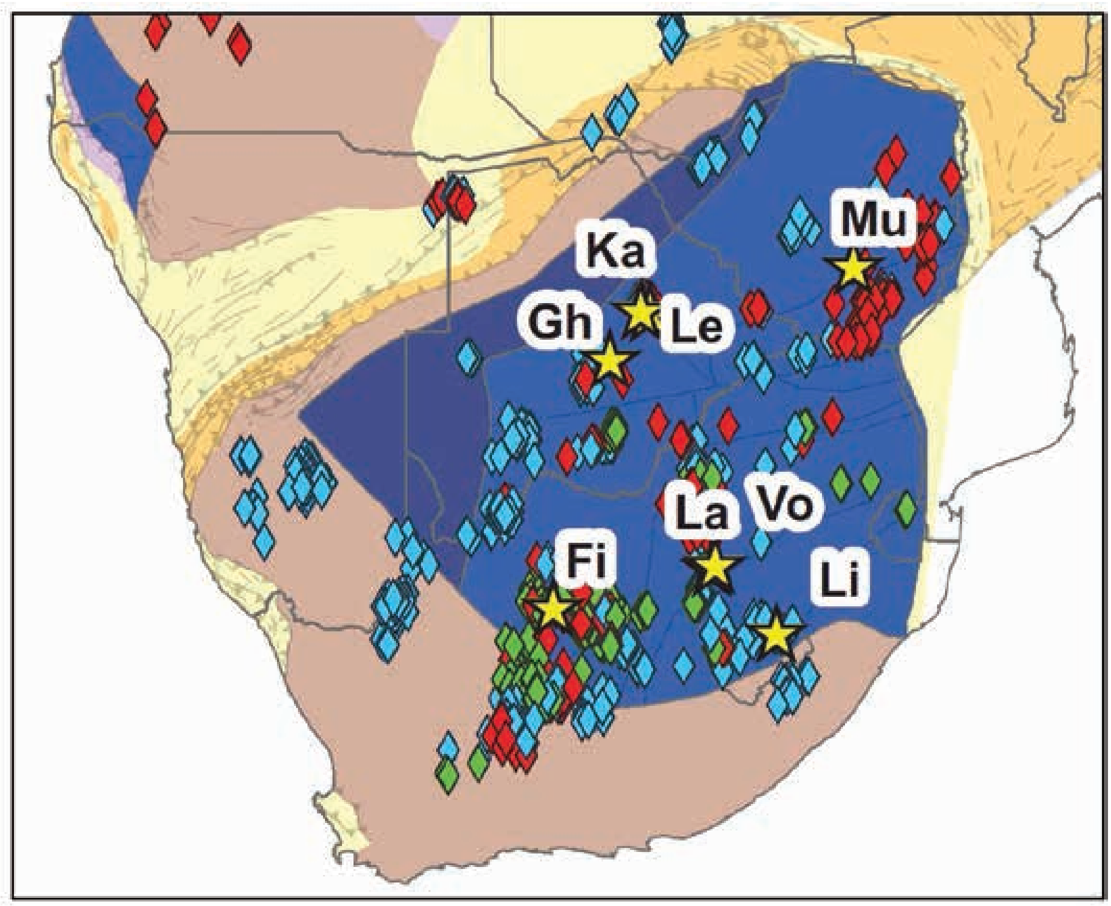

Figure 1: Geological map of the Pre-Cambrian basement of Southern Africa (de Wit and Linol, 2015) with Group 1 (red) and Group 2 (blue) highlighting Tier-2 diamond deposits including Karowe and Ghaghoo.

MANAGING DIRECTOR'S STATEMENT (continued)

The Company's strategy has a primary focus on geology ('prospectivity') followed by political risk. In Botswana, the country remains highly prospective and has low political risk whilst in South Africa, which is also highly prospective, political risk is higher, but this has generally been reduced. Zimbabwe is also highly prospective and there continue to be positive signs that the country is opening for business.

The Company has a portfolio which comprises projects over the exploration continuum from early stage through to more advanced stages of evaluation and mine development with specific focus on the Kalahari of Botswana and the Thorny River / Marsfontein kimberlite complex in South Africa. This portfolio, gives both flexibility and optionality in choice of operating focus as well as the ability to leverage the benefit from exploration monies spent ie, maximise 'bang for the buck'.

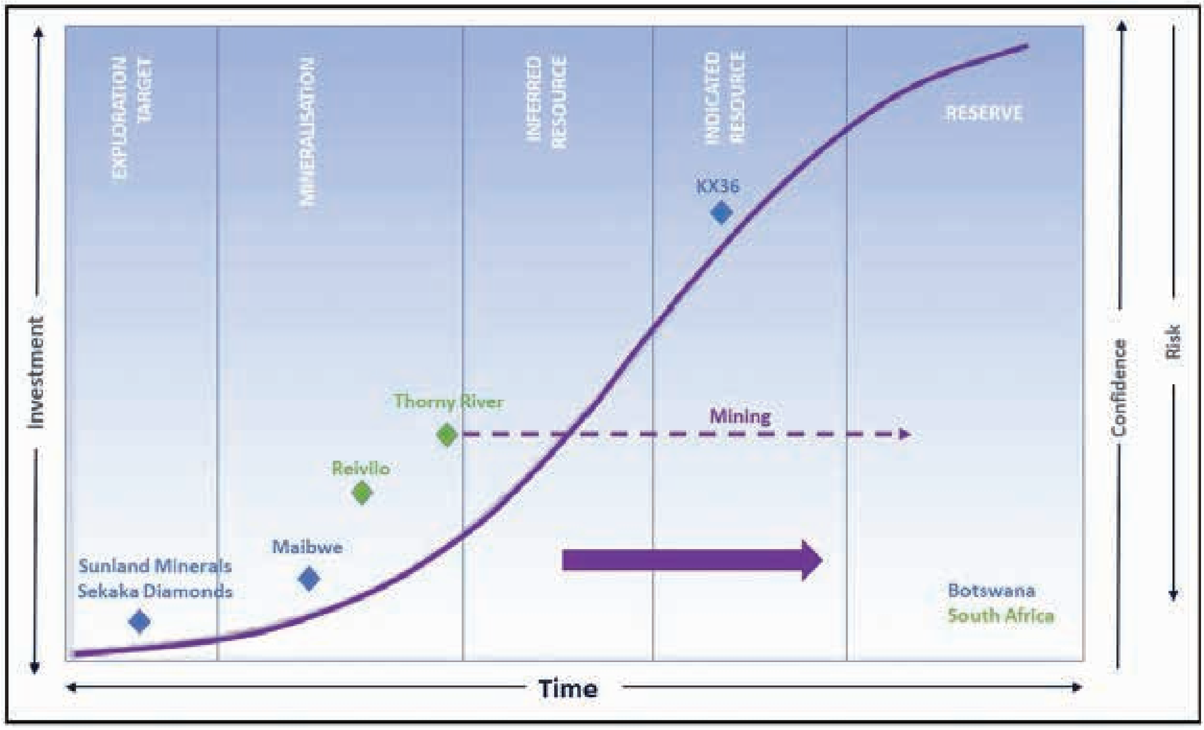

Figure 2: BOD's portfolio of projects

The Company keeps fully apprised of developments in diamond exploration technologies which have the potential to open up significant 'new' frontiers of exploration, particularly those which are able to 'see' through both the deeper Kalahari (Botswana) and Karoo (South Africa) overburden. These are in addition to early or 'lead' indicators of superior diamond bearing kimberlites.

With the increase in diamond prices post the Covid-19 pandemic and industry forecasting this trend to continue the diamond supply demand gap is widening. this provides opportunity to assess older discoveries and mines which the Company does through the lens of its considerable database, positive changes in diamond pricing and application of new liberation technologies.

BOTSWANA

Introduction

The company's primary focus is on the Kalahari region of Botswana where it is active on several license areas.

Botswana is the world's largest diamond producer by value and the second largest by volume. The country hosts three world class diamond mines, namely the Orapa, Jwaneng, and Karowe mines, which are all highly profitable. Three quarters of Botswana's annual diamond production by value is of gem quality. The second largest diamond ever found, the 1,109ct Lesedi La Rona, was unearthed from the Karowe mine in 2015.

MANAGING DIRECTOR'S STATEMENT (continued)

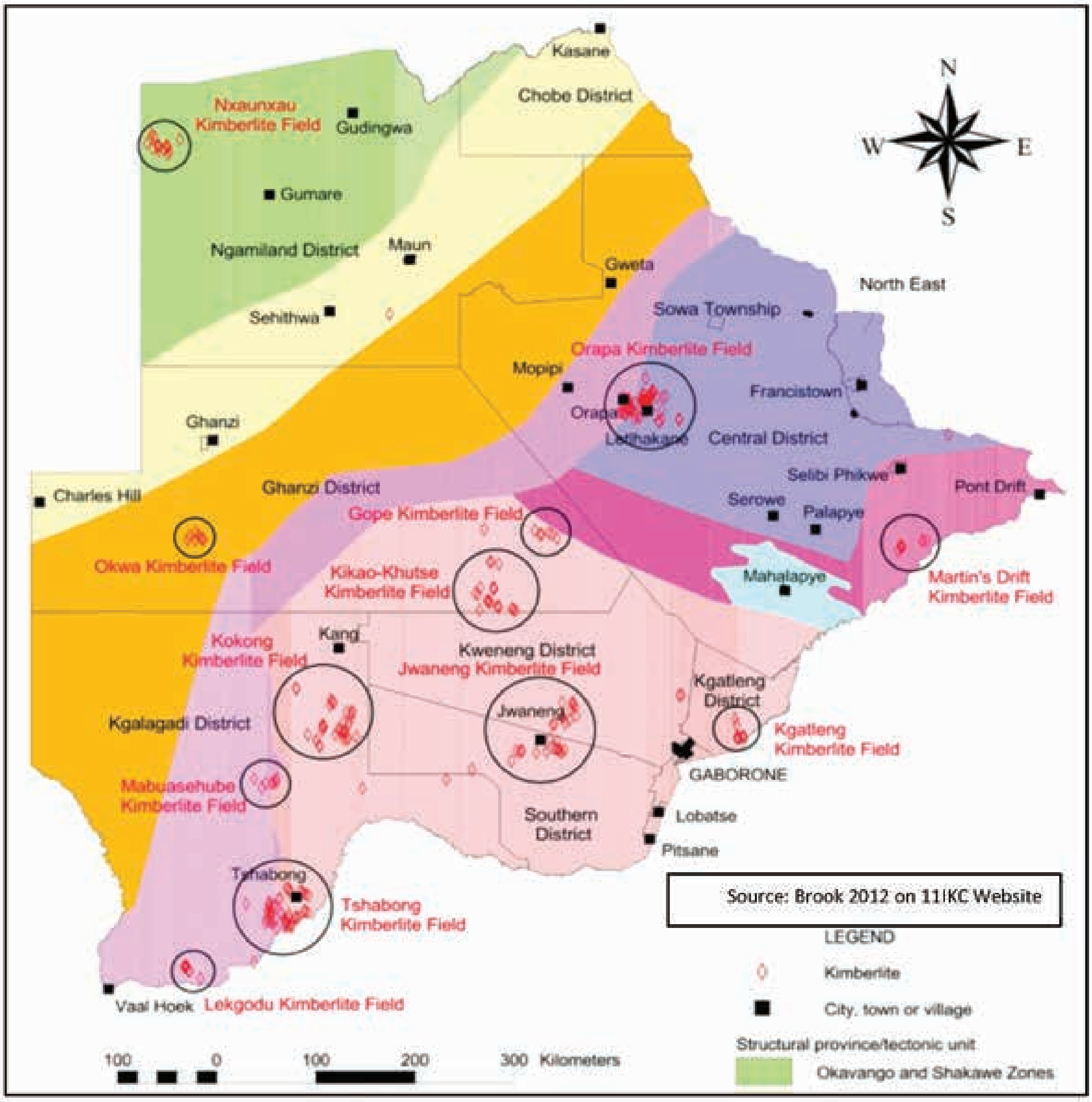

Figure 3: Kimberlite clusters of Botswana (Map: Brook, 2012 on 11IKC website)

Botswana's long track record of conservative economic management has allowed it to build substantial financial reserves. The country has consistently been awarded the highest credit ratings in Africa and supported by its good governance and a strong democracy and is consequently considered to have low political risk. It has long been accepted as the best address for diamond investment in the world.

Ghaghoo acquisition

The company is continuing to engage with potential parties who might replace VAST as the company's joint venture partner to acquire the Ghaghoo mine as previously announced.

Sekaka Diamonds

Sekaka, which was Petra's exploration vehicle in Botswana, holds Prospecting Licenses in the Central Kalahari Game Reserve ('Kalahari') incorporating the high grade KX36 kimberlite pipe discovery. Sekaka owns a recently constructed, kimberlite bulk sampling plant on site which incorporates crushing, scrubbing, dense media separation and X-Ray recovery modules all within a secure area. The acquisition also includes an extensive exploration database, built up over fifteen years of exploration activity.

MANAGING DIRECTOR'S STATEMENT (continued)

Figure 4: KX36 Bulk sampling plant (photo: Petra Diamonds Ltd)

KX36 is a 3.5 hectare kimberlite pipe, discovered by Sekaka, in the Kalahari. The kimberlite is situated approximately 70 km from the Ghaghoo Mine, and 260 km north-west of Botswana's capital Gaborone.

MANAGING DIRECTOR'S STATEMENT (continued)

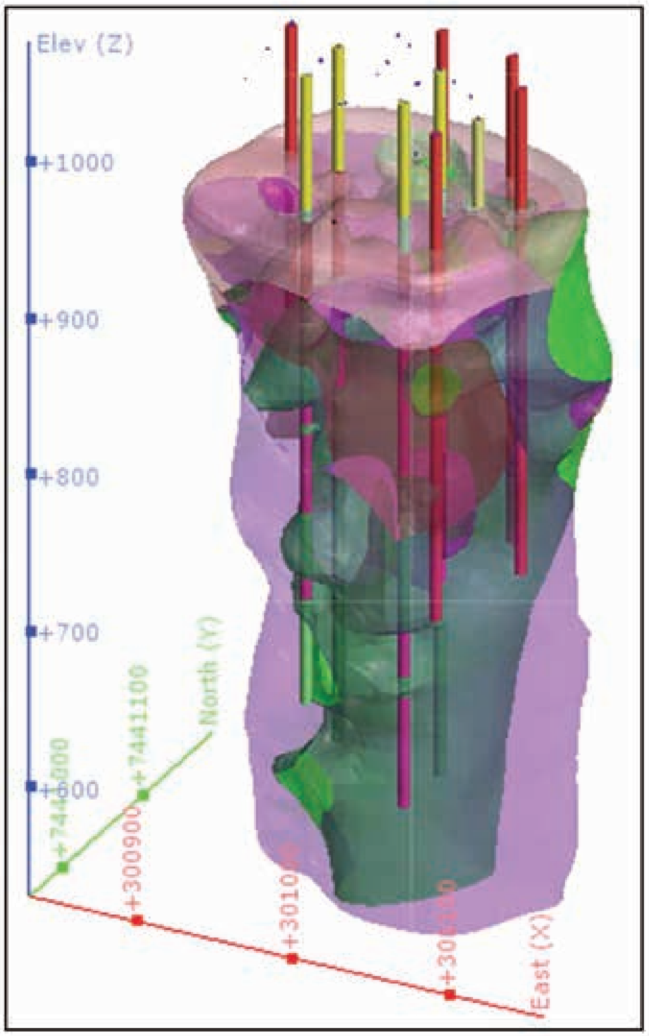

Figure 5: Geological model of KX36 (photo: Petra Diamonds Ltd)

Sekaka has undertaken considerable exploration work on KX36, including core and Large Diameter Drilling ('LDD'). A historic SAMREC compliant Indicated Resource of 17.9M tonnes at 35 cpht exists over the kimberlite, with an Inferred Resource of 6.7M tonnes at 36 cpht, estimated for the pipe by Z-Star in 2016. Modelling of these grade estimates however suggests overall grades of between 57-76 cpht. The estimated diamond value from the LDD is $65/ct, with an upside range of between $97/ct and $107/ct, all assuming a +1.15mm BCOS (+3 DTC diamond sieve).

