

Tsodilo Resources Limited Annual & Special Meeting April 8, 2016 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.

This presentation 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.

Tsodilo Resources Limited (TSD)

Newdico (Pty) Limited (Botswana)

Ownership: 100% Exploration Services

Gcwihaba Resources (Pty) Limited (Botswana)

Ownership: 100% PL: Metals (Base & Precious, REE, PGM) and Radioactive Minerals

Bosoto (Pty) Limited (Botswana)

Ownership: 75% PL: BK16 – diamondiferous kimberlite evaluation

Idada 361 (Pty) Limited (South Africa)

Ownership: 70% PR: Gold & Silver



Company focus

BK 16 Diamonds

- Prospecting licence PL369/2014: Oct 2014 Sept 2017.
- 5.9 ha kimberlite pipe.
- Exploration target 13 to 14.5 m tonnes to 250 m. depth
- Previous grade estimates 13 to 19 cpht.
- Company purchased a 10tph DMS mobile treatment plant in 2015

Copper exploration

- Has over 11 000 km² under licence for metal exploration.
- This covers the recently identified extension of the Zambian Copper Belt.
- JV partner spent 14.7 M USD\$ through 2015.
- 15 targets have been identified for drilling.

Xaudum Iron ore

- 100% owned Iron ore deposit
- Geological extend 35 km length x 2 5 km width
- NI 43-101 report completed over Block 1.
- Block 1 has Inferred resource of 441 m tonnes @ 29.4 %Fe (NI 43 101).
- Exploration target of between 5 and 7 billion tonnes.

Uranium

- Parallel Project with the metals program; 3,900 km² under licence.
- Uranium first recognized by Union Carbide in the 1970"s.
- Geology same as Namibia, one of the world's leading producers of Uranium.

Barberton Gold

- Prospecting permit obtained in the highly prospective Barberton Gold region.
- 90.32 km² permit.
- BEE partners Identity Resources (Pty) Ltd.

Capital Structure

- Canadian Registered: TSX listed 1995: TSX.V listed 2001 [20 year anniversary in June]
- o 33,542,784 shares issued and outstanding (April 7, 2016)
- o 39,418,970 fully diluted common shares
- O Principal Shareholders (Beneficially Owned, Controlled or Directed)

Azur LLC (Private Investment Trust	14.8%
International Finance Corp. (IFC) (Division of World Bank	13.5%
Cushing D.J.	8.6%
Bruchs J.M.	7.0%
First Quantum Minerals Ltd	6.8%

Market Capitalization ~\$26.5M CAD (April 8, 2016)



Why Botswana?

Known as the "Switzerland of Africa"

- **3rd best resource country** for exploration in world after Australia and Canada (Resource Stocks 2014).
- Country credit rating is better than most (if not on par with) developed nations.
- **Top 5 highest ranked jurisdiction in Africa on** *investment attractiveness* in 2015 (Frazer Institute 2015)
- Least Corrupt country in Africa: Ranking greater than most EU countries.
- Mining Culture: Botswana is the largest producer of diamonds by value and carats in the world
- De Beers largest mines are in Botswana: Debswana 50/50 JV with the government
- Major exploration drive for **Coal**, **Uranium**, **Au**, **Cu/Ag**, **Diamonds**.
- Good infrastructure and well organised **Department of Mines/Geological Survey**



Tsodilo focused on specific exploration locality:

Diamond - BK16 area
Precious & Base Metals, REE
Uranium

1.2 km² 11,185 km² 3,900 km²

- Due to extensive Kalahari sand cover drills are the major exploration tools.
- Tsodilo owns and operates its own fleet of drilling rigs which lowers drilling costs by 40 -50% and allows for operational flexibility.



