

TSODILO RESOURCES LIMITED

NEW DRILLING RESULTS FOR BLOCK 2A CONFIRM SIGNIFICANT UPGRADE POTENTIAL OF THE XAUDUM IRON FORMATION

July 7, 2021

Trading Symbol: TSXV: TSD

#070721

TORONTO, ONTARIO - Tsodilo Resources Limited ("Tsodilo" or the "Company") (TSX-V: TSD) (OTCQB: TSDRF) (FSE: TZO) is pleased to announce that its advanced evaluation program on the Xaudum Iron Formation (XIF) project is progressing as planned. Drill and assay results confirm that Block 2a located 10 kilometers south of Block 1 is a continuation of the same Block 1 magnetite rich units which will result in a significant increase in the resource tonnage for the XIF project upon completion of the Block 2a drill program.

Assay Results for 10 holes drilled in Block 2a show the following:

- **Ten** (10) evaluation drill holes were drilled within the **Block 2a** area of the XIF totaling 2,046.40 meters;
- **1,197.70** meters of highly magnetic magnetite rich iron mineralization of the same type as seen in Block 1 were intersected;
- Drilling results indicate that Block 2a contains the same three magnetite resource lithological units that are seen in Block 1 with the following average grades;
 - ◆ **35.6%** Fe is the average Block 2a grade of the major Banded Magnetite BIF unit coded **MBA** (inclusive of weathered material);
 - **35.5%** Fe was the average Block 1 grade for MBA;
 - ◆ **25.1%** Fe is the average Block 2a grade of the major Magnetite Diamictite Schist unit coded **DIM** (inclusive of weathered material);
 - **20.8%** Fe was the average Block 1 grade for DIM;
 - ◆ **25.0%** Fe is the average Block 2a grade of the minor Magnetite Garnet Schist unit coded **MGS** (inclusive of weathered material);
 - **22.1%** Fe was the average Block 1 grade for MGS;
 - ◆ These results confirm that the units in Block 2a are a continuation of the same magnetite rich iron formation 10 kilometers south of Block 1;
 - ◆ Based on metallurgical Davis Tube Recovery (DTR) magnetic separation (P80 of 80 micron) results for Block 1, a general average high-grade iron concentrate of **66 - 67%** Fe and above can be expected from Block 2a;
- Block 2a will represent a significant increase in the XIF resource tonnages as it is of a similar size to Block 1.

Assay Results

XRF assays results have been returned from ALS Chemex for ten (10) drill holes from Block 2a totaling 755 samples consisting of 1,197.70 meters of intersected mineralization showing significant magnetite rich resource material of the same type as seen in Block 1. The Company has defined a CIM compliant Inferred Mineral Resource Estimate within Block 1 of 441 million tonnes (Mt) with an average grade of 29.4% Fe, 41.0% SiO₂, 6.1% Al₂O₃ and 0.3% P for the magnetite XIF in Block 1. The interval weighted average grades for this magnetite rich iron mineralized Block 2 units are shown in Table 1. The hole-by-hole breakdown is shown in Table 2 below. Block 2a will represent a significant increase in the XIF resource tonnage upon completion of the drilling program.

Table 1. Assay results for the 10 Block 2a drill holes. Including results for density and Magnetic Susceptibility (Mag Sus)

Geodomain Codes (Lithological Units)	Total Intervals (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI %	S%	Density (g/cm ³)	Mag Sus (x10 ⁻³)
MBA (Banded Magnetite BIF inclusive of weathered material)	195.2	35.61	37.82	2.89	0.262	1.66	0.029	2.90	390.5
DIM (Magnetite Diamictite Schist inclusive of weathered material)	926.6	25.11	45.57	7.72	0.237	1.13	0.021	3.01	579.4
MGS (Magnetite Garnet Schist inclusive of weathered material)	75.9	24.97	48.89	8.73	0.208	-1.21	0.070	3.30	187.7

