

# TSODILO RESOURCES LIMITED

## Exploration Target of 5 to 7 Billion Tonnes of Iron Ore for the Xaudum Iron Ore Project in Botswana

FOR IMMEDIATE RELEASE

January 22, 2014

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TORONTO, CANADA - Tsodilo Resources Limited (TSX-V:TSD) ("Tsodilo" or the "Company") is pleased to provide additional information on its Xaudum Iron Ore Project based on conservative modeling of ground magnetic data over the project area (survey comprises 18,000 line kilometers ("km") on lines 50 meters apart and covers 1,600km<sup>2</sup>).

### Summary

- A conservative exploration target of 5 to 7 billion tonnes of Iron Ore at grades ranging between 15-40% Fe has been calculated for the entire strike length (36.8km) of the Xaudum Iron Ore project, Botswana. This includes both units of the Xaudum Iron Formation consisting of a Magnetite Banded Iron Formation "BIF" (ranging between 25-40 % Fe) and a Magnetic Schist (ranging between 15-25% Fe). All mineralized units within the Xaudum Iron Project are capable of producing a premium grade magnetite product of >68% Fe as discussed in the Company's Press Release of December 17, 2013 and available on the website at [www.tsodiloresources.com](http://www.tsodiloresources.com).
- Tsodilo calculated this exploration target by extrapolating results from current drill hole data to the far larger area covered by the ground magnetic geophysical data by utilizing a ground magnetics inversion model.
- Approximately only a fifth of the ground magnetic anomaly has been drilled to date, around 7km of the 36.8km total strike length, from which 30.6km of core has been recovered from 143 boreholes in this area, see Block 1 area in Figure 1 below. This exploration target demonstrates the significant potential of the project area for future development in terms of exploration and resource definition drilling.

This exploration target was generated by inversion modelling of ground magnetic geophysical data (created in GOCAD using VPmg) creating volumes representing the potential Iron Ore distribution. These inversion modelled volumes overestimate the volume of iron mineralization, and were adjusted by creating reduction factors. These reduction factors were calculated by comparing volumes based on drilling data only (local models) against the inversion modeled volumes in the same region. The most conservative conversion factors were then chosen and applied to the entire inversion model and from this a range of volumes were created. The volumes were then turned into the tonnages quoted by using the average Xaudum Iron Formation density of 3.3 cm<sup>3</sup>. A video describing the steps entailed in creating this exploration target is viewable on the Company's website at: <http://www.tsodiloresources.com/s/Metals.asp?ReportID=619797> .

James M. Bruchs Chairman and CEO of Tsodilo commented, "*The potential magnitude of the Xaudum Iron Ore project is highlighted by these exciting exploration target results, they reinforce our belief in the project to host substantial magnetite iron ore material. The recent positive results from our DTR test work (see the press release of December 17, 2013 on the Company's website) show that it will be possible to meet magnetite iron ore export standards for use in the global steel making industry through beneficiation. This magnetite could also supply those steel manufactures that employ technology which enables thermal coal to be utilized in their steel making process. Our magnetite can also be used in the production of dense media separation (DMS) material for use by the burgeoning coal export business in Botswana (est. 220 billion tonnes) preparing products for international and domestic use.*

These potential markets coupled with these exploration target figures strongly indicates that there is real potential for the project to become a major economic source for iron ore. Botswana is synonymous for diamonds but coal, iron and copper will be important drivers of the Botswana economy and it is our intent to be a part of it.”

