
NEWS RELEASE

TSODILO RESOURCES LIMITED BK16 UPDATE

Tsodilo Resources Limited Announces Plan for a Surface Bulk Sample

July 15, 2019

Trading Symbol: TSXV: TSD

#71519

TORONTO, CANADA - Tsodilo Resources Limited (TSX Venture Exchange: TSD) ("Tsodilo" or the "Company") is pleased to announce that a renewal application for Prospection License 369/2014 has been filed with the Department of Mines (DOM) at the Ministry of Mineral Resources, Green Technology and Energy Security (MMGE) in Gaborone, Botswana.

The renewal application is for a two-year period and the area contains the Company's BK16 kimberlite project. The center piece of the renewal application is the Phase II surface bulk sampling program which will be the extraction, processing and diamond recovery of 20,000 metric tonnes of kimberlite.

On January 23, 2019, the Company presented encouraging modelled grade and diamond value reports for the BK16 kimberlite from its Phase I sampling program that consisted of a 2,077 metric tonnes Large Diameter Drilling (LDD) bulk sample (see, http://www.tsodiloresources.com/i/pdf/2019-01-23_NR-ghai623ka.pdf). Phase I sampling was designed to obtain an initial determination of the quality and value of the BK16 diamonds and those results established the following:

Phase I LDD Bulk Sample:

- ◇ successfully demonstrated the potential of the BK16 kimberlite to host high value diamonds between US\$ 281 to US\$ 792 per carat;
- ◇ successfully confirmed the presence of Type IIa diamonds where 3.8% of the diamonds were identified as high-quality Type IIa diamonds consisting predominantly of D color stones; and,
- ◇ successfully confirmed the potential of BK16 to host large special stones of +10.8 carats where size frequency distribution analysis indicates that 2% to 5% of the total carats may be greater than 10.8 carats (specials). This size frequency distribution (SFD) compares favorably with Lucara Diamond Corp.'s Karowe Mine (AK6) production of specials at 5.6% and 6.8% in 2017¹ and 2018² respectively.

The positive results from the Phase I program justifies moving on to Phase II which is to increase the number of carats significantly by processing a far larger sample which will lead to an increase in the certainty of the grade and diamond value. The Phase II program will consist of the following:

Phase II Surface Bulk Sampling:

- ◇ extract 20,000 metric tonnes of kimberlite to obtain 800 to 1,600 carats of diamonds;
- ◇ to significantly improve the understanding of the grade of the deposit in carats per hundred tonnes (cph);
- ◇ solidify further the accuracy of the high diamond value in US\$ per carat;
- ◇ further confirm the presence and quality of the Type IIa diamond population;
- ◇ confirm the presence of larger stones and demonstrate that BK16 will be a significant producer of special stones above 10.8 carats and >100 carat stones;
- ◇ define an inferred resource; and,
- ◇ further refine the accuracy of the economic fundamentals of the project to move towards detailed feasibility studies and ultimately mining.

Since the completion of the Phase I program, the Company has been developing the Phase II program with third-parties to ensure that sufficient carats are obtained in the most cost effective and viable manner. Phase II will be optimized for size of sample over geographical dispersion. To achieve this, the Company has moved away from LDD bulk sampling to a surface bulk sample method to obtain the required volumes as efficiently as possible. The Company has determined that a surface bulk sample of a box-cut style design will be the most economic and viable option for Phase II and to this end a number of contract mining companies were contacted to quote on surface bulk sampling of 20,000 metric tonnes of kimberlite.

Phase II represents ten (10) times more kimberlite material than that which was acquired from Phase I and should result in the recovery of 800 to 1,600 carats based on the modelled grade range presented in the Company's press release on January 23, 2019.