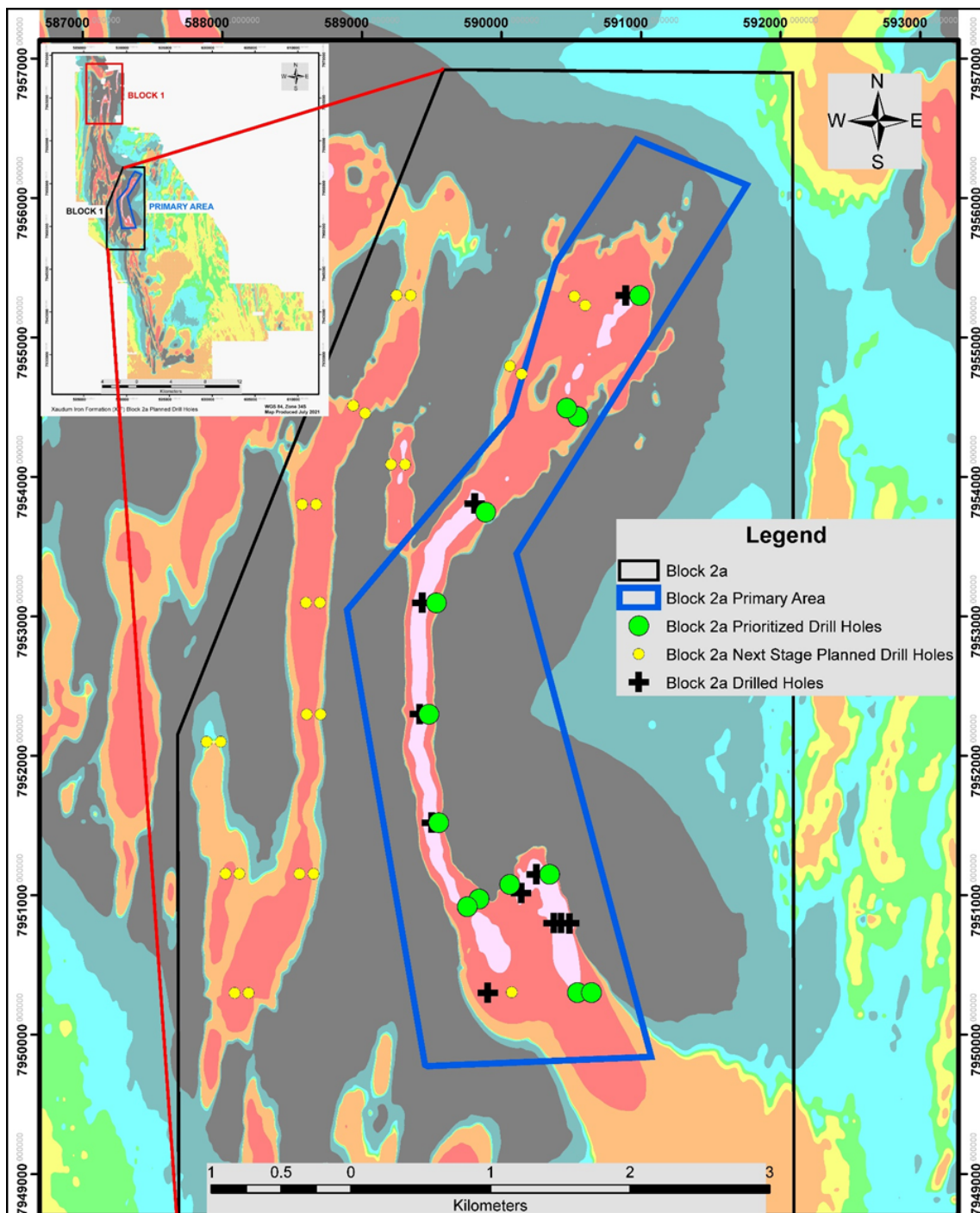


Figure 1. Map showing the holes drilled in Block 2a with results shown in Table 1 and Table 2 (black crosses) plus the remaining Block 2a planned drilling separated to an initial primary area to be drilled (green dots) and an extension on this (yellow dots). The background of the map shows the ground magnetic survey data (VD1).

Block 2a Drill Plan Continuation

The Company is looking to expand its XIF resource into Block 2a and these assay results represent the first 10 drill hole results from Block 2a (black crosses in Figure 1). These 10 drill holes show that the Company can expect a significant resource increase in this area. Block 2a has been split into an initial “primary area” to be drilled (green dots in Figure 1) which will result in an initial resource to coincide with the Company’s Preliminary Economic Assessment (PEA). The remaining “next stage” Block 2a planned drilling (yellow dots in Figure 1) will then be drilled.

The background of the Figure 1 map shows the First Vertical Derivative (FVD) of the ground magnetic survey data. The drill plans shown on Figure 1 will be continually reviewed and revised to ensure that they are optimal and will result in a resource to be included in mineral resource estimation (MRE) updates.

Sampling and QAQC (Quality Control and Quality Assurance)

The split mineralized core (half core) is sampled at two-meter intervals, these two-meter samples are measured for density using the Archimedean method of weighing dry and then weighing submerged in water, see Table 1 and Table 2. The density measurements are supplemented with QAQC check samples to ensure precision and repeatability of the density measurements.

