

# **TSODILO RESOURCES LIMITED**

## **Acquires rights to BK16 kimberlite pipe in Botswana**

**FOR IMMEDIATE RELEASE**

**September 22, 2014**

TORONTO, CANADA - Tsodilo Resources Limited (TSX-V:TSD) ("Tsodilo" or the "Company") is pleased to announce that it has been granted a prospecting license over the BK16 kimberlite pipe located within the Orapa Kimberlite Field in Botswana. BK16 is located 37 kilometers ESE of Debswana's Orapa mine and 13 km NNE of its Letlhakane diamond mine and 28 km ENE from Lucara Diamond Corporation's Karowe mine. Botswana diamond mines 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. The license grants the company the exclusive right to prospect for precious stones for an initial period of 3 years commencing October 1, 2014.

Dr. Mike de Wit, President and COO of Tsodilo, stated: "We are delighted in securing the exploration license in the diamondiferous BK16 kimberlite pipe. This development affords us an opportunity to accelerate our kimberlite exploration and evaluation efforts in the largest diamond producing country by value in the world. There has been a growing trend in Botswana focusing on brown-fields exploration where more modern evaluation techniques are being applied to previously discovered kimberlites. This has, in many cases, improved diamond grades, and coupled with increasing diamond prices, has resulted in projects now meeting the required hurdle rates. Botswana is renowned for its investor-friendly environment, and is also served by an excellent infrastructure making it one of the lowest cost producers in the world."

BK16, which was discovered in 1970, is known to be diamondiferous and was originally modeled to be 3.5 hectares in size although later work has suggested that the surface area of the kimberlite could be bigger. BK16 is part of the Orapa Kimberlite Field ("OKF") in Botswana. The bedrock of the region is covered by a veneer of Kalahari Group sediments and exposure is very poor. Rocks close to surface are often extensively calcretised and silcretised due to prolonged exposure on a late Cretaceous erosion surface (the African Surface) which approximates to the present day land surface. Previous work has indicated that the overburden over BK16 is 24 meters.

The OKF lies on the northern edge of the Central Kalahari Karoo Basin along which the Karoo succession dips very gently to the SSW and off-laps against the Precambrian rocks which occur at shallow depth within the Makgadikgadi Depression.

The OKF includes at least 83 kimberlite bodies, varying in size from insignificant dykes to the 110 ha AK1 kimberlite which is Debswana's Orapa Mine. All kimberlite intrusions are of post-Karoo age. Of the 83 known kimberlite bodies, nine, AK1 (Orapa, Debswana); AK6 (Karowe, Lucara Diamond Corporation); BK1, BK9, BK12 and BK15 (Damtshaa, Debswana); DK1 and DK2 (Letlhakane, Debswana); BK11 (Firestone Diamonds), and have been or are currently being mined.

A bulk sample grade of 15 cpht for BK16 was reported by Firestone Diamonds based on work previously performed. Diamonds recovered by the limited sampling carried out by Montgomery, SouthernEra (Pty) Ltd., Firestone Diamonds and others have been predominantly high quality, white gemstones, with few industrial diamonds. This indicates that diamonds from BK16 are likely to have a high average value. The grade reported for BK16 is similar to that reported on work done on AK6 in the early 1990's (then 17 cpht). A larger scale bulk sampling program carried out on AK6 in 2005 by the De Beers/African Diamonds joint venture yielded a substantially higher grade of 24 cpht. AK6 is known today as the Karowe mine and is operated by Lucara Diamond Corporation.

## **Evaluation Plans**

Tsodilo is planning an evaluation program that will include detailed geophysics and core drilling to more accurately establish the size and internal geology of the kimberlite. Dependent on the results of the diamond drilling which would include petrographic, mineral chemistry and micro-diamond results, 24 inch large diameter drilling would follow to recover a representative bulk samples from the different kimberlite phases in order to establish a grade and average diamond value with more confidence. The plan is to complete the first phase of bulk sampling in the first year.

## **Board Members**

The Company owns 75% of Bosoto with local partners holding the remaining 25%. The board of Bosoto is composed of Messrs Bruchs and Cushing and Dr. de Wit on behalf of Tsodilo and recently appointed members, Messrs Blackie Marole and Johannes de Wet.

Mr. Blackie Marole is an economist by profession who has, over a period of 30 years, held various senior positions in the banking, government and mining sectors. He retired in 2010 after six years as Managing Director of the Debswana Diamond Company. While in government, Mr. Marole held the role of Permanent Secretary for seven years where he was responsible for the overall supervision of the formulation of policies, coordination and management of the affairs of the Ministry responsible for Minerals, Energy and Water Resources. He currently serves as Chairman of Botswana Development Corporation and African Energy Botswana (Pty). He was Chairman of Barclays Bank of Botswana and Botswana Diamond Valuing Company, a Director of DeBeers, the Diamond Trading Company, BCL, CIC Energy Corp. and the former Chairman of Botswana Power Corporation and Water Utilities Corporation. He has also served as the Chairman of the Privatization and Outsourcing Agency of Botswana.

Mr. Johannes de Wet serves as the Technical Director of DeWetDrilling and various other companies in the DeWetDrilling Group of Companies. He has gained vast experience in the field of most drilling disciplines over a period of 25 years in Southern Africa. Of particular importance is his expertise in diamond exploration and bulk sample drilling operations. He was the designer and manufacturer of the renowned Elephant mobile drill rig deployed in Large Diameter Fluid Reverse Circulation kimberlite bulk sampling operations all over Southern Africa during the past decade. Mr. de Wet is also the Chief Technical Officer of Bauer De Wet Equipment (Pty) Limited where he was tasked with the conceptualization, design and manufacture of the 90 tonne Buffalo multi-purpose drill rig primarily developed for the shallow onshore oil and gas market as well as the Rhino 1300 range of tracked blast hole drill rigs. The Buffalo 90 is capable to satisfy directional drilling requirements down to 2,000 meters.

**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 (851 km<sup>2</sup> under Precious Stone - diamond licenses). The Gcwihaba project area: 494 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. The Company has a 75% stake in Bosoto (Pty) Ltd. Tsodilo manages the exploration of the Newdico, Gcwihaba and Bosoto 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.*

*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.*

*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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