

Tsodilo Announces Definitive Option Agreement with First Quantum Minerals

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Toronto, Ontario CANADA, November 20, 2013 /FSC/ - [Tsodilo Resources Ltd.](#) (TSD - TSX Venture), ("Tsodilo" or the "Company"), is pleased to announce that, further to its previously announced memorandum of understanding with [First Quantum Minerals Ltd.](#) (TSX:FM)(LSE:FQM) ("First Quantum") (see Tsodilo's press release dated April 18, 2013), the Company, its wholly-owned subsidiary Gcwihaba Resources (Pty) Ltd. ("Gcwihaba"), First Quantum and First Quantum's wholly-owned subsidiary Faloxia (Proprietary) Limited ("FQM Subco") have entered into a definitive Earn-In Option Agreement (the "Option Agreement") pursuant to which First Quantum (which term for the purposes of this press release includes FQM Subco) has acquired the right to earn up to a 70% interest in metals prospecting licences in Botswana granted to Gcwihaba insofar as they cover base, precious and platinum group metals and rare earth minerals by meeting certain funding and other obligations as set forth below. The interests that may be earned by First Quantum specifically exclude any rights to iron held by Gcwihaba.

Tsodilo's Chairman and CEO, James M. Bruchs, commented "We are very pleased to have the Earn-in Option Agreement signed. Although completing it took longer than was originally expected, both companies have been working together in the spirit of the April 17, 2013 original Memorandum of Understanding. This joint venture will allow FQM to aggressively explore for world-class base metal deposits on our licensed areas while enabling Tsodilo to accelerate the evaluation of our Xaudum iron formation project as well as continue our kimberlite exploration. The involvement of First Quantum will allow us to deliver results from our metals projects to the market sooner than we could have without their efforts."

Under the terms of the Option Agreement, First Quantum can earn either a 51% participating interest or a 70% participating interest in designated projects within the overall license area covered by the Option Agreement (the "Project Area") by satisfying the following requirements:

- funding exploration expenditures within the Project Area in the aggregate amount of US\$6 million by November 20, 2015 (the "Tranche 1 Funding Commitment");
- funding an additional US\$9 million in exploration expenditures within the Project Area by November 20, 2017; and
- completing a technical report (a "Technical Report") on a designated area within the Project Area prepared in compliance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and that meets certain requirements with respect to resources as described below.

The Tranche 1 Funding Commitment is a firm commitment by First Quantum and must be satisfied irrespective of whether First Quantum elects to pursue the other requirements to earn an interest in Gcwihaba's licences.

In the event that First Quantum satisfies the funding obligations as set forth above but a Technical Report has not been completed by the end of the fourth year following the execution of the earn-in option agreement, First Quantum may maintain the earn-in option for up to an additional three years by continuing to spend a minimum of \$2 million per year on exploration and evaluation studies on the Project Area.

If the Technical Report delineates a "Major Defined Project" (being a designated project within the Project Area with respect to which the Technical Report delineates a measured, indicated and inferred mineral resource within the Project Area of not less than 2,000,000 tonnes of copper), First Quantum will be deemed to have earned a 70% interest in the property that is the subject of such report. If the Technical Report delineates a "Minor Defined Project" (being a designated project within the Project Area with respect to which the Technical Report delineates a measured, indicated and inferred mineral resource within the Project Area of less than 2,000,000 tonnes of copper, or another base, precious or platinum group metal and rare earth mineral), First Quantum will be deemed to have earned a 51% interest in the property that is the subject of such report; provided, however, that it may elect to retain an option for up to five years to convert such property into a Major Defined Project. If First Quantum makes such election, it will be responsible for all further costs and expenses associated with the Minor Defined Project, including for operations and capital expenditures, until the earliest of: (a) the completion of a Technical Report for a Major Defined Project, in

which event the Minor Defined Project will be deemed to be converted into a Major Defined Project and First Quantum will be deemed to have earned a vested 70% participating interest therein; (b) written notice from First Quantum to the Company that First Quantum no longer wishes to retain the option to convert such Minor Defined Project into a Major Defined Project; and (c) five years after the date of the original vesting of a 51% interest in the Minor Defined Project. If First Quantum fails to satisfy the requirements to convert a Minor Defined Project into a Major Defined Project it will retain a vested 51% participating interest in the Minor Defined Project.

Upon First Quantum's participating interest in a defined project being crystallized at either 51% or 70%, Gcwihaba and First Quantum will enter into a joint venture agreement for such project. Under the terms of each such joint venture agreement, Gcwihaba's participating interest in each joint venture will be carried until the commencement of construction of a mine for the project. Accordingly, all costs and expenses associated with the defined project until such time, including for operations and capital expenditures, will be funded by First Quantum.

About First Quantum Minerals:

First Quantum is one of the fastest growing copper companies with a projected compound annual growth in copper production of more than 20% for at least the next decade. First Quantum's core strength is discovering, developing and operating mines efficiently and cost effectively. The recent combination of the First Quantum and Inmet assets has created one of the world's leading copper producers with a geographically diversified portfolio of high-quality operations and development projects in eight countries across four continents. (www.first-quantum.com)

About Tsodilo Resources Limited:

[Tsodilo Resources Ltd.](#) 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 km² under Precious Stone - diamond licenses). The Gcwihaba project area: 2,404 km² under Precious Stone - diamond licenses; 11,158 km² Metal (base, precious, platinum group, and rare earth) licenses; and, 6,925 km² 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.

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.

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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