Diamonds

SUMMARY

- Rough diamonds have upheld its value during the recent downturn in commodity prices due in part to the lack of significant new discoveries over the last two decades
- Tsodilo/Bosoto was awarded kimberlite pipe BK16 in late 2014, 16 competitor applications were filed.
- BK16 is located in the prolific Orapa Kimberlite Field, (OKF) which produces 13-14M carats per year.
- Bosoto completed 51 kilometers of ground magnetic and gravity surveys in 2014, confirming a kimberlite pipe of nearly 6 ha in size; gravity work suggests the presence of a possible southeasterly extension of 2.5 ha.
- First phase core drilling was completed in 2015 (3,050 m core from 20 holes) and a geological model was developed for evaluation purposes.
- Further core drilling and Large Diameter Drilling operations will commence in 2016 to recover a bulk sample.
- A 10tph DMS processing plant was purchased for this purpose

BK16 and other diamond projects in Orapa area

South Africa



Producers in Orapa cluster

	На	Cpht	US\$/ct	Production Mct/a	Contained diamonds Mct
Orapa AK01	118	71	145	12-14	363.7
Karowe AK06	9.5	15	644	0.40	10.7
Letlhakane DK1/2	15	25	144	1	4.9
Damtshaa BK1/9/12/15	13.5	13.7	100	0.19	11.2

1,109 ct diamond recently recovered in Karowe Mine

203 ct diamond sold for US\$8.2m in 2014 (Karowe Mine)





BK16 surface area in comparison to some significant kimberlite pipes



BK 16 Summary



BK 16 summary (Montgomery/Auridiam – 1998 – 2000; Bosoto - 2015)

		Comment
Size	5.9 ha	Defined by ground magnetics/gravity and 3,050 m core
Kalahari cover	24 m	
25 - 70 m of diluted kimberlite in isolated areas	Low grade	Diluted by Basalt Breccia
'Clean' Kimberlite in VK phases.	3 – 30 cpht	Grades estimated from previous programs – Basalt Breccia to VK
Grades based on recoveries by 6 foot rotary pans	55.7 ton sample	Not a very efficient recovery process
Diamonds	108 stones of 21.88 carats	All diamonds classified as gem stones: colours I – H and indications of a large stone producer

Geological model with planned LDD holes (red)



BK16 diamonds recovered from previous grab samples Gem quality, large size distribution



First pass evaluation program Bosoto (Pty) Ltd and estimated costs

Licence	Period	Activity	US\$
PL 369/2014 2014 – 17 2017 – 19 2019 – 21	2014-15	Desktop study of historical data. Complete detailed ground geophysics (mag & grav). Diamond drilling of 20 holes (3,050 m of laps) – geological model.	1.2 m
	2016	Drilling of 17 pilot holes for LDD program Drilling of 17 LDD holes – 2,212.5 t. Treatment of 2,212.5 t sample (+1.0mm) – approx. 200 ct to provide value and an indication of grade. Resource modelling NI 43 101 (inferred and indicated)	4.5
	2017	Drilling of 85 LDD holes (clusters) – 14,322 t. Treatment of 11,063 t sample (+1.0mm) – approximately 1,000 ct to provide more robust grades and diamond value. Update resource model, modelling mine development, water resource evaluation, EIA, independent econ. Assessment for BFS.	?.? \$M Drilling or 2 shafts TBD



2121-14141-



Bosoto Bulk Sampling Plant at Letlhakane Flow Diagram



Metal Projects



H3GIS/2014/10, DL. Reference db 2014/6 DLs as at 2015-3-2/2015-3-2. Gruid-sha Base Metal DLs, 1 March, 2015, version5

WGS 1984 UTM Zone 34S Map produced:March 2015

Extension of the Zambian Copperbelt into NW Botswana



Locations of exploration targets for Copper







COPPER OUTLOOK LOOKS FAVOURABLE

Fundamentals falling into place for a recovery of the red metal

by Guy Le Bel, Director, Golden Queen Mining Co. Ltd.

t always comes as a surprise to read and hear commentaries on commodities where oil, iron ore and copper are characterized as oversupplied markets within the same sentence. In the oil and iron ore commodity markets, producers are deliberately increasing production despite the impact on price. Oil and iron fundamentals can hardly be compared to the copper market. (All figures in USS)

Copper supply fundamentals have not changed for the past decade. Grades at producing mines are decreasing, reserves are depleting and production targets are often missed due to factors such as strikes, weather, geotechnical problems, etc. New project outputs have been below expectations, in terms of new supply timing and quantity; copper production is expected below.

