



## **Botswana Diamonds plc**

(previously Botswana Exploration plc incorporated on 22 September 2010)  
(Incorporated in England and Wales under the Companies Act 2006  
with registered number 07384657)  
(ISIN GB00B5TFC825)

### **Prelisting statement for dual listing on the Botswana Stock Exchange**

Regarding the listing, by introduction, of 100,532,267 ordinary shares of 1 pence each (par value) of a single class of Botswana Diamonds plc (“Botswana Diamonds” or “the Company”) on the Foreign Venture Capital Market of the Botswana Stock Exchange.

**Any investment in the company’s securities should be considered speculative.**

***Listing Date: June 27<sup>th</sup>, 2011***

This document is not a prospectus and is not an invitation to subscribe for shares in Botswana Diamonds, but is issued in compliance with the Listing Requirements of the Botswana Stock Exchange, for the purpose of giving information to the public with regard to the Company.

The directors of Botswana Diamonds, whose names are given elsewhere in this document, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts. The directors confirm that the listing particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the listing particulars relate.

AUTHORISED CAPITAL: 300,000,000

ISSUED CAPITAL

Total Shares Issued: 100,532,267

Less Escrowed Securities: 0

Tradable Securities (On Quotation): 100,532,267

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## **1. CORPORATE INFORMATION**

### **1.1 DIRECTORS**

At present the Company is managed by its Directors.

As at the date of this document, the Board comprises the following members:

**John Teeling (aged 65), Executive Chairman (Irish)**

76 Seafield Road, Clontarf, Dublin 3

John Teeling has been involved in resource projects for 30 years. John is the founder and chairman of Petrel Resources plc, Connemara Mining plc and Persian Gold plc. He is also a former director of Kenmare Resources Limited, Arcon Limited and African Diamonds plc. Mr. Teeling holds degrees in Economics and Business from University College Dublin, an MBA from Wharton and a Doctorate in Business Administration from Harvard. He has lectured for 20 years in business and finance at University College, Dublin. He holds interests in a number of industrial ventures.

**Andre Fourie (aged 44), Executive Director (South African)**

P O Box 3727, Diamond, 8305, South Africa

Andre Fourie holds a Hons BSc (Geology) from the University of Stellenbosch, a Graduate Diploma Engineering (Mining Engineering) from WITS and also recently completed the Accelerated Development Programme at the London Business School. He is a member of the South African Council of Natural and Scientific Professionals and the Geological Society of South Africa. He has 20 years of experience in gold and diamond exploration and mining gained whilst employed by AngloAmerican plc and De Beers. During this time Mr. Fourie's roles included that of Geological Manager, Mineral Resource Manager and Manager for New Business Development.

**David Horgan (aged 51), Non-Executive Director (Irish)**

Achill, 26 Marlborough Road, Glenageary Co., Dublin

David Horgan is Chief Executive of Petrel Resources plc. He holds a first class law degree from Cambridge University and an MBA with distinction from the Harvard Business School. David Horgan has invested in and managed African projects for 20 years.

**James Finn (aged 52), Non-Executive Director (Irish)**

16 Ashbrook, Howth Road, Dublin 3

James Finn has held senior financial positions in a number of resource companies since 1988. He holds a management degree and accounting qualifications. He is also a director of Cooley Distillery plc, Persian Gold plc and Connemara Mining plc.

**COMPANY SECRETARY**

James Finn  
20-22 Bedford Row  
London  
WC1R 4ES

**PRINCIPAL OFFICE**

162 Clontarf Road  
Dublin 3  
Ireland

**REGISTERED OFFICE**

20-22 Bedford Row  
London  
WC1R 4ES

**AUDITORS & INDEPENDENT**

**ACCOUNTANT**  
Deloitte & Touche  
Earlsfort Terrace  
Dublin 2  
Ireland

**SPONSORING  
BROKER FOR THE  
DUAL LISTING**

**Capital**  
**Securities**

A member of the Botswana Stock Exchange

*A subsidiary of the Imara Group*

Capital Securities (Pty)  
Ltd  
Exchange House, Plot  
64511 Showgrounds,  
Gaborone  
Botswana  
finnCap Ltd

