
NEWS RELEASE

TSODILO RESOURCES LIMITED BK16 UPDATE

Tsodilo Resources Limited Announces Renewal of BK16 Prospecting License

August 19, 2019

Trading Symbol: TSXV: TSD

#81919

TORONTO, CANADA - Tsodilo Resources Limited (TSX Venture Exchange: TSD) ("Tsodilo" or the "Company") is pleased to announce the Ministry of Mineral Resources, Green Technology and Energy Security (MMGE) in Gaborone, Botswana has granted the renewal of Prospection License 369/2014 for an additional two-year period ending September 30, 2021.

The license area contains the Company's BK16 kimberlite project. The emphasis of the program for the next 2 years will be the Phase II surface bulk sampling program which will be the extraction, processing and diamond recovery of 20,000 metric tonnes of kimberlite. Further information about the Phase II program can be found in the Company's press release of July 15, 2019 located at http://www.tsodiloresources.com/i/pdf/2019-07-15_NR.pdf.

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, eleven have been or are currently being mined. These are AK01, AK02 and AK07 (Orapa, Debswana), AK06 (Karowe, Lucara Diamond Corporation), BK01, BK09, BK12 and BK15 (Damtshaa, Debswana), DK01 and DK02 (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.

Phase I sampling was recently completed and was designed to obtain an initial determination of the quality and value of the BK16 diamonds and those results established the following:

Phase I LDD Bulk Sample:

- ◇ 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,
- ◇ 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).

The positive results from the Phase I program 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:

Phase II Surface Bulk Sampling:

- ◇ 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 bulk 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. Tsodilo is in the process of finalizing the bulk sample design plans and these along with a rehabilitation design will be verified by an independent qualified mining engineer prior to final consultation with and approval by MMGE's Department of Mines.

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 (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. 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. Alistair Bryan Jeffcoate, the Company's Project Manager / Chief Geologist 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.

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.

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