MANAGING DIRECTOR'S STATEMENT (continued)

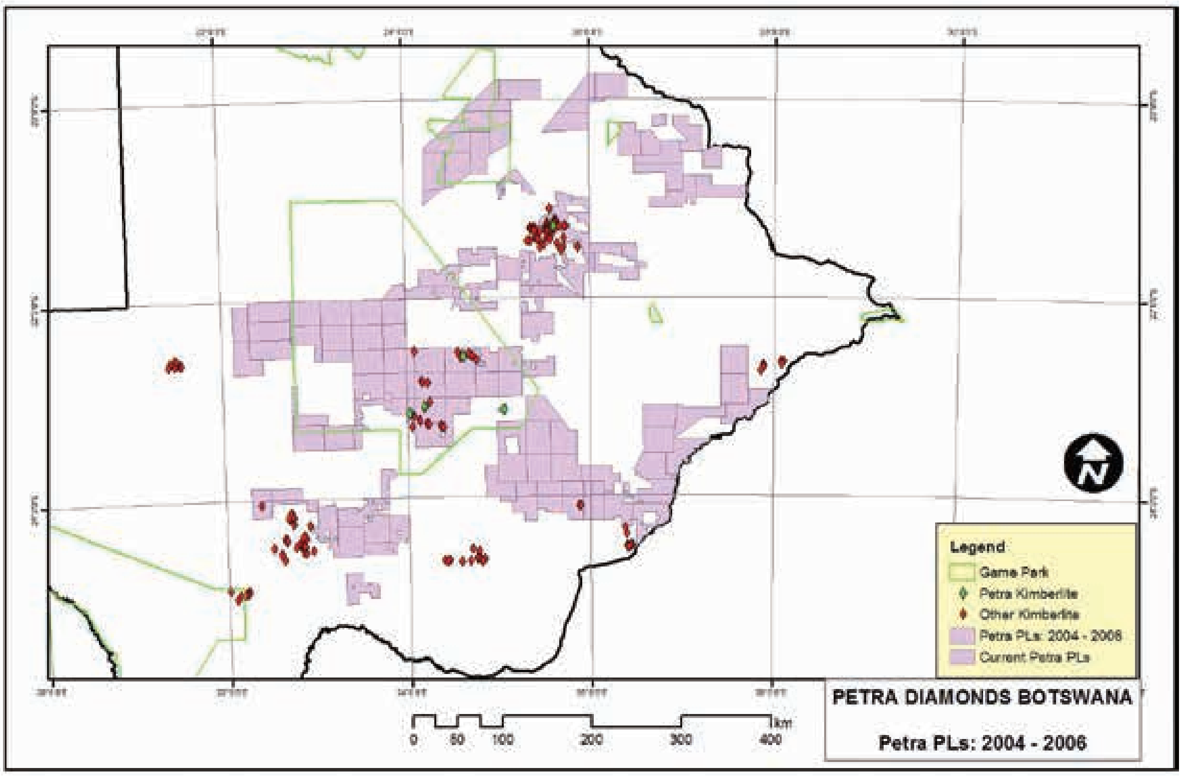

Figure 6: Sekaka historic ground holdings, viz, company database

Sekaka's extensive diamond exploration database contains the results of work undertaken since 2004. The database comprises the results of airborne and ground-based electro magnetics work (inclusive of the Falcon survey), as well as heavy mineral sampling. The Company believes that the information contained in the database will provide substantial support to its future kimberlite exploration activities in Botswana. The area of initial specific focus will be the heavy mineral train flowing from KX36 as it is likely that there are undiscovered buried kimberlites in the vicinity of KX36 as kimberlites generally occur in clusters and not in isolation.

Following a detailed review of the above dataset on the Sekaka licences four high interest anomalies were identified within a six-kilometre radius of the existing KX36 discovery. The anomalies are magnetic highs along fault structures and are typical of occurrences of kimberlite pipes in the area. Recent ground follow-up work with ground magnetic surveys confirmed these encouraging anomalies. The next steps are a gravity survey and soil sampling. A drill programme will be put in place.

Sunland Minerals

Several high-grade geophysical anomalies were discovered by Sunland in the Kalahari in areas adjacent to the Ghaghoo mine and KX36 discovery. The anomalies were found after collecting and collating all historical exploration data for all of Sunland Minerals' Prospecting Licences.

All licences were covered by either the Falcon airborne gravity gradiometer (AGG) single sensor magnetic survey or the 2004 - 2012 Xcalibur High-resolution horizontal gradient airborne magnetic survey.

Potential kimberlite targets were selected and categorised as Priority One to Three for each of the licences. A total of twenty Priority One, sixty-eight Priority Two and one hundred and seventy- nine Priority Three targets were identified in these licences. Two of the twenty Priority One were already known and had been surveyed in detail so consequently the remaining eighteen targets were followed up with detailed ground walk magnetic survey and soil sampling.

MANAGING DIRECTOR'S STATEMENT (continued)

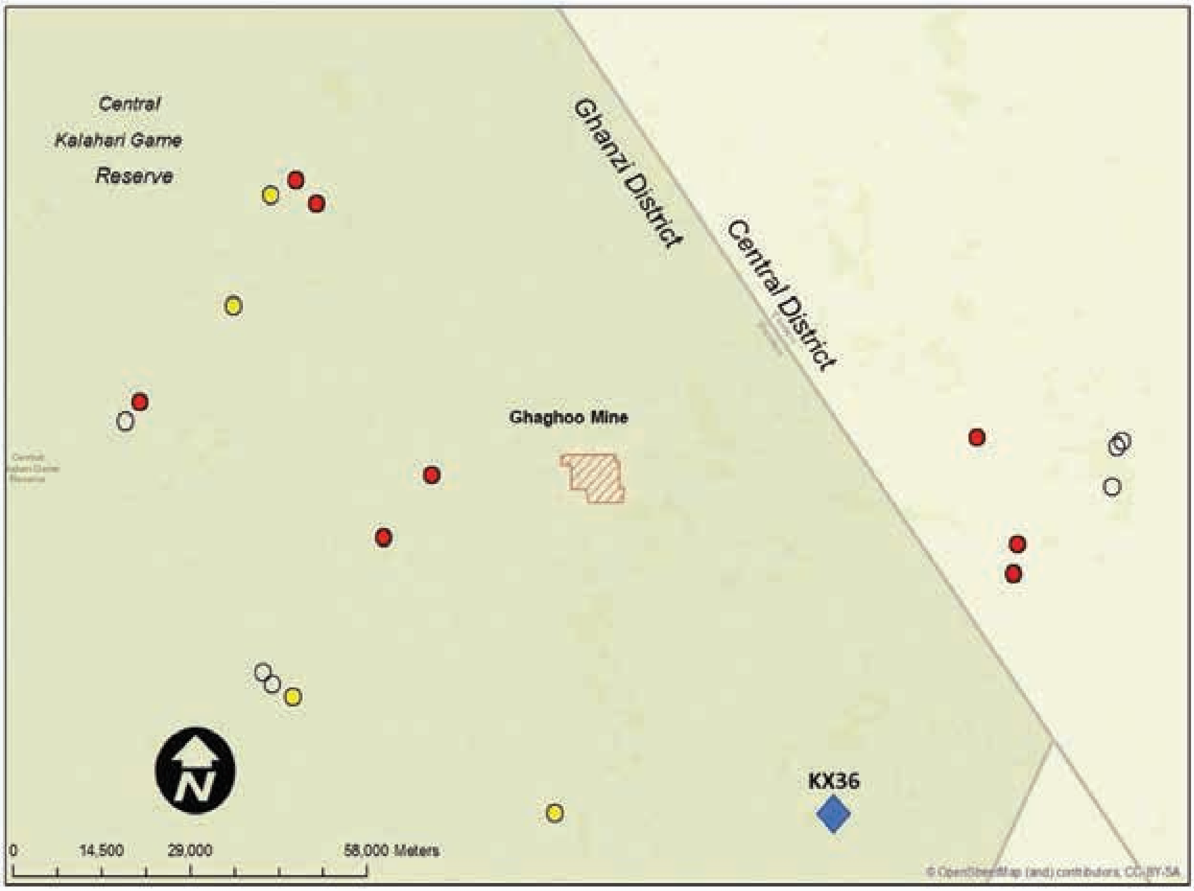

Figure 7: Location of high priority aeromagnetic targets (Red = 8 high interest targets; Yellow: low priority targets; Black empty circles: targets discarded on the basis of poor walk magnetic response)

Eight of the high interest targets were selected for Heavy Mineral sampling and four low interest anomalies were identified for follow-up in future.

Anomalies selected for detailed soil sampling are shown below. From each anomaly, five samples were taken in a cross pattern across each anomaly and were analysed for heavy minerals.

MANAGING DIRECTOR’S STATEMENT (continued)

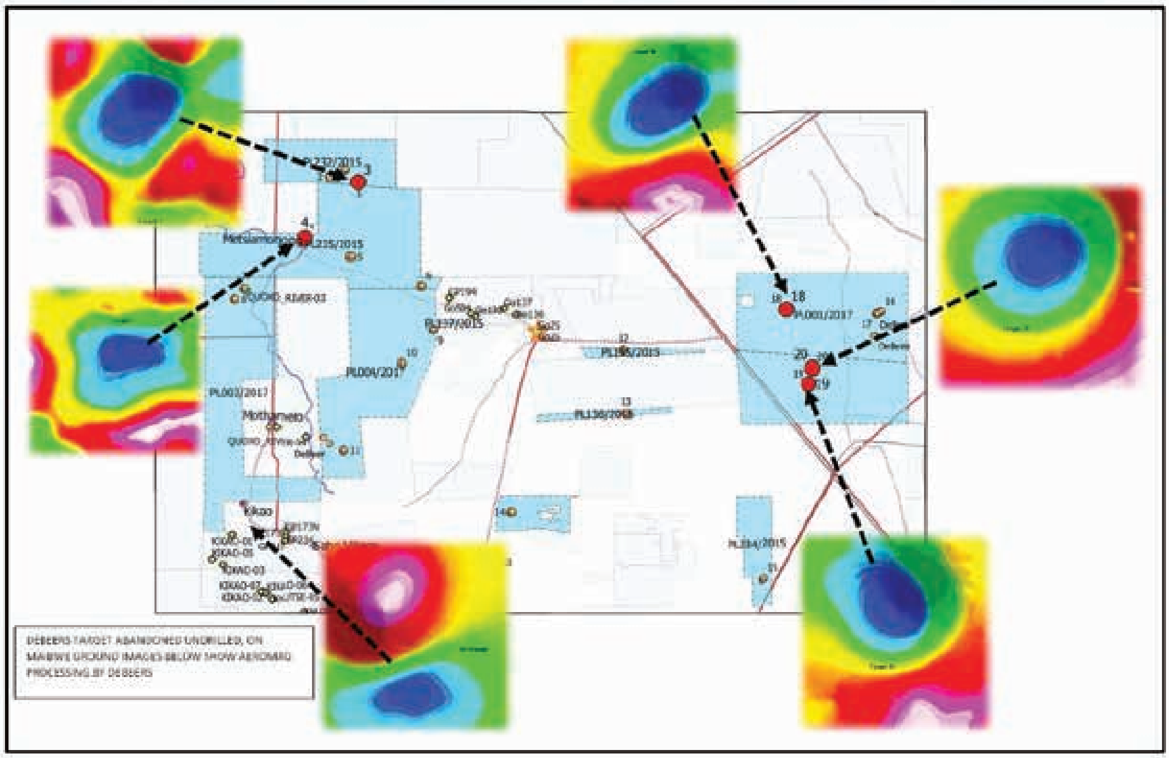

Figure 8: Geophysical targets in Sunland Minerals Kalahari project

A total of 267 kimberlitic indicator minerals (’KIMs’) were discovered. All eight anomalies had KIMs. The KIMs included 41 garnets, 13 chromites, 139 ilmenites, 4 chrome diopsides and 70 olivines. An analysis of the grains by Remote Exploration Services of Cape Town concluded that the sources were likely to be local due to the abundance, size and fresh surface textures of the KIMs.

The next steps are to determine the mineral chemistry of the grains and thus determine their diamond bearing potential and to follow up the Priority Two anomalies with walk- magnetics and soil sampling as some may be reassessed with a higher priority following ground truthing. Assuming positive mineral chemistry results, a decision will be made on a drilling programme.

Maibwe JV

Maibwe Diamonds holds Prospecting Licenses in the Kalahari and is a three-way JV between Botswana state-owned copper-nickel producer BCL, Future Minerals and Siseko Minerals Pty Ltd (‘Siseko’) 51% owned by BOD.

During the course of this year Siseko conditionally increased its stake in the Maibwe JV from 29% to 50%. BOD holds a 51.7% stake in Siseko. The consideration payable by Siseko is Pula 411,800 (equivalent to approximately £27,215). In addition, Maibwe has agreed to pay a royalty to the liquidators of BCL Botswana of 2% from any future commercial development. The agreement is subject to customary regulatory approval.

MANAGING DIRECTOR'S STATEMENT (continued)

Figure 9: Drilling on Maibwe

To date the Maibwe JV has identified a cluster of four diamond bearing kimberlite pipes on PL186, with surface sizes of 5ha, 6ha, 2ha and 1ha respectively. Significant quantities of microdiamonds have been found in one of these pipes.

SOUTH AFRICA

Introduction

South Africa has a long legacy as a diamond producer extending back over a century to the early days of the founding of De Beers in Kimberley. However, in recent years the apparent complexity of doing business in the country has resulted in mineral exploration activity being limited. Prospecting rights have thus been allowed to lapse on the part of the majors which has paved the way for smaller operators and individuals to stake claims over what would be considered in other domains as highly prospective ground.

A review of fiscal regimes in Southern Africa has shown South Africa to be competitive from an investment point of view, mainly due to lower royalties payable to the state on revenues, and lower rates of citizen free carry. The country therefore represents an opportunity for diamond exploration and project development.

Acquisition

Following outside interest in acquiring Vutomi Mining Pty Ltd ('Vutomi') the South African associate company of BOD, the Company exercised its pre-emptive right to acquire the outstanding third-party interests in Vutomi and Razorbill Properties 12 Pty Ltd ("Razorbill").

Vutomi holds the mineral rights to the Thorny River, Marsfontein and Reivilo diamond projects. The consideration for Vutomi comprised 56,989,330 new ordinary shares in the Company which, at the closing mid-market price on 28 September 2021 of 1.10p per share, is valued at £627k.

The Company 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 in order to comply with South African requirements on empowerment ownership, which will be funded by a loan from BOD. On completion, the Company will own 76% of Vutomi.

MANAGING DIRECTOR'S STATEMENT (continued)

All the necessary approvals were gained during the reporting period and the transaction closed. Since acquisition, Vutomi has changed its name to African Irish Diamonds Pty Ltd.

