

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 20-F/A  
(Amendment No. 1)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12 (g) OF THE SECURITIES EXCHANGE ACT OF 1934
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended August 31, 2019
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of event requiring this shell company report \_\_\_\_\_

Commission File Number 001-32500

**TANZANIAN GOLD CORPORATION**  
**(Formerly known as TANZANIAN ROYALTY EXPLORATION COMPANY)**

*(Exact Name of Registrant as Specified in Its Charter)*

**ALBERTA, CANADA**

*(Jurisdiction of Incorporation or Organization)*

**#202, 5626 Larch Street,  
Vancouver, British Columbia  
Canada V6M 4E1**

*(Address of Principal Executive Offices)*

**James Sinclair  
Executive Chairman  
Tanzanian Gold Corporation  
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*(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)*

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Common Shares, without Par Value

*(Title of Class)*

NYSE American

*Name of Each Exchange on Which Registered*

Securities registered or to be registered pursuant to Section 12(g) of the Act: NONE

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: NONE

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 150,391,558 (as of August 31, 2019).

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 2.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or emerging growth company. See definition of “accelerated filer” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Emerging Growth Company

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the Company has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

## Explanatory Note

On December 2, 2020, Tanzanian Gold Corporation filed its Form 20-F for the year ended August 31, 2020 (“Original Filing”). Tanzanian Gold Corporation is filing this Amendment No. 1 to the Original Filing to replace Items 3, 4, 5, 8, 15 and 19 to such Form in response to certain comments raised by the staff of the Securities and Exchange Commission. In addition, the Company is refiling its financial statements for the year ended August 31, 2019, attached hereto as Exhibit 15.1 and related management discussion and analysis attached hereto as Exhibit 15.2 as concurrently filed on Sedar with the Canadian Securities Administrators. A change to the annual consolidated financial statements for the years ended August 31, 2019 and 2018 corrects the understatement of the fair value of the derivatives contained in the gold bullion loans by \$1,300,000 and \$200,000 respectively. The Company determined an alternate valuation approach should be taken in accordance with IFRS, from the valuation approach originally taken by the Company. As a result of the restatement, the Company’s reported net loss was increased by \$1,100,000 and \$200,000 for the years ended August 31, 2019 and 2018 to a loss of \$30,417,517 and \$7,097,397 respectively.

Except for Items 3, 4, 5, 8, 15 and 19, this Amendment No. 1 does not amend or restate the Original Filing, nor does it modify or update those disclosures affected by subsequent events or discoveries.

### Item 3. Key Information

#### A. Selected Financial Data

The audited financial statements for the Company's fiscal years ended August 31, 2019, 2018, 2017, 2016 and 2015 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The following selected financial data is based on financial statements prepared in accordance with IFRS and is presented for the five most recent financial years. Unless stated otherwise, reference to dollar amounts in this Annual Report shall mean Canadian dollars.

For each of the years in the five year periods ended August 31, the information in the tables was extracted from the more detailed audited financial statements of the Company.

The selected financial data should be read in conjunction with Item 5, "Operating and Financial Review and Prospects" and in conjunction with the consolidated financial statements of the Company and the notes thereto contained elsewhere in this Annual Report.

The following is a summary of certain selected financial information for the Company's five most recently completed fiscal years (in Canadian dollars, except number of shares):

	For the year ended August 31,				
	2019	2018	2017	2016	2015
	Restated	Restated			
<b>Operations:</b>					
Revenues			-	-	-
Net loss	\$(30,417,517)	\$(7,097,397)	\$(6,434,112)	\$(12,781,902)	\$(8,995,697)
Basic and diluted loss per share	(0.22)	(0.06)	(0.05)	(0.12)	(0.09)
	2019	2018	2017	2016	2015
	Restated	Restated			
<b>Balance sheet:</b>					
Working Capital (deficiency)	(10,395,970)	(12,210,685)	(6,552,376)	(11,836,214)	(4,684,253)
Total Assets	38,118,925	53,235,140	51,353,088	49,885,545	53,108,859
Net Assets	18,363,791	34,126,005	36,254,043	35,156,483	46,072,190
Share Capital	142,251,909	127,003,132	125,174,377	122,380,723	120,532,634
Number of Shares	150,391,558	125,162,803	121,784,619	109,068,492	107,853,554
Deficit	\$133,762,683	\$103,463,959	\$96,566,577	\$90,600,819	\$77,970,955

#### B. Capitalization and Indebtedness

Not applicable.

