



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Tanzanian Gold Corporation (the "Company") should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine month period ended May 31, 2019 and 2018 and the audited consolidated financial statements for the years ended August 31, 2018 and 2017. The MD&A was prepared as of July 12, 2019. All amounts are in Canadian dollars, unless otherwise specified.

Highlights – for the nine month period ended May 31, 2019

Financial:

- On July 1, 2019, the Company closed a private placement of 1,916,379 common shares at US\$0.58 per share raising \$1,111,500.
- On May 3, 2019, the Company completed the sale of 2,316,084 common shares at US \$0.66 per share raising US \$1,530,700 in the aggregate
- On April 18, 2019, the Company completed the sale of 606,165 common shares at US \$0.58 per share raising US \$350,000 in the aggregate with three investors.
- On March 4, 2019, the Company completed the sale of 625,557 common shares at a price of US \$0.45 per common share, raising an aggregate of US \$281,000.
- On January 16, 2019, the Company completed the sale of 3,924,386 common shares at a price of US \$0.23 per common share, raising an aggregate of \$1,172,798 (US \$885,734). Share issue costs amounted to \$103,591 for net proceeds of \$1,069,207.
- During the nine month period ended May 31, 2019, the Company closed \$287,800 (US \$216,857) in gold loans.

Under the terms of the loan agreements, the bullion loans are for a period of one year, are subject to renewal, and carry an 8% interest rate payable quarterly. At the sole discretion of the Lender, the bullion loans may be repaid in cash or common shares of the Company or gold in specified form at the option of the lender. If the bullion loans are paid back by bullion, the valuation date for such bullion will be the date of the loan agreements. The bullion loans may be converted into common shares of the Company at the sole discretion of the lenders at an exercise price of US\$3357 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US\$3357 per share. There is no prepayment penalty.

During the nine month period ended May 31, 2019 the Company settled \$130,670 (US\$100,000) of principal amount of outstanding loans through the issuance of 402,077.

- During the nine month period ended May 31, 2019, the Company received loans in the amount of \$1,596,401 (US\$1,230,799) with a one year term with a right to extend by 1 additional year by mutual consent, carrying an 8% interest rate payable quarterly. The convertible loans may be repaid in cash or common shares of the Company at the option of the lender. The convertible loan may be converted into common shares of the Company at the sole discretion of the lender at



an exercise price of US\$0.27 - US\$0.34 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US\$0.27 - US\$0.34 per share.

During the nine month period ended May 31, 2019, the Company settled \$2,162,562 (US\$1,678,768) of principal amount of outstanding loans through the issuance of 6,704,335.

- In connection with the gold loans described above, the Company paid a finder's fee via the issuance of an aggregate of 483,164 common shares with a value of \$396,194. The finders fee was allocated proportionally between the gold loans and convertible loans.
- During the year ended August 31 2018, the Company received loans in the amount of \$1,754,291 (US\$1,389,710) with a one year term with a right to extend by 1 additional year by mutual consent, carrying an 8% interest rate payable quarterly. The convertible loans may be repaid in cash or common shares of the Company at the option of the lender. The convertible loan may be converted into common shares of the Company at the sole discretion of the lender at an exercise price of US\$0.274 - US\$0.3469 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US\$0.274 - US\$0.3469 per share.

In connection with the gold loans described in note 21 and the convertible loans, the Company paid a finder's fee via the issuance of an aggregate of 466,504 common shares with a value of \$234,752.

- During the year ended August 31, 2018, the Company closed \$1,310,660 (US \$1,027,727) in gold loans.

Under the terms of the loan agreements, the bullion loans are for a period of one year, are subject to renewal, and carry an 8% interest rate payable quarterly. At the sole discretion of the Lender, the bullion loans may be repaid in cash or common shares of the Company or gold in specified form at the option of the lender. If the bullion loans are paid back by bullion, the valuation date for such bullion will be the date of the loan agreements. The bullion loans may be converted into common shares of the Company at the sole discretion of the lenders at an exercise price of US\$0.267 - \$0.3446 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US\$0.267 - \$0.3446 per share. There is no prepayment penalty.

On June 8, 2018, the Company repriced the exercise price to convert the loans and interest into common shares at a price of US\$0.26.

On August 27, 2018, the Company settled \$324,475 (US\$250,000) of principal amount of outstanding loans through the issuance of 961,538 shares with a value of \$605,769 resulting on a loss on settlement of \$281,294.

- The Company entered into extension agreements in regards to USD\$1,530,000 in gold loans closed on June 22, 2015, extending the term by one year to June 22, 2018, but modifying no other terms of the 2015 loans.
- During the year ended August 31, 2017, the Company received loans in the amount of US\$884,078 with a one year term with a right to extend by 1 additional year by mutual consent, carrying an 8% interest rate payable quarterly. The convertible loans may be repaid in cash or



common shares of the Company at the option of the lender. The convertible loans may be converted into common shares of the Company at the sole discretion of the lender at an exercise price of US\$0.36 – US\$0.38 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US\$0.34 – US\$0.36 per share.

In connection with the loans, the Company paid a finder's fee via the issuance of an aggregate of 132,577 common shares with a value of \$92,805.

- On July 19, 2017, the Company settled \$63,075 (US\$50,000) of principal amount of outstanding loans through the issuance of 83,333 shares with a value of \$49,166 resulting on a gain on settlement of \$13,909.

Operational:

- *Phase 1 Reverse Circulation (RC) resource upgrade drilling comprising twenty-nine (29) RC drill-holes with a combined total metreage of **4,132.5m** (Stamico 12 holes totaling 1,453m & Coreworthy 17 holes totaling 2,619.58m) was completed during the reporting period.*
- *Phase 2 Diamond Core (DD) resource upgrade drilling also commenced towards the end of the reporting period. Seven (7) DD drill-holes with a combined total metreage of **1,640.34m** (all done by Coreworthy) were completed during the reporting period.*
- *Notable drill results include:*

Hole L19-2: 63.0m grading @ 4.8 g/t Au from 357m to 420m; including 1.0m grading @7.4g/t Au starting at 360m, 4.0m grading @5.9g/t Au starting at 369m,
22.0m grading @9.3g/t Au starting at 387m; including 6.0m grading @ 18.9 g/t Au that includes 2.0m grading @ 31.1 g/t Au

Hole U22-1

Inside the Open Pit:

29.6m grading @ 2.8 g/t Au starting at 81.5m; including 3.7m grading @19.5 g/t Au from 84m, including 1.0m grading @ 47.7 g/t Au at 86m

Outside & Below Open Pit:

89.6m grading @ 1.5 g/t Au starting at 147m, including 9.4m grading @ 6.5 g/t Au from 261.8m, including 6.2m grading @ 8.5 g/t Au from 265m, including 2.0m grading 16.6 g/t Au starting at 267m 5.0m grading 7.7 g/t Au from 274m, including 3.1m grading @ 11.2 g/t Au at 274.9m

Hole L19-1: 31.0m grading @ 1.3 g/t Au starting at 140 m, including 7m grading @ 2.6 g/t Au starting at 140m, including 1.0m grading @ 6.7 g/t Au at 142m; and 7m grading @ 1.4 g/t Au starting at 151m; and 7m grading @ 1.8 g/t Au starting at 164 m



17m grading @ 1.5 g/t Au starting at 215m including 8.0m grading at 2.2 g/t Au starting at 221m

Hole PBR011: 21.0m grading @ 2.8 g/t Au starting at 143m, including 2.0m grading at 12.1g/t Au from 162m, including 1.0m grading @ 19 g/t Au at 163m

Hole L13-3: 13.2m grading @ 4.57g/t Au from 360m including 2.5m grading @ 21.74g/t Au from 383m which included 1.0m grading @ 50.54g/t Au at 384m

8.0m grading @ 4.88g/t Au from 417m including 4.4m grading @ 8.8.29 g/t Au from 418m that include 1.2m grading @ 12.82 g/t Au from 421.9m

Hole PBR18: 8m grading @ 1.17 g/t Au from 61m; and 3m grading @1.08g/t from 115m including 2m grading @1.55g/t from 116m

Hole PBR19: 6m grading @ 1.41 g/t Au from 15m including 2m grading @ 2.49g/t from 16m

Hole PBR20: 3m grading @ 2.27 g/t Au from 55m; 3m grading @ 1.45g/t from 65m; and 1m grading @ 2.78g/t from 76m

- *No mining or ore processing activities were conducted at South Pit and Plant during the quarter. Cumulative Total Ore mined from the Buckreef South Pit (ROMPad + Pad#1-Pad#3+Crusher pad) as of 31st May 2019 remains at **119,725.59 tonnes** averaging **1.86g/t Au** with total contained metal ounces of **7,161.24**.*
- *The disposition of the Ore stockpiled as of 31st May 2019, remain as follows: **ROMPAD: 72,315.66t @1.39g/t Au (3,237.96 Ozs); Pad#1: 20,931.75t @2.29g/t Au (1,541.77 Ozs); Pad#2: 12,943.78t @2.78g/t Au (1,155.55 Ozs); Pad#3: 9,237.90t @3.85g/t Au (1,143.49 Ozs) & Crusher Pad: 4,245t @ 3.86 g/t Au (526.62 Ozs)**.*
- *The list of TRX license holdings portfolio now comprises **38 active licenses** split into three main categories as **Retain (16), JV (6) & Discard (16)**.*
- *Buckreef Mining licenses have been duly paid, are presently current and in full force and effect. The Company has withheld payment for certain annual license fees since 2014. The cumulative annual fees and sanctions through 31 May 2019 for the entire portfolio is USD \$ 369,657.19 which has been reconciled with governments records. The total includes all amounts for payments and includes sanctions in the amount of USD \$ 122,874.19 as of 31 May 2019*

Overall Performance

As at May 31, 2019, the Company had current assets of \$2,302,711, compared to \$1,322,307 on August 31, 2018. The increase is mainly due to inflows from proceeds of convertible loans issued of \$1,596,401 (2018 - \$1,234,914), inflows from proceeds of gold loans issued of \$287,800 (2018 - \$1,069,368), as well as inflows from proceeds of private placements, net off issue costs, of \$3,833,378 (2018 - \$nil) offset by



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

outflows in regards to expenditures on exploration of \$1,919,793 (2018 - \$929,476) and cash used in operations of \$3,054,181 (2018 - \$2,151,557). Mineral properties and deferred exploration assets were \$53,741,712 as at May 31, 2019, compared to \$49,912,854 at August 31, 2018.