Thorny River (including Marsfontein)

Extensive exploration work has been undertaken on Thorny River which culminated in both a Competent Persons Report ('CPR') and Technical Economic Evaluation ('TEE'). The former delineated the following exploration parameters for the kimberlite dyke and blow system in the Limpopo Province of South Africa:

- Grade: 46 - 74 cpht (+1mm BCOS);
- Diamond value: USD120 - 220/ct (+1mm BCOS) and
- Volume: 1.2 – 2.1 M tons.

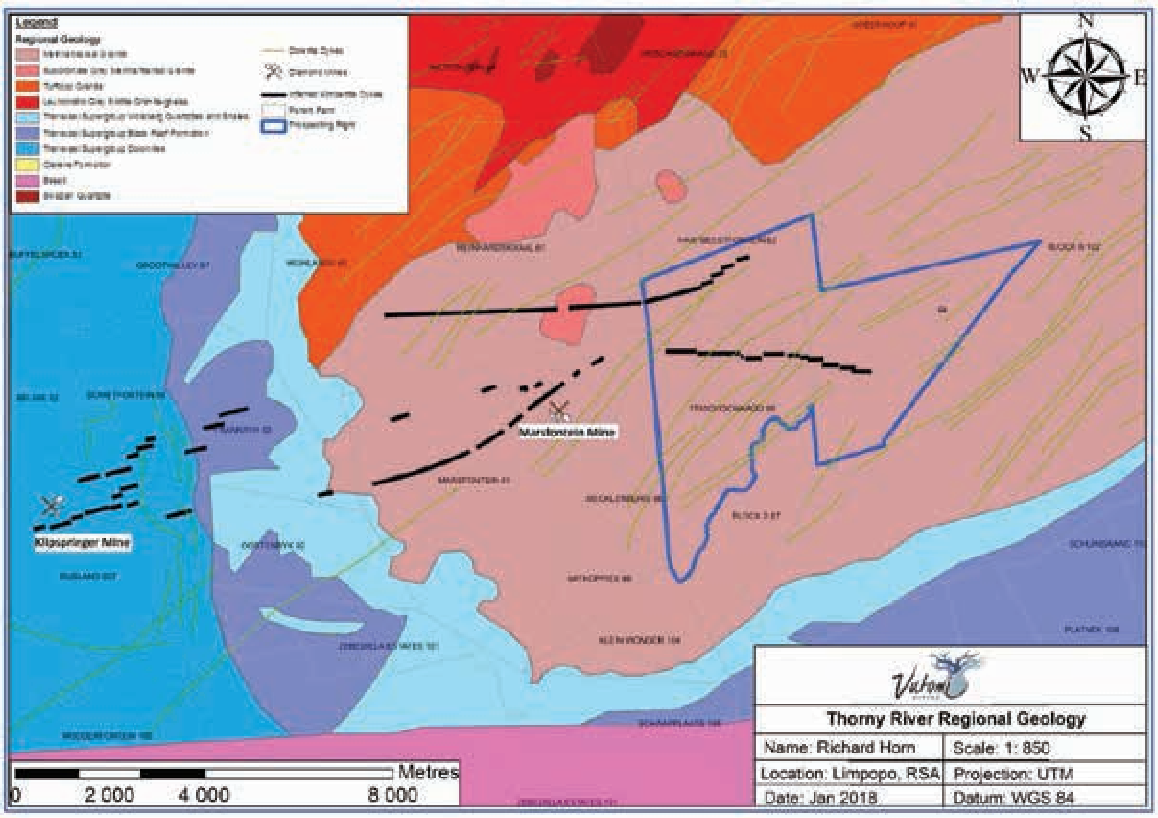

Figure 10: The Thorny River project area

The company has been active at Marsfontein and Thorny River through the conduct of detailed ground geophysics, drilling and bulk sampling over several years. The kimberlite has been found to be consistent with that found at Klipspringer Mine in the west and Frischgewaagt in the east and this consistency applies not just to the geology but to grade and diamond value.

Following extensive geological work, a mine plan evaluation was completed by South African-based independent mining advisory consultants, Practara (Pty) Ltd, together with modelling input from ABGM Pty Limited of Australia. Conceptual open pit mine plan models were developed under a number of scenarios to assess the open pit mining potential of the River and River Extension blows (collectively 'the River'). The models used the results of several drilling programmes and detailed ground geophysics. Grade and diamond value data was based on previous microdiamond and bulk sampling data as well as production results from the adjacent Klipspringer mine and the TEE. Cost data was benchmarked against similar operations.

The evaluation is based on pre-tax illustrative estimates of cashflow before provision of capital expenditure or pre-production costs and which have not yet been determined. The objective of the evaluation was to identify the best open pit mining option and considered low, medium, and high-cost scenarios for mining.

MANAGING DIRECTOR'S STATEMENT (continued)

The following graphic depicts the Evaluation's open pit models with the kimberlite for reference, based on various revenue factors, for a mid-range ('medium') cost mining operation applicable to a deposit of this nature.

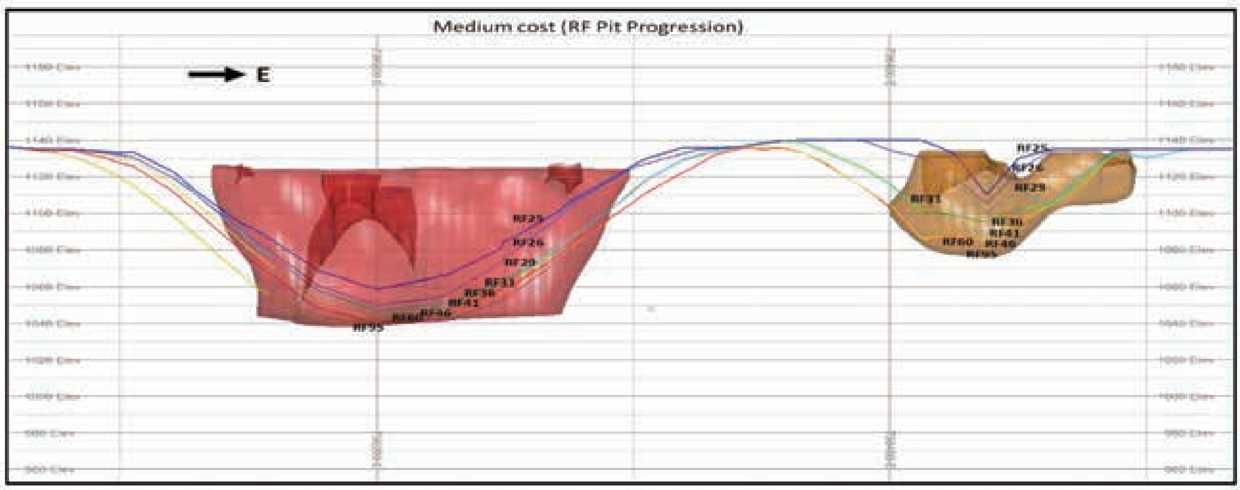

Figure 11: Conceptual mine plan models for Thorny River

The following table illustrates results of the medium-cost scenario in the evaluation at a mid-range diamond value of $170/ct and a discount rate of 10%. Grade and diamond values are stated at a bottom cut-off of +1mm.

Open Pit Ore Tonnes	**Open Pit Waste Tonnes**	**Strip Ratio Tw:To**	**Average Grade Recovered cpht**	**Discounted Cashflow NPV(10%)** *(Excluding capex and taxation)* **US$'M**
1,187,334	2,286,459	1.93	20	US$78.5
1,601,003	3,774,640	2.36	30	US$94.5
1,702,550	4,559,875	2.68	40	US$97.1
1,743,335	5,031,522	2.89	50	US$97.8
1,754,394	**5,197,872**	**2.96**	**60**	**US$97.9**

The TEE stated that the kimberlite exploration target at Thorny River area has a grade of between 46 and 74 cpht and diamond value of between $120-220/ct at a bottom cut off of +1mm. For the purposes of the evaluation, a lower grade of 20 cpht was also considered. The River medium-cost scenario mining model shows positive operational cash flow net present values for potential future open pit exploitation options at a conceptual level. Any open pit that is formed on the basis of a low revenue assumption (i.e. at revenue factors less than 80%) coupled with the maximum open pit size are indicated to be commercial.

Following positive results from the evaluation, permitting for mining and water use have been were applied for over the area of interest. Permitting has reached an Accepted' stage which and this has triggered environmental and community consultations in advance of issuing approval, which is expected during the course of Q2 2023.

Reivilo (Farm 21 or 18OP) kimberlite pipe cluster

The company has been granted a five-year prospecting licence on ground containing the Reivilo cluster of kimberlites ('Reivilo') in the Barkley West area of South Africa. Reivilo is located approximately 110 kilometres north-east of the actively producing Finsch diamond mine.

MANAGING DIRECTOR’S STATEMENT (continued)

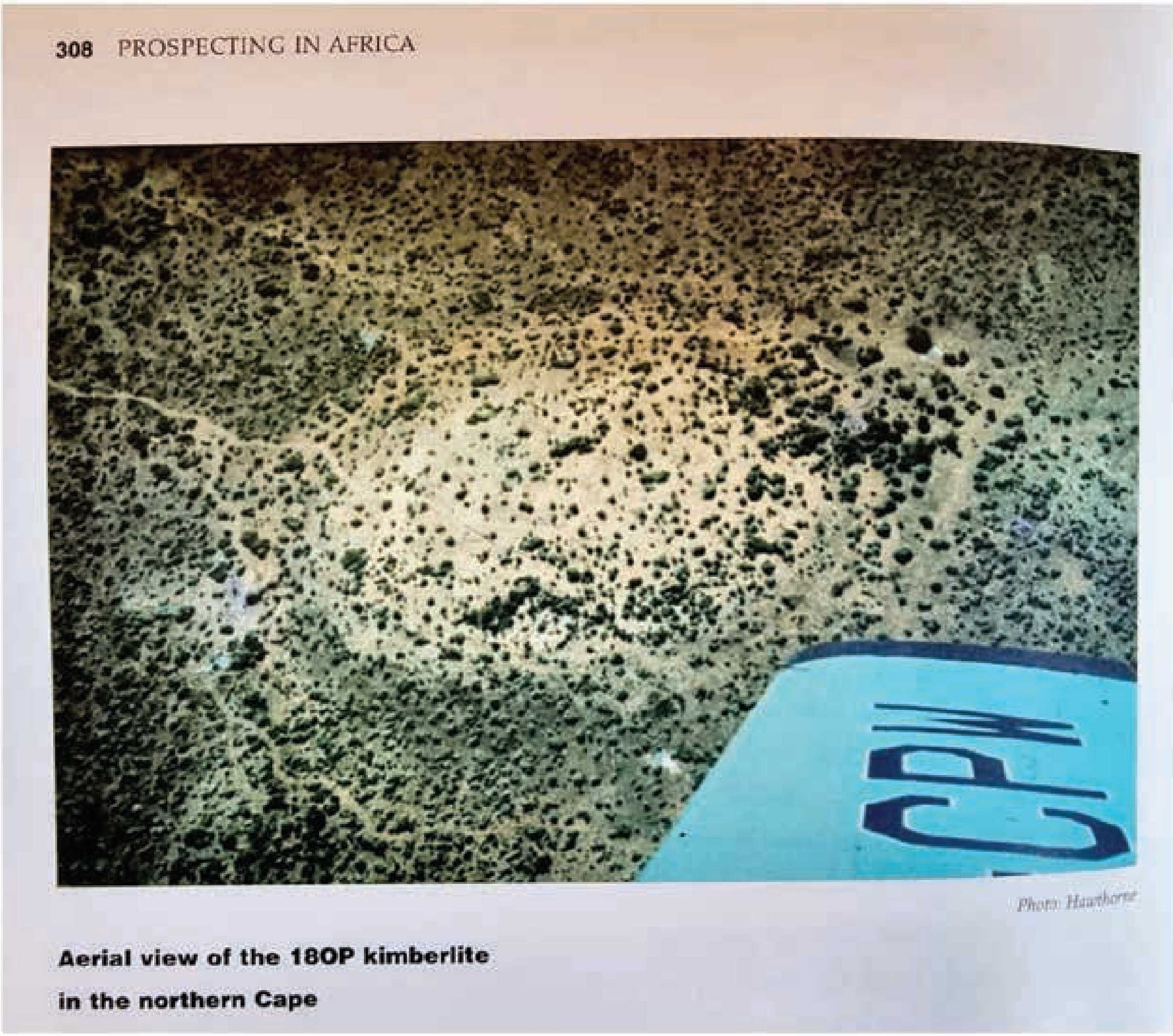

Figure 12: Aerial view of the 18OP kimberlite pipe from Prospecting in Africa by De Wit et al

Exploration by Petra, who were the previous operators, reported to have delineated a cluster of three kimberlite pipes, with sizes of 3.1 hectares, 1.7 hectares and 0.9 hectares all within a 250-metre radius. Samples of the drilling core produced G10 and eclogitic garnets which are the optimal indicators for diamondiferous kimberlites.

Following Granting of the license, the Company entered into a data licence agreement with Petra, the previous holder of the Reivilo licence, to have access to their full library of data on Reivilo. The data licence agreement grants Petra a 3% royalty on any production revenue generated from the Reivilo prospecting licence in return for access to all of the Petra’s data accumulated during their work on the licence.

MANAGING DIRECTOR'S STATEMENT (continued)

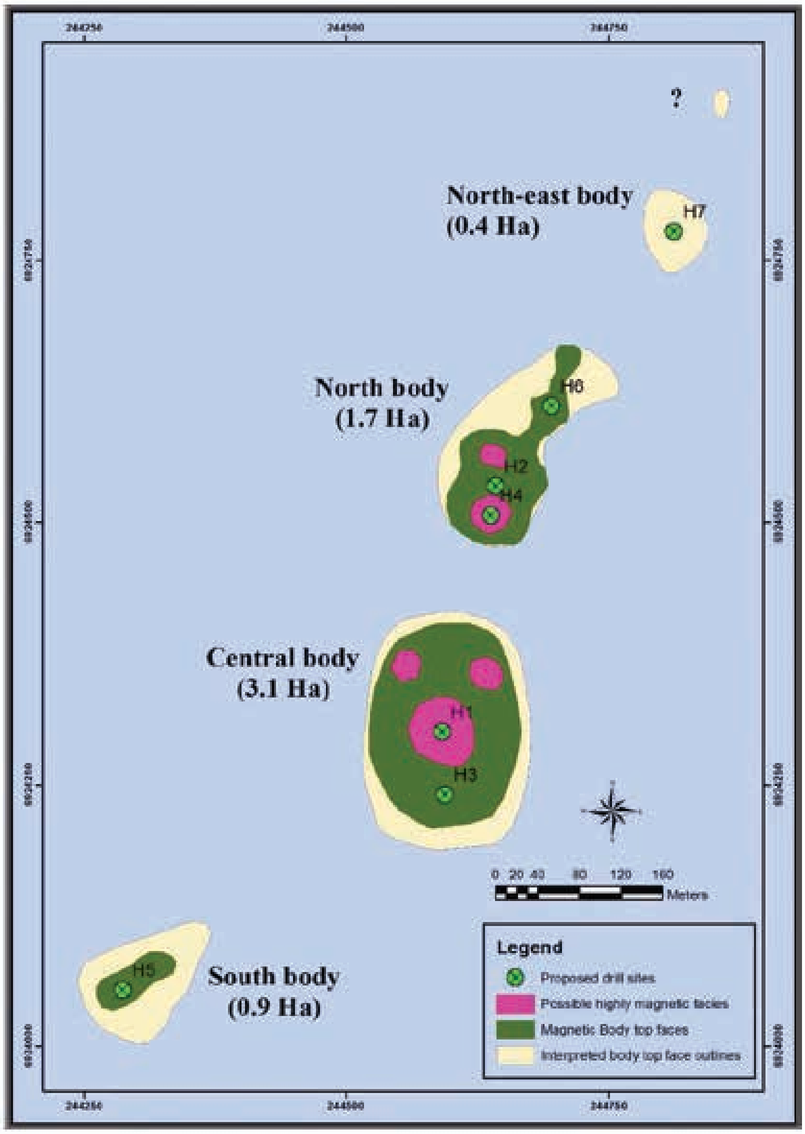

Figure 13: Reivilo kimberlite cluster (Petra data)

The company will review this data prior to finalising its own exploration programme.

