

# Tsodilo Resources Limited

## BK16 Update

FOR IMMEDIATE RELEASE

July 18, 2016

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TORONTO, CANADA - Tsodilo Resources Limited (TSX-V: TSD) ("Tsodilo" or the "Company") is pleased to announce that it has completed a share repurchase and royalty fee agreement with its Bosoto (Pty) Ltd minority shareholders. The minority shareholders' 25% equity interest has been purchased for a 2% gross proceeds royalty derived from the sale of diamonds mined from Bosoto's BK16 kimberlite project. The result of this transaction is that Tsodilo now has a 100% interest in Bosoto and its BK16 exploration project.

The diamondiferous BK16 kimberlite pipe is located within the Orapa Kimberlite Field ("OKF") in Botswana and contains rare and valuable Type IIA diamonds. In 2015, 11 million carats of diamonds were mined in the OKF and produced such notable diamonds as the 1,109 carat 'Lesedi La Rona' and the 813 carat 'Constellation' from Lucara Diamond Corporation's Karowe (AK6) mine.

Phase 1 of the BK16 evaluation program is ongoing and is currently making preparations for a large diameter drill program ('LDD'), including the refurbishment of the company's 10 tons/hour dense medium separation ("DMS") plant previously used in the evaluation of the AK6 kimberlite (now the Karowe diamond mine) owned by Lucara Diamond Corporation and the development of an environmental management plan focused on the LDD work and DMS operation. The LDD program is planned to recover 2,000 to 3,500 tonnes of kimberlite LDD for initial grade and quality analysis.

"It is an exciting time with respect to the evaluation of BK16 and I encourage the reader to visit the company's website [www.tsodiloresources.com](http://www.tsodiloresources.com) to learn more about BK16 and keep abreast of its progress", commented James M. Bruchs, Chairman & CEO.

**About Tsodilo Resources Limited:** Tsodilo Resources Limited is an international diamond and metals exploration company engaged in the search for economic diamond and metal deposits at its Bosoto (Pty) Limited ("Bosoto") and Gcwihaba Resources (Pty) Limited ("Gcwihaba") projects in Botswana and its Idada 361 (Pty) Limited ("Idada") project in Barberton, South Africa. The Company has a 100% stake in its Gcwihaba project area consisting of twenty-two (22) metal (base, precious, platinum group, and rare earth) prospecting licenses and eight (8) radioactive mineral licenses all located in the North-West district of Botswana. The Company has a 100% stake in Bosoto (Pty) Ltd. which holds the BK16 kimberlite project in the Orapa Kimberlite Field in Botswana. Additionally, Tsodilo has a 70% stake in Idada Trading 361 (Pty) Limited which holds the gold and silver exploration license in the Barberton area of South Africa. Tsodilo manages the exploration of the Gcwihaba, Bosoto and Idada projects. Overall supervision of the Company's exploration program is the responsibility of Dr. Mike de Wit, President and COO of the Company and a "qualified person" as such term is defined in National Instrument 43-101. Dr. de Wit has reviewed the information contained herein and approved the contents of this Press Release.

The Company has offices in Toronto, Canada and Gaborone and Maun, Botswana. Please visit the Company's website, [www.TsodiloResources.com](http://www.TsodiloResources.com), for additional information and background on our projects.

*This press release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the development of the Company's projects) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in equity markets, political developments in Botswana and surrounding countries, changes to regulations affecting the Company's activities, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties involved in interpreting exploration results and the other risks involved in the mineral exploration business. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.*

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