Net loss for the nine month period ended May 31, 2019 was \$4,875,797, compared to a net loss of \$5,020,686 in the comparable nine month period ended May 31, 2018. Net loss decreased between the two periods primarily due to the decrease in share based payments, amounting to \$183,000 during the nine month period ended May 31, 2019 compared to \$1,341,962 in the comparable nine month period ended May 31, 2018. Remaining variances in expenses are discussed below.

Share Capital:

During the nine month period ended May 31, 2019, the Company issued 1,444,023 (2018 – 437,745) shares with a value of \$555,800 (2018 - \$174,138) in connection with interest payments related to the convertible loans and gold bullion loans outstanding. The Company also completed its private placement financings during the nine month period ended May 31, 2019 issuing 7,472,192 shares for proceeds, net of issue costs, of \$3,807,045 (2018 - \$nil). The Company issued 6,704,335 shares (2018 – nil) with a value of \$2,313,694 (2018 - \$nil) for settlement of convertible loans as well. During the comparable period ended May 31, 2018, the Company issued 385,147 shares pursuant to the RSU plan with a value of \$188,722. In the current period, capital was utilized for the Buckreef Gold Project development, property acquisition, exploration, capital equipment purchases and general operating expenses as tabulated below. The remaining funds/cash liquid assets, when available, are invested in interest bearing investments, which are highly liquid.

	C\$ (000)
Funds available August 31, 2018	426
Net proceeds from convertible loans and gold bullion loans	1,884
Net proceeds from private placements, net of issue cost, and shares to be issued	3,833
Mineral property expenditures including licences, environmental and exploration, net of recoveries	(1,940)
General corporate expenses	(3,044)
Funds available May 31, 2019	\$1,159

At May 31, 2019, the Company had a working capital deficiency of \$11,709,505 (August 31, 2018 – \$12,010,685 working capital deficiency), had not yet achieved profitable operations, has accumulated losses of \$108,132,543 (August 31, 2018 – \$103,263,959) and expects to incur further losses in the development of its business. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its future liabilities as they come due.

Based on the Company's current funding sources and taking into account the working capital position and capital requirements at May 31, 2019, these factors indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and is dependent on the Company raising additional debt or equity financing. The Company must obtain additional funding in order to continue development and construction of the Buckreef Project. The Company presently does not have adequate resources to maintain its core activities for the next fiscal year or sufficient working capital to fund all of its planned activities. The Company is continuing to pursue additional financing to



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

fund the construction of the Buckreef Project and additional projects. However there is no assurance that such additional funding and/or project financing will be obtained or obtained on commercially favourable terms.

Additional funding may be derived from revenues generated in the future from anticipated completion and operation of its Buckreef mine currently under development. Management continues to explore alternative financing sources in the form of equity, debt or a combination thereof; however, the current economic uncertainty and financial market volatility make it difficult to predict success. Risk factors potentially influencing the Company's ability to raise equity or debt financing include: the outcome of the feasibility study at the Buckreef Project, mineral prices, the risk of operating in a foreign country, including, without limitation, risks relating to permitting, and the buoyancy of the credit and equity markets. For a more detailed list of risk factors, refer to the Company's Form 20-F Annual Report for the year ended August 31, 2018, which is filed on SEDAR as the Company's Annual Information Form.

Due to the current low interest rate environment and lack of funds, interest income is not expected to be a significant source of income or cash flow. Management intends to monitor spending and assess results on an ongoing basis and will make appropriate changes as required.

TRENDS

- There are significant uncertainties regarding the prices of precious and base metals and other minerals and the availability of equity and debt financing for the purposes of mineral exploration and development. The prices of precious and base metals have been subject to extreme volatility over recent periods, as such the Company remains cautious;
- The Company's future performance is largely tied to development of the Buckreef project and other main projects and outcome of future drilling results; and
- Current financial markets are likely to be volatile in Canada and the United States for the remainder of the fiscal year, reflecting ongoing concerns about the stability of the global economy. As well, concern about global growth may lead to future drops in the commodity markets. Uncertainty in the credit markets has also led to increased difficulties in borrowing or raising funds. Companies worldwide have been negatively affected by these trends. As a result, the Company may have difficulties raising equity and debt financing for the purposes of base and precious metals exploration and development.

These trends may limit the Company's ability to discover and develop an economically viable mineral deposit.

Selected Financial Information

	As at and for the nine month period ended May 31, 2019	As at and for the year ended August 31, 2018	As at and for the year ended August 31, 2017
Total Revenues	\$0	\$0	\$0
Net income (loss) for the period	\$(4,875,797)	\$(6,897,397)	\$(6,434,112)



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

Basic income (loss) per share	\$(0.04)	\$(0.06)	\$(0.05)
Diluted income (loss) per share	\$(0.04)	\$(0.06)	\$(0.05)
Total assets	\$57,872,548	\$53,235,140	\$51,353,088
Total long term financial liabilities	\$734,589	\$726,143	\$1,774,581
Cash dividends declared per share	\$0	\$0	\$0

Results of Operations

Net additions to mineral properties and deferred exploration costs for the nine month period ended May 31, 2019 were \$3,828,858 compared to \$2,128,280 for the nine month period ended May 31, 2018. Out of the net additions, \$1,799,248 (2018 - \$1,233,026 increase) represents an increase/decrease due to foreign exchange in the current period on functional currency. The increase excluding these amounts saw expenditures of \$2,029,610 for the nine month period ended May 31, 2019 compared to \$895,254 during 2018. The expenditures increased compared with the prior year due to the ongoing drilling and exploration program during the period.

Net loss for the nine month period ended May 31, 2019 was \$4,875,797, compared to a net loss of \$5,020,686 for the comparable nine month period ended May 31, 2018. For the three month periods ended May 31, 2019 and 2018, there was a net loss of \$2,144,196 compared to a net loss of \$1,697,849, respectively. Net loss decreased during the nine month period primarily due to the decrease in share based payments, amounting to \$183,000 during the nine month period ended May 31, 2019 compared to \$1,341,962 in the comparable nine month period ended May 31, 2018. This was offset by an increase in professional fees driven by an increase in legal fees in connection with outstanding litigation which increased the loss for the three month period.

Variances in expenditures are set out below:

For the nine month period ended May 31, 2019, depreciation expense was \$262,622, compared to \$289,736 for the nine month period ended May 31, 2018. The decrease of \$27,114 is due to a lower overall capital assets base as there were minimal additions during the period and prior fiscal year.

Consulting fees for the nine month period ended May 31, 2019 were \$684,540, compared to \$697,098 in the comparable nine month period ended May 31, 2018. Consulting expenses were relatively consistent between the two periods. Consulting fees for the three months ended May 31, 2019 were \$298,017 compared to \$233,757 in the comparable period ended May 31, 2018. The reason for the increase during the current period due to timing of various consulting work in the prior period, primarily on the Buckreef Project and processing plant in the prior period

Directors' fees for the nine month period ended May 31, 2019 were \$83,719, compared to \$83,719 in the comparable nine month period ended May 31, 2018. For the three month period ended May 31, 2019, director fees amounted to \$27,906 (2018 - \$27,906). The amounts were the same as prior year.

Office and general expenses for the nine month period ended May 31, 2019 were \$130,626, compared to \$94,938 in the comparable nine month period ended May 31, 2018. Office and general costs increased between the comparable periods but remained at the lower range of historical averages. For the three month period ended May 31, 2019, office and general expenses were \$39,536 compared to \$36,826 in the comparable period ended May 31, 2018. The amount was consistent between the two periods.



Shareholder information costs for the nine month period ended May 31, 2019 decreased to \$264,207 from \$285,318 for the comparable nine month period ended May 31, 2018. The amounts were consistent between the two periods. For the three month period ended May 31, 2019, shareholder information costs were \$92,032 compared to \$126,896 for the three month period ended May 31, 2018. The amounts were lower due to the number and timing of various corporate filings and news releases.

Professional fees increased by \$767,768 for the nine month period ended May 31, 2019 to \$1,332,851 from \$565,083 for the nine month period ended May 31, 2018. Professional fees increased mainly due to increased work surrounding current litigations, the shelf registration statement and other general corporate matters. For the three month period ended May 31, 2019 professional fees went from \$286,144 for the three month period ended May 31, 2018 to \$849,407. The amounts increased due to the same reason as the increase for the nine month period.

Salaries and benefits expense increased to \$518,172 for the nine month period ended May 31, 2019 from \$480,716 for the nine month period ended May 31, 2018. Salaries and benefits were consistent between the two periods. The expenses for the corresponding three month period ending May 31, 2019 and 2018 were \$220,575 and \$221,449 respectively and were relatively consistent between the two periods.

Share based payments for the nine month period ended May 31, 2019 were \$183,000, compared to \$1,341,962 in the comparable nine month period ended May 31, 2018. The decrease is due to the Company issuing nil options (2018 – 3,682,000) with a value vested of \$nil (2018 - \$1,121,000) as well as the repricing of nil options (2018 – 3,750,000) options issued in 2016 which resulted in additional compensation of \$nil (2018 - \$240,000), see note 8 of the unaudited interim condensed consolidated financial statements for the three and nine month period ended May 31, 2019 and 2018 for details of stock options issued.

For the nine month period ended May 31, 2019, travel and accommodation expense were lower at \$23,266 compared to \$23,237 in 2018. Travel and accommodation expense were consistent between the two periods. For the three months ended May 31, 2019 and 2018, travel and accommodation went from \$6,315 in 2018 to \$8,600. Travel and accommodation expense were minimal, consistent with the comparable period.