ZIMBABWE

Zimbabwe's history of diamond exploration and mining had all but vanished during the many years of economic isolation under President Robert Mugabe's political regime. Following Mugabe's downfall, investors' appetite to invest in the country has been rising on the strength of the new government's favourable stance to foreign investment. Recent amendments to the country's mining law have reaffirmed the new government's intention to further open the country to foreign investment. The controversial indigenisation policy which had caused concern among foreign mining firms has been amended.

In terms of policy, new entrants into Zimbabwe are not allowed to apply for licenses for the exploration and development of diamond resources and must joint venture with one of the following four companies: ZCDC, Alrosa, Anjun or Rio Zim. It is hoped that the sector will soon open-up.

MANAGING DIRECTOR'S STATEMENT (continued)

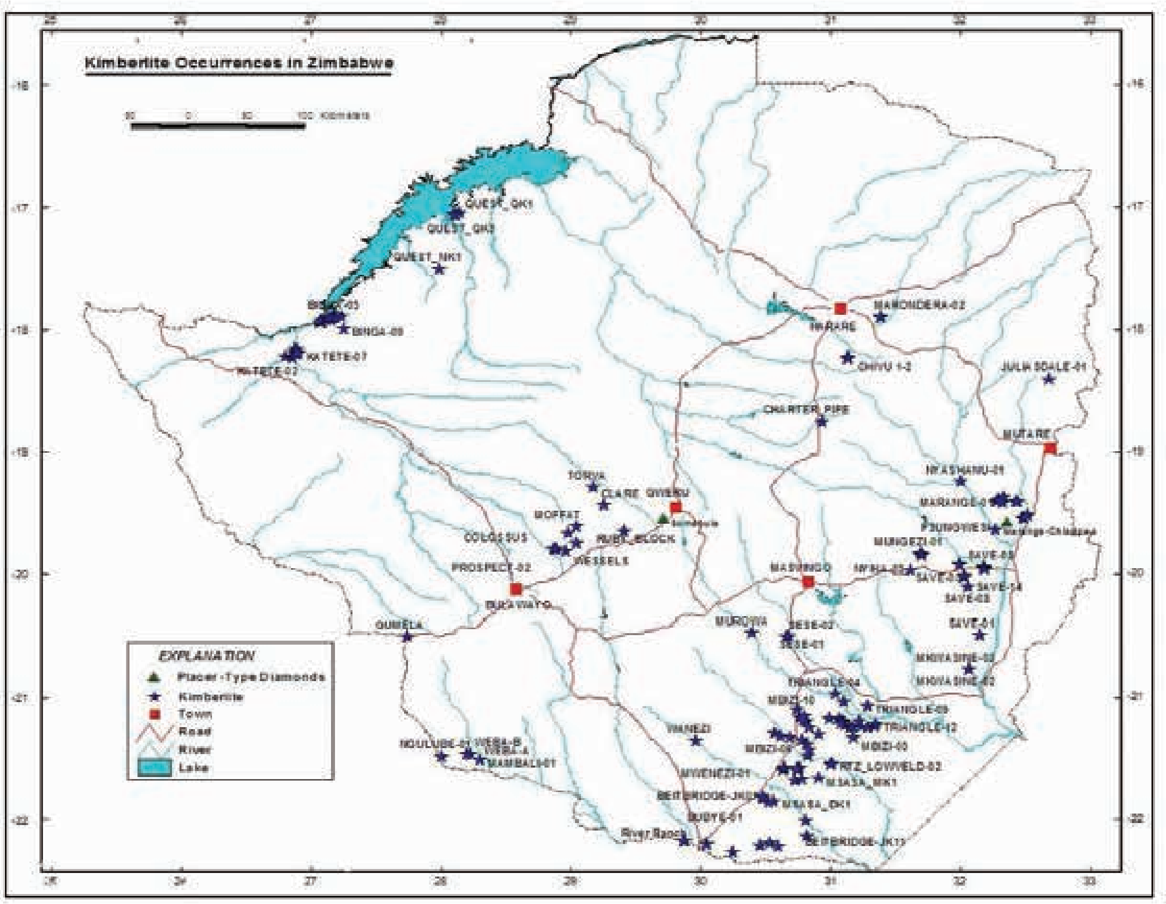

Figure 14: Diamond deposits of Zimbabwe

The company is actively pursuing licenses in the country.

MEDIA ACTIVITY

The Company has presented and participated in several conferences this year, including:

- Botswana Resource Infrastructure and Energy ('BRIEF'), the MD presented a paper on '*The future of Botswana's diamond resources*'.
- Junior Mining Indaba in Johannesburg the MD chaired a panel entitled '*Are diamonds forever*?'.
- African Mining Summit, in Gaborone, the MD chaired a panel on Junior mining financing.
- Geological Society of South Africa lunchtime talk, the MD presented a paper entitled '*Is there any overlap between Corporate Governance and Public Reporting*'.
- University of the Witwatersrand seminar on compliance and reporting in the minerals industry, the MD presented a paper entitled '*Corporate governance for South African Mining Companies (a practitioners view)*'.
- Geotalk, hosted by the University of the Witwatersrand and the Society for Economic Geologists (Joburg Chapter), the MD presented a paper on '*Prospecting for solutions: challenges facing the South African mining industry*'.

The Company continues to be active on social media with dedicated Twitter, Facebook, LinkedIn and YouTube accounts.

MANAGING DIRECTOR'S STATEMENT (continued)

OUTLOOK

The company's focus is on the Kalahari of Botswana and Thorny River.

In the Kalahari of Botswana, the company is focused on several projects:

- A detailed review of the resource to plan focused bulk sampling and optimise diamond grade and value as well as a review of innovative mining techniques to improve capex and opex estimates on **KX36**.
- Concluding the **Maibwe** acquisition and re-commencing work.
- Determining the diamond bearing potential of the source of the high interest kimberlitic indicators on the **Sunland Minerals** properties.

On **Thorny River**, the focus is on concluding the mine permitting process and commencing commercial production. The company also plans to commercialise the **Marsfontein diamondiferous gravels**.

Whilst in Zimbabwe, the company will continue to seek projects of potential commercial interest.

BOD will continue to assess and pursue diamond opportunities where there is potential value accretion to shareholders.

James AH Campbell
MANAGING DIRECTOR

9 December 2022

STRATEGIC REPORT

The directors present their annual reports and the audited financial statements of the Group and Company for the year ended 30 June 2022.

STRATEGY

Our strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Group's management expects to continue to use its expertise to acquire further licence interests for diamond exploration and development. The Group has exploration interests in Botswana and South Africa.

BUSINESS REVIEW

Botswana Diamonds plc is a UK registered Company, focused on diamond exploration and development. Further information concerning the activities of the Group and its future prospects is contained in the Chairman's Statement and the Managing Director's Statement.

The company ordinary shares are traded on the AIM of the London Stock Exchange.

The consolidated loss for the year after taxation was £738,992 (2021: £472,107).

The directors do not propose that a dividend be paid.

FUTURE DEVELOPMENTS

The directors intend to continue their involvement with the licences as disclosed in the Chairman's Statement and Managing Directors' Statement. They continue to seek further acquisition opportunities in relation to diamond exploration. The directors recognise the importance of climate change and the effect that its business operations can have on the environment. The Group is committed to operating in an environmentally responsible manner and to minimising the impact from its activities.

The Group recognises that its activities require it to have regard to the potential impact that it, its subsidiaries and partners may have on the environment. Where exploration and development works are carried out, care is taken to limit the amount of disturbance and where any remediation works are required they are carried out as and when required.

KEY PERFORMANCE INDICATORS

The two main KPIs for the Group are as follows.

These allow the Group to monitor costs and plan future exploration and development activities.

	2022	2021
KPI	**£**	£
Exploration and evaluation costs capitalised during the year	**222,259**	262,869
Funds raised on the alternative investment market	**738,100**	729,000

The KPIs for 2022 will continue to focus on the company's ability to raise funds for future exploration and development activities.

In addition, the group reviews ongoing operating costs which relate to the Group's ability to run the corporate function. As detailed in Note 3, the directors expect that adequate resources will be available to meet the Group's committed obligations as they fall due. Further details are set out in the Chairman's Statement and Managing Directors' Statement.

STRATEGIC REPORT (continued)

RISKS AND UNCERTAINTIES

The Group is subject to a number of risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk. The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risk	Nature of risk and mitigation
Licence obligations	Operations must be carried out in accordance with the terms of each licence agreed with the relevant ministry for natural resources in the host country. Typically, the law provides that operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such licences or fails to make timely payments of relevant levies and taxes. The Group has regular communication and meetings with relevant government bodies to discuss future work plans and receive feedback from those bodies. Country Managers in each jurisdiction monitor compliance with licence obligations and changes to legislation applicable to the group and report as necessary to the Board.
Requirement for further funding	The Group may require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy. The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting. Between July 2022 and September 2022 a total of £294,475 was raised via the exercise of warrants. Further information has been disclosed as a subsequent event in Note 24.
Geological and development risks	Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves. The Group activities in Botswana and South Africa are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.
Title to assets	Title to diamond assets in Botswana and South Africa can be complicated due to different regulation in different jurisdictions. The Directors monitor any threats to the Group's interest in its licences and employ the services of experienced and competent lawyers in relevant jurisdictions to defend those interests, where appropriate. The Managing Director is based in Africa and monitors the situation based on his expertise and experience of working many years in the diamond industry.
Exchange rate risk	The Group's expenses, which are primarily to contractors on exploration and development, are incurred primarily in Sterling, US Dollars and Euro. The Group's policy is to conduct and manage its operations in Sterling and therefore it is exposed to fluctuations in the relative values of the other currencies. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency.

STRATEGIC REPORT (continued)

Political risk	The Group holds assets in Botswana and South Africa and therefore the Group is exposed to country specific risks such as the political, social and economic stability of these countries. The countries in which the Group operates are encouraging foreign investment. The Group's projects are longstanding and we have established strong relationships with local and national government which enable the Group to monitor the political and regulatory environment.
Financial risk management	Details of the Group's financial risk management policies are set out in Note 23.

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional funding, if necessary, or alternatively upon the Group's and Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

IMPAIRMENT

The directors monitor and assess the recoverability of intangible assets and successful development of economic reserves. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

During the current year, the Group recognized an impairment charge of £253,380 (2021: £70,018) on licences held by the Group. Refer to Note 10 in relation to the impairment of the intangible assets.

GOING CONCERN

The Group's consolidated Financial Statements have been prepared on a going concern basis as detailed in Note 3.

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements.

In performing their assessment of going concern, the Directors have reviewed operating and cash forecasts in respect of the group's assets to 30 June 2023. The expected cash flows, plus available cash on hand, after allowing for funds required for administration and development costs and working capital requirements are expected to cover these activities.

The Directors are of the view that the Group is sufficiently funded for the twelve-month period from the date of approval of these Financial Statements. Subsequent to year end a total of £294,475 has been raised from the exercise of warrants.

Although the Directors consider the likelihood of all uncertainties eventuating to be remote, they are confident additional funding can be accessed should it be required. On the basis of the considerations set out above, the Directors have concluded that it is appropriate to prepare the Financial Statements on a going concern basis. These Financial Statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the Group was unable to continue as going concern.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings.

STRATEGIC REPORT (continued)

CORPORATE SOCIAL RESPONSIBILITY

The company's securities are traded on the AIM market of the London Stock Exchange ("AIM"). In line with AIM rules, the company has adopted the QCA Corporate Governance Code to ensure compliance. Information is available on the company's website botswanadiamonds.co.uk and in the corporate governance report from pages 27 to 31.

The Group is subject to best practice standards and extensive regulations, which govern environmental protection. The Group is committed to uphold these standards and regulations as a minimum and to keep these important matters under continuous review. When appropriate, adequate action and provision is immediately taken to ensure full compliance with the standards expected of an international exploration and development Group.

The Group works towards positive and constructive relationships with government, neighbours and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment that enables them to maintain a reasonable lifestyle for themselves and their families.

EMPLOYEE GENDER DIVERSITY

	Male	Female
Directors of the Company	5	–
Employees in other senior executive positions	–	1
Other employees of the Group	–	–
Total Employees of the Group	**5**	**1**

SUPPLIER PAYMENT POLICY

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Trade payable days for Group and Company for the year were 30-40 days.

DIRECTORS' STATEMENT UNDER SECTION 172 (1) OF THE COMPANIES ACT 2006

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

a. the likely consequences of any decision in the long term,

b. the interests of the Company's employees,

c. the need to foster the Company's business relationship with suppliers, customers and others,

d. the impact of the Company's operations on the community and environment,

e. the desirability of the Company maintaining a reputation for high standards of business conduct, and

f. the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for formulating the Company's strategy which is the appraisal and exploitation of the assets currently owned.

The Directors believe this key strategic decision will generate value for our shareholders in the long term. In executing the Company's strategy, the Directors remain focused on responsible and ethical business practices, and the Company strives to be a responsible corporate citizen in all its territories of operation.

STRATEGIC REPORT (continued)

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of an AIM-listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service, ("RNS"). The Company's website is also updated regularly, and provides further details on the business as well as links to helpful content such as our latest investor presentations.

Further detail illustrating how Directors adhere to the requirement set out in Section 172 (1) a to f above, are included in the Corporate Governance Report which begins on page 27.

The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

This Strategic Report was approved by the Board and signed on its behalf by:

John Teeling
Chairman

9 December 2022

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Group and Company for the year ended 30 June 2022.

DIRECTORS

The directors who served at any time during the financial year except as noted were as follows:

John Teeling
James Finn
David Horgan
Robert Bouquet
James Campbell

There were no changes in directors since year end.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors holding office at 30 June 2022 had the following interests in the ordinary shares of the Company:

	Nationality	Ordinary Shares of £0.0025 each Shares Number	%	30 June 2022 Ordinary Shares of £0.0025 each Options Number	Ordinary Shares of £0.0025 each Warrants Number	Ordinary Shares of £0.0025 each Shares Number	%	1 July 2021 Ordinary Shares of £0.0025 each Options Number	Ordinary Shares of £0.0025 each Warrants Number
John Teeling	Irish	54,084,318	6.82	2,500,000	–	54,084,318	6.82	2,500,000	–
James Finn	Irish	34,235,459	4.32	2,000,000	4,590,910	34,235,459	4.32	2,000,000	4,590,910
David Horgan	Irish	15,783,984	1.99	2,000,000	–	15,783,984	1.99	2,000,000	–
James Campbell	British	1,311,406	0.16	3,000,000	412,545	1,311,406	0.16	3,000,000	412,545
Robert Bouquet	British	–		250,000	–	–		250,000	–

There were no share options exercised by the directors during the year (2021: Nil).