**NOMINATED  
ADVISER**

finnCap Ltd  
60 New Broad Street  
London EC2M 1JJ

**LEGAL ADVISORS**

McEvoy Partners  
Connaught House  
Burlington Road  
Dublin 4

**LEGAL ADVISORS IN BOTSWANA**

Minchin & Kelly  
(Botswana)  
Plot 688 Khwai Road  
P.O. BOX 1339  
Gaborone  
Botswana

**SHARE REGISTRARS****United Kingdom**

Computershare Investor  
Services (Ireland)  
Limited  
Heron House  
Corrig Road  
Sandyford Industrial  
Estate  
Dublin 18  
Republic of Ireland

**Botswana**

PricewaterhouseCoopers  
Plot 50371  
Fairground Office Park  
Gaborone  
Botswana

## **2. FORWARD LOOKING STATEMENTS**

Various statements in this document constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

## **3. COMPANY OVERVIEW**

On 20 December 2010, African Diamonds announced that its acquisition by Lucara Diamond Corporation, a publicly-traded Canadian diamond exploration and development company, had been completed. As consideration for this acquisition, each African Diamonds shareholder received, for every one African Diamonds share held by them, 0.8 of a Lucara share and one Ordinary Share in the Company. As part of this transaction, African Diamonds agreed by means of the Demerger Agreement to transfer to Botswana Diamonds all of the mining interests and other assets of African Diamonds except for its interest in the AK6 diamond resource in Botswana.

Botswana Diamonds was incorporated on 22 September 2010 as Botswana Exploration plc to acquire the assets and interests of African Diamonds. It subsequently changed its name to Botswana Diamonds plc. Accordingly Botswana Diamonds now holds:

- (i) exploration licences in Botswana (through Atlas, its wholly-owned subsidiary);
- (ii) approximately US\$2 million in cash;
- (iii) a 35.42 per cent. equity interest in Bugeco, a private Belgian company with exploration interests in the DRC; and
- (iv) a minority interest in Stellar Diamonds plc.

The independent Competent Person's Report prepared on the Company's assets for the purposes of the Company's AIM listing is to be found on page 61 of the AIM listing document.

The strategy of Botswana Diamonds is to have a pipeline of projects in southern and central Africa stretching from early stage diamond exploration to existing late stage development and production, if justified. The Company's immediate focus is on the late stage Botswana licences where a conceptual study has identified possible production opportunities. As discussed further in paragraph 3 below, whilst the majority of these licences in Botswana are scheduled to expire during 2011, the Directors intend to seek the extension or renewal of these licences and thereafter to examine the production opportunities further.

Outside of Botswana, Botswana Diamonds is negotiating acquiring interests in early-stage diamond licence applications in certain areas of Zimbabwe and Cameroon.

Zimbabwe is an emerging diamond producer of significance. The Company has identified prospects in areas with kimberlite potential as well as opportunities in alluvial diamonds.

Cameroon has no history as a diamond producer but there is growing evidence of alluvial deposits in the east of the country.

The Directors have begun discussions with relevant authorities and local partners to identify suitable ground for exploration, which it is hoped can be finalised during 2011 with exploration beginning later in the year.

The Company is applying for a secondary listing on the Botswana Stock Exchange by way of an introduction with no new capital being raised. The rationale for the listing is both to provide a platform for shareholders to trade their shares as well as to raise the Company's profile in the local market and as evidence of its continued commitment to the country.

#### **4. Further Information**

Detailed information on Botswana Diamonds and copies of independent technical reports on all of Botswana Diamonds key assets are available in the document prepared for the listing of Botswana Diamonds on the Alternative Investment Market of the London Stock Exchange, which is available for examination at the offices of the sponsoring broker in Botswana, Capital Securities, Ground Floor, Exchange House, Block 6 Plot 64511 Fairgrounds for a period of one month following its listing on the Botswana Stock Exchange or by download from [www.botswanadiamonds.co.uk](http://www.botswanadiamonds.co.uk)

#### **5. Capital Structure**

AUTHORISED CAPITAL: 300,000,000

ISSUED CAPITAL

Total Shares Issued: 100,532,267

Less Escrowed Securities: 0

Tradable Securities (On Quotation): 100,532,267

#### **6. Summary of issues or offers of securities of the applicant during the past three years:**

At the date of incorporation 2 Ordinary Shares were in issue fully paid or credited as fully paid to the subscribers.