The two-meter samples from the split cores are then bagged and labeled, and consigned for crushing, pulverizing (pulp creation) and XRF chemical assay. 755 samples from these holes were analyzed by ALS Chemex for XRF assay analysis, this included QAQC check samples.

All returned XRF assay results are checked that they pass QAQC before they are uploaded into the Company’s drillhole database. Standards are checked against control limits; blanks are checked for contamination; and, duplicates are plotted against the original to ensure reproducibility of the process. All QAQC assays have satisfactorily passed the QAQC checks and the assay data has been uploaded into the database.

About the Xaudum Iron Formation Project

- ◇ The project is located in the North-West District of Botswana and is proximate to the Namibian boarder and lies twenty-two (22) miles from the town of Divundu in Namibia. The Walvis Bay-Ndola-Lubumbashi Development Corridor (previously known as the Trans-Caprivi), line linking Zambia and Namibia is planned to pass through Divundu providing access to Walvis Bay, Namibia’s deep-sea port.
 - The Company has joined the Walvis Bay Corridor Group (WBCG). Currently the portion of the corridor between Grootfontein (Namibia) to Katima Mulilo located on the Zambia border is the portion of the corridor closest to the Xaudum Iron Project. In March 2021, the Namibian Ministry of Works and Transport commissioned a Feasibility Study for the Trans-Zambezi Railway Extension Grootfontein – Rundu - Katima Mulilo. The proposed rail extension between Grootfontein and Katima Mulilo is significant to Tsodilo as the extension is planned to pass through Divundu. The feasibility study is expected to be completed by the end of 2021 and its results will be considered in our Preliminary Economic Assessment (PEA).
 - The project is also located within forty-three (43) miles of the proposed Mucusso line to Angola’s Namibe Port.
- ◇ Preliminary work on the Xaudum Iron project has defined a CIM compliant Inferred Mineral Resource Estimate of 441 million tonnes (Mt) with an average grade of 29.4% Fe, 41.0% SiO₂, 6.1% Al₂O₃ and 0.3% P for the Block 1 magnetite XIF.
- ◇ Block 1 is a fraction of the potential XIF magnetite resource. An extrapolated exploration target has defined the XIF to be in the order of 5 to 7 billion tonnes at 15 - 40% Fe. This

exploration target was generated by inversion modelling of ground magnetic geophysical data which was compared and moderated to volumes from drilling data within Block 1 and its potential quantity and grade is conceptual in nature. To date, there has been insufficient exploration to define a mineral resource other than in Block 1 and it is uncertain if further exploration will result in the target being delineated as a mineral resource. See ***Press Release of 9/14/2014*** on the Company's website for further details.

- ◇ Metallurgical magnetic separation results (Davis Tube Recovery) show an average concentrate of 67.2% Fe, 4.2% SiO₂, 0.5% Al₂O₃, 0.07% P is obtained at P80 grind size of 80 microns, although higher grades are possible at finer P80's. See ***Press Release of 12/17/2013*** on the Company's website.
- ◇ Further exploration will be focused on Block 2a where the Company expects an increase in the resource.

An informational presentation of the project outlining more information can be found on the Company's website at [http://www.tsodiloresources.com/i/pdf/3\)-Tsodilo-Iron-Project-Overview_March-2021.pdf](http://www.tsodiloresources.com/i/pdf/3)-Tsodilo-Iron-Project-Overview_March-2021.pdf).

More technical information a report prepared by SRK Consulting (UK) Ltd. for Gcwihaba Resources (Pty) Ltd. titled "Mineral Resource Estimate for the Xaudum Iron Project (Block 1), Republic of Botswana" with an effective date of August 29, 2014 and filed on SEDAR under the Company's profile at www.sedar.com.

About ALS Chemex, South Africa

ALS is a global leader in providing laboratory testing, inspection, certification and verification solutions with a reputation for providing quality analytical services to the global mining industry in the fields of analytical chemistry, mineralogy and metallurgical testing, commodity analysis and certification.

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.

Table 2. Detailed XRF assay data for the interval weighted average for the 10 Block 2a drill holes. Including results for density (g/cm³) and Magnetic Susceptibility (Mag Sus x10⁻³).