For the nine month period ended May 31, 2019, the foreign exchange gain was \$119,882 compared to an exchange gain of \$86,763 for the same nine month period ended May 31, 2018. The primary reason is the US Dollar exchange rate decreasing from 1.3055 at August 31, 2018 to 1.353 at May 31, 2019.

The interest accretion expense for the nine month period ended May 31, 2019 was \$655,405, compared to \$809,585 for the nine month period ended May 31, 2018. Interest accretion generally decreases as loans approach their maturity date.



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

Summary of Quarterly Results (unaudited)

(Expressed in thousands of dollars, except per share amounts)

	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4
Total revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income (Loss)	\$(2,144)	\$(1,339)	\$(1,392)	\$(1,877)	\$(1,698)	\$(1,493)	\$(1,830)	\$(1,307)
Basic and diluted income (loss) per share	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)

Liquidity and Capital Resources – Going Concern Discussion

The Company manages liquidity risk by maintaining adequate cash balances in order to meet short term business requirements. Because the Company does not currently derive any production revenue from operations, its ability to conduct exploration and development work on its properties is largely based upon its ability to raise capital by equity funding. Previously, the Company obtained funding via private placements, public offering and various sources, including the Company's President and former CEO who is currently still a director.

Based on the Company's current funding sources and taking into account the working capital position and capital requirements at May 31, 2019, these factors indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and is dependent on the Company raising additional debt or equity financing. The Company must obtain additional funding in order to continue development and construction of the Buckreef Project. The Company presently does not have adequate resources to maintain its core activities for the next fiscal year or sufficient working capital to fund all of its planned activities. The Company is continuing to pursue additional financing to fund the construction of the Buckreef Project and additional projects. However there is no assurance that such additional funding and/or project financing will be obtained or obtained on commercially favourable terms.

At May 31, 2019 the Company had a working capital deficiency of \$11,709,505 (August 31, 2018 – \$12,010,685 working capital deficiency), had not yet achieved profitable operations, has accumulated losses of \$108,132,543 (August 31, 2018 – \$103,263,959). The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its future liabilities as they come due.

Some of the Company's mineral properties are being acquired over time by way of option payments. It is at the Company's option as to whether to continue with the acquisition of the mineral properties and to incur these option payments.

Commitments:

In order to maintain the existing site of mining and exploration licenses, the Company is required to pay annual license fees. The Company has not paid certain of its annual license fees since October 2014 with exception of Buckreef mining licenses. As at May 31, 2019 an accrual of \$334,000 (August 31, 2018 - \$260,000) has been recorded relating to unpaid license fees and resultant penalties. Note that these licenses remain in good standing until a letter of demand is received from Ministry of Energy and Minerals requesting payment of any unpaid license fees plus 50% penalty, and the Company fails to respond



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

within 30 days. The Company has not received a letter of demand. The potential penalty relating to unpaid license fees is approximately \$166,000 (August 31, 2018 - \$125,000). The Company has recorded an accrual for all valid and active mining licenses.

Contingencies:

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

On January 19, 2018, Crede CG III, LTD ("Crede") filed suit against the Company in the Supreme Court of the State of New York, County of New York, claiming, among other things, breach of contract for failure to allow Crede to exercise 1,300,000 Series A Warrants, as described in Note 5, to acquire 3,100,751 common shares. On February 27, 2018, Crede dismissed its complaint against us without prejudice. On March 12, 2018, Crede filed suit against us in the Supreme Court of the State of New York, County of New York, claiming breach of contract (including specific performance and injunctive relief); declaratory judgment that the Securities Purchase Agreement and Warrants are binding obligations; and, in the event injunctive and declaratory relief is not ordered, awarding compensatory and punitive damages, and attorney fees and costs for failure to allow Crede to exercise 500,000 Series B Warrants to acquire 1,332,222 common shares. On June 20, 2019, the Supreme Court of the State of New York, County of New York granted summary judgment to Crede on its December 3, 2018, motion for specific performance for the issuance of 1,332,222 common shares pursuant to the Series B Warrants and declaratory relief that the terms of the Securities Purchase Agreement and Warrants are valid. The Company intends to appeal the Supreme Court of the State of New York's decision. Further, such decision does not affect the Company's Federal Claim against Crede for market manipulation, among other claims, as discussed below.

On May 10, 2018, the Company filed a complaint in the United States District Court Southern District of New York against Crede and certain of its principals, and Wellington Shields & Co who acted as the broker in the sale of securities pursuant to the Securities Purchase Agreement alleging, among other things, violation of Section 10 and Rule 10b-5 promulgated thereunder of the Exchange Act, violation of Section 13(d) and Rule 13d-1 promulgated thereunder of the Exchange Act, and breach of contract. On July 17, 2018, we filed a first amended complaint in the United States District Court Southern District of New York, seeking, in addition to the relief sought in the initial complaint, declaratory relief that Securities Purchase Agreement and related agreements, including the Warrants, are void based on a violation of Section 29(b) of the Exchange Act. On March 26, 2019, in response to a motion to dismiss by the defendants in the action in Federal Claim, the District Court dismissed certain of our claims against the defendants, but allowed our claims under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder of market manipulation against, and our claim of breach of the covenant of good faith and fair dealing by Crede to continue.

While the outcomes of this matter is uncertain, based upon the information currently available, the Company does not believe that these matters in aggregate will have a material adverse effect on its consolidated financial position, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in its consolidated financial statements in the appropriate period relative to when such changes occur.



In the event that we are forced to allow Crede to exercise the warrants, we may be required to issue additional common shares and/or damages, which will have a dilutive effect to our shareholders and the payment of damages and legal expenses may adversely affect our financial condition.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

(a) Tanzanian Gold Corporation entered into the following transactions with related parties:

<i>Nine month period ended May 31,</i>	Notes	2019	2018
Legal services	(i)	\$Nil	\$Nil
Consulting	(ii)	\$167,407	\$160,152
Consulting	(iii)	\$246,602	\$Nil

(i) The Company engages a legal firm for professional services in which one of the Company's directors is a partner. During the nine month period ended May 31, 2019, the legal expense charged by the firm was \$nil (2018 - \$nil). As at May 31, 2019, \$335,940 remains payable (August 31, 2018 - \$335,940).

(ii) During the nine month period ended May 31, 2019, \$167,407 (2018 - \$160,152) was paid for consulting and website/data back-up services to companies controlled by individuals associated with the former CEO and current director.

(iii) During the nine month period ended May 31, 2019, \$246,602 (2018 - \$nil) was paid for drill mobilization, and advances on drilling services to Stamico, the Company's joint venture partner on the Buckreef Gold Project.

As at May 31, 2019, the Company has a receivable of \$47,650 (August 31, 2018 - \$40,086) from an organization associated with the Company's President and former CEO and current director and from current officers and directors. The Company also has a receivable of \$33,676 (August 31, 2018 - \$nil) from Stamico.

During the year ended August 31, 2015, the Company sold automotive and mining equipment in the amount of \$243,805 to directors of the Company and \$333,700 to the Company's former CEO and current director for total proceeds of \$577,505 as described in Note 5. Pursuant to the agreements, the Company entered into 1-year lease agreements on the automotive and mining equipment with effective dates in May 2015. Per the terms of the leases, the Company agrees to purchase back the automotive and mining equipment at the end of the lease periods for a lump sum payment of USD\$74,848. The initial base payments vary between the agreements and range between \$3,500 and \$8,000 payable monthly. The effective interest rate on the capital lease obligation outstanding is between 20% and 30%.



Management Discussion and Analysis
May 31, 2019

As at May 31, 2019, the remaining balance outstanding under finance lease obligations after the settlements described above is \$76,903 (August 31, 2018 - \$67,819) and is repayable within 1 year, as such, the finance lease obligation is classified as a current liability.

(b) Remuneration of Directors and key management personnel (being the Company's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer) of the Company was as follows:

<i>Nine months ended May 31,</i>	2019		2018	
	Fees, salaries and benefits (1)	Share based payments (2), (3)	Fees, salaries and benefits (1)	Share based payments (2), (3)
Management	\$ 425,337	\$ nil	\$ 514,017	\$ 773,348
Directors	83,719	nil	83,719	414,000
Total	\$ 509,056	\$ nil	\$ 597,736	\$ 1,187,348

(1) Salaries and benefits include director fees. The board of directors do not have employment or service contracts with the Company. Directors are entitled to director fees and RSU's for their services and officers are entitled to cash remuneration and RSU's for their services.

(2) Compensation shares may carry restrictive legends.

(3) All stock option share based compensation is based on the accounting expense recorded in the year.

As at May 31, 2019, included in trade and other payables is \$928,000 (August 31, 2018 - \$863,000) due to these key management personnel with no specific terms of repayment.

Restricted Stock Unit Plan

The Restricted Stock Unit Plan (RSU Plan) is intended to enhance the Company's and its affiliates' abilities to attract and retain highly qualified officers, directors, key employees and other persons, and to motivate such officers, directors, key employees and other persons to serve the Company and its affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the RSU Plan provides for the grant of restricted stock units (RSUs). Each RSU represents an entitlement to one common share of the Company, upon vesting. As of November 29, 2016, the Board resolved to amend the suspension to 800,000 of the 2,500,000 common shares previously authorized for issuance under the RSU Plan, such that a maximum of 2,500,000 shares shall be authorized for issuance under the RSU Plan, until such suspension may be lifted or further amended. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms of the RSU Plan. Any such performance goals are specified in the award agreement.

Of the 2,500,000 shares authorized for issuance under the Plan, 2,500,000 (August 31, 2018 - 2,500,000) shares have been issued as at May 31, 2019.