#### C. Reasons for the Offer and Use of Proceeds

Not applicable.

#### D. Risk Factors

*An investment in the Company's common shares involves a high degree of risk and should be considered speculative. You should carefully consider the following risks set out below and other information before investing in the Company's common shares. If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations or cash flows could be adversely affected, the trading price of common shares could decline and all or part of any investment may be lost.*

*The operations of the Company are highly speculative due to the high-risk nature of its business, which include the acquisition, financing, exploration and, if warranted, development of mineral properties. The risks and uncertainties set out below are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the risks actually occur, the Company's business, financial condition and operating results could be adversely affected. As a result, the trading price of the Company's common shares could decline and investors could lose part or all of their investment. The Company's business is subject to significant risks and past performance is no guarantee of future performance.*

## **Risks Relating to the Company**

*The Company has incurred net losses since its inception and expects losses to continue.*

The Company has not been profitable since its inception. For the fiscal year ended August 31, 2019, the Company had a comprehensive loss of \$30,417,517, and an accumulated deficit of \$133,762,683. The Company has never generated revenues and does not expect to generate revenues until one of its properties are placed in production. There is a risk that none of the Company's properties will be placed into production.

*The Company needs additional capital.*

As at August 31, 2019, the Company had cash of approximately \$3,389,319 and working capital deficiency of approximately \$10,395,970. The Company will continue to incur exploration and development costs to fund its plan of operations and will need to raise capital to build a mining plant at the Buckreef Project. Ultimately, the Company's ability to continue its exploration activities depends in part on the Company's ability to commence operations and generate revenues or to obtain financing through joint ventures, debt financing, equity financing, production sharing agreements or some combination of these or other means. Further the raising of additional capital by the Company may dilute existing shareholders. Traditionally, the Company has relied on issuing equity securities and debt securities that may be converted into equity securities to raise capital. No assurance can be given that the Company can continue to raise capital in this manner. Further, the issuance of equity securities or debt securities that may be convertible into equity securities will have a dilutive effect.

*Substantial doubt about the Company's ability to continue as a going concern.*

Based on the Company's current funding sources and taking into account the working capital position and capital requirements at August 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 fiscal 2019 in order to continue development and construction of the Buckreef Project. Furthermore, the Company is currently negotiating project financing terms with a number of lending institutions, which the Company believes will result in the Company obtaining the project financing required to fund the construction of a mill at the Buckreef Project. However there is no assurance that such additional funding and/or project financing will be obtained or obtained on commercially favourable terms.

*The Company has no cash flow from operations and has historically depended on the proceeds from equity financings for its operations.*

The Company's current operations do not generate any revenues or cash flow. Any work on the Company's properties will require additional equity financing. If the Company seeks funding from existing or new joint venture partners, its project interests will be diluted. If the Company seeks additional equity financing, the issuance of additional shares will dilute the current interests of the Company's current shareholders. The Company may not be able to obtain additional funding to allow the Company to fulfill its obligations on existing exploration properties. The Company's failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development and the possible partial or total loss of the Company's potential interest in certain properties or dilution of the Company's interest in certain properties.

