

Tsodilo Resources Ltd.

Major financiers and nearby diamond producer Lucara have stepped up to the plate to advance Tsodilo's diamond and metals projects



A selection of diamonds recovered from the BK16 kimberlite pipe

Tsodilo Resources Ltd. [TSD-TSXV] holds a Prospecting License for the BK16 diamondiferous kimberlite pipe located in the prolific Orapa Diamond Field in Botswana. The diamond mines in Botswana have produced an average of 27 million carats annually in the last 10 years and Botswana is the world's largest producer of diamonds by value. In 2016, the OKF area produced 8.85 million carats. Tsodilo's BK16 kimberlite is approximately 27 km east-northeast of Lucara

Diamond's producing Karowe Mine that has recovered numerous spectacular gemstones, including the 1,109-carat Lesedi La Rona diamond that recently sold for US 53 million.

Magnetic and gravity geophysical surveys have been completed as well as a 3,000-meter core drilling program, with its wholly owned drill rigs, to establish a geological model for the pipe. This was followed by another 3,100-meter pilot drill hole core drilling program which was

completed in preparation for the Large Diameter (24") Drilling (LDD) program comprising 14 holes which is now under way. The depths of the 14 holes vary from 96 to 366 metres (3,000 metres).

From exploration programs of previous operators some 108 diamonds (nearly 22 carats) were recovered with eight of those classified as Type IIa white all graded as D colour. Type IIa diamonds are the most valued and with little nitrogen in its structure the purest type of diamonds. D colour diamonds are colourless.

Tsodilo Resources Highlights:

- 10 tonne-per-day diamond DMS plant purchased from De Beers. The same plant that was used to evaluate AK06 (Lucara's Karowe mine)
- IFC – US\$7 million equity investment
- First Quantum – CAD\$2.5 million equity investment
- JPMorgan – US\$2 million equity investment
- Lucara Diamond –

US\$2.5 million equity investment

- Sandstorm Gold US\$1.5 million royalty agreement on non-BK16 assets

- US\$4.5 million program under way

- Alluvial diamond potential is being assessed in new PL in the Orapa area; initial geophysical work has been reviewed and a gravity survey is currently being planned.

- Other minerals projects:
 - 100%-owned poly-metallic Gwihaba project, Botswana
 - 70%-owned Barberton gold-silver project, South Africa

Some of the diamonds recovered from previous sampling of the BK16 kimberlite included stones weighing 1.69, 1.12 and 0.98 carats. The highest value stone was valued at \$420 per carat. Tsodilo is expecting to commence treatment of the 2,000 tons, recovered from its 3,000-meter LDD program, through its 10 tph Dense Media Separation (DMS) plant in early November.

Full diamond recovery results will be released when the current work program is completed and a NI 43-101 compliant report is prepared. Periodic reports will be released as warranted.

Dr. Mike de Wit, President and COO, said, “BK16 is a 5.9-hectare kimberlite and has a normal kimberlite shape – almost like a carrot. It has been drilled to 250



TOP: The BK16 kimberlite Dense Media Separation processing plant.

BOTTOM: Drilling operations at the BK16 kimberlite pipe.

metres in depth and would respond well to a normal open pit design. There are 25 metres of cover but this is easily removed. The diamonds that were obtained are of good quality. There is significant grade variation reported by previous companies who held the licence. It is the objective of the present sampling exercise to arrive at a robust grade for the two main kimberlite phases. It will also add carats to the present parcel to firm up on the value. In diamond

evaluation there are two factors that control the economics: grade and diamond value. The latter is probably the most important and we know that this has so far been well above average. If the grades are anything above 10 carats per hundred tonnes it could develop into an economic proposition.”

Tsodilo Resources has 45,347,310 shares outstanding and 57,151,836 fully diluted.