

TSODILO RESOURCES LIMITED

BK16 UPDATE

FOR IMMEDIATE RELEASE

May 15, 2017

TORONTO, ONTARIO - Tsodilo Resources Limited ("Tsodilo" or the "Company") (TSX-Venture Exchange: (TSD)) is pleased to provide an update on its wholly owned BK16 kimberlite project.

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 in the OKF, nine have been or are currently being mined. These are AK1 (Orapa, Debswana), AK6 (Karowe, Lucara Diamond Corporation), BK1, BK9, BK12 and BK15 (Damtshaa, Debswana), DK1 and DK2 (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, Tsodilo press release dated May 31, 2016).

Pilot Hole Drill Program

The Pilot Hole Drill Program commenced in February 2017. The pilot hole pattern was designed to achieve an approximate 50 meter grid hole spacing for the Phase 1 Large Diameter Drilling ("LDD") sampling. One pilot hole is drilled immediately next to every planned LDD hole. The primary objectives of the pilot holes are to improve on and upgrade the knowledge of the internal geology of the kimberlite and optimize the kimberlite intersected by the Large Diameter Drill (LDD) program. Geotechnical studies of the cores will allow for the selection of the appropriate LDD drill bits based on rock hardness and the pilot hole cores will also provide a reference once the diamond recovery results have been obtained from the LDD program. Fourteen (14) holes totaling approximately 3,100 meters are planned with eleven (11) being completed to date. The remaining 3 holes are expected to be completed by month's end.

The pilot hole drilling as well as the earlier delineation drilling was conducted utilizing the Company's Atlas Copco CT14 diamond core drill rigs. All bits used were of a Wuxi-Tsodilo design and contained only synthetic industrial diamond.

All pilot and delineation core holes were logged in the field in detail according to a standard operating procedure, describing each kimberlitic unit, measuring contacts between various units as well as kimberlite/country rock contacts and brief descriptions of country rock. Magnetic susceptibility measurements were taken every 20 centimeters and the country rock dilution content was logged using the line point count method along the entire kimberlite intersection.

Core recovery and depth data were recorded as per standard operating procedure. Core recovered from the pilot hole drilling is stored at the Company's Letlhakane exploration camp. The core has been labelled, photographed and the information captured in the Company's database.

Density (specific gravity) measurements were done on the delineation core samples by taking a 20 to 30 centimeter length of core every 2 meters. The core was then coated in a thin film of varnish and the density was established using the Archimedes method of weighing in air and in water. Additional samples for density measurements will be taken from the pilot hole cores where the delineation drilling had not sufficient coverage.

LDD Program

The layout of the initial 14 LDD holes was designed to provide grade estimates for the main kimberlite phases as well as an initial grade distribution throughout the kimberlite. The relatively large bulk sample will also provide an initial diamond value. Z Star Mineral Resource Consultants (Cape Town, South Africa) were consulted to optimize

these objectives. The diameter of the LDD holes will be 24-inch and the planned 14 holes (approximately 3,100 meters) will provide just under 2,000 tonnes of kimberlite for processing. The design calls for sampling to a 350 meter depth within the main two volcanoclastic kimberlite phases (VK2 and VK3) as well a sampling minor amounts of the central VKxxx zone which is a restricted upper zone that highly diluted with basalt xenoliths.

The LDD samples are to be collected over 12 meter intervals, corresponding to hypothetical mining benches. The samples will be collected in cubic meter polypropylene bulk bags, with varying numbers of bags making up one sample. The bags will be attached to the drill site shaker and receive a feed of +1.00 millimeter material directly from the shaker. The Phase 1 LDD holes will be logged by caliper and caliper data will be used to estimate the volume drilled for grade calculations. Representative chip samples will be taken during LDD program every meter, these samples will then be screened on site and used to control the quality of the drill product.

The Company has entered into a drill contract with De Wet Drilling (Pty) Limited of Gaborone, Botswana to drill the LDD holes. De Wet Drilling (Pty) Limited Botswana ("DWD") has been in operation since 1948 focusing on the drilling of deep, large diameter boreholes. This specialization is made possible through custom designed and built drill rigs that are able to withstand the extreme conditions the mining sector faces in Southern Africa. DWD has extensive LDD experience working on projects for Debswana, De Beers, Petra Diamonds and Firestone Diamonds amongst others. DWD conducted the Phase 1 & 2 LDD on AK6, (Karowe mine, Lucara Diamond Corporation).

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 in Botswana. The Company has a 100% stake in its Gcwihaba project area consisting of twenty-one (21) metal (base, precious, platinum group, and rare earth) prospecting licenses 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.

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

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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