DIRECTORS' REMUNERATION REPORT

The remuneration of the directors for the years ended 30 June 2022 and 30 June 2021 was as follows:

	Salaries and Fees	
	2022	2021
	£	£
John Teeling	**30,000**	30,000
James Finn	**30,000**	30,000
David Horgan	**20,000**	20,000
James Campbell	**75,691**	67,404
Robert Bouquet	**5,000**	5,000
Anne McFarland	**–**	2,774
	160,691	155,178

Directors' Remuneration is disclosed in Note 6 of these financial statements.

DIRECTORS' REPORT (continued)

SUBSTANTIAL SHAREHOLDINGS

The share register records that the following shareholders, excluding directors, held 3% or more of the issued share capital of the Company at 30 June 2022 and 24 November 2022:

	30 June 2022 No. of shares	**%**	24 November 2022 No of shares	%
Pershing International Nominees Limited (DSCLT)	**133,811,901**	**15.22**	125,616,901	13.13
Davycrest Nominees (DLC)	**77,288,871**	**8.79**	85,236,560	8.91
Interactive Investor Services Nominees Limited	**69,199,941**	**7.87**	84,349,229	8.82
HSBC Global Custody Nominee (UK) Limited (354399)	**47,430,906**	**5.40**	48,264,239	5.05
Hargreaves Lansdown (Nominees) Limited (HLNOM)	**34,312,718**	**3.90**	34,248,494	3.58
Euroclear Nominees Limited (EOC01)	**29,489,071**	**3.35**	26,799,663	2.80

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 19 January 2023 in accordance with the Notice of Annual General Meeting on page 66 of the annual report. Details of the resolutions to be passed are included in this notice.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made no political or charitable donations during the year.

CAPITAL STRUCTURE

Details of the issued share capital, together with details of movements in the Company's issued share capital during the year are shown in Note 16. The Company has one class of ordinary share which carries no right to fixed income and deferred shares. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. With regard to the appointment and replacement of directors, the Company is governed by the Articles of Association, the Companies Act of 2006, and related legislation.

DIRECTORS' INDEMNITIES

The Company does not currently maintain directors' or officers' liability insurance.

POST BALANCE SHEET EVENTS

Post balance sheet events are disclosed in Note 24 of these financial statements.

DIRECTORS' REPORT (continued)

STATEMENT ON RELEVANT AUDIT INFORMATION

Each of the persons who is a director at the date of approval of this report confirms that:

1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. A resolution to reappoint PKF O'Connor, Leddy & Holmes Limited will be proposed at the forthcoming Annual General Meeting.

By order of the Board and signed on its behalf by:

James Finn
Secretary

John Teeling
Director

9 December 2022

CORPORATE GOVERNANCE REPORT

The Group's securities are traded on the AIM Market of the London Stock Exchange ("AIM"). The Group has accomplished the requirements of the Quoted Company Alliance ("QCA") corporate governance guidelines for AIM companies.

In addition, the Company has an established code of conduct for dealings in the shares of the Company by directors and employees.

John Teeling, in his capacity as Chairman, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are communicated and applied.

The Board currently consists of 5 directors: Executive Chairman; Managing Director; Financial Director (and Company Secretary) and two Non-Executive Directors. The Board considers that appropriate oversight of the Company is provided by the currently constituted Board.

The 10 principles set out in the QCA Code are listed below, with an explanation of how Botswana Diamonds applies each of the principles and the reason for any aspect of non-compliance.

1. Establish a strategy and business model which promote long-term value for shareholders

The Company is an African focused diamond exploration company and has a clearly defined strategy and business model that has been adopted by the Board. This strategy is set out in the Strategic Report on page 19 of the Annual Report.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. All shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year.

Investors also have access to current information on the Company through its website www.botswanadiamonds.co.uk and through James Campbell, Managing Director who is available to answer investor relations enquiries. The Company provides regulatory, financial and business news updates through the Regulatory News Service in accordance with the AIM Rules. Contact details are also provided on the website.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company's project areas are located in Botswana and South Africa. Staff and locally appointed representatives at the Company's project offices provide a first point of contact for stakeholders to receive information on the Company's activities and provide feedback on any issues or concerns they may have. The Company has appointed local representatives to communicate with stakeholder groups e.g. local & regional government officials, central government departments, community groups and local suppliers to keep them continuously updated on project activities and plans. Management conveys to the Board in a timely manner through formal reporting channels and at operational review meetings any substantive concerns of stakeholders and where necessary, the Board mandates appropriate action be taken to address these concerns.

The Board is committed to having the highest degree possible of Corporate Social Responsibility in how the company undertakes its activities. We aim to have an uncompromising stance on health, safety, environment and community relations. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities. This is carried out by James Campbell and local consultants in Botswana and South Africa.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk.

CORPORATE GOVERNANCE REPORT (continued)

The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. The principal business and financial risks have been identified and control procedures implemented. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk and to provide reasonable assurance on the safeguarding of the Group's assets against misstatement or loss.

The major risks facing the Company are clearly identified in the Strategic Report on page 20. The Company relies on internal and external assessments of its systems for managing risk and it believes the continuous implementation of recommendations from these reviews provide the Board with adequate assurance that its systems for managing risks are effective.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of key milestones against its business objectives. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic, operational and financial matters. In the current year the Board has held four board meetings.

The Board is supported by the audit and remuneration and the nomination committees, detailed below.

The Board comprises Chairman. John Teeling (Executive Chairman), the Managing Director James Campbell, Financial Director and Company Secretary, James Finn, and two non-executive directors, David Horgan and Robert Bouquet. Currently James Campbell is a full time employee. Executive and non-executive directors are subject to re-election intervals as prescribed in the Company's Articles of Association. At each Annual General Meeting one-third of the Directors, who are subject to retirement by rotation shall retire from office. They can then offer themselves for re- election. On appointment the director receives a letter of appointment from the Company. The Non- Executive Directors receive a fee for their services as a director which is approved by the Board, being mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. The time commitment required from the Directors varies year to year depending on the extent of exploration activity being performed by the Company. The non-executive directors dedicate as much time as is required for them to fully carry out their duties for the Group including overseeing corporate governance arrangements and serving on board committees. The non-executive Directors are reimbursed for travelling and other incidental expenses incurred on Company business. None of the Directors are deemed to be independent as they each hold shares in the Company.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each director to discharge his or her fiduciary duties effectively.

The Board members' diverse range of skills and experience span technical, financial, operational and legal areas relevant to the management of the Company. Biographies of each Board member are shown below. Directors keep their skill sets up to date by attendance at, and participation in, various events organised by their respective industry sectors and/or by participation in continuing professional development courses. It strives to align directors' responsibilities with their individual skills so they can optimally contribute to its current strategy and business model. While the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles. The Company acknowledges that as it expands its operations across different countries, it will be to its benefit to align its Board composition to reflect balance in the ethnicity and gender of its members.

The Company retains the services of independent advisors across financial, legal, investor relations, technical/engineering and IT fields that are always available to the Board. These advisors provide support and guidance to the Board and complement the Company's internal expertise.

CORPORATE GOVERNANCE REPORT (continued)

Details of the current Board of Directors biographies are as follows:

John Teeling Executive Chairman

John Teeling is Executive Chairman of Botswana Diamonds. He has over 40 years' resources experience. Teeling is also involved in a number of other AIM exploration companies. He is a serial entrepreneur in the resource sector having founded African Diamonds and created Pan Andean Resources, Minco, African Gold, Persian Gold and West African Diamonds, all listed on AIM. The deal which saw Lucara (part of Lundin Group) takeover African Diamonds in 2010 was worth in the region of $90 million. He is also the founder and a former director of Kenmare Resources, a former director of Arcon and he holds interests in a number of industrial ventures. As chairman of Cooley Distillery he oversaw its sale to Jim Beam for $95 million. Teeling holds degrees in Economics and Business from University College Dublin, an MBA from Wharton and a Doctorate in Business Administration from Harvard. He lectured for 20 years in business and finance at University College Dublin.

James Campbell Managing Director

James Campbell is Managing Director of Botswana Diamonds plc. He has spent over 35 years in the diamond industry in a variety of roles. Previous roles include Chief Executive Office and President of Rockwell Diamonds Inc, Non- Executive Director of Stellar Diamonds plc, Vice President – New Business for Lucara Diamond Corp, Managing Director of African Diamonds plc and Executive Deputy Chairman of West African Diamonds plc. Prior to that James spent over twenty years at De Beers, with notable appointments including General Manager for Advanced Exploration and Resource Delivery and Nicky Oppenheimer's Personal Assistant. James holds a degree in Mining and Exploration Geology from the Royal School of Mines (Imperial College, London University) and an MBA with distinction from Durham University. James is a Fellow of the Institute of Mining, Metallurgy & Materials, South African Institute of Mining & Metallurgy, Geological Society of South Africa and Institute of Directors of South Africa. He is also a Chartered Engineer (UK), Chartered Scientist (UK) and a Professional Natural Scientist (RSA). As part of his social commitment to South Africa, James is Chairman of Common Purpose SA.

James Finn Finance Director and Company Secretary

James Finn is Finance Director and Company Secretary of Botswana Diamonds. He has over 20 years' experience in working with exploration companies. Finn has extensive experience in the administration of oil and gas and minerals companies. He has been responsible for listing several resource sector companies on AIM in London, including two of the first companies ever listed on AIM, Pan Andean Resources and African Gold. Finn was previously Finance Director of African Diamonds and West African Diamonds. He holds a degree in Management and an Association of Chartered Certified Accountants (ACCA) qualification.

David Horgan Non-Executive Director

David Horgan is a director at Botswana Diamonds. He has extensive African experience. Horgan has over 20 years' experience in oil and gas and resources projects in Latin America, Africa and the Middle East through a number of AIM listed companies including Clontarf Energy, Petrel Resources and Pan Andean Resources. He previously worked at Kenmare where he raised finance, captured the premium graphite worldwide market and evaluated investment opportunities. Prior to that he worked with Boston Consulting Group internationally for seven years. He holds a first class law degree from Cambridge and an MBA with distinction from the Harvard Business School. Horgan speaks several languages including Portuguese, Spanish and German.

Robert Bouquet Non-Executive Director

Robert Bouquet is a director at Botswana Diamonds. He has over 20 years' experience in the diamond industry, 14 of which he spent with De Beers and Rio Tinto Diamonds in a variety of strategic and commercial roles. On the commercial side Bouquet has worked in strategic roles as well as a sales manager for Rio Tinto and as a rough diamond buyer for De Beers in the Democratic Republic of Congo and Guinea. He has wide experience in diamond producing countries, particularly in Africa, as well as in all diamond cutting centres. He has a degree in Management and French from the University of Leeds.

Details of the current Board of Directors biographies are on the Company's website at the link below http://www.botswanadiamonds.co.uk/about-us/board-of-directors

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed.

CORPORATE GOVERNANCE REPORT (continued)

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Review of the Company's progress against the long terms strategy and aims of the business provides a means to measure the effectiveness of the Board.

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually. In 2022, the performance evaluation process was conducted internally.

Board Evaluation Process in June 2022

The Chairman John Teeling appraised the Board on the performance of each of the Directors during the year. The Board formally concluded on its own performance, on the performance of Committees and on the performance of individual Directors, including the Chairman.

Analysis of 2022 evaluation

The evaluation indicated a high level of satisfaction with the composition, performance and effectiveness of the Board, its Chair and Committees. It found that there are good communications both within the Board/ Committees and with management.

A number of key focus areas were identified for the Board to consider. These include:

- Continued consideration of succession planning at Board and management level
- Increased allocation of Board meeting time to consideration of strategic issues
- Increased diversity on the Board

Arising from the evaluation process, a number of actions were agreed by the Board which will be implemented by the Chairman during the current year.

8. Promote a corporate culture that is based on ethical values and behaviours

The corporate culture of the Company is promoted throughout its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct; Privacy Policy and Social Media Policy. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for and development of mineral resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view Company's activities positively. Therefore, sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does. The Company has an established code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM rules and the Market Abuse Regulation.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on all operational and financial matters. The Chairman has overall responsibility for corporate governance matters in the Company and chairs the Nomination Committee. The Managing Director has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

CORPORATE GOVERNANCE REPORT (continued)

The Nomination Committee

The Nomination Committee comprises the Chairman, Managing Director, Company Secretary and the Non-Executive Directors and usually meets at least once per year to examine Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations. The Nomination Committee did not meet this year as there were no changes to the board.

The Audit Committee

The Audit Committee, which is chaired by Managing Director, James Campbell, and also includes David Horgan meets at least twice a year to assist the Board in meeting responsibilities in respect of external financial reporting and internal controls. James Finn, the Company's Financial Director and Company Secretary also attends these meetings. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

The Remuneration Committee

The Remuneration Committee is comprised of Non-Executive Directors, David Horgan and Robert Bouquet. The Remuneration Committee meets at least once a year to determine the appropriate remuneration for the Company's executive directors, ensuring that this reflects their performance and that of the Company. The Company has a share option scheme and also issues warrants to subscribe for shares to executive directors and employees.

The Company's Audit Committee Report is presented on page 33 and provides further details on the committee's activities during 2022, and while a separate report from the Remuneration Committee was not produced due to the size of the company, the Company intends to review this requirement on an annual basis.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

Investors also have access to current information on the Company through its website www.botswanadiamonds.co.uk and through James Campbell, Managing Director who is available to answer investor relations enquiries. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year.

The Company's financial reports can be found on their website www.botswanadiamonds.co.uk

In addition, the Company also uses Social Media platforms and provides access to news releases and general news relating to the Company's business through twitter (@BotswanaDiamond), Facebook (BotswanaDiamondsPLC) and the Company page on LinkedIn (linkedin.com/company/Botswana Diamonds/).

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB and have elected to prepare the parent Company financial statements under IFRSs as issued by the IASB.

Under Company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This responsibility statement was approved by the board of directors on 9 December 2022 and is signed on its behalf by:

James Finn
Secretary

John Teeling
Director

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on the progress made by the Committee during the year. The Company's internal financial reporting and control systems are in compliance with good corporate governance guidelines outlined in the QCA Corporate Governance Code (2018) and with advice from our Nomad. This report details how the Audit Committee has met its responsibilities under its Terms of Reference and the UK Companies Act over the last twelve months.

Aims of the Audit Committee

Our purpose is to assist the Board in managing risk, discharging its duties regarding the preparation of financial statements, ensure that a robust framework of accounting policies is in place and enacted and oversee the maintenance of proper internal financial controls.

The Audit Committee, which is chaired by Managing Director, James Campbell, and also includes David Horgan meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Company's Finance Director James Finn is invited to attend meetings of the Committee. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

The Audit Committee is committed to:

- Maintaining the integrity of the financial statements of the Company and reviewing any significant reporting matters therein;
- Reviewing the Annual & Interim Report and Accounts and monitoring the accuracy and fairness of the Company's financial statements;
- Ensuring compliance of financial statements with applicable accounting standards and the AIM Rules;
- Reviewing the adequacy and effectiveness of the internal financial control environment and risk management systems; and
- Overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met three times in the financial year to 30 June 2022.

Activities of the Audit Committee during the year

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Audit committee received and reviewed reports from the Finance Director, other members of management and external auditors relating to the annual accounts and the accounting and internal control systems in use throughout the Group.

The external auditor attended one of the meetings to discuss the planning and conclusions of their work and meet with members of the committee. The committee was able to call for information from management and consult with the external auditor directly as required.

The objectivity and independence of the external auditor was safeguarded by reviewing the auditor's formal declarations and monitoring relationships between key audit staff and the Company.

As noted above, the committee met three times during the year, to review the 2021 annual accounts and the interim accounts to 31 December 2021 and audit planning for the year ended 30 June 2022. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Since the year end, the committee has met further with the auditor to consider the 2022 financial statements. In particular, the committee discussed the significant audit risks and the audit report.