Since incorporation the following changes have been made to the issued share capital of the Company:

- the allotment of 5,000,000 redeemable preference shares of £0.01 each in the capital of the Company ("Redeemable Preference Shares") in consideration of £0.01 per Redeemable Preference Shares on 4 October 2010;

- . the allotment of 1 Ordinary Share to Lucara on 26 November 2010; and

- the allotment of 100,532,264 Ordinary Shares on completion of the Demerger.

On 19 October 2010 the Redeemable Preference Shares were redeemed by the Company.

On 4 October it was resolved that in accordance with section 570 of the 2006 Act, the directors of the Company be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred in the Articles of Association, as if section 561(1) of the 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 £3,000,000 and

(b) expire on no longer than 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 make an offer or agreement which would or might require equity securities to be allotted after 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.

#### 7. Any consolidations or subdivisions of shares in preceding 3 years

n/a

#### 8. Options or preferential rights in respect of securities

The Company currently operates a Share Option Scheme for eligible employees and directors which was approved by a resolution of the Board on 4 October 2010.

The Company has granted Options over 7,750,000 Ordinary Shares under the Share Option Scheme, all of which are outstanding with an exercise price of 7p per Ordinary Share. Options over 7,500,000 Ordinary Shares have been granted to the Directors as detailed below. Options over 250,000 Ordinary Shares have also been granted to a senior employee on the same terms as the Options granted to the Directors.

#### 9 Major Shareholders

Save as set out below, the Directors are not aware of any person who, directly or indirectly had an interest in 3 per cent. or more of the voting rights of the Company as at the latest practical date prior to the publication of this document and immediately following admission:

	As at date of this document		As at Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital*
Chase Nominees Limited	5,268,625	5.24	5,268,625	5.24
WB Nominees Limited	4,926,882	5.12	5,149,882	5.12
Chase Nominees Limited CMBC	4,098,550	4.08	4,098,550	4.08
TD Waterhouse Nominees (Europe) Limited	4,316,151	3.96	3,991,794	3.96
SCBN (PTY) LTD IAM 030-14	3,702,067	3.68	3,702,067	3.68

#### 10. Controlling shareholder

There is no controlling shareholder as defined in the BSE rules.

## 11. DIRECTORS

At present the Company is managed by its Directors.

### 11.1 Interests in the Shares and Options of the Company and Related Bodies Corporate

The present interest of the directors in the shares and options of Botswana Diamonds are:

Directors	As at the date of this document		As at Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital
John Teeling	8,494,320	8.45	4045820	4.02
James Finn	3,295,820	3.28	3295820	3.28
David Horgan	3,295,720	3.28	3295720	3.28
Andre Fourie	-	-	-	-

Directors	Number of Ordinary Shares under option	Exercise price	Expiry Date
John Teeling	2,500,000	£.07	10 January 2018
James Finn	2,000,000	£.07	10 January 2018
David Horgan	2,000,000	£.07	10 January 2018
Andre Fourie	1,000,000	£.07	10 January 2018

### 11.2 Remuneration of Directors

The aggregate remuneration payable and benefits in kind to be granted to the Directors in the last financial period ending 30 November 2010 was £Nil and the aggregate remuneration payable and benefits in kind to be granted to the Directors in the current financial period ending 30 June 2011 under the arrangements in force at the date of this document is estimated to be £223,000.

The following are extracted from the Articles of Association of the company

### **11.3 Appointment of Directors and Term of Office**

The directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with the Articles. Subject to the provisions of the 1985 Act (as amended or replaced by the 2006 Act) and of the Articles, any director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for reappointment at that meeting. Any director who retires shall not be taken into account in determining the directors who are to retire by rotation at such meeting and if not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than alternate Directors) shall be not less than two and not more than ten.

A Director is not required to hold any share qualification but is nevertheless entitled to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the Company.

No person other than a director retiring at the meeting shall, unless recommended by the directors for appointment, be eligible for appointment to the office of director at any general meeting unless, not less than seven nor more than twenty eight days before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

Each director shall retire by rotation at the annual general meeting held in the third calendar year following the year in which such director was elected or last re-elected. A director retiring by rotation shall be eligible for re-election.

Subject to the provisions of the 1985 Act the 2006 Act and the Articles, the directors to retire in every year shall include (so far as necessary to obtain the number required) any director who wishes to retire and not offer himself for re-election. Any further directors so to retire shall be those who have been longest in office since their last appointment or reappointment. Subject as aforesaid, a retiring director shall be eligible for re-election.

