

TSODILO RESOURCES LIMITED

BK16 UPDATE

FOR IMMEDIATE RELEASE

June 26, 2017

TORONTO, ONTARIO - Tsodilo Resources Limited (“Tsodilo” or the “Company”) (TSX- Venture Exchange: (TSD)) is pleased to announce that it has completed its pilot hole drill program on its wholly owned BK16 kimberlite project. The purpose of this drilling program was to drill pilot holes on the sites which have been earmarked for the Large Diameter Drill (LDD) drilling program.

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 (see press release dated May 31, 2016). The following phases of kimberlite were identified during the 2015 drilling program: Red volcanoclastic kimberlite VK1, Black VK2, Grey VK3 and VKxxx also referred to as the basalt breccia, country rock breccia (CB) and coherent kimberlite (CK1). A geological model based on the 3,050 meters of core recover in 2015 was completed in 2016.

Pilot Hole Drill (‘PHD’) Program

Kimberlite phases VK2 and VK3 are volumetrically the most important and will be the focus of the Large Diameter Drilling (“LDD”) program. The positioning of the initial 14 LDD holes was designed to provide grade estimates for the main kimberlite phases as well as initial grade distribution across the kimberlite. Z Star Mineral Resource Consultants (Cape Town, South Africa) were retained to optimize these objectives. The hole diameter of the LDD holes will be 24-inch and the planned 14 holes will provide some 2,000 tons of kimberlite.

In order to correlate the diamond recoveries directly to the geological model and to ensure that the intersection of the LDD holes are maximized it was necessary to probe all LDD sites with NQ size diamond core holes. The PHD program as well as the earlier delineation drilling was conducted utilizing the Company’s Atlas Copco CT14 diamond core drill rigs. All bits used were of a Wuxi-Tsodilo design and contained only synthetic industrial diamond. All pilot and delineation core holes were logged in the field in detail according to a standard operating procedure, describing each kimberlitic unit, measuring contacts between various units as well as kimberlite/country rock contacts and brief descriptions of country rock. Magnetic susceptibility measurements were taken every 20 centimeters and the country rock dilution content was logged using the line point count method along the entire kimberlite intersection. Core recovery and depth data were recorded as per standard operating procedure. Core recovered from the pilot hole drilling is stored at the Company’s Letlhakane exploration camp. The core has been labelled, photographed and the information captured in the Company’s database. Density (specific gravity) measurements were done on the delineation core samples by taking a 20 to 30-centimeter length of core every 2 meters. The core was then coated in a thin film of varnish and the density was established using the Archimedes method of weighing in air and in water. Additional samples for density measurements will be taken from the PHD cores where the delineation drilling had not sufficient coverage.

The PHD program has now been completed and in total 3,220 meters were drilled and intersections were as follows:

PHD Program	Meters Drilled	Meters planned for LDD drilling	Approximate kimberlite tonnage to be recovered from LDD sampling
Kalahari Overburden	354	354	-
Kimberlite Phase			
VK2	915	965	705
VK3	1,654	1,654	1,224
VKxxx	76	76	56
Country Rock Breccia	156	50	34
Country Rock	65	-	-
Totals	3,220	3,099	2,019

Two holes in the center of the pipe will be extended by 25 meters each to increase the sample size for VK2. A small section of the country rock breccia will also be sampled to test its grade. The LDD contractor commenced operations in May. Initial work consisted of collaring the 14 LDD holes immediately adjacent to the PHD holes to a depth of 22 meters using 30-inch casing. It is expected that this program will be completed in the second week of July after which the contractor's LDD Elephant rig will be deployed to drill and recover the kimberlite below the Kalahari overburden using 24-inch holes.

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. 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.

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. 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

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