Critical Accounting Estimates

Assessment of Recoverability of Mineral Property Costs

The deferred cost of mineral properties and their related development costs are deferred until the properties are placed into production, sold or abandoned. These costs will be amortized over the estimated useful life of the properties following the commencement of production. Cost includes both the cash consideration as well as the fair market value of any securities issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from property options granted reduce the cost of the related property and any excess over cost is applied to income the Company's recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

Assessment of Recoverability of Deferred Income Tax Assets

The Company follows the balance sheet method of accounting for income taxes. Under this method, deferred tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured using substantively enacted tax rates. The effect on the deferred tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused credits and unused tax losses can be utilized. In preparing the consolidated financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the deferred income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered probable, the deferred tax asset is not recognized.

Estimate of Share Based Payments, Warrant Liability, Embedded Derivatives Associated Assumptions

The Company recorded share based payments based on an estimate of the fair value on the grant date of share based payments issued and reviews its foreign currency denominated warrants each period based on their fair value. The accounting required for the warrant liability and the derivative liability embedded in the gold bullion loan requires estimates of interest rate, life of the warrant, stock price volatility and the application of the Black-Scholes option pricing model. See note 7 of the May 31, 2019 unaudited interim condensed consolidated financial statements for full disclosure.



Critical accounting policies

Mineral Properties

All direct costs related to the acquisition and exploration and development of specific properties are capitalized as incurred. If a property is brought into production, these costs will be amortized against the income generated from the property. If a property is abandoned, sold or impaired, an appropriate charge will be made to the statement of comprehensive loss at the date of such impairment. Discretionary option payments arising on the acquisition of mining properties are only recognized when paid. Amounts received from other parties to earn an interest in the Company's mining properties are applied as a reduction of the mining property and deferred exploration and development costs until all capitalized costs are recovered at which time additional reimbursements are recorded in the statement of comprehensive loss, except for administrative reimbursements which are credited to operations.

Consequential revenue from the sale of metals, extracted during the Company's test mining activities, is recognized on the date the mineral concentrate level is agreed upon by the Company and customer, as this coincides with the transfer of title, the risk of ownership, the determination of the amount due under the terms of settlement contracts the Company has with its customer, and collection is reasonably assured. Revenues from properties earned prior to the commercial production stage are deducted from capitalized costs.

The amounts shown for mining claims and related deferred costs represent costs incurred to date, less amounts expensed or written off, reimbursements and revenue, and do not necessarily reflect present or future values of the particular properties. The recoverability of these costs is dependent upon discovery of economically recoverable reserves and future production or proceeds from the disposition thereof.

The Company reviews the carrying value of a mineral exploration property when events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value of the property exceeds its fair value, the property will be written down to fair value with the provision charged against operations in the year of impairment. An impairment is also recorded when management determines that it will discontinue exploration or development on a property or when exploration rights or permits expire.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Capitalized mineral property exploration costs are those directly attributable costs related to the search for, and evaluation of mineral resources that are incurred after the Company has obtained legal rights to explore a mineral property and before the technical feasibility and commercial viability of a mineral reserve are demonstrable. Any costs incurred prior to obtaining the legal right to explore a mineral property are expensed as incurred. Field overhead costs directly related to exploration are capitalized and allocated to mineral properties explored. All other overhead and administration costs are expensed as incurred.

Once an economically viable reserve has been determined for a property and a decision has been made



to proceed with development has been approved, acquisition, exploration and development costs previously capitalized to the mineral property are first tested for impairment and then classified as property, plant and equipment under construction.

Impairment of Long-lived Assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

The Company's most critical accounting estimate relates to the impairment of mineral properties and deferred exploration costs. Management assesses impairment of its exploration prospects quarterly. If an impairment results, the capitalized costs associated with the related project or area of interest are charged to expense.

Asset Retirement Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.



Financial Instruments

Fair Value of Financial Instruments

The Company designated its other financial assets, derivatives in convertible senior notes and warrant liability as fair value through profit and loss, which are measured at fair value. Fair value of other financial assets is determined based on quoted market prices and is categorized as Level 1 measurement. Fair value of warrant liability and derivatives in convertible senior notes are categorized as Level 3 measurement as it is calculated based on unobservable market inputs. Trade and other receivables and cash and cash equivalents are classified as loans and receivables, which are measured at amortized cost. Trade and other payables and convertible debt are classified as other financial liabilities, which are measured at amortized cost. Fair value of trade and other payables and convertible debt are determined from transaction values that are not based on observable market data.

The carrying value of the Company's cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair value due to the relatively short term nature of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as they relate to financial instruments are reflected below:

Credit Risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank and accounts and other receivables and the carrying value of those accounts represent the Company's maximum exposure to credit risk. The Company's cash and cash equivalents and short-term bank investments are with Schedule 1 banks or equivalents. The accounts and other receivables consist of GST/HST and VAT receivable from the various government agencies and amounts due from related parties. The Company has not recorded an impairment or allowance for credit risk as at May 31, 2019, or August 31, 2018.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's bank accounts earn interest income at variable rates. The bullion loan carries a fixed rate of interest. The Company's future interest income is exposed to changes in short-term rates. As at May 31, 2019, a 1% increase/decrease in interest rates would decrease/increase net loss for the period by approximately \$12,000 (2018 - \$2,000).

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2019, the Company had current assets of \$2,302,711 (August 31, 2018 - \$1,322,307) and current liabilities of \$14,012,216 (August 31, 2018 - \$13,332,992). All of the Company's trade payables and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital deficiency of the Company is \$11,709,505 (August



TANZANIAN GOLD CORPORATION

Management Discussion and Analysis May 31, 2019

31, 2018 - \$12,010,685 working capital deficiency). The Company will require additional financing in order to conduct its planned work programs on mineral properties and the development and construction of the Buckreef Project, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has offices in Canada, USA, and Tanzania, but holds cash mainly in Canadian and United States currencies. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar and Tanzanian shillings could have an effect on the Company's results of operations, financial position, or cash flows. At May 31, 2019, the Company had no hedging agreements in place with respect to foreign exchange rates. As a majority of the transactions of the Company are denominated in US and Tanzanian Shilling currencies, a 10% movement in the foreign exchange rate will have an impact of approximate \$1,117,000 on the statements of comprehensive loss.

Disclosure of Outstanding Share Data

As at the date of this MD&A, there were 144,631,897 common shares outstanding, 4,305,758 share purchase warrants outstanding, nil RSUs outstanding, and 7,352,000 stock options outstanding.

Outlook

The Company's Board of Directors has confirmed the strategic objective of the Corporation is to develop the Buckreef Gold Project based on the conceptual production plan as published in the NI43-101 compliant Mining Feasibility Report (June 2018). The production plans including financial analysis projections on the Buckreef encompassing the Buckreef Main, South, Eastern Porphyry, Bingwa and Tembo open pit mines. Recommendations for further resource upgrade drilling as stated in the June 26, 2018 NI43-101 pre-feasibility report were implemented during this reporting period with the intent of determining the best plan to bringing the Buckreef project into production.

The Company continues to monitor its other various mineral properties in the portfolio, notable among them being Itetemia, Luhala and Kigosi. However, the Company suffered a setback on its Itetemia's Golden Horseshoe Reef (GHR) that represented a modest, yet robust, medium-grade, near surface gold deposit. In the company's normal monthly review of the Government portal it became aware of changes made to the Itetemia Mining License Application. No official correspondence has been received, however it appears that our application has been denied and 5 PML's reverted back into another name based on what we see from the portal. Management has engaged the Mining Commission as well as the Minister of Mines to determine what's taken place, and the course of action required to remedy the situation and is pursuing all necessary actions to do so. The company also has the option of referring the situation should it not resolve in our favor to the Tanzanian anti-corruption bureau or possibly seeking remedy under the Tanzanian / Canadian economic treaty of 2013.

The Luhala property holds modest but low-cost gold extraction potential and still classified as an advanced stage exploration project.

Kigosi project is a pre-production mining project whose development has been delayed due to recently enacted laws on mining in areas designated as game reserves. Despite the protracted negotiations for



TANZANIAN GOLD
CORPORATION

Management Discussion and Analysis
May 31, 2019

access to the restricted Kigosi game reserve area, the Company has paid all outstanding annual fees to the Ministry of Mines as a show of good faith while negotiations for access with the Ministry of Natural Resources and Tourism continue.

Based on the Management's adoption and implementation of the recommendations from the Executive Technical team to classify of all the company's various Prospecting License (PL) holdings under three project categories identified as PLs to Retain, PLs for Joint venture & PLs to Discard/Abandon, efforts to pay up all outstanding annual fees on the PLs in the PLs to Retain and/or JV category progressed well but mainly targeted the Special Mining License and Mining licenses.

The five (5) critical target projects were identified as Buckreef project, Buziba project, Kigosi project, Itetemia project and Luhala project. The Buziba project was traditionally lumped up under Buckreef project in previous annual reports but will now be treated as a standalone project. Brief descriptions of PL holdings and financial obligation status for each respective project area as of May 31, 2019 are summarized in the sections below.