It remains a systemic bias of our industry to over promise and under deliver. Secondary supply (scrap) is creating a "pseudo" demand in the current price environment as it is not available in the quantity required to maintain a balanced market, such that scrap buyers have to buy cathodes instead. When prices do increase, a temporary surge in scrap supply is expected. Finally, inventories are low and will not be able to provide any sort of 80% according to Macquarie sustainable response to the supply deficit Bank. The issue here is on when it takes place.

Copper demand fundamentals are really represents the indusmainly driven by the industrialization, try's cost curve. Data from electrification and urbanization of China. China's economic outlook gathered a nega- is often quoted as a refertive tone in 2015 and the discussion on slower prowth echoed "end of the worldlike" statements with regards to the copper Teck Resources where it was market. I feel compelled to remind readers

that although the rate of growth is decreasing, the base from which the growth is calculated is increasing and the nominal impact is that more copper will be needed in China year after year. China's copper demand is expected to be approximately 300,000 tonnes per year for the next decade. This represents one very large new and cash taxes. mine every year for 15 years.

OTHER FACTS TO CONSIDER IN DISCUSSING LONG TERM COPPER SUPPLY

Volatility is the new normal. Commodity markets have experienced higher volatility over the last 10 years than what existed in the 1980-2004 period. Volatility is driven of the cost curve, perceived or real changes in supply/demand and market sentiments. continue to behave this way, as explained Higher volatility also attracts speculators...and speculators create additional volatility. Copper volatility has a long-term investment into new supply.

> Bearish copper price forecasts often the documents supporting the forecasts. address the cost curve and point to the

fact that a large proportion of copper production remains profitable even when price is in the low \$2.00/lb. - almost the determination of what a renowned research firm ence. We would point the readers to a presentation by illustrated how third party

research had underestimated cash costs by an average of 20% for the top 10 copper producers. Moreover, in order to measure the real margin squeeze experienced by producers, one should consider the all-in costs of production, including sustaining capital, overburden stripping, royalties

The investment capital required for each new tonne of annual copper production is now well above \$20,000/tonne for new projects. This is due to the lack of infrastructure and the lower grade of these newer projects, compounded by cost inflation in certain aspects of project delivery. Finally, I want to discuss the copper by stocking and destocking cycles, shape mine supply projections. My post mortem analysis of these forecasts has demonstrated how overly optimistic they are. Bear in mind that I am far from criticizing the research from renowned consultancy firms; on the contrary, it fills a need and implication on supply because it increases is worth the cost. But these are produced profit margin risk and acts as a deterrent to based on a set of constraints and assumptions that are generally well described in

In my opinion, the damage is done



by analysts using the research and disseminating the conclusions without the full knowledge of the limitations of these forecasts. Our industry lives and dies by enthusiastic anticipations of project development, in quantity as well as in the timing of delivery. This is a systemic bias and I doubt it will ever change. But as data related to new projects or expansions are collected and aggregated in a database, it requires a proper review to determine if rent market conditions.

Needless to say, my recent review of the copper supply scenario revealed slower construction schedules, significant proiect delivery delays and assumptions of project cancellations. When I combine these changes to the recently announced production cuts, I see no oversupply in the short term, but rather a market in equilibrium or a small deficit in 2016-17, followed by increasing deficit in the following years.

