

TSODILO RESOURCES LIMITED

CLOSES C\$8,096,683 PRIVATE PLACEMENT FINANCING FOR UNITS

FOR IMMEDIATE RELEASE

December 12, 2016

TORONTO, ONTARIO - Tsodilo Resources Limited (“Tsodilo” or the “Company”) (TSX- Venture Exchange: (TSD)) is pleased to announce that it has closed a private placement financing (the “Financing”) previously announced on December 6, 2016, for gross proceeds to the Company of C\$8,096,683.

Pursuant to the Financing, the Company issued 10,795,578 units of securities of the Company (the “Units”) at a subscription price of C\$0.75 per Unit. Each Unit is comprised of one common share and one common share purchase warrant, each such warrant entitling the holder to purchase one common share of the Company for a period until the close of business on December 12, 2018 at an exercise price of USD\$0.75.

The common shares to be issued as a result of the Financing will have a statutory four month and one day hold period expiring on April 13, 2017.

Proceeds from the private placement will be used by Tsodilo for advancement of the BK16 kimberlite project in Botswana and for general corporate working capital.

Placees in the Financing included Lucara Diamond Corp. (“Lucara”) (4,476,773 Units); JP Morgan Asset Management UK Limited (3,581,413 Units); directors of the Company (1,931,140 Units); and, others (806,252 Units).

In connection with its subscription, Lucara was granted a pre-emptive right to maintain its percentage ownership in Tsodilo as well as a right of first refusal to purchase all or any portion of the Company’s or its subsidiaries’ rights, title or interest in or to the Company’s BK16 Project pursuant to a right of first refusal agreement.

James M. Bruchs (Chairman) commented “We are very pleased to have Lucara Diamond Corp. and JP Morgan Asset Management UK Limited become shareholders and strategic partners as we move forward with our BK16 project in the highly prolific diamond producing Orapa Kimberlite Field (“OKF”) in Botswana. JP Morgan Asset Management UK Limited has been involved in kimberlite projects in Botswana previously as an early investor in African Diamonds (“AFD”) when AFD and De Beers were just beginning a joint venture to evaluate several kimberlites including AK6 in the OKF. AK6 is now the Karowe Mine owned by Lucara. The development of the Karowe mine has been nothing short of an exemplary example of how to do things the right way and the exceptional diamonds that are recovered are proof of Lucara’s skills and competency. Our goal is to duplicate some of their achievements”.

In connection with the private placement, a cash finder’s fee payment in the amount of C\$134,303 was paid to a party reflecting a fee equaling 5% of the gross proceeds of the Units that were sold to a subscriber introduced by such party.

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 and eight (8) radioactive mineral 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.

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. These current expectations or beliefs include the ability of the Company to obtain final approval of the proposed private placement from the TSX Venture Exchange and the intended use of proceeds remaining in the best interests of 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.

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.

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