Exploration Summary

The continuity of expenditures on mineral properties is as follows:

	Buckreef (a)	Kigosi (b)	Itetemia (c)	Luhala (d)	Total
Balance, September 1, 2017	\$ 26,061,442	\$ 11,903,553	\$ 5,735,611	\$ 3,219,697	\$ 46,920,303
Exploration expenditures:					
Camp, field supplies and travel	237,264	39,462	4,494	-	281,220
License fees and exploration and field overhead	687,004	115,597	-	-	802,601
Geological consulting and field wages	191,327	-	-	-	191,327
Geophysical and geochemical	-	-	-	-	-
Property acquisition costs	-	-	-	-	-
Trenching and drilling	14,080	-	-	-	14,080
Recoveries	-	-	-	-	-
Foreign exchange translation	946,218	432,029	208,156	116,920	1,703,323
	2,075,893	587,088	212,650	116,920	2,992,551
	28,137,335	12,490,641	5,948,261	3,336,617	49,912,854
Write-offs	-	-	-	-	-
Balance, August 31, 2018	\$ 28,137,335	\$ 12,490,641	\$ 5,948,261	\$ 3,336,617	\$ 49,912,854
Exploration expenditures:					
Camp, field supplies and travel	132,535	-	-	-	132,535
License fees and exploration and field overhead	890,184	693	-	-	890,877
Geological consulting and field wages	24,263	-	-	-	24,263
Geophysical and geochemical	-	-	-	-	-
Property acquisition costs	-	-	-	-	-
Trenching and drilling	981,935	-	-	-	981,935
Recoveries	-	-	-	-	-
Foreign exchange translation	1,014,288	450,260	214,422	120,278	1,799,248
	3,043,205	450,953	214,422	120,278	3,828,858
	31,180,540	12,941,594	6,162,683	3,456,895	53,741,712
Write-offs	-	-	-	-	-
Balance, May 31, 2019	\$ 31,180,540	\$ 12,941,594	\$ 6,162,683	\$ 3,456,895	\$ 53,741,712



Buckreef Project

Mine Development and Operations

The Buckreef Project is in the Geita District of the Geita Region south of Lake Victoria, some 110km southwest of the city of Mwanza (see Figure, overleaf). The project area can be accessed by ferry across Smiths Sound, via tarred national road and thereafter via unpaved but well-maintained gravel roads. The Project comprises five prospects namely Buckreef, Bingwa, Tembo, Eastern Porphyry and Buziba. The Buckreef prospect encompasses three ore zones namely Buckreef South, Buckreef Main and Buckreef North. The Project is fully-licensed for mining and extraction of gold.

Mining Buckreef South Pilot Pit

The following cumulative work on mining and process plant operations was completed up to 31st May 2019:

- No mining or ore processing activities conducted at the Buckreef project during the reporting period.
- Historical cumulative total ore mined from the Buckreef South pilot pit as of 31st November 2018 remains at 119,725.59t averaging 1.86g/t Au with total contained metal ounces of 7,161.24.
- The disposition of the Ore stockpiled as of 31st November 2018, remains as follows: ROMPAD: 72,315.66t @1.39g/t Au (3,237.96 Ozs); Pad#1: 20,931.75t @2.29g/t Au (1,541.77 Ozs); Pad#2: 12,943.78t @2.78g/t Au (1,155.55 Ozs); Pad#3: 9,237.90t @ 3.85g/t Au (1,143.49 Ozs) & Crusher Pad: 4,245t @ 3.86 g/t Au (526.62 Ozs).

Resource Drilling on the Buckreef Main Pit Area

The following cumulative work on mining and process plant operations was completed up to 31st May 2019:

- Commenced and completed Phase 1 resource upgrade Reverse Circulation (RC) drilling program.
- Commenced Phase 2 Diamond Core (DD) resource upgrade drilling towards the end of the reporting period.
-

Reverse Circulation (RC) Drilling

- An additional twenty-two (22) RC drill-holes with a combined total metreage of 3,940m were completed during the reporting period.
- Stamico drilled a total of 10 holes totaling 1,428m while Coreworthy drilled a total of 12 holes totaling 2,512m.

Diamond Core (DD) Drilling

- An additional five (5) DD drill-holes with a combined total metreage of 1,430.60m were completed during the reporting period.



Drilling Assay Results

During the reporting period, assays results included significant intercepts as follows:

Hole L19-2: 63.0m grading @ 4.8 g/t Au from 357m to 420m; including 1.0m grading @7.4g/t Au starting at 360m, 4.0m grading @5.9g/t Au starting at 369m,

22.0m grading @9.3g/t Au starting at 387m; including 6.0m grading @ 18.9 g/t Au that includes 2.0m grading @ 31.1 g/t Au

Hole U22-1

Inside the Open Pit:

29.6m grading @ 2.8 g/t Au starting at 81.5m; including 3.7m grading @19.5 g/t Au from 84m, including 1.0m grading @ 47.7 g/t Au at 86m

Outside & Below Open Pit:

89.6m grading @ 1.5 g/t Au starting at 147m, including 9.4m grading @ 6.5 g/t Au from 261.8m, including 6.2m grading @ 8.5 g/t Au from 265m, including 2.0m grading 16.6 g/t Au starting at 267m 5.0m grading 7.7 g/t Au from 274m, including 3.1m grading @ 11.2 g/t Au at 274.9m

Hole L19-1: 31.0m grading @ 1.3 g/t Au starting at 140 m, including 7m grading @ 2.6 g/t Au starting at 140m, including 1.0m grading @ 6.7 g/t Au at 142m; and 7m grading @ 1.4 g/t Au starting at 151m; and 7m grading @ 1.8 g/t Au starting at 164 m

17m grading @ 1.5 g/t Au starting at 215m including 8.0m grading at 2.2 g/t Au starting at 221m

Hole PBR011: 21.0m grading @ 2.8 g/t Au starting at 143m, including 2.0m grading at 12.1g/t Au from 162m, including 1.0m grading @ 19 g/t Au at 163m

Hole L13-3: 13.2m grading @ 4.57g/t Au from 360m including 2.5m grading @ 21.74g/t Au from 383m which included 1.0m grading @ 50.54g/t Au at 384m

8.0m grading @ 4.88g/t Au from 417m including 4.4m grading @ 8.8.29 g/t Au from 418m that include 1.2m grading @ 12.82 g/t Au from 421.9m

Hole PBR18: 8m grading @ 1.17 g/t Au from 61m; and 3m grading @1.08g/t from 115m including 2m grading @1.55g/t from 116m

Hole PBR19: 6m grading @ 1.41 g/t Au from 15m including 2m grading @ 2.49g/t from 16m



Hole PBR20: 3m grading @ 2.27 g/t Au from 55m; 3m grading @ 1.45g/t from 65m; and 1m grading @ 2.78g/t from 76m

Mineral Resource and Mineral Reserve Estimates

The Buckreef Gold project mineral resources as at 31st May 2019 using a cut-off grade of 0.5g/t is as summarized in the table below:

Buckreef Gold Project Mineral Resource Estimate as of 31st May 2019 (Source Virimai Projects, 2018)

Prospect	MEASURED			INDICATED			INFERRED			MEASURED + INDICATED		
	Tonnes	Grade	In Situ Content	Tonnes	Grade	In Situ Content	Tonnes	Grade	In Situ Content	Tonnes	Grade	In Situ Content
	(Mt)	Au (g/t)	Au (Oz)	(Mt)	Au (g/t)	Au (Oz)	(Mt)	Au (g/t)	Au (Oz)	(Mt)	Au (g/t)	Au (Oz)
Buckreef	8.90	1.72	491,368	13.09	1.41	594,097	7.52	1.33	322,819	21.99	1.54	1,085,465
Eastern Porphyry	0.09	1.20	3,366	1.02	1.17	38,339	1.24	1.39	55,380	1.10	1.18	41,705
Tembo	0.02	0.99	531	0.19	1.77	10,518	0.27	1.92	16,461	0.20	1.70	11,048
Bingwa	0.90	2.84	82,145	0.49	1.48	23,331	0.22	1.49	10,541	1.39	2.36	105,477
Total	9.90	1.81	577,411	14.79	1.40	666,285	9.25	1.36	405,201	24.69	1.57	1,243,696

The Buckreef Gold project pit-optimized mineral reserves as at 31st May 2019 using a cut-off grade of 0.3g/t is as summarized in the table below:

Buckreef Gold Project Mineral Reserve Estimate as of 31st May 2019 (Source Virimai Projects, 2018)

Pits Design Reserves Summary		COG: Oxide & Trans = 0.38, Fresh = 0.41 Virimai 22 nd June 2018 Pit Design Reserves Summary			
Prospect	Reserves Category	Tonnes (Mt)	Grade Au (g/t)	In Situ Gold Content	
Name				Kg	oz
Buckreef	Proven	8,174,415	1.64	13,374.06	429,985.66
	Probable	8,174,147	1.40	11,435.72	367,666.58
	Waste	160,217,840			
Total (Proven + Probable)		16,348,562	1.52	24,809.78	797,652.24
Eastern Porphyry	Proven	79,385	1.17	93	2,982
	Probable	976,281	1.03	1,003	32,242
	Waste	9,823,917	0.02		
Total (Proven + Probable)		1,055,666	1.04	1,096	35,224
Tembo	Proven	-	-	-	-
	Probable	70,183	2	165	5,312
	Waste	1,354,468	-		
Total (Proven + Probable)		70,183	2.35	111	3,582
Bingwa	Proven	1,098,383	2.39	2,366	76,074
	Probable	510,154	1.30	377	12,108
	Waste	10,311,734			
Total (Proven + Probable)		1,608,536	2.04	2,743	88,182
Grand Total	Proven	9,352,183	1.72	16,092	517,358
	Probable	9,730,764	1.36	13,265	426,492
	Proven + Probable	19,082,947	1.54	16,749	943,851

Buziba Project

During the reporting period, no fieldwork was conducted in the project area.

The Buziba Project comprises a single prospecting license (PL6545/2010) located some 25km east of the Buckreef project in the Geita district (see Figure, overleaf). The project area can be accessed from Buckreef via unpaved and poorly maintained gravel roads. The Project is a pre-development stage medium grade gold deposit and principal host lithologies include basalt, co-magmatic dolerite and a suite



of intrusive quartz-albite felsic porphyries. Gold mineralization associated with shear-hosted vein quartz arrays in meta-basalts and as extensive stock works in the felsic porphyries. Geometry of the mineralization is highly irregular, forming a zone 200m thick and extending E-W for at least 2,500m. Based on an NI43-101 compliant Preliminary Economic Report published in 2012 and subsequently in 2014, the global gold resources (Measured, Indicated & Inferred) estimated over approximately 2.5km strike length and to a depth of 230 metres below surface amounts to 29Mt@1.04g/t containing 984,144ozs of gold.