Long-term supply analysis entails a discussion on incentive pricing. The incentive price is obtained by determining the copper price required for new projects to yield a given IRR (say 12%). By graphing marginal production (in t Cu) as a function of copper price, we can determine what copper price

is required for say, the next 4.0 Mt of new copper production. A number of issues should be considered here, namely what project parameters represent. These parameters, often sourced in feasibility studies, have a history for being on the lighter side Comex and Bonded warehouses. of capital and operating cost forecasts.

volatility and the notion that future copper projects exhibit a riskier profile than the last generation, begging the question: the assumptions are still valid in the cur- is the 12% discount rate sufficient for initiating project investment spending? Readers will often find, in the literature, that a value of \$3.50/lb is required to incentivize the development of the next 4.0-4.5 Mt Cu. In my opinion, this will not be enough.

> While waiting for long-term fundamentals to prevail, what do we monitor in the short term? The US dollar index has to turn. A weakening US dollar is positive for commodities. World growth, excluding China, must also improve from 2015. We monitor China's growth, particularly the property market, in terms of inventory and price changes; and rail freight and electricity consumption as proxies for industrial production growth. We try to gather intel on the activities of China's Strategic Reserve Bureau (SRB) and we

monitor the investment program of China State Grid, the largest copper consumer in the world. We also monitor project execution for a few significant projects and the inventory changes on the LME, SHFE,

Be warned, sentiment and technicals Also, recall the earlier discussion on always trump fundamentals. The copper price is currently the captive of a downward trend dating back to late 2011. Until it clears the channel in a clean upward break, there remains a constant risk for testing the lower limit of the range. This condition is well understood by speculators willing to profit from short bets.

> In conclusion, in the near future, the supply glut promised year after year will again fail to materialize. Furthermore, at the time of writing, it appears, a significant deficit will emerge as no new projects will be ready in time to compensate for natural depletion and global (mainly Chinese) demand. Although current production cuts are sufficient for market equilibrium (net of scrap impact and SRB activities), the copper price will always react to external factors over fundamental supply/demand until, in my opinion, the supply deficit becomes a "mainstream" concern; and consequently speculation (read: short selling) remains a significant price risk in 2016.



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H//GIS/2014/10_PL_Reference db 2014/8 PLs as at 2015-3-2/2015-3-2_Gowihaba Base Metal PLs_1 March_2015_version5

WGS 1984 UTM Zone 34S Map produced:March 2015

Summary - Potential Mega Iron Project

- Maiden NI 43-101 compliant mineral resource estimate of Block 1 published
- Average Resource Grade = 29.4% Fe
- All mineralized units capable of producing premium grade magnetite product of >67%
 Fe
- Block 1 drilled fraction of the total potential "The tip of the Iceberg"
- Exploration Target of 5 to 7 Billion Tonnes at 15-40% Fe
- Started drilling Block 2, intersecting high grade MBA
- Bottom Line:
 - Major infrastructure project possible +50 year mine life
 - <u>Small Scale Start-Up Options being looked into</u>







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URANIUM



Cameco Corp.'s underground Rabbit Lake uranium mine in the Athabasca Basin about 700 km north of Saskatoon, Saskatchewan. Photo courtesy Cameco Corp.

Is uranium poised for a renaissance?

by Thomas Schuster

supply and demand statistics clearly rise but when?

"Uranium is trading around US \$30/ of CanAlaska Uranium (CVV-TSXV; CVVUF-OTCQB; DH7-FSE] in an interview. "There is a lot of extra supply in the market because of stockpiles created when Japanese reactors were taken off-line for ing and a supply-side deficit is being safety concerns after Fukushima."

"These stockpiles are being reprocessed and enriched so that they effectively do more work," said Dasler. "This enriched also helping to depress the price."