The Company may from time to time by ordinary resolution increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to retire from office.

### **11.4 Directors Interests**

The directors have no beneficial interests, direct or indirect in transactions with are or were unusual in their nature or conditions or material to the business of the group and which were effected by the applicant during the current financial year.

## **12.Extracts from Articles of Association**

### **12.1 Voting Rights**

Subject to any special rights or restrictions as to voting attached to any shares and to the Articles on a show of hands, every member present in person or by representative (in the case of a corporate member) or by proxy shall have one vote; and on a poll, every member who is have one vote for every share of which he is the holder. No major shareholders have different voting rights.

### **12.2 Variation of rights**

Subject to the provisions of the Act and of the Articles, the special rights attached to any class of share in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated. The quorum for such separate general meeting of the holders of the shares of the class shall be at least two persons holding or representing by proxy at least one third of the nominal amount paid up on the issued shares of the relevant class.

### **12.3 Alteration of capital**

The Company may alter its share capital as follows:

- 1.1.1 it may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amounts, cancel any shares which have not been taken or agreed to be taken by any person and sub-divide its shares or any of them into shares of smaller amounts;
- 1.1.2 subject to any consent required by law and to any rights for the time being attached to any shares, it may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any manner; and
- 1.1.3 subject to the provisions of the 185 Act and the 2006 Act and to any rights for the time being attached to any shares it may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

### **12.4 Dividend Policy**

While the Directors acknowledge the importance to investors of the payment of regular dividends, it is not expected that dividends will be paid in the foreseeable future. The declaration and payment of any future dividends by the Company and the quantum thereof

will be dependent upon the Company's results, financial position, cash requirements, future prospects, profits available for distribution and other factors deemed by the directors to be relevant at the time.

The Company expects to report its interim results in March and to make the preliminary announcement of its final results in October each year.

### **12.5 General meetings**

Subject to a member's right to requisition a general meeting pursuant to section 303 of the Act, general meetings of the Company are convened at the discretion of the Board.

An annual general meeting and each other general meeting of the Company shall be called by notice of at least such length as is required in the circumstances by the Act. The Company may give such notice by any means or combination of means permitted by law.

Every notice shall be in writing (or shall be given by electronic communication to an address being notified for that purpose to the Company) and shall specify the place, the day and the time of meeting, and in the case of special business the general nature of such business, and in the case of an annual general meeting shall specify the meeting as such. Notices shall be given in manner hereinafter mentioned to all the members, other than those who under the provisions of the Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the directors (including the alternate directors) and to the auditors for the time being and (where required by the Act) former auditors of the Company.

### **12.6 Remuneration of directors**

The maximum aggregate annual fees payable to the directors for their services in holding office of director of the Company shall be the sum of £200,000 or such larger sum as the Company in general meeting by ordinary resolution shall from time to time determine, but this limit shall not apply in respect of the salaries, commission profit participation or otherwise payable by the Company to any executive director.

Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such remuneration by way of salary, participation of profits or otherwise as the directors may determine.

The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the directors or of committees of the directors or general meetings.

### **12.7 Borrowing Powers**

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. There are no limits to these powers by directors, however these powers may be varied at an Extraordinary General Meeting.

### **12.8 Authorised but unissued shares**

The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot shares in the Company and/or grant rights to subscribe for or to convert any security into such shares up to a maximum of 300,000,000 shares at any time or times during the period of five years from the date of incorporation of the Company and the Directors may, after that period, allot any shares or

grant any such rights under this authority in pursuance of an offer or agreement made by the Company so to do made by the Company within that period

### **13. Working capital**

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Group will, from the time of Admission be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

### **14. Litigation**

There is no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors are aware) in which the Group is involved by or against any Group which may have or have had in the twelve months preceding the date of this document a significant effect on the Group's financial position or profitability.

### **15. Material Changes**

There are not, neither in respect of the Company nor any company in the Group, any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year of the Group. Other than that disclosed in the documentation submitted for the listing on AIM, there has been no significant change in the financial or trading position of the Company since 30 June 2010 and of the Subsidiaries since 30 November 2011.

### **16. Details of material loans**

There are no material loans

### **17. Details of material commitments, lease payments and contingent liabilities**

There are no material commitments, lease payments or contingent liabilities.

