
NEWS RELEASE

TSODILO RESOURCES LIMITED BK16 UPDATE BV POLUS-M RECOVERS 1ST DIAMOND

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TORONTO, CANADA - Tsodilo Resources Limited (TSX Venture Exchange: TSD) ("Tsodilo" or the "Company") is pleased to report that its evaluation activities have resumed on the BK16 kimberlite project in Botswana following the traditional extended holiday break in southern Africa

BK16

The BK16 kimberlite project is located within the Orapa Kimberlite Field ("OKF") 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. Of the 83 known kimberlite bodies, eleven have been or are currently being mined. These are AK01, AK02 and AK07 (Orapa, Debswana), AK06 (Karowe, Lucara Diamond Corporation), BK01, BK09, BK12 and BK15 (Damtshaa, Debswana), DK01 and DK02 (Letlhakane, Debswana) and BK11 (Firestone Diamonds). The Karowe mine has produced such notable diamonds as the 1,109 carat 'Lesedi La Rona' and the 813 carat 'Constellation'.

The diamondiferous BK16 kimberlite pipe is approximately 6 hectares in size at surface, and is known to contain rare and valuable Type IIa diamonds (see press release dated May 31, 2016). The following phases of kimberlite were identified during the 2015 drilling program: Red volcanoclastic kimberlite VK1, Black VK2, Grey VK3 and VKxxx also referred to as the basalt breccia, country rock breccia (CB) and coherent kimberlite (CK1).

Polus – M

The POLUS-M sorter was installed at the company's secure facility in Maun, Botswana during week 2 of 2018 and the first diamond was recovered during the setup, calibration and instruction period. Installation and training was performed by personnel from Bourevestnik, Inc.'s offices in Germiston, South Africa. Historic tailing material which was first processed through the company's DMS was used for the sample material. The diamond was recovered in the plus 1 and minus 3 mm fraction. "BK16 is known to be diamondiferous so diamond recovery is expected but the significance of this recovery from tailings and waste that have been sitting for almost 20 years clearly indicates what we have said before is that the rotary plant which was employed in the previous evaluation was inefficient in the recovery of diamonds and reported grades were most likely understated" commented Dr. Mike de Wit, President and COO.

The POLUS-M sorter is designed to treat dry diamond concentrate with grain size – 8 + 6, – 6 + 3 and – 3 + 1 mm in the field in order to carry out geological exploration of diamond deposits. The POLUS-M sorter will treat the - 8mm fraction at the company's facilities while the plus 8mm material is currently planned to be hand sorted at the Diamond Technology Park in Gaborone, Botswana although the company is exploring avenues to obtain the use of a larger BV machine to treat this fraction.

The sorter operation concept is based on the use of diamonds' property of luminescence under X-ray impact and on the difference of those properties with diamonds and associate luminescent minerals. The mode under reference term "luminescence and absorption" when the X-ray tube and photo detectors are located on both sides of the material flow is implemented. The effect of difference in X-ray absorption by diamonds and associate luminescent minerals is used. Additional information on the POLUS-M sorter from Bourevestnik, Inc. can be obtained from the press release of December 11, 2017 available on the Company's website.

Dense Medium Separation (DMS) Plant

The refurbishing of the Company's DMS treatment plant is ongoing with adjustments being made to the DMS section with special attention been given to the cyclone and prep-screens. The tailings material continues to be utilized for this final calibration and once the plant is fully optimize the processing will switch over to the LDD samples.

"It is exciting to see everything coming together and although we still have a bit to go to fine tune the recovery

process it is good to know that we are recovering diamond and now we just need to get everything going at 100% efficiency” commented Dr. Mike de Wit.

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 Bosoto (Pty) Ltd. which holds the BK16 kimberlite project in the Orapa Kimberlite Field (OKF) in Botswana and the PL216/2017 diamond prospection license also in the OKF. The Company has a 100% stake in its Gcwihaba project area consisting of several metal (base, precious, platinum group, and rare earth) prospecting licenses all located in the North-West district of 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.

This press release may contain 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 pertaining to the use of proceeds, the impact of strategic partnerships and statements that describe the Company's future plans, objectives or goals) 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, changes in general economic conditions, 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, exploration and development risks, 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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