According to the World Nuclear approved for restart. Association, the effect of Japanese reactor shut-downs was dramatic. In 2010, just before the Japanese earthquake and Tsunami, demand for uranium for nuclear

he short answer is yes. Numerous power plants was 167 million lbs. About 142 million lbs U.O. came from mines and point to that conclusion. The real 23 million lbs were sourced from secondquestion is not will the uranium price will ary supply. This left a 2 million-lb deficit, piles are used up. In 2014, demand from reactors was 175 million lbs, 148 million lbs were mined lb," said Peter Dasler, President and CEO and 43 million lbs were sourced from secondary stockpiles. This left a 16 million lb surplus. This drop in demand has been

However, fundamentals are changpredicted by analysts. The Japanese government approved plans to source 20-22% of its electrical needs from nuclear power. Towards that end, Japan's National uranium is being sold onto the market and Regulation Authority has received 24 reactor restart applications and five have been

devastating to the uranium market

Dasler believes the market is just now considering the impact the restart of Japanese reactors will have on the supply side. When you add that to the Chinese

commissioning a new reactor every month Dasler feels that we will see speculators come into the market long before stock-

"Don't forget, in order to start up a reactor you will need twice as much uranium in the first year as you will in ongoing use. Most reactors won't even start up operations until they have stockpiled at least seven years of uranium," he said. "I believe we will see a sudden increase in demand to secure a guaranteed uranium stockpile supply."

When we look at some of the statistics compiled by various sources like the World Nuclear Association, IAEA country profiles and the European and American nuclear societies, the facts all point to significant increases in future demand. This increase in uranium demand cannot be met by current mine supply.

. There are 440 commercial nuclear power reactors operable in 31 countries with over APRIL/MAY 2016

380,000 MWe of total capacity.

· These provide 11% of the worlds electricity as continuous, reliable base-load power without carbon dioxide emissions

• 56 countries operate a total of about 240 research reactors and a further 180 nuclear reactors power some 140 ships and submarines

65 reactors under construction

· 159 reactors on order or planned · A total of 90 (net) new reactors expected by 2022

· Global electricity demand is expected to grow 76% by 2030 and half of this increase in energy growth will come from Asia

• Uranium demand is expected to grow by 45% by 2030. That translates to about 3.1% per year

· 10 new reactors put on line in 2015: China (8), South Korea (1) and Russia (1) (9,497 WMc of installed capacity)

. The US has 99 operating reactors, which supply 20% of that nation's electrical energy. Five are under construction: two in Georgia, two in South Carolina and one in Tennessee. A total of 22 new reactors are planned or proposed in the US alone.

The statistics also indicate the supply side of the equation will be squeezed as well. For example, Kazakhstan is currently the largest single supplier of uranium, producing 41% of the world's uranium. Over the last decade, increased uranium demand has largely been met by increased production from Kazakhstan's ISR operations. These deposits are being depleted and there is speculation that Kazakhstan cannot sustain current production rates.

The bottom line is that new mine production is not keeping up with growing demand and that gap is currently being filled by secondary supplies from various sources like stockpiles.

This gap is estimated to be 32 million lbs U.O. in 2016 and 43 million lbs by 2019. Ultimately for new uranium production to come on stream, higher prices are required to incentivize the development of new projects.

A last compelling argument is the signing of the Global Carbon Reduction Agreement in Paris in 2015. This agreement was signed by 196 countries and envisions zero greenhouse gas emissions post 2050. That suggests nuclear generation will need to rise from 400 GWe to 1,000 GWe by 2050.

"Unless a miracle occurs, we are going to have to rev up nuclear power fast...Whatever combination works, but the numbers don't add up unless you put nuclear power in the mix," stated Kerry Emanuel, Professor of Atmospheric Science at MIT.

APRIL/MAY 2016

Cameco options CanAlaska's West **McArthur Project**

With 1.9 million acres of ground in the Athabasca Basin, CanAlaska Uranium [CVV-TSXV; CVVUF-OTCQB; DH7-FSE] bills itself as a highly leveraged uranium explorer with international partnerships. Over the past few years, those partnerships have helped to fund over \$50 million in exploration that has in turn defined numerous promising targets in the heart of this very rich uranium district.