### **18. Details of off balance sheet financing**

N/A

### **19. Significant contracts**

Other than as set out below or as otherwise described in the summaries of the Group's mineral rights and licences as set out in the listing document for AIM, there are no contracts (including those being in the ordinary course of business and those entered into by the Group in the two years immediately preceding the date of this document) which are or may be material or which contain any provision under which the Company has any obligation or entitlement which is material to it as at the date of this document, save for the Directors service contracts and the termination arrangements for the Directors.

#### **19.1 Implementation Agreement**

On 2 October 2010, Lucara, African Diamonds and the Company entered into an implementation agreement under which it was agreed, among other things, that, in accordance with the terms of the Scheme and subject to the terms and conditions of the agreement:

- (i) African Diamonds would transfer all assets and liabilities of African Diamonds other than its interest in the AK6 diamond resource to Botswana Diamonds in consideration for Botswana Diamonds issuing shares to the scheme shareholders, being the shareholders of African Diamonds at the relevant voting time pursuant to the Scheme; and
- (ii) Lucara would acquire the entire issued and to be issued share capital of African Diamonds by way of the Scheme.

African Diamonds and the Company gave warranties to Lucara on a several basis. The warranties relate, among other things, to corporate capacity, authorisation and the accuracy of certain information provided to Lucara. The Company, African Diamonds and Lucara provided various indemnities primarily to apportion their liabilities as from the effective date (20 December 2010) and to ensure that African Diamonds' only assets and liabilities as and from the effective date (20 December 2010) shall relate to its interest in the AK6 diamond resource.

### **19.2 Demerger Agreement**

On 27 October 2010 African Diamonds and Botswana Diamonds entered into the Demerger Agreement under which it was agreed that in accordance with the terms of the Scheme and subject to the terms and conditions of the Implementation Agreement:

1. African Diamonds agreed to transfer its entire interest (whether direct or indirect) in the Demerged Entities to Botswana Diamonds and to assign to Botswana Diamonds the net aggregate intercompany receivables owing to African Diamonds from each of the Demerged Entities as at the Effective Date.
2. Botswana Diamonds assumed as from the Effective Date all liability for the payment and discharge of the Demerged Liabilities.
3. The consideration for the transfer and assignment as referred to above and the assumption of the Demerged Liabilities was £7,037,259 to be satisfied by the issue of the 100,532,264 Ordinary Shares to the Scheme Shareholders on a one-for-one basis in respect of each share held by the Scheme Shareholders in African Diamonds.

In accordance with the Demerger Agreement African Diamonds delivered to Botswana Diamonds the following documents on 20 December 2010 on completion of the Demerger:

- (a) an agreed form of assignment of any inter-company debts due by the Demerged Entities to African Diamonds; and
- (b) duly executed share transfers in respect of the entire issued share capital of the Demerged Entities.

Botswana Diamonds allotted and issued 100,532,264 Ordinary Shares credited as fully paid up to the Scheme Shareholders.

### **19.3 Assignments dated 20 December 2010**

- (i) On the 20 December 2010, the Company entered into a deed of assignment with African Diamonds and Kukama. Pursuant to the deed of assignment, African Diamonds sold and the Company purchased from African Diamonds all of African Diamonds' interests under and in respect of an unsecured interest free loan of £990,000 granted to Kukama on the terms and conditions contained in the deed.
- (ii) On the 20 December 2010, the Company entered into a deed of assignment with African Diamonds and Atlas. Pursuant to the deed of assignment, African Diamonds sold and the Company purchased from African Diamonds all of African Diamonds' interests under and in respect of an unsecured interest free loan of £81,600 granted to Atlas on the terms and conditions contained in the deed.
- (iii) On the 20 December 2010, the Company entered into a deed of assignment with African Diamonds and Lucara. Pursuant to the deed of assignment, African Diamonds transferred and

the Company assumed the rights and obligations of African Diamonds arising under the agreement dated as of 12 July 2002 between African Diamonds, Leon Daniels and Mark Scowcroft ("Royalty Agreement"), except that African Diamonds did not transfer to the Company, and the Company did not assume from African Diamonds', its rights and obligations arising under the Royalty Agreement that relate to the AK6 kimberlite as determined by a court of competent jurisdiction which makes a final determination (taking into account any possible appeals) (the "AK6 Claims"). The Company agreed to indemnify African Diamonds and Lucara for all claims related to the Royalty Agreement and that may arise from African Diamonds' ongoing litigation relating to the Royalty Agreement, other than for the AK6 Claims.