License Holding and Status (Buckreef & Buziba)

At the end of Q3_2019, the Buckreef Project comprises 1 PL and 1 SML covering a surface area of 21.60km², excluding the area for licenses whose 9-year tenure expired in June or July 2018. The license status and statutory liabilities for the two projects are as shown in the table below:

Buckreef Gold Project PL Portfolio Status – License Status and Liabilities as of 28th February 2019

PL_ID	Application Date	Granted Date	Rent Paid To	Renewal Submission Date	Expiry Date	Area (km2)	Status	Company_ID	Application Fee (US\$)	Preparation Fee (US\$)	Annual Rent (US\$-2015/16)	Annual Rent (US\$-2016/17)	Annual Rent (US\$-2017/18)	Annual Rent (US\$-2018/19)	Annual Rent (US\$-2019/20)	Total (US\$)	Comment
PL6427/10	12-Mar-10	21-Jun-10	20-Jun-17	20-May-18	20-Jun-18	2.1	9yr-tenure Expired	Buckreef				630.0	630.0			1,260.0	Debt on Gvt list
PL6428/10	12-Mar-10	21-Jun-10	20-Jun-17	20-May-18	20-Jun-18	3.0	9yr-tenure Expired	Buckreef				897.0	897.0			1,794.0	Debt on Gvt list
PL6429/10	12-Mar-10	21-Jun-10	20-Jun-17	20-May-18	20-Jun-18	20.0	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Nov2018). Still on portal
PL6430/10	12-Mar-10	21-Jun-10	20-Jun-17	20-May-18	20-Jun-18	8.9	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Nov2018). Still on portal
PL6493/10	30-Mar-10	12-Jul-10	11-Jul-17	11-Jun-18	11-Jul-18	2.7	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Nov2018). Still on portal
PL6431/10	12-Mar-10	21-Jun-10	20-Jun-17	20-May-18	20-Jun-18	2.7	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Dec2018). Still on portal
PL6544/10	30-Mar-10	12-Jul-10	11-Jul-17	11-Jun-18	11-Jul-18	2.6	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Dec2018). Still on portal
PL6546/10	30-Mar-10	12-Jul-10	11-Jul-17	11-Jun-18	11-Jul-18	17.4	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Dec2018). Still on portal
PL6547/10	30-Mar-10	12-Jul-10	11-Jul-17	11-Jun-18	11-Jul-18	5.3	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Dec2018). Still on portal
PL6548/10	30-Mar-10	12-Jul-10	11-Jul-17	11-Jun-18	11-Jul-18	1.9	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (Dec2018). Still on portal
PL6545/10	30-Mar-10	12-Jul-10	11-Jul-17	11-Jun-18	11-Jul-18	5.3	9yr-tenure Expired	Buckreef								0.0	Received rejection letter (March 2019). Still on portal
PL9968/14	21-Oct-13	10-Jul-14	9-Jul-17	9-Jun-23	9-Jul-23	5.6	Pending Renewal	Buckreef				840.0	840.0	840.0		2,520.0	Debt on Gvt list
SML04/92	12-Jun-00	12-Jun-00	11-Jun-18	11-Jun-26	11-Jun-27	16.0	Active	Buckreef								0.0	SML certificate still to be issued
						TOTAL	56.77		0.00	0.00	0.00	2,367.00	2,367.00	840.00	0.00	5,574.00	
						PENALTY (50%)					0.00						
						GRAND TOTAL	56.77		0.00	0.00	0.00	2,367.00	2,367.00	840.00	0.00	5,574.00	

- According to the Government Records the Buckreef-Buziba Project Annual Fees Liability (including late payment penalties) as of January 2019 is USD5, 574. These fees have been paid, and the company is working to get the Government records updated.
- Three letters were received from the Mining Commission denying applications for new PLs as highlighted in purple, red and blue in the table above. The main reason is that according to the current Mining Act, the company has exhausted its 9-year tenure to conduct exploration in the affected licenses and thus they revert back to the Ministry of Mines as open ground.
- The Company, through its JV partner, Stamico, is in the process of negotiating with the Mining Commission to issue new Licenses to preserve the PL holdings for the JV agreement.
- We still have not received any information back from the Government on our request to review the proposed land compensation for villagers affected by the expanded Buckreef Special Mining Lease area.

Itetemia Project

During the reporting period, no fieldwork was conducted in the project area.

The Itetemia gold deposit includes the mineral resources of the Golden Horseshoe Reef (“GHR”), and is an advanced stage exploration project focusing on the development of the GHR. A total of 9,833m of



diamond core drilling (51 holes) and 8,339m of RC drilling (138 holes) was completed on the project. Modeling and processing of assay results from both the core drilling and RC drilling so far completed over the GHR and surrounding areas culminated in the estimation of the following Mineral Resources by CSA Australia Pty (Ltd) (“CSA”). The gold resource numbers for the GHR are as at 30th May 2016 using a cut-off grade of 1.0g/t:

DOMAIN	CLASSIFICATION	VOLUME (m ³)	TONNES (t)	GRADE (g/t)	OUNCES oz
Main Lode	Indicated	816,000	2,390,000	3.14	241,000
	Inferred	355,000	1,053,000	3.68	125,000
TOTAL MAIN LODE		1,171,000	3,443,000	3.31	366,000
Footwall Lode	Indicated	141,000	409,000	1.92	25,000
	Inferred	128,000	380,000	2.57	31,000
TOTAL FOOTWALL LODE		269,000	789,000	2.23	57,000
TOTAL INDICATED		957,000	2,799,000	2.96	266,000
TOTAL INFERRED		483,000	1,433,000	3.39	156,000
GRAND TOTAL		1,440,000	4,232,000	3.11	422,000

Rounding results in computational discrepancies

The process to convert the PL covering the Horseshoe Gold Prospect at Itetemia into a Mining License (ML) commenced on 4th November 2015. Despite numerous enquiries by the Company, no official feedback has been received from authorities in the Ministry of Mines or the Mining Commission on the status of this application during the reporting quarter. *In the company’s normal monthly review of the Government portal it became aware of changes made to the Itetemia Mining License Application. No official correspondence has been received, however it appears that our application has been denied and 5 PML’s reverted back into another name based on what we see from the portal. Management has engaged the Mining Commission as well as the Minister of Mines to determine what’s taken place, and the course of action required to remedy the situation and is pursuing all necessary actions to do so. The company also has the option of referring the situation should it not resolve in our favor to the Tanzanian anti-corruption bureau or possibly seeking remedy under the Tanzanian / Canadian economic treaty of 2013.*

As of the 31st May 2019, the retained portion of the Itetemia project area now has 4 active PLs all covering a surface area of 13.37km². The Itetemia Project license status and statutory liabilities are as shown in the table below:



Itetemia Gold Project PL Portfolio Status – License Status and Liabilities as of 31st May 2019

PL_ID	Application Date	Granted Date	Rent Paid To	Renewal Submission Date	Expiry Date	Area (km2)	Status	Company_ID	Application Fee (US\$)	Preparation Fee (US\$)	Annual Rent (US\$-2015/16)	Annual Rent (US\$-2016/17)	Annual Rent (US\$-2017/18)	Annual Rent (US\$-2018/19)	Annual Rent (US\$-2019/20)	Total (US\$)	Comment
PL8638/2012	02-Nov-10	21-Dec-12	20-Dec-15	20-Nov-16	20-Dec-16	4.21	Pending Renewal	Tanzam								2841.75	Edited to reflect debt as per Gvt list of Jan 2109
PL8661/2012	18-May-09	24-Dec-12	23-Dec-14	23-Nov-16	23-Dec-16	4.62	Pending Renewal	Tancan								3,811.50	Edited to reflect debt as per Gvt list of Jan 2109
PL8958/2013	14-Jun-10	08-Feb-13	7-Feb-16	07-Jan-17	07-Feb-17	2.27	Pending Renewal	Tanzam								681.00	Edited to reflect debt as per Gvt list of Jan 2109
PL9374/2013	15-Oct-12	04-Oct-13	3-Oct-16	03-Sep-17	03-Oct-17	2.27	Active	Tanzam								340.50	Edited to reflect debt as per Gvt list of Jan 2109
				TOTAL		13.37			0.00	0.00	0.00	0.00	0.00		7,674.75		
				PENALTY (50%)							0.00	0.00			0.00		
				GRAND TOTAL		13.37			0.00	0.00	0.00	0.00	0.00		7,674.75		

- Three (3) PLs are still pending renewal after successful lodgment of renewal applications.
- Current liability including penalties on the Itetemia licenses totals US\$7,674.75 as itemized in the table above.

Kigosi Project

During the reporting period, no fieldwork was conducted in the project area.

Kigosi Project area remains subject to a Game Reserve Declaration Order. Upon repeal or amendment of that order by the Tanzanian Government, the Kigosi Mining Company will be legally entitled to exercise its rights under the Mineral Rights and Mining License. A recent pronouncement by the Honorable President of Tanzania to local villagers in Ushirombo stated that his government had commenced procedures for de-gazetting part of the Kigosi-Moyowosi game reserve area to afford villagers extended land for agriculture and mining activities. We await the completion of this program with bated breath.

Mine development plans at Kigosi continue to be shelved since under the 2010 Mining Act, only exploration and mining of energy minerals, including uranium, gas and petroleum is permitted in any game reserve. Historical exploration on the project established a resource as shown in table below.