URANIUM

The company's flagship property, the West McArthur Project, is adjacent to Cameco Corp.'s [CCO-TSX; CCJ-NYSE] McArthur River operation, the world's richest uranium mine. Since 2006, CanAlaska and partner MC Resources (Mitsubishi) spent over \$17 million on the property; however, exploration was suspended in 2013 due to slumping market conditions.

A year earlier the partners identified what is now believed to be the possible western extension Cameco's recently disclosed Fox Lake uranium discovery about 15 km west of the McArthur River Mine. The first drill holes completed on the Grid 5 Target Zone identified a large arsenic alteration zone in drill holes WMA 28 and 34 - similar to that reported associated with the Fox Lake Zone.

Inferred resources at Cameco's Fox Lake discovery are estimated to be 68.1 million lbs contained within 387,000 tonnes of rock averaging 7.99% U.O., The Fox Lake discovery is within the Read Lake Project operated by Cameco (Cameco 78.2%/Areva 21.8%).

In January 2016, CanAlaska purchased the option back from Mitsubishi for \$600,000 and a 1% NSR. Unsurprisingly, Cameco quickly optioned a 60% interest in the West McArthur Project. The deal allows Cameco to earn up to a 60% in the project by spending \$12.5 million in cash payments to CanAlaska and accelerating exploration programs, culminating in a joint venture.

"Manitoba has also been good to us over the past few years," said Peter Dasler, the CEO of CanAlaska. "Chuck Fipke's Northern Uranium Corp, has put over \$5 million into a target we found that looks very similar to what NexGen Energy is drilling on the other side of the basin."

Makena Resources [MKN-TSXV; CANSF-OTC; 45C-FSE] has also partnered with CanAlaska and is currently testing an intense 1.5 by 0.5 km gravity anomaly on the Patterson West Project. The project has similarities to the Triple R and Arrow uranium discoveries at Patterson Lake.

CanAlaska also has a deal with Denison Mines [DML-TSX] on their Moon South Project. The deal was announced in early January. Drilling began in February and follows a drill program on Denison's adjacent Crawford Lake Project. The drill target at the Moon South property is located within a prominent magnetic low which is thought to represent the location of major cross structures with basement fluid flow and associated uranium mineralized zones. This target is on strike with a basement EM conductor on the adjacent Crawford Lake property. Cameco has started drilling.

Barberton: Gold Project



Mine gold mines

Area of Barberton Prospecting Right Application

<u>Tsodilo/Idada Trading 361 (Pty) Ltd</u> <u>application</u>

- Application submitted Feb 2012
- Application acknowledged Feb 2012
- Application accepted Feb 2013
- Consultation with interested and affected parties Mar/Apr 2013
- EMP submitted Apr 2013
- Site visit by EWT, REMDEC, DMR in Sept 2013
- REMDEC to report back to regional DMR office
- Regional office has forwarded all documents to DMR HQ in 2014 for final decision.
- During the 2nd Q of 2015, notice was received from the Dept. of Mineral Services, SA which granted the Company the prospecting rights for gold and silver in the applied for area subject to certain subsequent conditions being met. The Company fulfilled those requirements in the 3rd Q of 2015 and the Execution of Right documents were issued on April 7, 2016.

Summary

- Diamonds: BK16 diamondiferous, gem diamonds, evaluation as to value and grade. Proximal to the nearby Karowe mine which had revenue of \$262M in 2015 and a operating margin of \$529 per carat or 82%.
- **Copper:** Potential exists for a +2Mt deposit *Tier 1 deposit potential*
- Iron: \$3b already proven (43-101 compliant). Resource is 3 x's initial size *Tier I deposit potential*
- **Gold:** Barberton is greenfield exploration project on a structural target in an area that has produced some 360 tons of gold worth in excess of \$14 trillion USD at today's price between 1884 when mining started to present.
- Uranium: Developing targets for drilling
- **On the horizon:** Airport Gravels, alluvial deposits located adjacent to the largest operating diamond mine in the world, Orapa.

[Tier 1 – Having more than US\$20b of contained revenue – from start to depletion]