James Campbell
Chairman Audit Committee

9 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOTSWANA DIAMONDS PLC

Opinion

We have audited the financial statements of Botswana Diamonds plc and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent assets, liabilities and financial position as at 30 June 2022 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality uncertainty related to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to note 3 in the financial statements concerning the group and parent's ability to continue as a going concern. The Group incurred a loss for the year of £716,430 (2021: loss of £557,499) after exchange differences on retranslation of foreign operations of £22,562 (2021: loss of £85,392) at the balance sheet date. The Group had net current liabilities of £526,724 (2021: £ 537,453) and the Company £332,189 (2021: £ 454,967) at the balance sheet date. The going concern assumption of the group and parent company is dependent on the group and parent company obtaining additional finance to meet the working capital needs for a period of not less than twelve months from the date of approval of the financial statements. These events and conditions, along with the other matters as set forth in note 3 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the directors' assessment of the group's and parent company's ability to adopt the going concern basis of accounting included:

- Obtaining an understanding of the group and parent company's relevant controls over the preparation and review of cash flow projections and assumptions used in the cash flow forecasts to support the going concern assumption and assessed the design and implementation of these controls;
- Challenging the key assumptions used in the cash flow forecasts by agreement to historical run rates, expenditure commitments and other supporting documentation;
- Testing the clerical accuracy of the cash flow forecasts;
- Sensitivity analysis on the cash flow forecasts to assess the amount of headroom available to the group and parent company based on its year end cash position;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOTSWANA DIAMONDS PLC (continued)

- Assessment of the group and parent company's ability to raise additional finance; and
- Assessment of the adequacy of the disclosures in the financial statements with a particular focus on appropriate disclosure of the key uncertainties relating to going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The materiality applied to the group financial statements was £157,300. This has been calculated using Net Assets benchmarks which we have determined, in our professional judgement, to be the most appropriate benchmarks within the financial statements relevant to the members of the Group in assessing financial performance. The materiality applied to the parent company financial statements was £99,300 based upon 2% of Net Assets. Performance materiality was 75% of overall materiality for the group and parent company.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit in excess of £3,800 for the group and parent company. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The group and its one subsidiary are accounted for from a central location in Dublin, Ireland.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation and recoverability of intangible assets (refer note 10) The group carries a material amount of intangible assets in relation to capitalised costs associated with group's exploration activities in both the consolidated balance sheet and parent company balance sheet. As a result, the following risks arise: — Costs may have been incorrectly capitalised and not conform with all the 6 step criteria detailed in IAS 38. — The carrying value of the capitalised cost may be overstated and the realisation of these intangible assets is dependent on the discovery and successful development of economic diamond reserves, which is subject to a number of risks and uncertainties, including obtaining title to licences and the ability of the group to raise sufficient finance to develop the projects.	The work undertaken to mitigate the risks were as follows: • We reviewed and challenged management's assessment of impairment of exploration activities, considered whether there are any indicators of impairment. We found the judgements used by management in their impairment assessment were reasonable. • We verified the capitalised exploration costs meet the eligibility criteria detailed in IAS 38 for that given site. • We substantively tested additions in the year back to supporting documentation to include licences held by the group and parent company to identify terms and commitments in relation to those licences. • We also considered the adequacy of the disclosures included in the financial statements in accordance with IFRS.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOTSWANA DIAMONDS PLC (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOTSWANA DIAMONDS PLC (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to those directly impacting the preparation of the financial statements, such as the Companies Act 2014 and the AIM Rules. There are no significant laws and regulations currently impacting the trading activities of the group other than compliance with normal business contractual terms.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks related to management bias through judgements and assumptions in significant accounting estimates, and to posting inappropriate journal entries. The key audit matters section of our report explains the specific procedures performed in respect of the valuation and recoverability of intangible assets.

Our audit procedures performed included:

- Discussions with and inquiry of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes from board and other committee meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Testing the appropriateness of journal entries and other adjustments, and evaluating the business rationale of any significant transactions that are unusual or outside the normal terms of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://www.iaasa.ie/Publications/Auditing-standards/

This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Doyle
For and on behalf of PKF O'Connor, Leddy & Holmes Limited
Statutory Auditor
9 December 2022

Century House
Harold's Cross Road
Dublin 6W

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2022

	Notes	2022 £	2021 £
Administrative expenses	4	**(485,612)**	(402,089)
Impairment of exploration and evaluation assets	10	**(253,380)**	(70,018)
OPERATING LOSS		**(738,992)**	(472,107)
LOSS FOR THE YEAR BEFORE TAXATION		**(738,992)**	(472,107)
Income tax expense	8	**-**	-
LOSS AFTER TAXATION			
Other Comprehensive Income		**(738,992)**	(472,107)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations	18	**22,562**	(85,392)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(716,430)**	(557,499)
Loss per share – basic	5	**(0.09p)**	(0.06p)
Loss per share – diluted	5	**(0.09p)**	(0.06p)

Consolidated Balance Sheet
as at 30 June 2022

	Notes	30 June 2022 £	30 June 2021 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	10	**8,184,621**	8,194,032
Plant and equipment	11	**207,640**	206,788
		8,392,261	8,400,820
CURRENT ASSETS			
Other receivables	13	**48,981**	42,038
Cash and cash equivalents	14	**158,476**	164,658
		207,457	206,696
TOTAL ASSETS		**8,599,718**	8,607,516
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	15	**(734,181)**	(744,149)
TOTAL LIABILITIES		**(734,181)**	(744,149)
NET ASSETS		**7,865,537**	7,863,367
EQUITY			
Called-up share capital – deferred shares	16	**1,796,157**	1,796,157
Called-up share capital – ordinary shares	16	**2,197,680**	1,981,805
Share premium	16	**11,487,087**	10,984,362
Share based payment reserves	17	**111,189**	111,189
Retained deficit	19	**(6,443,797)**	(5,704,805)
Translation reserve	18	**(299,492)**	(322,054)
Other reserve	18	**(983,287)**	(983,287)
TOTAL EQUITY		**7,865,537**	7,863,367

The financial statements of Botswana Diamonds plc, registered number 07384657, were approved by the Board of Directors on 9 December 2022 and signed on its behalf by:

John Teeling
Director

Company Balance Sheet
as at 30 June 2022

	Notes	30 June 2022 £	30 June 2021 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	10	**5,072,151**	5,133,327
Investment in subsidiaries	12	**224,850**	224,850
		5,297,001	5,358,177
CURRENT ASSETS			
Other Receivables	13	**222,206**	124,780
Cash and cash equivalents	14	**148,930**	153,539
		371,136	278,319
TOTAL ASSETS		**5,668,137**	5,636,496
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	15	**(703,325)**	(733,286)
NET ASSETS		**4,964,812**	4,903,210
EQUITY			
Called-up share capital – deferred shares	16	**1,796,157**	1,796,157
Called-up share capital – ordinary shares	16	**2,197,680**	1,981,805
Share premium	16	**11,487,087**	10,984,362
Share based payment reserves	17	**111,189**	111,189
Retained deficit	19	**(9,644,014)**	(8,987,016)
Other reserve	18	**(983,287)**	(983,287)
TOTAL EQUITY		**4,964,812**	4,903,210

The company reported a loss for the financial year ended 30 June 2022 of £656,998 (2021: Loss of £432,686). The financial statements of Botswana Diamonds plc, registered number 07384657, were approved by the Board of Directors on 9 December 2022 and signed on its behalf by:

John Teeling
Director

Consolidated Statement of Changes in Equity
for the year ended 30 June 2022

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Translation Reserve £	Other Reserves £	Total £
At 30 June 2020	3,474,212	10,564,712	111,189	(5,232,698)	(236,662)	(983,287)	7,697,466
Issue of shares	303,750	425,250	-	-	-	-	729,000
Share issue expenses	-	(5,600)	-	-	-	-	(5,600)
Loss for the year and total comprehensive income	-	-	-	(472,107)	(85,392)	-	(557,499)
At 30 June 2021	3,777,962	10,984,362	111,189	(5,704,805)	(322,054)	(983,287)	7,863,367
Issue of shares	**215,875**	**522,225**	**-**	**-**	**-**	**738,100**	
Share issue expenses	**-**	**(19,500)**	**-**	**-**	**-**	**(19,500)**	
Loss for the year and total comprehensive income	**-**	**-**	**-**	**(738,992)**	**22,562**	**-**	**(716,430)**
At 30 June 2022	**3,993,837**	**11,487,087**	**111,189**	**(6,443,797)**	**(299,492)**	**(983,287)**	**7,865,537**

Company Statement of changes in Equity
for the year ended 30 June 2022

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Other Reserves £	Total £
At 30 June 2020	3,474,212	10,564,712	111,189	(8,554,330)	(983,287)	4,612,496
Share based payment	-	-	-	-	-	-
Issue of shares	303,750	425,250	-	-	-	729,000
Share issue expenses	-	(5,600)	-	-	-	(5,600)
Loss for the year and total comprehensive income	-	-	-	(432,686)	-	(432,686)
At 30 June 2021	3,777,962	10,984,362	111,189	(8,987,016)	(983,287)	4,903,210
Share based payment	-	-	-	-	-	-
Issue of shares	**215,875**	**522,225**	**-**	**-**	**738,100**	
Share issue expenses	**-**	**(19,500)**	**-**	**-**	**-**	**(19,500)**
Loss for the year and total comprehensive income	**-**	**-**	**-**	**(656,998)**	**-**	**(656,998)**
At 30 June 2022	**3,993,837**	**11,487,087**	**111,189**	**(9,644,014)**	**(983,287)**	**4,964,812**

Consolidated Cash Flow Statements
for the year ended 30 June 2022

	Notes	**30 June 2022 £**	30 June 2021 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year	4	**(738,992)**	(472,107)
Foreign exchange losses		**15,932**	(4,187)
Impairment of exploration and evaluation assets	10	**253,380**	70,018
		(469,680)	(406,276)
MOVEMENTS IN WORKING CAPITAL			
(Decrease)/Increase in trade and other payables		**(9,968)**	112,417
Increase in other receivables		**(6,943)**	(16,651)
NET CASH USED IN OPERATING ACTIVITIES		**(486,591)**	(310,510)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to exploration and evaluation assets		**(222,259)**	(262,869)
NET CASH USED IN INVESTING ACTIVITIES		**(222,259)**	(262,869)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		**738,100**	729,000
Share issue costs		**(19,500)**	(5,600)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**718,600**	723,400
NET INCREASE IN CASH AND CASH EQUIVALENTS		**9,750**	150,021
Cash and cash equivalents at beginning of the financial year		**164,658**	17,994
Effect of foreign exchange rate changes	4	**(15,932)**	(3,357)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14	**158,476**	164,658

Company Cash Flow Statement
for the year ended 30 June 2022

	Notes	30 June 2022 £	30 June 2021 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		**(656,998)**	(432,686)
Foreign exchange losses		**20,460**	(4,187)
Impairment		**251,704**	59,815
		(384,834)	(377,058)
MOVEMENTS IN WORKING CAPITAL			
(Decrease)/Increase in trade and other payables		**(29,961)**	99,528
Increase in other receivables		**(97,426)**	(103,833)
NET CASH FROM OPERATING ACTIVITIES		**(512,221)**	(381,363)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to exploration and evaluation assets		**(190,528)**	(198,103)
NET CASH USED IN INVESTING ACTIVITIES		**(190,528)**	(198,103)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		**738,100**	729,000
Share issue costs		**(19,500)**	(5,600)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**718,600**	723,400
NET INCREASE IN CASH AND CASH EQUIVALENTS		**15,851**	143,934
Cash and cash equivalents at beginning of the financial year		**153,539**	12,692
Effect of foreign exchange rate changes	4	**(20,460)**	(3,357)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14	**148,930**	153,539

Notes to the Financial Statements
for the year ended 30 June 2022

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and Company are summarised below:

(i) Basis of preparation
The financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

The consolidated financial statements are presented in pounds sterling and comply with the Companies Act 2006.

(ii) Statement of compliance
The financial statements of Botswana Diamonds plc and all its subsidiaries (the Group) have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

(iii) Basis of consolidation
The consolidated financial statements comprise the financial statements of Botswana Diamonds plc and its subsidiaries as at 30 June 2022. Subsidiaries are fully consolidated from the date of acquisition, being the date which the Group obtains control, and continue to be consolidated until the date that such control ceases. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The acquisition method of accounting is used to account for business combinations by the group. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intragroup balances, income and expenses and unrealized gains and losses resulting from intragroup transactions are eliminated in full.

(iv) Investment in subsidiaries
The Company's investments in subsidiaries are stated at cost, less any accumulated impairment losses.

(v) Operating loss
Operating loss represents revenue less cost of sales, administrative expenses and listing expenses. It is stated before finance revenue, finance costs and fair value gains/losses on financial assets.

(vi) Foreign currencies
The presentation currency of the Group financial statements is pound sterling and the functional currency and the presentation currency of the parent Company is pounds sterling. The individual financial statements of each Group Company are maintained in the currency of the primary economic environment in which it operates (its functional currency).

In preparing the financial statements of the parent, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re- determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Statement of Comprehensive Income for the year, other than when a monetary item forms part of a net investment in a foreign operation; then exchange differences on that item are recognised in equity. Exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(vii) Intangible fixed assets

Mining Exploration and Evaluation

Mining Exploration and Evaluation costs are carried forward in respect of areas of interest where the consolidated entity's rights to tenure are current, and where these costs are expected to be recouped through successful development into production from the area of interest or by sale or disposal of the project.

Alternatively, these costs are carried forward while active and significant exploration and evaluation costs being incurred. Intangible assets comprise of exploration costs purchased as part of the acquisition in prior years continuing in relation to the areas of interest and it is too early to make reasonable assessment of the existence or otherwise of economical production from the area of interest.

Costs incurred by the Company on behalf of its subsidiaries and associated with exploration and evaluation activities are capitalised on a project-by-project basis pending commencement of production from the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If the exploration and evaluation activities lead to economic production from the project, the related expenditures will be written-off over the estimated life of the mine (useful economic life) on straight line method.

The recoverability of these costs is dependent upon the exploration and evaluation activities successfully transitioning into production from the project, the ability of the Group to obtain necessary financing to complete the development of the project and derive future profitable production or proceeds from the sale or disposal of the project.

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Botswana and South Africa. The group's exploration activities are subject to a number of significant and potential risks including:

- licence obligations
- requirement for further funding
- geological and development risks
- title to assets
- political risk

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off to the statement of comprehensive income.

Exploration expenditure relates to the initial search for deposits with economic potential in Botswana and South Africa. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration rights and costs incurred in exploration and evaluation activities are capitalised as part of exploration and evaluation assets.

Exploration costs are capitalised until technical feasibility and commercial viability of extraction of reserves are demonstrable. Exploration costs include an allocation of administration and salary costs (including share based payments) attributable to exploration activities as determined by management.

Exploration assets which are acquired as part of a business combination are recognised at fair value in accordance with IFRS 3. When a business combination results in the acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of intangible assets
The assessment of intangible assets for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

The assessment requires judgement as to the likely future commerciality of the asset and when such commerciality should be determined; future revenues, capital and operating costs and the discount rate to be applied to such revenues and costs.

Prior to reclassification to property, plant and equipment, exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised immediately in the statement of comprehensive income.