*We are subject to litigation which could cause a dilutive effect to our shareholders and require us to incur legal expenses.*

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. The Series A Warrants were issued, along with Series B Warrants (the Series A Warrants and Series B Warrants, collectively “Warrants”), in connection with a Securities Purchase Agreement entered into on September 1, 2016. In response to the complaint, our attorneys initiated correspondence with Crede’s attorneys regarding Crede’s January 19, 2018 complaint. 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 (Index No. 651156/2018) (“State Claim”), 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 August 21, 2019, we filed a notice of appeal and seeking a stay of the summary judgement order in the State Claim pending appeal. On October 17, 2019, the court in the State Claim order the delivery of 1,332,222 shares of common stock with an officer designated by the court and that a bond of US\$200,000 be posted. We do not believe that the New York Supreme Court of the State of New York in the State Claim had the authority to require to post a bond in the amount US\$200,000. Accordingly, we have appealed the Supreme Court of the State of New York’s authority to require us to post a bond. In the event that we are required to post the US\$200,000 and we are unable to do so, Crede will have right to sell the 1,332,222 common shares and to exercise its rights under the Securities Purchase Agreement notwithstanding our appeal. This potential right for Crede to sell its common shares and exercise its rights under the Securities Purchase Agreement could have detrimental affect on the price of our common shares. As discussed below, the Supreme Court of the State of New York’s decision does not affect our 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 (“Federal Claim”). 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.

The Federal Claim is in its initial stage and discovery has been initiated. In the event that we are forced to allow Crede to exercise the Warrants pursuant to the Supreme Court of the State of New York’s order and/or are subject to damages, we may be required to issue additional common shares under the Securities Purchase Agreement. Under the terms of the Securities Purchase Agreement, the maximum number of common shares that may be issued in the transaction is limited to 21,704,630, of which 10,344,487 have been issued. Pursuant to the Securities Purchase Agreement, we have also agreed to register the common shares that may be issued to Crede pursuant to a registration rights agreement. The issuance of additional common shares will have a dilutive effect to our shareholders and the payment of damages and legal expenses may adversely affect our financial condition.

*As of August 31, 2019, our internal control over financial reporting were ineffective, and if we continue to fail to improve such controls and procedures, investors could lose confidence in our financial and other reports, the price of our shares of common stock may decline, and we may be subject to increased risks and liabilities.*

As a public company, we are subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act of 2002. The Exchange Act requires, among other things, that we file annual reports with respect to our business and financial condition. Section 404 of the Sarbanes-Oxley Act requires, among other things, that we include a report of our management on our internal control over financial reporting. We are also required to include certifications of our management regarding the effectiveness of our disclosure controls and procedures. For the year ended August 31, 2019, our management has concluded that our disclosure controls and procedures and internal control over financial reporting were ineffective due to the following material weaknesses: (i) review and approval of certain invoices and the related oversight and accuracy of recording the associated charges in the Company’s books; (ii) Lack of adequate oversight related to the development and performance of internal controls; and (iii) ) the Company did not properly account for certain loans that may be repaid in gold bullion as a derivative security. Due to the limited number of personnel in the

company, there are inherent limitations to segregation of duties amongst personnel to perform adequate oversight, including oversight regarding complex International Financial Reporting Standards that may cause misinterpretation and misapplication. We intend to implement changes and procedures to address these issues; any proposed changes to address the material weaknesses will take time to implement due to, among other things, a limited number of staff at the Company. If we cannot effectively and efficiently improve our controls and procedures, we could suffer material misstatements in our financial statements and other information we report and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial and other information. This could lead to a decline in the trading price of our common shares.

*The Company has issued a number of gold and cash loans which at the option of holder are convertible into common shares, may be repaid through the issuance of gold, are secured by the Company's assets and may be subject to annual renewal.*

To finance the Company's operations and prior exploration, as of August 31, 2019, the Company has issued \$6,927,371 loans in the aggregate. Of this amount, \$4,998,127 was in the form of gold bullion loans. The principal and interest on the gold bullion loans may be, at the election of the holder, repaid in cash, gold bullion or convertible into common shares. In the event the gold loan holder elects repayment in gold bullion and the Company does not have the gold bullion, it may be required to purchase gold bullion on the open market in order to repay the loans. As a result, the Company may be at risk in the event the price of gold increases and the Company is required to purchase gold bullion to repay the loan. Further, the holders of the gold bullion loans may elect to convert the principal and interest of such loans into common shares at exercise prices ranging from US\$0.26 and US\$0.5320 per share, which has the effect of diluting the ownership of existing shareholders.