Hole ID	From	To	Interval	Geodomain Codes (Lithological Units)*	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	S %	Density	Mag Sus
L9630_15	77.7	86.2	8.5	MBW	35.67	41.10	3.34	0.456	-0.27	0.023	NA	NA
L9630_15	86.2	96.2	10	MBA	31.41	43.42	5.82	0.581	-1.03	0.020	NA	NA
L9630_15	96.2	150.2	54	DIM	27.68	43.44	6.89	0.232	1.23	0.003	NA	NA
L9630_15	150.2	160.2	10	MBA	37.82	32.56	3.03	0.252	1.12	0.064	NA	NA
L9650_8	36.7	44.6	7.9	DMW	26.47	41.18	6.04	0.206	3.90	0.004	NA	121.4
L9650_8	44.6	84.6	40	DIM	25.96	44.64	7.41	0.213	1.31	0.007	NA	592.8
L9650_8	84.6	86.6	2	MGS	25.92	50.10	8.78	0.210	-1.64	0.054	NA	248.3
L9650_8	86.6	128.6	42	DIM	26.35	45.99	7.80	0.210	-0.003	0.058	NA	524.0
XIF0010E_2	32	60	28	MBW	34.59	35.50	1.82	0.209	5.19	0.003	3.20	134.1
XIF0010E_2	60	64	4	DMW	19.00	43.10	9.35	0.195	5.21	0.007	3.03	58.8
XIF0010E_2	64	70	6	MBA	33.18	36.37	2.64	0.256	4.04	0.004	3.44	229.6
XIF0010E_2	70	75	5	DIM	27.67	45.47	6.62	0.247	0.27	0.002	3.07	664.3
XIF0010W_1	9.3	38	28.70	MBW	34.35	38.39	3.12	0.206	3.06	0.005	3.01	153.0
XIF0010W_1	42	108	66	MBA	36.47	38.90	2.54	0.244	0.60	0.033	3.52	638.2
XIF0010W_1	108	201	93	DIM	23.86	46.32	8.33	0.216	0.93	0.005	3.18	718.2
XIF0011E_1	20	44	24	DMW	21.63	47.64	8.03	0.175	3.28	0.020	2.96	73.9
XIF0011E_1	44	58	14	MBA	36.97	37.36	2.49	0.252	1.27	0.008	3.53	774.2
XIF0011E_1	58	92	34	DIM	28.00	43.35	6.62	0.233	0.87	0.011	3.33	582.2
XIF0011E_1	92	112	20	MBA	35.90	36.81	4.13	0.249	0.33	0.090	3.62	509.9
XIF0013V	20	44	24	DMW	22.08	48.48	7.29	0.194	2.75	0.004	2.97	145.4
XIF0013V	44	126	82	DIM	23.71	47.17	8.55	0.204	0.59	0.013	3.21	724.6
XIF0013V	126	130	4	MBA	39.66	33.15	1.68	0.270	0.87	0.078	3.71	885.2
XIF0014V	50	66	16	DMW	27.82	43.83	6.27	0.455	1.63	0.004	3.24	72.4
XIF0014V	66	162	96	DIM	26.53	44.65	7.54	0.258	0.63	0.022	3.26	615.0
XIF0014V	170	200	30	DIM	23.81	47.35	8.83	0.197	0.55	0.034	3.25	812.4
XIF0015V	50	58	8	DMW	27.27	43.73	6.10	0.430	1.83	0.005	3.21	100.1
XIF0015V	58	172	114	DIM	24.90	45.26	7.77	0.261	1.21	0.077	3.20	579.7
XIF0015V	172	200.7	28.7	MGS	24.95	46.79	8.26	0.222	-0.51	0.035	3.35	187.3
XIF0016V	40	60	20	DMW	25.50	44.77	6.27	0.442	2.77	0.007	3.07	119.0
XIF0016V	60	140	80	DIM	25.39	45.77	7.50	0.261	0.86	0.006	3.18	605.9
XIF0016V	140	185.2	45.2	MGS	24.94	50.17	9.02	0.199	-1.64	0.094	3.40	185.3
XIF0017V	48	62	14	DMW	23.85	44.80	7.33	0.207	3.05	0.009	3.14	207.2
XIF0017V	62	200.7	138.7	DIM	24.54	45.99	8.07	0.203	1.07	0.011	3.19	686.3
*Weathered Magnetite BIF (MBW) / Magnetite BIF (MBA) / Magnetite Diamictite Schist (DIM) / Weathered Magnetite Diamictite Schist (DMW) / Magnetite Garnet Schist (MGS)												

FOR FURTHER INFORMATION PLEASE CONTACT:

James M. Bruchs
Dr. Alistair Jeffcoate
Head Office
Website

Chairman and Chief Executive Officer
Project Manager and Chief Geologist
Telephone +1 416 572 2033
<http://www.TsodiloResources.com>

JBruchs@TsodiloResources.com
Alistair.Jeffcoate@tsodiloresources.com
Facsimile + 1 416 987 4369

Forward-Looking Statements

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.