#### **19.4 Nominated Adviser and Broker Agreement**

The Company has entered into a nominated adviser and broker agreement dated 26 January 2011 with finnCap pursuant to which the Company has appointed finnCap to act as nominated adviser and broker to the Company for the purposes of the AIM Rules and for the purpose of making the application for Admission. The Appointment shall commence on the date of Admission and shall be for an initial term of one year and shall continue subsequently until terminated by either party giving the other one month notice (or in certain circumstances forthwith by either finnCap or the Company).

Under the agreement, the Company has agreed to pay to finnCap a fee of £45,000 per annum (plus VAT and expenses) quarterly in advance. The agreement contains ongoing obligations on the Company and the Board (for so long as they may remain directors of the Company) in relation to finnCap's appointment as the Company's nominated adviser and indemnities customary of a nominated adviser agreement from the Company in favour of finnCap.

#### **19.5 Lock-in Agreements**

Each of the Directors, applicable employees and certain substantial Shareholders (together in each case with their related parties, as applicable) has undertaken to the Company and to finnCap that they will not dispose of Ordinary Shares for a period of 12 months following Admission and, other than through the Company's broker so as to preserve an orderly market, they will not sell any Ordinary Shares for the period of 12 months thereafter. These arrangements will apply in respect of 10,637,360 Ordinary Shares, representing, in aggregate, 10.58 per cent. of the Company's issued share capital.

The undertakings outlined above do not apply in certain specified circumstances, including acceptance of an offer for all of the Ordinary Shares that (if accepted) would result in the offeror obtaining or consolidating control of the Company or the execution of an irrevocable commitment to accept such an offer.

Copies of these significant contracts, this pre-listing statement and AIM listing documents as well as consents of the accountants, advisers and competent person will be available for examination at the offices of the sponsoring broker, Capital Securities at Exchange House, Block 6, Plot 64511, Fairgrounds

#### **19.6 Dematerialisation**

Once admitted for listing on the Botswana Stock Exchange, shares of Botswana Diamonds Plc will be dematerialised onto the Central Securities Depository System (CSD) maintained by the CSD company of Botswana and all evidence of holding will be in electronic format on the same system. Shareholders wishing to hold shares in physical form can withdraw from the CSD through their stockbroker at their own expense.

## **20. Preliminary expenses**

The estimated expenses of this dual listing on the BSE is approximately P400,000 payable to Capital Corporate Finance(Pty) Ltd, Capital Securities (Pty) Ltd, PricewaterhouseCoopers, Minchin and Kelly and to the Botswana Stock Exchange.

## **21. FINANCIAL INFORMATION FOR BOTSWANA DIAMONDS**


The reader is referred to page 24 of the AIM listing document which details all the relevant financial information relating to the Company.

## **22. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection at the offices of the sponsoring broker, Capital Securities (Pty) Ltd at Ground Floor, Exchange House, Block 6, Plot 64511 Fairgrounds:

- The Memorandum and Articles of Association of the company
- The certificate of incorporation of the company
- This pre-listing document
- Copies of experts consents
- Copies of the documents outlined in section 19 Significant contracts, of this document.