Kigosi Gold Project: Historical published Resource/Reserve results

PROSPECT / LOCATION	REEF	RESOURCE CATEGORY	VOLUME (m ³)	SG (t/m ³)	IN SITU TONNAGE	AVE GRADE (g/t)	GOLD CONTENT (kg)	GOLD CONTENT (Troy oz)	
Luhwaika	Main	Measured	1,475,233	2.50	3,692,508	1.42	5,256	168,987	
		Indicated	373,866	2.50	935,000	1.14	1,065	34,252	
		TOTAL / AVE MAIN REEF	1,849,099	2.50	4,627,508	1.37	6,321	203,239	
	West	Measured	1,438,190	2.49	3,579,401	0.60	2,152	69,189	
		Indicated	234,857	2.49	584,000	0.57	333	10,694	
		TOTAL / AVE WEST REEF	1,673,047	2.49	4,163,401	0.60	2,485	79,883	
	Quartz rubble	Measured	-	-	-	-	-	-	-
		Indicated	1,486,862	2.62	3,889,000	0.83	3,225	103,681	
		TOTAL / AVE QUARTZ RUBBLE	1,486,862	2.62	3,889,000	0.83	3,225	103,681	
		TOTAL / AVE LUHWAIKA	5,009,008	2.53	12,679,909	0.95	12,031	386,803	
Igunda	A	Measured	-	-	-	-	-	-	
		Indicated	64,415	2.80	180,000	3.68	662	21,288	
		TOTAL / AVE A REEF	64,415	2.79	180,000	3.68	662	21,288	
	B	Measured	-	-	-	-	-	-	
		Indicated	-	-	-	-	-	-	
		TOTAL / AVE B REEF	-	-	-	-	-	-	
	TOTAL / AVE IGUNDA	64,415	2.79	180,000	3.68	662	21,288		
	TOTAL / AVE KIGOSI MEASURED & INDICATED	5,073,423	2.53	12,859,909	0.99	12,693	408,091		

The table below shows the status (as of 31st May 2019) of the Kigosi Project license portfolio (identified as critical to the project) has 7 active PLs and 1 ML all covering a surface area of 118.51km². The license status and statutory liabilities are as shown in the table below:



Kigosi Gold Project PL Portfolio Status – License Status and Liabilities as of 31st May 2019

PL_ID	Application Date	Granted Date	Rent Paid To	Renewal Submission Date	Expiry Date	Area (km2)	Status	Company_ID	Application Fee (US\$)	Annual Rent (US\$-2014/15)	Annual Rent (US\$-2015/16)	Annual Rent (US\$-2016/17)	Annual Rent (US\$-2017/18)	Annual Rent (US\$-2018/19)	Annual Rent (US\$-2019/20)	Total (US\$)	Comment
ML 496/2013	09-Nov-12	11-Oct-13	10-Oct-14	10-Oct-21	10-Oct-23	9.91	Active	Tanzam				0.00	0.00	0.00		0.00	Paid US\$104,055 on 28th May 2019
PL 9712/2014	25-Feb-11	08-May-14	7-May-15	07-Apr-18	07-May-18	13.97	Active	Pamwe Tutafika		2,095.50	1,047.75	1,047.75	1,047.75			5,238.75	Edited to reflect debt as per Gvt list of Jan 2109
PL10169/2014	02-May-13	29-Aug-14	28-Aug-15	28-Jul-18	28-Aug-18	12.16	Active	Tancan			0.00	0.00	0.00			0.00	1st Renewal Applic. due 28 July 2018
PL10170/2014	15-Oct-13	29-Aug-14	29-Aug-15	28-Jul-18	28-Aug-18	14.90	Active	Tanzam								8,958.00	Edited to reflect debt as per Gvt list of Jan 2109
PL10171/2014	13-Dec-13	29-Aug-14	28-Aug-15	28-Jul-18	28-Aug-18	22.69	Active	Tanzam								13,614.00	Edited to reflect debt as per Gvt list of Jan 2109
PL10184/2014	15-Oct-13	29-Aug-14	28-Aug-15	28-Jul-18	28-Aug-18	19.50	Active	Tanzam								11,700.00	Edited to reflect debt as per Gvt list of Jan 2109
PL10277/2014	22-Aug-12	25-Sep-14	26-Sep-15	24-Aug-18	24-Sep-18	21.18	Active - In Default	Tancan								15,885.00	Edited to reflect debt as per Gvt list of Jan 2109
PL9785/2014	01-Mar-12	05-Jun-14	4-Jun-15	04-May-18	04-Jun-18	4.20	Active	Tancan								3,150.00	Edited to reflect debt as per Gvt list of Jan 2109
						TOTAL			0.00	2,095.50	1,047.75	1,047.75	1,047.75	0.00		58,545.75	
						PENALTY (50%)							523.88	0.00		523.88	
						GRAND TOTAL			0.00	2,095.50	1,047.75	1,047.75	1,571.63	0.00		59,069.63	

- Kigosi Mining License outstanding annual fees (including penalties) for the periods 2015/2016, 2017/2018 and 2018/2019 were paid off during the reporting period.
- Access negotiations are still under pursuit pending de-gazetting of the area into a forestry reserve.
- Current liability including penalties on the Kigosi licenses totals US\$59,069.62 as itemized in the table above.

Luhala Project

During the reporting period, no fieldwork was conducted in the project area.

The Luhala Project is an advanced stage exploration project focusing on the development of the Luhala gold deposit which consists of five anomalous hilltops. The mineralization is stratabound shear-zone hosted gold mineralization (stratigraphic and structural control) within a distinct unit of felsic rocks with associated ferruginized mafic and felsic rocks.

Drilling at the Luhala Project has been concentrated on the Luhala Hills (Luhala Hill, Kisunge Hill, Shilalo Hill South and Shilalo Hill West). A total of 3,279m of diamond core drilling (26 holes) and 8,665m of RC drilling (144 holes) was completed on the project. Modeling and processing of assay results from both the core drilling and RC drilling conducted over the various deposits at Luhala, has to-date resulted in the estimation, by CSA, of the following Mineral Resources for Luhala as at 8th March 2011 using a cut-off grade of 1.0g/t:



Luhala Gold Project: Historical published exploration results

Table 21: NI43-101 Mineral Resource Statement for the Luhala Project – 1.0g/t cut-off at 31st January 2012

DOMAIN / ZONE	CLASSIFICATION	VOLUME (m ³)	TONNES (t)	GRADE (g/t)	OUNCES oz
Kisunge Central	Inferred	410,000	870,000	1.76	48,900
Kisunge East		110,000	240,000	2.15	16,800
Kisunge South		60,000	120,000	1.68	6,300
Shilalo South		100,000	200,000	2.47	15,900
Shilalo West		200,000	430,000	1.73	23,900
TOTAL INFERRED		880,000	1,860,000	1.87	112,000

Rounding results in computational discrepancies

TRX have a 100% interest in Luhala, and consequently 100% of these resources accrue to TRX

The process of selecting a consultant to carry out feasibility study at the Luhala gold project has been completed and once funds are available the contract to engage the consultant to carry out the study will be signed to initiate the FS study reporting.

At the end of this reporting quarter critical Luhala project area had 1 PL covering a surface area of 3.45km². The Luhala Project license status and statutory liabilities are as shown in the table below:

Luhala Gold Project PL Portfolio Status – License Status and Liability as of 31st May 2019

PL_ID	Application Date	Granted Date	Rent Paid To	Renewal Submission Date	Expiry Date	Area (km2)	Status	Company_ID	Application Fee (US\$)	Preparation Fee (US\$)	Annual Rent (US\$-2015/16)	Annual Rent (US\$-2016/17)	Annual Rent (US\$-2017/18)	Annual Rent (US\$-2018/19)	Total (US\$)	Status
PL8937/2013	14-Jun-10	08-Feb-13	07-Feb-15	07-Jan-17	07-Feb-17	3.45	Pending Renewal	Tancan							1,035.00	Edited to reflect debt as per Gvt list of Jan 2109
						TOTAL			0.00	0.00	0.00	0.00			1,035.00	
						PENALTY (50%)					0.00	0.00			0.00	
						GRAND TOTAL			0.00	0.00	0.00	0.00			1,035.00	

- Offer letter from the Mineral Commission is still awaited.
- Current liability including penalties on the Luhala license totals US\$1,035.00 as itemized in the table above.

The table below summarizes the total liability in the PLs to Retain Category summarized in the section above.



PLs To Retain: Summary of Liabilities as of 31st May 2019

Project_ID	Total Retain	Prep Fees	Total Annuals	Comment
Buckreef	3		\$5,574.00	Payments done but missing in Record
Itetemia	4		\$7,674.75	Penalty Included
Kigosi	8		\$59,069.63	Penalty Included
Luhala	1		\$1,035.00	Penalty Included
Total	16		\$73,353.38	Penalty Included

Exploration Projects Updates: Other PLs (JV/Discard)

Following the Company's decision to include mine development to its strategy of generating maximum revenue from its extensive portfolio of properties and with the rising costs of maintaining prospecting and other licences in Tanzania, management continues to streamline its license portfolio in Tanzania.

Liabilities (as per the latest government published debtors' list of 31st January, 2019) for Prospecting Licenses proposed for possible Joint Venture partnerships (blue text) and/or discard (red text) are summarized in the table below. The entire portfolio covers a combined area of 322.58km².

