

Social Responsibility

TANZANIAN GOLD CORPORATION

(the “Corporation”)

Mission Statement

Our mission is to conduct business in Tanzania in a sustainable way that enhances the well being of its people, the environment and the investors and stakeholders of Tanzanian Gold Corporation.

Commitment to Sustainable Development

Sustainable Development is commonly defined as “Development that meets the needs of the present without compromising the ability of future generations to meet their own.” An evolving concept in today’s global market economy, Sustainable Development is intended to improve the economy, the environment, and society at large for the benefit of current and future generations. Its main premise is that the actions we take today must provide for our own needs without diminishing the assets, resources and capabilities available to those that follow.

Commitment to Sustainable Development principles requires the integration of environmental policies and development strategies in order to satisfy current and future human needs, improve the quality of life, and protect resources. It involves managing

resources in a way that is conducive to long-term wealth creation and the maintenance of capital.

Tanzanian Gold has made a public commitment to integrating the concepts of Sustainable Development into its corporate culture and business activities. Exploration is the starting point for the entire mineral project life cycle, so the human and environmental implications are well below that of later phases, especially mine development. Importantly, exploration marks the beginning of the relationship between the company's exploration team and affected communities, setting the tone for future relations. Appropriate Sustainable Development models for this particular phase have only begun to emerge and Tanzanian Gold is breaking new ground in this area within its peer group. Exploration is a highly competitive and sometimes secretive business, limiting the amount of disclosure that companies are able to make regarding their activities. Furthermore, the public discussion can sometimes lead to unintended and unjustified expectations that can subsequently cause difficulty when they are not realized. In order to ensure effective implementation of these concepts, Tanzanian Gold has initiated appropriate management systems beginning with a Mission Statement and working through to field practices, independent verification, and reporting.

To our knowledge, no other exploration company has undertaken such an initiative, meaning that Tanzanian Gold will play a leadership role in this field not only in Canada but worldwide.

Immediate priorities

One of the Company's immediate priorities is the establishment of an effective engagement process that will address whether:

- people's well-being will be maintained or improved
- the integrity of the environment will be assured over the longer term
- the economy of the community will be better off because of our activities
- the company has taken into account traditional and non-market activities in the local and regional communities in a fashion that's acceptable to local people
- rules, incentives, programs and capacities are in place to address project or operational sequences the company's activities show a net positive or negative result in the longer term based on periodic assessments In most developing countries, social and economic needs are paramount and the need to eliminate poverty and build strong sustainable communities cannot be understated. One of the Company's objectives is to identify economic opportunities within the community that are either outside of mining or linked to mining but not entirely dependent on it.

Tanzanian Gold: A History of Philanthropy in Tanzania

Our history in Tanzania covers a period of considerable change in the country. While Tanzania has been spared the internal strife that has plagued many of its neighbors, it remains a very poor country by world standards. Indeed, it is heavily reliant on foreign aid with many of its people living below the World Bank-defined poverty line.

Working in Tanzania presents some unique challenges. However, dealing with these challenges provides an opportunity for explorers like Tanzanian Gold to do things differently and leave a positive and, hopefully, lasting impact on the country and its people.

Tanzania is a largely agricultural country and the needs of its rural population are basic and immediate. In the Western world, we would call these “bread and butter” issues. In Tanzania, however, their needs are very much “bread and water” issues — the bread being maize and the water – at least in the rural areas – an incubation medium for diseases such as cholera and malaria.

Tanzanian Gold’s Chairman, James E. Sinclair, the former Chairman of Sutton Resources, played a significant role in the development of the Bulyanhulu gold project which was later sold to Barrick for approximately \$500 million. His family trust has a long history of philanthropy in Tanzania which includes the construction of a hospital at Bulyanhulu and its staffing by a competent doctor who remains there today. Jim’s charitable foundation has also constructed several maize mills and worked with Mother Theresa’s Sisters of Charity to construct a home for orphaned children.

Bulyanhulu Hospital

Meeting these basic and immediate needs is fundamental for rural populations and severely limits the capacity of local communities to participate in non-traditional activities. This is especially true for women who bear the children, are responsible for their care and maintenance, and are usually among the most poverty-stricken. Male's ability to participate in the economy is hampered by low educational and general skill levels, restricting them to manual tasks like artisanal mining and other subsistence-related activities.

Our policy of engagement ensures that first and foremost we do not create any false expectations in local communities and promote dependence. In fact, our goal is to leave a positive legacy in local communities by emphasizing education, skills training, and by making practical improvements to their living environment.

We built a school at Itetemia that includes classrooms and an office. And today, we regularly provide school equipment for children including desks, pens, writing pads, and

even photocopying services at examination time. We also provide computer courses and driver education and mechanical courses for local workers, utilizing our dedicated infrastructure which improves their employment prospects and job mobility — a direct benefit to the local economy and the individuals themselves.

Ensuring that Tanzanian children have the facilities and tools to achieve their educational aspirations is one of the most important contributions we can make to their lives.

In recent years, our efforts have been increasingly geared towards building “social capital” rather than going the somewhat more traditional route of developing infrastructure that may be difficult to support following our departure.

As mineral explorers, the impact of our activities on the environment is short term and minimal and our environmental compliance practices meet or exceed standards that are currently in place in Canada and the United States. The very nature of our activities, however, also creates opportunities to enhance the living environment for local communities at a modest cost.

One of our most important initiatives has involved drilling water wells near active exploration projects. Three deepwater wells have been completed at various projects, two of which are equipped with manual pumps and another with an electrical pump powered by a generator. Water can also be drawn from these wells manually if required.

Water Well and Storage Tanks Constructed by Tanzanian Gold

As an exploration company, our activities in local communities are limited and we generally don't have to address issues that confront companies in the development and production phases. Nonetheless, we remain sensitive to the operational consequences of our activities and have developed internal policies that will allow us to optimize our resources in a cost-efficient and humane fashion.

Our sustainability strategy is a practical one that is designed to unfold over years rather than months and is, by definition, proactive and flexible in its implementation. Like any program of this nature, it must work for the community, the local environment, and the company.

As a publicly traded company, our shareholders rightly expect us to be effective and efficient explorers but they are increasingly demanding that we address social and environmental issues in a competent fashion as well.

It's not just good business – it's the right thing to do.