**For and on behalf of Botswana Diamonds Plc**

  
John Teeling

## **Annexure 1**

### **22.1 OTHER DIRECTORSHIPS**

**John Teeling**

**List of  
Directorship**

<b>Company Name</b>	<b>Place of Incorporation</b>	<b>Company #</b>	<b>Type of Company</b>
Cooley Distillery Plc	Ireland	125363	Whiskey Distillery
Whiskey Manufacturing Plc	Ireland	140602	Dormant
Kilbeggan Whiskey Ltd	Ireland	154964	Dormant
John Locke & Company Ltd	Ireland	144891	Dormant
Lockes Distillery Plc	Ireland	131719	Dormant
Brosna Whiskey Plc	Ireland	170567	Dormant
Inishowen Distilleries Plc	Ireland	171243	Dormant
Tyrconnell Distillery Plc	Ireland	170601	Dormant
Riverstown Animal Feed Plc	Ireland	170604	Dormant
Carlingford Whiskey Plc	Ireland	170568	Dormant
Old Tyrconnell Whiskey Ltd	Ireland	84017	Dormant
Andrew A Watt & Company Ltd	Ireland	134773	Dormant
Cooley Irish Whiskey Ltd	Ireland		Dormant
Adam Miller & Company Ltd	Ireland	141073	Dormant
Miller Products Ltd	Ireland	141069	Dormant
The Irish Whiskey Company Ltd	Ireland		Dormant
Whiskey Manufacturing (NI) Plc	N. Ireland	25240	Dormant
A. Watt & Company Plc	N. Ireland	26430	Dormant
Cooley Distillery (NI) Limited	N. Ireland	NI061203	Dormant
Irish Marine Oil Ltd	Ireland		Dormant
Petrel Resources Plc	Ireland	92622	Oil Exploration
Petrel Industries Ltd	Ireland		Dormant
Zambezi Gold Ltd	U.K.		Dormant
African Diamonds (Ireland) Ltd	Ireland		Dormant
Congo Diamonds Plc	U.K.	6130925	Dormant
Orapa Diamonds Plc	U.K.	6263741	Dormant
Botswana Diamonds Plc	U.K.	7384657	Exploration & Mining
Botswana Exploration Plc	U.K.	6263777	Dormant
Botswana Coal Plc	U.K.	6221238	Dormant
Kukama Exploration & Mining Ltd	Botswana		Exploration & Mining
Persian Gold Plc	U.K.		Exploration
Persian Gold Ltd	Ireland		Exploration

Connemara Mining Co of Ireland Ltd	Ireland	324361	Exploration
Connemara Mining Co Plc	Ireland	417725	Exploration
Limerick Zinc	Ireland	468509	Exploration
Madini Resources Plc	U.K.		Dormant
Nobel Resources Plc	Ireland		Dormant
Persian Oil & Gas Ltd	Ireland	449249	Dormant
Swala Resources Plc	U.K.	6449564	Exploration
Arabian Oil Plc	Ireland	340355	Dormant
Hydrocarbon Exploration	U.K.	7159135	Exploration
Clontarf Energy	U.K.	7088271	Exploration
AER Sustainable Energy	Ireland	484750	Research
Endeavour Oil & Gas Ltd			Exploration
Endeavour Oil & Gas Inc			Exploration
Pan Andean Oil & Gas Ltd	U.K.		Dormant

**David Horgan**

**List of  
Directorship**

<b>Company Name</b>	<b>Place of Incorporation</b>	<b>Company #</b>	<b>Type of Company</b>
Petrel Industries Ltd	Ireland		Dormant
Petrel Resources	Ireland	92622	Exploration & Mining
Botswana Diamonds Plc	U.K.	7384657	Exploration
Persian Gold Plc	U.K.		Exploration
Persian Gold Ltd	Ireland		Exploration
Persian Oil & Gas Ltd	Ireland	449249	Dormant
Hydrocarbon Exploration Plc	U.K.	7159135	Exploration
Clontarf Energy Plc	U.K.	7088271	Exploration
Nobel Resources Plc	Ireland		Dormant
Endeavour Oil & Gas Limited	U.K.	3202625	Exploration

**James Finn**

**List of  
Directorship**

<b>Company Name</b>	<b>Place of Incorporation</b>	<b>Company #</b>	<b>Type of Company</b>
Cooley Distillery Plc	Ireland	125363	Whiskey Distillery

