BK16 Update: Renewal of Prospecting License and Commencement of Phase II Evaluation

TORONTO, ONTARIO / ACCESSWIRE / June 21, 2021 / Tsodilo Resources Limited ("Tsodilo" or the "Company") (TSXV:TSD) (OTCQB:TSDRF) (FSE:TZO) is pleased to announce that the Ministry of Mineral Resources, Green Technology and Energy Security ("MMGE") in Gaborone, Botswana has granted the renewal of Prospection License 369/2014 for a two-year period commencing October 1, 2021. The license area contains the Company's BK16 kimberlite project

The diamondiferous BK16 kimberlite pipe is located within the Orapa Kimberlite Field ("OKF") in Botswana and contains rare and valuable Type IIa diamonds. BK16 is located 37 kilometers (km) east-southeast of the Orapa Diamond Mine AK01, 25 km southeast of the Damtshaa Diamond Mine, and 13 km north-northeast of the Letlhakane Diamond Mine, all operated by Debswana and 28 km east-northeast from Lucara Diamond Corporation's Karowe Mine (AK6). The OKF has produced such notable diamonds as the 1,109 carat 'Lesedi La Rona' and the 813 carat 'Constellation' from Lucara Diamond Corporation's Karowe (AK6) mine.

Tsodilo's Chairman and CEO, James M. Bruchs, commented "We are pleased that the MMGE has renewed the BK16 license which will allow us to move into our Phase II evaluation program which will be a surface bulk sample of 20,000 tonnes of kimberlite which will enhance the work already undertaken and increase confidence in the value of the diamonds and grade as we move closer to developing this asset."

BK16

The diamondiferous BK16 kimberlite pipe is approximately 6 hectares in size at surface and is known to contain rare and valuable Type IIa diamonds. A mini-bulk sampling program was undertaken to obtain an initial determination of the quality and value of the BK16 diamonds. This was successfully undertaken via fourteen (14) 24-inch Large Diameter Drilling (LDD) totaling 3,121 meters. 2,077 tonnes (callipered) of kimberlite were extracted. From this extraction, 243 individual bulk samples were processed at the Company's dense media separation (DMS) plant ahead of X-Ray diamond separation and final hand sorting at the Company's secure recovery unit. The diamond recovery resulted in 509 diamonds weighing 78.403 carats which were studied for value and size frequency distribution (SFD) modelling to model the SFD of the BK16 kimberlite which showed the following:

- 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,
- SFD of the diamonds recovered from the LDD samples indicated that the size distribution of BK16 could be coarser than several producers in southern Africa. There are indications that BK16 could have a broadly similarly coarse shaped size distribution to that of the

Lucara's Karowe Mine (Botswana), Petra Diamonds' Premier Mine (South Africa), and Lucapa Diamond's Mothae Mine (Lesotho).

- 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) (which compares favorably with Lucara Diamond Corp.'s Karowe Mine (AK6) production of specials).

This SFD modeling led to a scoping level range analysis Techno-economic modelling of the deposit using some defined variables and options for developing the project. This range analysis suggests that a positive NPV project is possible. The range analysis suggests that at diamond values around $350/ct the target could support a well-managed toll treatment operation. As the value increases to $500-550 it would be viable to contemplate a variety of low-capital intensity operations. At values above $600-650/ct the strategy of a developing a stand-alone full-size operation should be pursued. Still further alternatives involved the utilization of other processing plants in the OKF that are operating beneath their capacity.

These encouraging results suggest that BK16 has the potential to become a mineable asset and 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:

- 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 (cpht);
- 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.

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. The Phase II bulk sample design will be a basic small and shallow box-cut style 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. Engineering studies undertaken into this surface bulk sample were comprised of a geotechnical characteristic study; a sample location optimization study to maximize number of diamonds; and, a final optimized pit design optimization which construct a box-cut design specifications optimized pit shell that takes into account geotechnical parameters and grade and tonnage considerations. This final design was signed off by the independent engineers. Further to this, a detailed rehabilitation plan was created that meets statutory requirements and will ensure the workings and facilities are safe and restore the environment to as close as possible to its natural state.

For more information about the work undertaken (Phase I) and the next stages of work please see (Phase II and beyond), please see the following presentation on our diamond projects on the website at http://www.tsodiloresources.com/i/pdf/Tsodilo_Diamond_Projects_December-2020.pdf

About Tsodilo Resources Limited

Tsodilo Resources Limited is an international diamond and metals exploration company engaged in the search for economic diamond, metal deposits and industrial stone at its Bosoto (Pty) Limited ("Bosoto"), Gcwihaba Resources (Pty) Limited ("Gcwihaba") and Newdico (Pty) Ltd. ("Newdico) projects in Botswana. 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. The Company has a 100% interest in its Newdico industrial stone project located in Botswana's Central District. Tsodilo manages the exploration of the Newdico, Gcwihaba, and Bosoto projects. Overall supervision of the Company's exploration program is the responsibility of Dr. Alistair Jeffcoate, Project Manager and Chief Geologist 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, 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.

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