

# TSODILO RESOURCES LIMITED

## Engages SRK Consulting (U.K.) Limited to Prepare an Initial 43-101 Resource Estimate and Technical Report on its Xaudum Iron Ore Project

**FOR IMMEDIATE RELEASE**

**December 30, 2013**

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TORONTO, CANADA - Tsodilo Resources Limited (TSX-V:TSD) ("Tsodilo" or the "Company") is pleased to announce it has engaged SRK Consulting (U.K.) Limited ("SRK") to prepare an initial National Instrument 43-101 compliant Mineral Resource Estimate and Technical Report for the Company's Botswana subsidiary, Gcwihaba Resources (Pty) Limited ("Gcwihaba"), on a portion of the Xaudum Iron Ore Project.

### **Xaudum Iron Ore Project**

The Xaudum Iron Formation (XIF) is located in the northern portion of the Ngamiland region in the North-West District of Botswana. The XIF generally does not outcrop and is considered a buried prospect. The XIF is buried below the "Kalahari cover" (made up of sand and calcrete) and has been delineated for exploration drilling using detailed ground magnetic surveys conducted by the Company over the area. The ground magnetic survey comprises 18,000 line kilometers ("km") on lines 50 meters apart with readings taken approximately every 5 meters and covers 1,600 km<sup>2</sup>.

Drilling to date has confirmed that the XIF is comprised of two units:

1. Magnetite Banded Iron Formation (BIF) unit, which can be weathered near surface (just below the Kalahari cover).
2. Magnetite Schist unit, which can also be weathered near surface.

These units are significantly magnetic, although the Magnetite BIF is more magnetic and can be considered a high grade magnetite unit, whereas the Magnetite Schist represents a less magnetic but potentially more widespread lower grade target unit.

Both units are believed to represent metamorphosed chemical sediments that have been highly deformed, resulting in strong and well-developed banding in the Magnetic BIF and a strong foliation within the Magnetic Schist. The magnetite mineralization is more disseminated within the Magnetite Schist and not as obviously partitioned into bands like the Magnetite BIF.

It is unclear whether these Magnetite BIF and Magnetite Schist units are comprised of single or multiple stratigraphic units. The intense deformation, folding and potential thrusting that these units have undergone, means defining stratigraphy and true thicknesses is difficult to determine, especially at this relatively early stage of resource drilling.

Recent metallurgical Davis Tube Recovery (DTR) test work (*See press release, December 17, 2013*) confirmed the premium grade magnetite product potential of the Xaudum Iron Ore Project,

where all mineralized units are capable of producing premium grade magnetite product of >68 % Fe and very low deleterious elements. The DTR test work confirmed that the coarse grained nature of the mineralization allowed for good concentrate grades at relatively coarse grind sizes. Good mass recoveries were achieved for all mineralized units given the amount of magnetic minerals in the starting material. Further to this, the test work also confirms that partially oxidized (weathered) material can still be separated with higher than expected mass recoveries.

The two mineralized XIF units occur as smaller sub-units within a greater diamictite schist formation of glacial origin and are part of the Neoproterozoic age rocks in the region. The mineralized Magnetite Schist unit itself is a magnetic (high in magnetite) version of this greater diamictite schist formation which in the main is non-magnetic, and therefore the mineralized Magnetic Schist unit is also referred to as a magnetite diamictite or magnetic diamictite.

The XIF has been identified as a Rapitan style BIF of Neoproterozoic age. Neoproterozoic BIF formations have been proposed to have formed during or in the immediate aftermath of the so-called Neoproterozoic “Snowball Earth” state at that time (considered to be around 0.6-0.8 Ga in age). Other examples of this Neoproterozoic BIF include the Rapitan Group in northwest Canada (18.6 billion tonnes at 47% Fe); the Yudnamutara Subgroup, Braemar Iron Formation, Australia (1.4 billion tonnes at 15.5% Fe), the Chuos Formation (Namibia) and the Jacadigo Group (Brazil, Urucum district) ~30+ Billion tonnes at ~50% Fe).

## ***RESOURCE ESTIMATE REPORT SCOPE OF WORK***

The scope of work of the mineral resource report to be undertaken with SRK is detailed below. Mineral resource reporting will be consistent with CIM standards and will include but is not restricted to the following:

- Qualified person site visit to ALS Laboratory in Johannesburg and observe the geology and exploration protocols employed by Gcwihaba in Ngamiland;
- Quantity and quality review of all data collected by Gcwihaba to be used in the estimation process;
- Desktop structural study of the asset to support the geological interpretation and modelling being undertaken by Gcwihaba;
- Review of the geological interpretation and wireframes, providing feedback to Gcwihaba to allow amendments to the interpretation to be implemented;
- Statistical study on the sample data that have been coded using the wireframe geological / mineralization model and for all relevant elements and density measurements;
- Geostatistical Study on the same domains as for the statistical study, in order to determine a suitable block size and suitable estimation parameters for grade interpolation;
- Interpolation of the sample grades into the 3D block model using appropriate estimation parameters and based upon the results of the statistical and geostatistical studies;
- Validation of the interpolated sample grades in the block model through visual and statistical assessments;
- Mineral Resource classification in accordance with the CIM Code;
- A review of all metallurgical data collected on the asset to assist in defining appropriate metallurgical recovery parameters to be included in the pit optimization studies;
- Pit optimization studies in order to define the cut-off-grade and economically mineable portions of the Mineral Resources using parameters suitably optimistic that have been benchmarked against similar operations; and

- Preparation of a CIM compliant Mineral Resource statement and accompanying grade-tonnage curves and sensitivity analysis.

"Tsodilo is pleased to be working with SRK on its Xaudum Iron Ore Project" stated James M. Bruchs, Chairman and CEO, "SRK's global experience and in-house expertise in similar magnetite Iron Ore projects to the Xaudum Iron Formation are second to none, and will provide the range of services we require to advance this project in a timely manner."

### **About SRK Consulting (U.K.) Limited**

SRK is an associate company of the international group holding company SRK Consulting (Global) Limited. The SRK Group comprises over 1,600 staff, offering expertise in a wide range of resource engineering disciplines with 50 offices located on six continents. The SRK Group's independence is ensured by the fact that it holds no equity in any project. This permits the SRK Group to provide its clients with conflict-free and objective recommendations on crucial judgment issues. The SRK Group has a demonstrated track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, Mineral Experts' Reports, Competent Persons' Reports, Mineral Resource and Ore Reserve Compliance Audits, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. The SRK Group has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs.

### **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.*

*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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