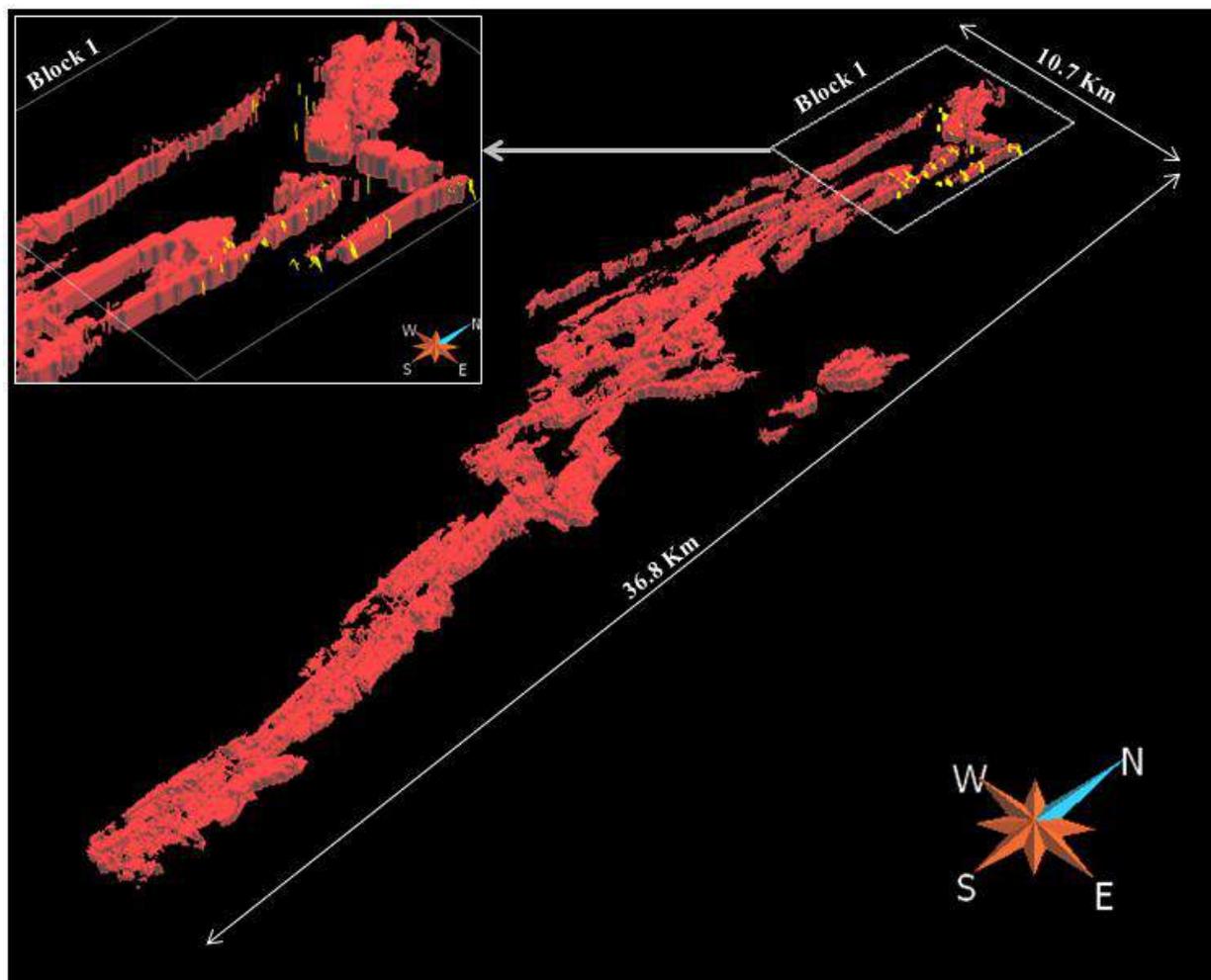


Figure 1. Ground magnetic inversion model. Drill holes are displayed in yellow.

**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 Newdico (Pty) Limited ("Newdico") and Gcwihaba Resources (Pty) Limited ("Gcwihaba") projects in northwest Botswana. The Company has a 98% stake in Newdico (895 km<sup>2</sup> under Precious Stone - diamond licenses). The Gcwihaba project area: 2,404 km<sup>2</sup> under Precious Stone - diamond licenses; 11,158 km<sup>2</sup> Metal (base, precious, platinum group, and rare earth) licenses; and, 6,925 km<sup>2</sup> under Radioactive Minerals licenses is 100% held by the Company. Tsodilo manages the exploration of both the Newdico and Gcwihaba license areas. 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. Further to this, the supervision of the Xaudum Iron Ore project is the responsibility of Dr. Alistair Jeffcoate, Chief Geologist and Project Manager for the Company and a "qualified person" as such term is defined in National Instrument 43-101. Dr. Jeffcoate has also 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.

*National Instrument 43-101 - Standards of Disclosure for Mineral Projects, Form 43-101F1 and Companion Policy 43-101CP requires that the following disclosure be made: All references contained herein with respect to the potential quantity and grade derived by any method is at this stage of development conceptual in nature. At the present time, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Any exploration target tonnages mentioned in this release are not mineral resources as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Project (NI 43-101).*

*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.*

*The TSX Venture Exchange has not reviewed and does not accept 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.*

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