The envisioned Phase II surface bulk sampling of this type constitutes standard industry practice for diamond exploration of kimberlites like BK16 to gain enough carats for an effective economic analysis. A similar style of surface bulk sampling was employed by the Boteti Joint Venture (De Beers Prospecting and African Diamonds) during their Phase II exploration of the AK6 kimberlite in 2006. That Phase II surface bulk sampling recovered 19,467 metric tonnes of kimberlite which when combined with the LDD sample drilling of 6,045 metric tonnes (Phase I: 2,747 metric tonnes and Phase II: 3,298 metric tonnes) formed the basis of the AK6 resource statement and positive feasibility study in 2007. The positive diamond recovery results obtained from these samples led to a mining license application being filled in 2008 followed by the commencement of mining in 2012 by Lucara Diamond Corp. (Lucara) (Campbell and Jooste 2016³ and McGeorge et al., 2010⁴).

The Phase II bulk sample design will be a basic small and shallow box-cut style bulk sample. Twenty-five (25) meters of over-burden will be stripped to expose the kimberlite below resulting in a depth of the box-cut design of 30 - 35 meters.

Tsodilo has held advanced discussions with Trollope Botswana (Trollope) for the purpose of undertaking the box-cut style surface bulk sampling program on behalf of the Company. Trollope is the main contract mining company at Lucara's Karowe mine (AK6) located 25 kilometers south-west of BK16. Trollope has the experience and expertise to conduct this surface bulk sample in an efficient, safe and professional manner. Tsodilo is also exploring the possibilities of including a continuous miner type technology for this project and are in discussions with Vermeer Corp. on the viability of this option.

Tsodilo is in the process of finalizing the bulk sample design plans and these along with a rehabilitation design will be verified by an independent qualified mining engineer prior to final consultation with and approval by the DOM.

James M. Bruchs, Chairman & CEO stated: *"Phase II is the next step in the development of this exciting prospect and represents a major step towards mining this kimberlite and developing a revenue generator for the Company and jobs and revenue for the citizens of Botswana."*

References

¹ Lucara Diamond Corp. Management's Discussion and Analysis And Consolidated Financial Statements Year Ended December 31, 2017. https://lucaradiamond.com/site/assets/files/5403/luc_2017_ye_sh_mailout.pdf

² Lucara Diamond Corp. Management's Discussion and Analysis And Consolidated Financial Statements Year Ended December 31, 2018. https://lucaradiamond.com/site/assets/files/11212/20181231_ye_luc.pdf

³ Campbell, J.A.H., Jooste, V. 2017. The AK6 Kimberlite – Discovery Through to Production Learning the Lessons of History. Botswana Diamonds PLC. Botswana Diamond Explorers Conference, Orapa Mine: April 2017. <http://www.botswanadiamonds.co.uk/res/the-ak6-kimberlite-layoutap.pdf>

⁴ McGeorge, I., Lynn, M., Ferreria, J., and Croll, R. 2010. NI 43-101 Technical Report on the Boteti Kimberlite Project, Botswana. Prepared by MSA Geoservices (Pty) Ltd. on behalf of Lucara Diamond Corp. March 29, 2010. www.sedar.com

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 seven 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. Alistair Bryan Jeffcoate, the Company's Project Manager / Chief Geologist 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, market volatility, 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 a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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, uncertainties relating to availability and cost of funds, timing and content of work programs, results of exploration activities, interpretation of drilling results and other geological data, risks relating to variations in the diamond grade and kimberlite lithologies; variations in rates of recovery and breakage; estimates of grade and quality of diamonds, variations in diamond valuations and future diamond prices; the state of world diamond markets, reliability of mineral property titles, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain required project approvals, operational and infrastructure risk and other risks involved in the diamond exploration and development 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 a guarantee of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty.

Neither the TSX Venture Exchange ("TSXV") nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release. This news release may contain assumptions, estimates, and other forward-looking statements regarding future events. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company's control, which may cause actual results or performance to differ materially from those currently anticipated in such statements.

FOR FURTHER INFORMATION PLEASE CONTACT:

James M. Bruchs	Chairman and Chief Executive Officer	JBruchs@TsodiloResources.com
Head Office	Telephone +1 416 572 2033	Facsimile + 1 416 987 4369
Website	http://www.TsodiloResources.com	