The Company reviews and tests on a licence by licence basis for impairment on an ongoing basis and specifically if the following occurs:

a) the period for which the Group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
b) substantive expenditure on further exploration for and evaluation of diamond resources in the specific area is neither budgeted nor planned;
c) exploration for an evaluation of diamond resources in the specific area have not led to the discovery of commercially viable quantities of diamond resources and the Group has decided to discontinue such activities in the specific area; and
d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised

Deferred tax assets
The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

(viii) Plant and Equipment
Plant and Equipment are carried at cost (or deemed cost). Cost includes the original purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use. The Plant and Equipment is currently under care and maintenance.

(ix) Financial Instruments
Financial instruments are recognised in the Group and Company's balance sheet when the Group and Company or Company becomes a party to the contractual provisions of the instrument. Trade and other Receivables are measured at initial recognition at invoice value, which approximates to fair value and are subsequently measured at amortised cost adjusted for any loss allowance.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognized represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

For all other financial assets at amortised cost, the Group and Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition, which is determined by:

- A review of overdue amounts,
- Comparing the risk of default at the reporting date and at the date of initial recognition, and
- An assessment of relevant historical and forward-looking quantitative and qualitative information.

The Group and Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The carrying value of amounts due by Group undertakings 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.

Cash
Cash comprises cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into, and mainly consist of trade payables. Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments
Equity instruments issued by the Company are recorded in Equity at the proceeds received, net of direct issue costs.

(x) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The current tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries and associates, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(xi) Share based payments

The Group issues equity-settled share based payments only to certain employees and directors. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest and adjusted for the effect of market based vesting conditions.

Where the value of the goods or services received in exchange for the share based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(xii) Warrants

Warrants issued are classified separately as equity or as a liability at FVTPL in accordance with the substance of the contractual arrangement.

When a warrant is exercised, the company issues share capital and the capital is accounted for with the par value being recognized in issued share capital and any amount received in excess of the nominal value of the issued shares being brought to share premium.

(xiii) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation expenditure

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. The following costs which can be demonstrated as project related are included within exploration and evaluation assets.

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets relate to prospecting, exploration and related expenditure in Botswana and South Africa. The Group's exploration activities are subject to a number of significant and potential risks including:

- 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.

Impairment of intangible assets
The assessment of intangible assets for any indications of impairment (Note 1.vii) involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

The assessment requires judgement as to: the likely future commerciality of the asset and when such commerciality should be determined; future revenues; capital and operating costs, and the discount rate to be applied to such revenues and costs.

Going concern
The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible assets, to their realisable values. Further information concerning going concern is outlined in Note 3.

Key sources of estimation uncertainty
The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of intangible assets
The assessment of intangible assets for any indication of impairment involves uncertainty. There is uncertainty as to whether the exploration activity will yield any economically viable discovery. Aspects of uncertainty surrounding the Group's intangible assets include the recoverability of the asset, which is dependent upon the discovery and successful development of economic reserves, ability to be awarded exploration licences and the ability to raise sufficient finance, to develop the Group's projects. If the directors determine that an intangible asset is impaired, an allowance is recognised in the statement of comprehensive income. Further information concerning the impairment of Intangible Assets is outlined in Note 10.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

a) *New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2021*

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 June 2022 but did not result in any material changes to the financial statements of the Group or Company.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds

3. GOING CONCERN

The Group incurred a loss for the year of £716,430 (2021: loss of £557,499) after exchange differences on retranslation of foreign operations of £22,562 (2021: loss of £85,392) at the balance sheet date. The Group had net current liabilities of £526,724 (2021:£ 537,453) and the Company £332,189 (2021:£ 454,967) at the balance sheet date. These conditions represent material uncertainties that may cast doubt on the Group's ability to continue as a going concern.

The directors have prepared cashflow projections and forecasts for a period of not less than 12 months from the date of this report which indicate that the group will require additional funding for working capital requirements and develop existing projects. As the Group is not revenue or cash generating it relies on raising capital from the public market. Subsequent to year end the Company has raised a total of £294,475 from the exercise of warrants. Further details are outlined in Note 24.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

4. LOSS BEFORE TAXATION

	2022	2021
	£	£
The loss before taxation is stated after charging:		
Auditor's remuneration	**30,000**	37,050
The analysis of auditor's remuneration is as follows:		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**27,000**	33,300
Fees payable to the Group's auditor and their associates for other services to the Group	**3,000**	3,750
Total audit fees	**30,000**	37,050
Administrative expenses comprise:		
Professional fees	**226,277**	194,393
Foreign exchange gain/(loss)	**15,932**	(4,187)
Directors' remuneration (Note 6)	**88,923**	89,625
Wages and salaries	**44,899**	48,303
Other administrative expenses	**45,002**	44,740
Security and maintenance	**64,579**	29,215
	485,612	402,089

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

4. LOSS BEFORE TAXATION (CONTINUED)

Excluded from Directors' Remuneration above is £71,768 (2021: £ 65,553) of salary payments which were capitalised within intangible assets. This is for time spent directly on the operations rather than on corporate activities.

Further details of directors' remuneration is provided in note 6.

5. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the profit or loss after taxation for the year 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 year.

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

	2022	2021
Numerator	**£**	£
For basic and diluted EPS Loss after taxation	**(738,992)**	(472,107)
Denominator	No.	No.
For basic and diluted EPS	**844,141,491**	739,571,217
Basic EPS	**(0.09p)**	(0.06p)
Diluted EPS	**(0.09p)**	(0.06p)

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.
Share options	**11,410,000**	11,410,000

6. RELATED PARTY AND OTHER TRANSACTIONS

Group and Company
Key Management Compensation and Directors' Remuneration

The remuneration of the directors, who are considered to be the key management personnel, is set out below.

	Salary or fees £	**Share based payments £**	**2022 Total £**	Salary or fees £	Share based payments £	2021 Total £
John Teeling	**30,000**	**—**	**30,000**	30,000	—	30,000
James Finn	**30,000**	**—**	**30,000**	30,000	—	30,000
David Horgan	**20,000**	**—**	**20,000**	20,000	—	20,000
Robert Bouquet	**5,000**	**—**	**5,000**	5,000	—	5,000
Anne McFarland	**—**	**—**	**—**	2,774	—	2,774
James Campbell	**75,691**	**—**	**75,691**	67,404	—	67,404
	160,691	**—**	**160,691**	155,178	—	155,178

All remunerations related to short term employee benefits.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

6. RELATED PARTY AND OTHER TRANSACTIONS (CONTINUED)

The number of directors to whom retirement benefits are accruing is Nil.

Included in the above is £71,768 (2021: £ 65,553) of salary payments which were capitalised within intangible assets. This is for time spent directly on the operations rather than on corporate activities.

Other

The Company shares offices and overheads with a number of other companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the year are set out below:

	Clontarf Energy plc £	Arkle Resources plc £	Petrel Resources plc £	Total £
At 1 July 2020	—	—	—	—
Office and overhead costs recharged	12,111	(8,975)	11,360	14,496
Repayments	(5,068)	8,975	(4,212)	(305)
At 30 June 2021	7,043	—	7,148	14,191
Office and overhead costs recharged	**15,124**	**4,244**	**13,171**	**32,539**
Repayments	**(13,745)**	**—**	**(13,805)**	**(27,550)**
At 30 June 2022	**8,422**	**4,244**	**6,514**	**19,180**

Amounts due to and from the above companies are unsecured and repayable on demand.

7. EMPLOYEE INFORMATION

The average number of persons employed by the Group and Company including directors during the year was:

	2022 Number	2021 Number
Management and administration	**6**	7

	£	£
Staff costs for the above persons were:		
Wages and salaries	**205,590**	217,706
Share based payments	-	-
Pension costs	**-**	**-**
	205,590	217,706

Included in the above is £71,768 (2021: £79,778) of salary payments (including director costs) and £Nil (2021: £ Nil) of share based payments which were capitalised within exploration assets.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

8. INCOME TAX EXPENSE

	2022 £	2021 £
Current tax:		
Tax on loss	**-**	-
	-	-
Factors affecting the tax expense:		
Loss on ordinary activities before tax	**(738,992)**	(472,107)
Tax calculated at 19% (2021: 19%)	**(140,408)**	(89,700)
Effects of:		
Unutilised Losses	**140,408**	89,700
Tax charge	**-**	-

No charge to corporation tax arises in the year due to losses incurred.

At the balance sheet date the Group had unused tax losses of £5,884,742 (2021: £5,145,750) which equates to an unrecognised deferred tax asset of £1,118,101 (2021: £977,693).

No deferred tax asset has been recognised due to the unpredictability of future profit streams.

9. SEGMENTAL ANALYSIS

Operating segments are identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker and the Group is organised into three segments: Botswana, Zimbabwe and South Africa.

9A. Segment revenue and segment result

Group	Segment Revenue 2022 £	Segment Result 2022 £	Segment Revenue 2021 £	Segment Result 2021 £
Botswana	-	**(253,380)**	-	(40,418)
South Africa	-	**-**	-	-
Zimbabwe	**-**	**-**	-	(58,815)
Total continuing operations	-	**(253,380)**	-	(99,233)
Unallocated head office	**-**	**(485,612)**	-	(372,874)
	-	**(738,992)**	-	(472,107)

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

9B. Segment assets and liabilities

Group	**Assets 2022 £**	**Liabilities 2022 £**	Assets 2021 £	Liabilities 2021 £
Botswana	**6,863,151**	**(154,211)**	7,267,281	(228,152)
South Africa	**1,548,935**	**—**	1,151,412	—
Zimbabwe	**—**	**—**	—	—
Total continuing operations	**8,412,086**	**(154,211)**	8,418,693	(228,152)
Unallocated head office	**187,632**	**(579,970)**	188,823	(515,997)
	8,599,718	**(734,181)**	8,607,516	(744,149)

Company	**Assets 2022 £**	**Liabilities 2022 £**	Assets 2021 £	Liabilities 2021 £
Botswana	**3,931,570**	**(123,355)**	4,296,261	(217,289)
South Africa	**1,548,935**	**—**	1,151,412	—
Zimbabwe	**—**	**—**	—	—
Total continuing operations	**5,480,505**	**(123,355)**	5,447,673	(217,289)
Unallocated head office	**187,632**	**(579,970)**	188,823	(515,997)
	5,668,137	**(703,325)**	5,636,496	(733,286)

9C. Other segmental information

Additions to non-current assets	**Group 2022 £**	Group 2021 £	**Company 2022 £**	Company 2021 £
Botswana	**37,752**	113,826	**6,021**	49,060
South Africa	**184,507**	113,001	**184,507**	113,001
Zimbabwe	**—**	36,042	**—**	36,042
Total continuing operations	**222,259**	262,869	**190,528**	198,103
Unallocated head office	**—**	—	**—**	—
	222,259	262,869	**190,528**	198,103

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

10. INTANGIBLE ASSETS

Exploration and evaluation assets:

	2022 Group £	2021 Group £	**Company 2021 £**	2021 Company £
Cost:				
At 1 July	**9,562,528**	9,385,051	**5,423,999**	5,225,896
Additions	**222,259**	262,869	**190,528**	198,103
Exchange gain/(loss)	**21,710**	(85,392)	**—**	—
At 30 June	**9,806,497**	9,562,528	**5,614,527**	5,423,999
Impairment:				
At 1 July	**1,368,496**	1,298,478	**290,672**	230,857
Impairment	**253,380**	70,018	**251,704**	59,815
At 30 June	**1,621,876**	1,368,496	**542,376**	290,672
Carrying Value:				
At 1 July	**8,194,032**	8,086,573	**5,133,327**	4,995,039
At 30 June	**8,184,621**	8,194,032	**5,072,151**	5,133,327

Segmental analysis	**2022 Group £**	2021 Group £	**Company 2021 £**	2021 Company £
Botswana	**6,635,686**	6,829,604	**3,523,216**	3,768,899
South Africa	**1,548,935**	1,364,428	**1,548,935**	1,364,428
Zimbabwe	**—**	**—**	**—**	—
	8,184,621	**8,194,032**	**5,072,151**	5,133,327

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 current year, the Group recorded an impairment charge of £253,380 on expenditure incurred exploring for new licences in Botswana and South Africa and expenditure incurred on the Ghaghoo diamond mine as the Group was unsuccessful in securing a joint venture partner to complete the acquisition.

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 project.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

10. INTANGIBLE ASSETS (CONTINUED)

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 Group increased its' interest from 45.94% to 74%, further information is detailed in Note 24.

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 in Note 1 (xiii).

Included in additions for the year are payments of £Nil (2021: £14,225) of wages and salaries and £71,768 (2021: £65,553) of directors' remuneration which has been capitalized. This is for time spent directly on the operations rather than on corporate activities.

11. PLANT AND EQUIPMENT

	2022	2021
	£	£
At 1 July	**206,788**	—
Additions	**—**	206,788
Exchange variance	**852**	—
At 30 June	**207,640**	206,788

On 18 July 2020 the Group entered into an agreement to acquire the KX36 Diamond discovery in Botswana, along with two adjacent Prospecting Licences and a diamond processing plant. These interests are part of a package held by Sekaka Diamond Exploration (Pty) Ltd. The acquisition was completed on 20 November 2020. The diamond processing plant is a recently constructed, fit-for-purpose bulk sampling plant on site. The sampling plant includes crushing, scrubbing, dense media separation circuits and x-ray recovery modules within a secured area. Further details are set out in Note 12.

12. INVESTMENT IN SUBSIDIARIES

	2022	2021
	£	£
At 1 July	**224,850**	17
Additions	**—**	224,833
At 30 June	**224,850**	224,850

Botswana Diamonds entered into a Sale of Shares Agreement with Petra Diamonds Limited ("Petra") and Kalahari Diamonds Limited ("Kalahari Diamonds") on 18 July 2020 to acquire the entire issued share capital of Sekaka Diamond Exploration (Pty) Ltd ("Sekaka") currently held by Kalahari Diamonds, a wholly-owned subsidiary of Petra. The acquisition was completed on 20 November 2020.

The transaction consideration comprises a deferred cash payment of US$300,000 of which US$150,000 is payable on or before 27 November 2021 and the balance in cash on or before 27 November 2022.

In the opinion of the directors, at 30 June 2022, the fair value of the investments in subsidiaries is not less than their carrying amounts.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries of the Company at 30 June 2022 were:

Name of subsidiary	Total allotted Capital	Registered Address	Country of incorporation and operation	% Ownership	Principal activity
***Kukama Mining and Exploration (Proprietary) Limited	2 Ordinary shares of BWP1 each	Unit 1, Plot 99 Gaborone Int Commerce Centre Botswana	Botswana	100%	Prospecting and exploration for diamonds
Kukama Diamonds Investments Limited	50,000 shares of US$1,000 each	Sea Meadow House Road Town Tortola B.V.I.	British Virgin Islands	100%	Holding Company
Orapa Diamonds plc	5,000,000 shares of £0.01 each	Suite 1, 3rd Floor 11-12 St. James's Square London SW1 Y4LB U.K.	United Kingdom	100%	Dormant
Botswana Coal plc	5,000,000 shares of £0.01 each	Suite 1, 3rd Floor 11-12 St. James's Square London SW1 Y4LB U.K.	United Kingdom	100%	Dormant
Congo Diamonds plc	5,000,000 shares of £0.01 each	Suite 1, 3rd Floor 11-12 St. James's Square London SW1 Y4LB U.K.	United Kingdom	100%	Dormant
Okwa Diamonds (Pty) Limited	100 shares of BWP1 each	Plot 64518, Deloitte House Fairgrounds, Gaborone Botswana	Botswana	100%	Prospecting and exploration for diamonds
***Siseko Botswana (Pty) Limited	517 shares of BWP1 each	Unit 1, Plot 99 Gaborone Int Commerce Centre Botswana	Botswana	51.7%	Prospecting and exploration for diamonds
**Sunland Minerals (Pty) Limited	5,000 shares of BWP1 each	Unit 1, Plot 99 Gaborone Int Commerce CentreBotswana	Botswana	100%	Prospecting and exploration for diamonds
Atlas Minerals (Botswana) (Pty) Limited	200 shares of BWP1 each	Unit 1, Plot 99 Gaborone Int Commerce CentreBotswana	Botswana	100%	Prospecting and exploration for diamonds
Sekaka Diamond Exploration (Pty) Limited	100 shares of BWP1 each	Unit 1, Plot 99 Gaborone Int Commerce Centre Botswana	Botswana	100%	Prospecting and exploration for diamonds

** *the 100% is held through 50% direct interest and 50% indirect interest (held through the 100% shareholding of Atlas Minerals)*

*** *indirectly held.*

The carrying value of investments in subsidiaries is dependent on the successful discovery and development of economic diamond reserves 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 in Note 1 (xiii).