Whiskey Manufacturing Plc	Ireland	140602	Dormant
Kilbeggan Whiskey Ltd	Ireland	154964	Dormant
John Locke & Company Ltd	Ireland	144891	Dormant
Lockes Distillery Plc	Ireland	131719	Dormant
Brosna Whiskey Plc	Ireland	170567	Dormant
Inishowen Distilleries Plc	Ireland	171243	Dormant
Tyrconnell Distillery Plc	Ireland	170601	Dormant
Riverstown Animal Feed Plc	Ireland	170604	Dormant
Carlingford Whiskey Plc	Ireland	170568	Dormant
Old Tyrconnell Whiskey Ltd	Ireland	84017	Dormant
Andrew A Watt & Company Ltd	Ireland	134773	Dormant
Cooley Irish Whiskey Ltd	Ireland		Dormant
Adam Miller & Company Ltd	Ireland	141073	Dormant
Miller Products Ltd	Ireland	141069	Dormant
The Irish Whiskey Company Ltd	Ireland		Dormant
Whiskey Manufacturing (NI) Plc	N. Ireland	25240	Dormant
A. Watt & Company Plc	N. Ireland	26430	Dormant
Cooley Distillery (NI) Limited	N. Ireland	NI061203	Dormant
Irish Marine Oil Ltd	Ireland		Dormant
Petrel Industries Ltd	Ireland		Dormant
Zambezi Gold Ltd	U.K.		Dormant
African Diamonds (Ireland) Ltd	Ireland		Dormant
Congo Diamonds Plc	U.K.	6130925	Dormant
Orapa Diamonds Plc	U.K.	6263741	Dormant
Botswana Exploration Plc	U.K.	6263777	Exploration & Mining
Botswana Coal Plc	U.K.	6221238	Dormant
Persian Gold Plc	U.K.		Exploration
Persian Gold Ltd	Ireland		Exploration
Connemara Mining Co of Ireland Ltd	Ireland	324361	Exploration
Connemara Mining Co Plc	Ireland	417725	Exploration
Limerick Zinc	Ireland	468509	Exploration
Madini Resources Plc	U.K.		Dormant
Nobel Resources Plc	Ireland		Dormant
Arabian Oil Plc	Ireland	340355	Dormant
Hydrocarbon Exploration	U.K.	7159135	Exploration
Clontarf Energy	U.K.	7088271	Exploration
Alternative Energy Resources	Ireland	423918	Research
Pan Andean Oil & Gas Ltd	UK	2562589	Dormant

**Annexure 2**

**22.2 HISTORICAL PRICES (In Pence)**

Date	Open	High	Low	Close	Volume
2/2/2011	7	7	5.38	6.25	2495760
3/2/2011	6.5	7	6.15	6.15	1046739
4/2/2011	6.15	6.5	6	6	1525366
7/2/2011	6.13	7	5.88	5.88	1365759
8/2/2011	5.88	6.75	5.88	5.88	661546
9/2/2011	5.88	6.75	5.25	5.5	1684739
10/2/2011	5.5	5.63	5.25	5.63	117754
11/2/2011	5.5	5.5	5.13	5.38	2628404
14/02/2011	5.375	6	5.06333	5.125	958326
15/02/2011	5.125	6	5.125	5.125	328856
16/02/2011	5.125	5.875	5	5.125	10673
17/02/2011	5.125	5.125	5.125	5.125	53300
18/02/2011	5	5	4.875	4.875	116656
21/02/2011	4.875	5.125	4.875	5.125	177519
22/02/2011	5	5	5	5	156363
23/02/2011	5	5	4.875	4.875	79916
24/02/2011	4.875	4.875	4.875	4.875	13358
25/02/2011	4.875	5.25	4.875	4.875	2000
28/02/2011	4.875	4.875	4.25	4.875	37481
1/3/2011	4.875	5.75	4.875	4.875	86366
2/3/2011	4.875	5.125	4.625	4.625	177618
3/3/2011	4.625	4.625	4	4.5	64837
4/3/2011	4.5	4.75	4.375	4.375	307976
7/3/2011	4.375	4.75	4.375	4.375	506347
8/3/2011	4.375	4.375	4.375	4.375	134938
9/3/2011	4.375	4.375	4.375	4.375	30000
10/3/2011	4.375	4.375	4.375	4.375	26707
11/3/2011	4.375	4.375	3.875	3.875	935567
14/03/2011	3.875	4.25	3.875	4.25	596828
15/03/2011	3.875	4.125	3.625	4.125	280441
16/03/2011	4.125	4.25	3.875	3.875	768651
17/03/2011	3.875	3.875	3.875	3.875	48678
18/03/2011	3.875	3.875	3.875	3.875	185096
21/03/2011	3.875	4.125	3.875	4.125	344609
22/03/2011	4.375	4.5	4.375	4.375	816129
23/03/2011	4.375	4.375	4.375	4.375	79300
24/03/2011	4.375	4.375	4.375	4.375	69172
25/03/2011	4.375	4.375	4.375	4.375	1967
28/03/2011	4.375	4.375	4.125	4.125	51181
29/03/2011	3.875	5.125	3.875	5	6333594
30/03/2011	5	5.125	5	5.125	1989455
31/03/2011	5.125	5.125	5	5.125	374855
1/4/2011	5.125	6	5.125	6	1119128