Rest of Gold Project PL Portfolio Status – License Status and Liabilities as of 31st May 2019

Licence Number	Project Name	Licence Holder	Minerals	Status	INITIAL PERIOD						FIRST RENEWAL			SECOND RENEWAL		TOTAL	
					FY (USD)			SY (USD)	TY (USD)	FoY (USD)	FY (USD)	SY (USD)	TY (USD)	FY(USD)	SY(USD)		
PLB672/2014	Biharamulo	Tanzam	Au	Active - In Default	0.00	2,561.00	1,280.50	3,841.50	3,841.50	3,841.50	0.00	0.00	0.00	0.00	0.00	0.00	15,366.00
PLB777/2014	Biharamulo	Tancan	Au	Active - In Default	0.00	2,496.00	1,248.00	3,744.00	3,744.00	3,744.00	0.00	0.00	0.00	0.00	0.00	0.00	14,976.00
PLI0150/2014	Lunguya	Pamwe Tutaika	Au	Active	0.00	568.00	284.00	852.00	852.00	852.00	0.00	0.00	0.00	0.00	0.00	0.00	3,408.00
PLB940/2013	Lunguya	Tancan	Au	Active	0.00	0.00	0.00	0.00	1,279.50	1,279.50	0.00	0.00	0.00	0.00	0.00	0.00	2,559.00
PLI0145/2014	Lunguya	Tanzam	Au	Active	0.00	853.00	426.50	1,279.50	1,279.50	1,279.50	0.00	0.00	0.00	0.00	0.00	0.00	5,118.00
PLB458/2012	Manonga	Tancan	Au	Active	0.00	536.00	268.00	804.00	804.00	804.00	0.00	0.00	0.00	0.00	0.00	0.00	3,216.00
PLB963/2013	Biharamulo	Tanzam	Au	Active - In Default	0.00	2,215.00	1,107.50	3,322.50	3,322.50	3,322.50	0.00	0.00	0.00	0.00	0.00	0.00	13,290.00
PLB564/2014	Itetemia	Tanzam	Au	Active	0.00	147.00	73.50	220.50	220.50	220.50	0.00	0.00	0.00	0.00	0.00	0.00	882.00
PLB664/2012	Kanengele	Tanzam	Au	Active	0.00	0.00	0.00	0.00	478.50	478.50	0.00	0.00	0.00	0.00	0.00	0.00	957.00
PLI0186/2014	Kanengele	Tanzam	Au	Active	0.00	232.00	116.00	348.00	348.00	348.00	0.00	0.00	0.00	0.00	0.00	0.00	1,392.00
PLB465/2013	Kanengele	Tanzam	Au	Active - In Default	0.00	1,209.00	604.50	1,854.00	1,854.00	1,854.00	0.00	0.00	0.00	0.00	0.00	0.00	7,416.00
PLB231/2013	Kibara	Tanzam	Au	Active - In Default	0.00	0.00	0.00	0.00	3,372.00	3,372.00	0.00	0.00	0.00	0.00	0.00	0.00	6,744.00
PLB956/2014	Kigosi	Tancan	Au	Active	0.00	1,706.00	853.00	2,559.00	2,559.00	2,559.00	0.00	0.00	0.00	0.00	0.00	0.00	10,236.00
PLB565/2014	Kigosi	Tancan	Au	Active - In Default	2,340.00	1,560.00	780.00	2,340.00	2,340.00	2,340.00	0.00	0.00	0.00	0.00	0.00	0.00	11,700.00
PLI0185/2014	Kigosi	Chomoza	Au	Active	0.00	842.00	421.00	1,263.00	1,263.00	1,263.00	0.00	0.00	0.00	0.00	0.00	0.00	5,052.00
PLB338/2013	Kigosi	Tancan	Au	Active	0.00	0.00	0.00	0.00	6,627.00	6,627.00	0.00	0.00	0.00	0.00	0.00	0.00	13,254.00
PLI0605/2015	Kigosi	Tancan	Au	Active	5,476.50	3,651.00	1,825.50	5,476.50	5,476.50	5,476.50	0.00	0.00	0.00	0.00	0.00	0.00	27,382.50
PLI0187/2014	Kigosi	Tanzam	Au	Active	0.00	489.00	244.50	733.50	733.50	733.50	0.00	0.00	0.00	0.00	0.00	0.00	2,934.00
PLB947/2013	Mwadui	Tancan	Au	Active - In Default	0.00	2,558.00	1,279.00	3,837.00	3,837.00	3,837.00	0.00	0.00	0.00	0.00	0.00	0.00	15,348.00
PLB955/2014	Tulawaka	Tancan	Au	Active	0.00	603.00	301.50	904.50	904.50	904.50	0.00	0.00	0.00	0.00	0.00	0.00	3,618.00
PLB478/2012	Tulawaka	Tancan	Au	Active	0.00	0.00	0.00	0.00	972.00	972.00	0.00	0.00	0.00	0.00	0.00	0.00	1,944.00
PLI0331/2014	Tulawaka	Tanzam	Ni	Active - In Default	1,327.50	885.00	442.50	1,327.50	1,327.50	1,327.50	0.00	0.00	0.00	0.00	0.00	0.00	6,637.50
TOTAL					9,144	23,111	11,596	34,707	47,436	47,436	0	0	0	0	0	0	173,430

- All the PLs have outstanding annual fees and penalty fee payments as tabulated above.
- PLs highlighted in **blue text** are within the **To JV category** while those highlighted in **red text** are within the **To Discard category**.



- All the 22 PLs have technically expired but as per recent Ministerial declaration, all liabilities are still due and will not be written off even after the Ministry of Mines effects forfeiture in due course.
- Current total liability including penalties on the licenses totals **US\$173,430** as itemized in the table above.

Summary

As of 31st May 2019, and based on the continuing streamlining of the PL-holdings exercise, all outstanding, current and future financial liabilities and obligations arising from our total current land-holdings in unpaid rents including the penalties is ~US\$369,657.19 made up as follows:

- Annual Fees: US\$246,783.00 &
- Penalty Fees: US\$122,874.19.

The table below summarizes the liability by project area and category of PL (Retain, JV & Discard).

TRX All Project PL Portfolio Status – License Status and Liabilities as of 31st May 2019

TANZANIAN ROYALTY LICENSE PORTFOLIO: 31st May 2019										
Project_ID	CATEGORIZED TOTALS			LIABILITY (Annual Fees) US\$			LIABILITY (Penalty) US\$			Comment
	Retain	JV	Discard	Retain	JV	Discard	Retain	JV	Discard	
Biharamulo	0	2	1	\$0	\$30,342	\$13,290		(\$15,171.00)	(\$6,645.00)	Edited to match Gvt listed Debt: Jan 2019
Buckreef	3	0	0	\$5,574			(\$2,787.00)			Edited to match Gvt listed Debt: Jan 2019
Itetemia	4	0	1	\$7,675	\$0	\$882	(\$3,837.38)		(\$441.00)	Edited to match Gvt listed Debt: Jan 2019
Kanegele	0	0	3	\$0	\$0	\$9,765			(\$4,882.50)	Edited to match Gvt listed Debt: Jan 2019
Kibara	0	0	1	\$0	\$0	\$6,744			(\$3,372.00)	Edited to match Gvt listed Debt: Jan 2019
Kigosi	8	0	6	\$59,070	\$0	\$70,559	(\$29,534.81)		(\$35,279.25)	Edited to match Gvt listed Debt: Jan 2019
Luhala	1	0	0	\$1,035		\$0				Edited to match Gvt listed Debt: Jan 2019
Lunguya	0	3	0	\$0	\$11,085	\$0		(\$5,542.50)		Edited to match Gvt listed Debt: Jan 2019
Manonga	0	1	0	\$0	\$3,216	\$0		(\$1,608.00)		Edited to match Gvt listed Debt: Jan 2019
Mwadui	0	0	1	\$0	\$0	\$15,348			(\$7,674.00)	Edited to match Gvt listed Debt: Jan 2019
Tulawaka	0	0	3	\$0	\$0	\$12,200			(\$6,099.75)	Edited to match Gvt listed Debt: Jan 2019
TOTAL	16	6	16	\$73,353	\$44,643	\$128,787	(\$36,159.19)	(\$22,321.50)	(\$64,393.50)	Liability Due even after forfeiture of tenure
GRAND-TOTAL	38			\$246,783			(\$122,874.19)			

Notes: Annual Rents estimated based on
1. Initial Tenure Period Rent is US\$100/km2
2. 1st Renewal Tenure Rent is US\$150/km2
3. 2nd Renewal Tenure Rent is US\$200/km3
4. Late payment Penalty fee is 50% of unpaid rent, non cumulative

Risk Factors

The Company is subject to a number of extraneous risk factors over which it has no control. These factors are common to most exploration companies and include, among others: project ownership and exploration risk, depressed equity markets and related financing risk, commodity price risk, fluctuating exchange rates, environmental risk, insurance risk, sovereign risk. For further details on the risk factors affecting the Company, please see the Company's Form 20-F Annual Report for year ended August 31, 2018 filed on SEDAR as the Company's Annual Information Form.

Disclosure Controls and Procedures ("DC&P")

Requirements of NI 52-109 include conducting an evaluation of the effectiveness of DC&P. Management conducted an assessment of the effectiveness of the DC&P in place as of May 31, 2019 and concluded



that such procedures are adequate and effective to ensure accurate and complete disclosures in filings. Any system control over disclosure procedures, particularly for junior exploration companies, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all inaccuracies. These limitations include limited personnel available for such work, geographical logistics and human error among others. The Board of Directors assess the integrity of the public financial disclosures through the oversight of the Audit Committee.

Internal Control Over Financial Reporting (“ICFR”)

Requirements of NI 52-109 include conducting an evaluation of the effectiveness of ICFR. Management conducted an assessment of the effectiveness of the ICFR in place as of May 31, 2019 and concluded that such procedures are adequate and effective to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of financial statements in compliance with International Financial Reporting Standards. Any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for the design and effectiveness of disclosure controls and procedures (“DC&P”) and the design of internal control over financial reporting (“ICFR”) to provide reasonable assurance that material information related to the Company is made known to the Company’s certifying officers. The Company’s controls are based on the Committee of Sponsoring Organizations (“COSO”) 2013 framework. The Company’s CEO and the CFO have evaluated the design and effectiveness of the Company’s DC&P as of May 31, 2019 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The CEO and CFO have also evaluated the design and effectiveness of the Company’s ICFR as of May 31, 2019 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period there have been no changes in the Company’s DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Additional Information

The Company is a Canadian public company listed on the Toronto Stock Exchange trading under the symbol “TNX” and also listed on the NYSE MKT LLC trading under the symbol “TRX”. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company’s website at www.tanzanianroyalty.com .

Approval

The Board of Directors of Tanzanian Gold Corporation has approved the disclosure contained in the interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it. It is also available on the SEDAR website at www.sedar.com



Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company’s properties; the future prices of base and precious metals; success of exploration activities, cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or “variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments at Buckreef or other mining or exploration projects, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company’s expectations; timing and availability of external financing on acceptable terms in light of the current decline in global liquidity and credit availability; uncertainty of inferred mineral resources; future prices of base and precious metals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in base and precious metal exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.