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

13. OTHER RECEIVABLES

	2022 Group £	2021 Group £	2022 Company £	2021 Company £
Prepayments	**48,981**	42,038	**38,702**	35,284
Due by Group undertakings	**—**	—	**183,504**	89,496
	48,981	42,038	**222,206**	124,780

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

14. CASH AND CASH EQUIVALENTS

	2022 Group £	2021 Group £	2022 Company £	2021 Company £
Cash and cash equivalents	**158,476**	164,658	**148,930**	153,539

	2022 Group £	2021 Group £	2022 Company £	2021 Company £
Trade payables	**47,404**	15,585	**38,410**	14,739
Petra Diamonds creditor (note 12)	**123,355**	217,289	**123,355**	217,289
Accruals	**563,422**	511,275	**541,560**	501,258
	734,181	744,149	**703,325**	733,286

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.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

15. CALLED-UP SHARE CAPITAL

Deferred Shares – nominal value of 0.75p	Group and Company Number	Share Capital £	Share Premium £
At 1 July 2019 and 2020	239,487,648	1,796,157	-
At 30 June 2020 and 2021	239,487,648	1,796,157	-

Ordinary Shares – nominal value of 0.25p
Allotted, called-up and fully paid:

	Number	Share Capital £	Share Premium £
At 1 July 2020	671,221,902	1,678,055	10,564,712
Issued during the year	121,500,000	303,750	425,250
Share issue expenses	—	—	(5,600)
At 30 June 2021	792,721,902	1,981,805	10,984,362
Issued during the year	**86,350,000**	**215,875**	**522,225**
Share issue expenses	**—**	**—**	**(19,500)**
At 30 June 2022	**879,071,902**	**2,197,680**	**11,487,087**

Movements in share capital
On 25 October 2021, the Company raised £550,000 through the issue of 55,000,000 new ordinary shares of 0.25p each at a price of 1.0p 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 2.0p per share for a period of three years from 5 November 2021.

On 3 December 2021, a total of 1,683,333 warrants were exercised at a price of 0.60p per warrant for £10,100. On 20 January 2022, a total of 29,666,667 warrants were exercised at a price of 0.60p per warrant for £178,000.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

16. SHARE-BASED PAYMENTS

SHARE OPTIONS

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.

Fair value is measured by use of a Black-Scholes valuation model.

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

	30/06/2021 Options	**2022 Weighted average exercise price in pence**	30/06/2020 Options	2021 Weighted average exercise price in pence
Outstanding at beginning of year	**11,410,000**	**5.14**	11,410,000	5.14
Issued	**-**	**-**	-	-
Outstanding at end of the year	**11,410,000**	**5.14**	11,410,000	5.14
Exercisable at end of the year	**11,410,000**	**5.14**	11,410,000	5.14

WARRANTS

	30/06/2022 Warrants	**2022 Weighted average exercise price in pence**	30/06/2021 Warrants	2021 Weighted average exercise price
Outstanding at beginning of year	**139,166,667**	**0.60**	105,939,394	0.60
Issued	**55,000,000**	**2.0**	110,500,000	0.60
Exercised	**(31,350,000)**	**0.60**	(11,000,000)	0.60
Expired	**—**	**0.60**	(66,272,727)	0.60
Outstanding at end of the year	**162,816,667**	**1.07**	139,166,667	0.60

Refer to note 16 Called up Share Capital for the details of the share options and warrants.

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

17. OTHER RESERVES

	Share Based Payment Reserve £	Translation Reserve £	Other Reserves £	Total £
Balance at 30 June 2020	111,189	(236,662)	(983,287)	(1,108,760)
Foreign Exchange Gain/Loss		(85,392)		(85,392)
Balance at 30 June 2021	111,189	(322,054)	(983,287)	(1,194,152)
Foreign Exchange Gain/Loss		**22,562**		**22,562**
Balance at 30 June 2022	**111,189**	**(299,492)**	**(983,287)**	**(1,171,590)**

Share Based Payment Reserve
The share based payment reserve arises on the grant of share options under the share option plan as detailed in Note 17.

Translation Reserves
The translation reserve arises from the translation of foreign operations.

Other Reserves
During 2010 the Company acquired certain assets and liabilities from African Diamonds plc, a Company under common control. The assets and liabilities acquired were recognised at their book value and no goodwill was recognised on acquisition. The difference between the book value of the assets acquired and the purchase consideration was recognised directly in reserves.

18. RETAINED DEFICIT

	Group		Company	
	2022	2021	**2022**	2021
	£	£	**£**	£
Opening Balance	**(5,704,805)**	(5,232,698)	**(8,987,016)**	(8,554,330)
Loss for the year	**(738,992)**	(472,107)	**(656,998)**	(432,686)
Closing Balance	**(6,443,797)**	(5,704,805)	**(9,644,014)**	(8,987,016)

Retained Deficit
Retained deficit comprises of losses incurred in the current and prior years.

19. MATERIAL NON-CASH TRANSACTIONS

Material non-cash transactions during the year have been outlined in Notes 10, 11, 12, 16 and 17.

20. CAPITAL COMMITMENTS

There is no capital expenditure authorised or contracted for which is not provided for in these financial statements.

21. PARENT COMPANY INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the parent Company's income statement has not been presented in this document. The loss after taxation, as determined in accordance with IFRS, for the parent Company for the year is £656,998 (2021: loss of £432,686).

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Group and Company
The Group's financial instruments comprise of cash and cash equivalent balances and various items such as other receivables and trade payables which arise directly from trading operations.

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group holds cash as a liquid resource to fund obligations of the Group. The Group's cash balances are held in euro, US dollar and sterling. The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure.

The Group has a policy of not hedging due to no significant dealings in currencies other than the reporting currency and euro denominated transactions and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposure on an ad hoc basis.

The Group does not enter into any derivative transactions and it is the Group's policy that no trading in derivatives shall be undertaken.

The main financial risks arising from the Group's financial instruments are as follows:

Interest rate risk
The Group has no outstanding bank borrowings at the year end. New projects and acquisitions are financed by a combination of existing cash surpluses and through funds raised from equity share issues. The Group may use project finance in the future to finance exploration and development costs on existing licences.

Liquidity risk
The responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long- term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group.

Group	**2022 Less than 1 year £**	**2022 Greater than 1 year £**	2021 Less than 1 year £	2021 Greater than 1 year £
At 30 June				
Trade payables	**47,404**	**—**	15,585	—
Petra Diamonds creditor	**123,355**	**—**	217,289	—
Accruals	**563,422**	**—**	511,275	—
Company				
Trade payables	**38,410**	**—**	14,739	—
Petra Diamonds creditor	**123,355**	**—**	217,289	—
Accruals	**541,560**	**—**	501,258	—

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The capital structure of the Group consists of issued share capital, share premium and reserves.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 30 June 2022 and 30 June 2021. The Group's only capital requirement is its authorised minimum capital as a plc.

Credit Risk
Credit risk arises from cash and cash equivalents and other receivables.

The maximum credit exposure of the Group as at 30 June 2022 amounted to £207,457 (2021: £206,696) relating to the Group's cash and cash equivalents and receivables.

The Group manages its credit risk in cash and cash equivalents by holding surplus funds in high credit worthy financial institutions and maintains minimum balances with financial institutions in remote locations.

	2022	2021
	£	£
Cash held in institutions with S&P A- rating or higher	**158,476**	164,658

Foreign currency risk
In the normal course of business, the Group enters into transactions denominated in foreign currencies (US Dollar, Sterling and Euro). As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates; however it does review its currency exposures on an ad hoc basis.

The carrying amounts of the Group and Company foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

Group	**Assets**		**Liabilities**	
	2022	2021	**2022**	2021
	£	£	**£**	£
Euro	**2,911**	2,789	**3,932**	5,041
US Dollar	**1,788**	1,483	**123,355**	217,289

Group	**Assets**		**Liabilities**	
	2022	2021	**2022**	2021
	£	£	**£**	£
Euro	**2,911**	2,789	**3,932**	5,041
US Dollar	**490**	340	**123,355**	217,289

Notes to the Financial Statements
for the year ended 30 June 2022 (continued)

23. POST BALANCE SHEET EVENTS

On 4 July 2022 the Company announced that pursuant to the receipt of conversion notice from a holder of 1,666,667 warrants exercisable at 0.60 pence each, it had issued 1,666,667 ordinary shares for £10,000.

On 20 July 2022 the Company announced the acquisition of an additional stake in the prospective Maibwe joint venture in Botswana.

Details
Siseko Minerals Pty Ltd ("Siseko") increased its stake in the highly prospective Maibwe JV from 29% to 50%. BOD holds a 51.7% stake in Siseko. The consideration payable by Siseko is Pula 411,800 (equivalent to approximately £27,215). In addition, Maibwe agreed to pay a royalty to the liquidators of BCL Botswana of 2% from any future commercial development. Maibwe has eleven Prospecting Licenses in the Kalahari of Botswana with several kimberlite pipes; one of which has reported significant quantities of microdiamonds.

The agreement was subject to the following conditions:

- Regulatory (Section 23) approval;
- Competition Authority approval, if required;
- Guarantee for the acquisition consideration;
- Authorisation that the liquidators can enter into such an agreement, and lastly
- Execution of the Royalty Agreement.

The completion date is 90-days after the signature date of the agreement.

BOD funded its share of the consideration (amounting to approximately £13,600) from existing resources. Maibwe is effectively dormant and in the last financial period for the year ended 31 May 2020 total assets were nil (with all exploration expenditure expensed) and the loss before tax amounted to approximately £4,000.

On 8 September 2022 the Company announced that pursuant to the receipt of conversion notices from holders of 47,000,000 warrants exercisable at 0.60 pence each, it had issued 47,000,000 ordinary shares for £282,000.

On 28 September 2022 the Company announced that the Vutomi acquisition had completed.

Previously on 29 September 2021 the Board announced that it had exercised its pre-emptive right to acquire the outstanding third-party interests in Vutomi Mining (Proprietary) Limited and Razorbill Properties 12 (Proprietary) Limited (together "Vutomi"). Vutomi holds the mineral rights to the Thorny River Project as well as other exploration assets. The acquisition of Vutomi ("**Acquisition**") was conditional on, *inter alia*, customary regulatory and competition authority approvals in South Africa.

The Board announced that the Company had received Section 11 regulatory approval for the transaction in terms of the South African MPRDA and all conditions had been satisfied.

As previously announced, the consideration for Vutomi comprises 56,989,330 new ordinary shares of £0.0025 each ("Ordinary Shares") in the Company ("**Consideration Shares**"). There are no lock-in arrangements, but the Consideration Shares will be issued in two equal tranches (three months apart) following Completion. Accordingly, 28,464,665 Consideration Shares ("First Tranche Consideration Shares") have been issued to the vendors of 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

On 6 October 2022 the Company announced that pursuant to the receipt of conversion notice from a holder of 412,545 warrants exercisable at 0.60 pence each, it had issued 412,545 ordinary shares for £2,475.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Botswana Diamonds plc ("the Company") will be held at Hilton London Paddington, 146 Praed Street, London, W2 1EE on Thursday 19 January 2023 at 11.00am for the following purposes:

Ordinary Business

1. To receive and consider the Directors' Report, Audited Accounts and Auditor's Report for the year ended 30 June 2022.

2. To re-elect Director: James Finn retires in accordance with the Articles of Association and seeks re-election.

3. To re-elect Director: Robert Bouquet retires in accordance with the Articles of Association and seeks re-election.

4. To re-elect PKF O'Connor, Leddy & Holmes Limited as auditors and to authorise the Directors to fix their remuneration.

5. To transact any other ordinary business of an annual general meeting.

Special Business

Ordinary Resolution

6. That, in accordance with section 551 of the Companies Act 2006 ("2006 Act"), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the company ("Rights") up to an aggregate nominal amount of £5,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on a date no longer than five years from the date the resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or gran Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act but without prejudice to any allotment of share or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

Special Resolution

7. That, subject to the passing of resolution 6 and in accordance with section 570 and 573 of the 2006 Act, the Directors be and are generally empowered to allot equity securities (as defined in section 560 of the 2006 Act for cash pursuant to the authority conferred by resolution 7, as if section 561 (1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

   a. Be limited to the allotment of equity securities up to an aggregate nominal amount of £5,000,000; and

   b. Expire on a date no longer that five years from the date the resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

James Finn
Secretary

9 December 2022

Notice of Annual General Meeting (continued)

Notes:

1. A member who is unable to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from the Meeting and voting in person.

2. To be effective, the completed Form of Proxy duly signed, together with the power of attorney (if any) or other authority under which it is executed, or a notarially certified copy thereof, must be deposited at the Company's Registrars, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland, not less than forty-eight hours before the time appointed for the Meeting or any adjournment thereof at which the person named in the form of Proxy is to vote. A shareholder wishing to appoint a proxy by electronic means may do so on www.eproxyappointment.com. A shareholder who wishes to appoint more than one proxy by electronic means must contact the Registrar by sending an e-mail to clientservices@computershare.ie.

3. A shareholder may appoint more than one proxy to attend, speak, ask questions and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on +353 1 216 3100 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided in the Form of Proxy if the proxy instruction is one of multiple instructions being given. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the Form of Proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). All Forms of Proxy must be signed and should be returned together in the same envelope. Where a poll is taken at the Meeting, a shareholder, present in person or proxy, holding more than one share is not required to cast all their votes in the same way.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a' Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business at 11.00 am on 17 January 2023 (or in the case of an adjournment as at close of business on the day that is two days before the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 11.00 am on 17 January 2023 (or in the case of an adjournment as at 48 hours before the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001

DIRECTORS AND OTHER INFORMATION

DIRECTORS	Dr. John Teeling James Finn David Horgan Robert Bouquet James Campbell
SECRETARY	James Finn
REGISTERED OFFICE	Suite 1, 7th Floor 50 Broadway London SW1H 0BL
BUSINESS ADDRESS	162 Clontarf Road Dublin 3 Ireland
REGISTERED AUDITORS	PKF O'Connor, Leddy & Holmes Limited Century House Harold's Cross Road Dublin 6W Ireland
COMPANY REGISTRATION NUMBER	07384657
SOLICITORS	Philip Lee 7/8 Wilton Terrace Dublin 2 DO2 KC57 Ireland
REGISTRARS	Computershare Services (Ireland) Limited 3100 Lake Drive Citywest Business Campus Dublin 24 D24 AK82
NOMINATED ADVISOR & BROKER	Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA
JOINT BROKER	First Equity Limited Salisbury House London Wall Finsbury London EC2M 5QQ
BANKERS	Barclays Bank Ireland plc One, 2 Molesworth Place Dublin 2 Ireland

BOTSWANA
DIAMONDS PLC

Botswana Diamonds Plc