In addition, as of August 31, 2019, the Company has issued \$1,929,244 in convertible loans. The principal and interest on the convertible loans may be, at the election of the holder, repaid in cash or convertible into our common shares at exercise prices ranging from US\$0.26 to US\$0.3446 per share. In the event that the holder of the convertible loans elects to convert the principal and interest of such loans into common shares, such conversion will have the effect of diluting the ownership of existing shareholders.

Further, the gold and cash loans are secured by certain assets of the Company, including its CIL plant, pad loadings, gold on pads, gold in form of dore, gold in plan process and gold at refinery. In the event of default, the Company may lose its rights to these assets which could adversely affect its operations.

Finally, these loans are subject to annual renewal. Although many of these holders of loan have renewed the loans on an annual basis, no assurance can be given they will continue to annually renew the loans.

*The Company's exploration activities are highly speculative and involve substantial risks.*

With the exception of one project, the Buckreef Project, all of the other Company's properties are in the exploration stage and no proven mineral reserves have been established. The Company's exploration work may not result in the discovery of mineable deposits of ore in a commercially economical manner. There may be limited availability of water, which is essential to milling operations, and interruptions may be caused by adverse weather conditions. The Company's future operations, if any, are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls.

*The Company has uninsurable risks.*

The Company may be subject to unforeseen hazards such as unusual or unexpected formations and other conditions. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

*The Company depends on key management personnel.*

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, including James E. Sinclair, Executive Chairman. Investors must be willing to rely to a significant extent on their discretion and judgment. The Company does not have an employment contract with the Executive Chairman. The Company does not maintain key-man life insurance on the Executive Chairman.

*The Company may be characterized as a passive foreign investment company.*

The Company may be characterized as a passive foreign investment company (“PFIC”). If the Company is determined to be a PFIC, its U.S. shareholders may suffer adverse tax consequences. Under the PFIC rules, for any taxable year that the Company’s passive income or its assets that produce passive income exceed specified levels, the Company will be characterized as a PFIC for U.S. federal income tax purposes. This characterization could result in adverse U.S. tax consequences for the Company’s U.S. shareholders, which may include having certain distributions on its common shares and gains realized on the sale of its common shares treated as ordinary income, rather than as capital gains income, and having potentially punitive interest charges apply to the proceeds of sales of the Company’s common shares and certain distributions.

Certain elections may be made to reduce or eliminate the adverse impact of the PFIC rules for holders of the Company’s common shares, but these elections may be detrimental to the shareholder under certain circumstances. The PFIC rules are extremely complex and U.S. investors are urged to consult independent tax advisers regarding the potential consequences to them of the Company’s classification as a PFIC. See “Certain United States Federal Income Tax Considerations.”

*Foreign corrupt practices legislation.*

The Company is subject to the Foreign Corrupt Practices Act (the “FCPA”), the Corruption of Foreign Public Officials Act (Canada) (“CFPOA”), and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by persons and issuers as defined by the statutes, for the purpose of obtaining or retaining business. It is the Company’s policy to implement safeguards to discourage these practices by its employees; however, its existing safeguards and any future improvements may prove to be less than effective and the Company’s employees, consultants, sales agents or distributors may engage in conduct for which the Company might be held responsible. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and could consume significant time and attention of our management.

*Security breaches and other disruptions could compromise the Company’s information and expose it to liability, which would cause its business and reputation to suffer.*

In the ordinary course of the Company’s business, it collects and stores sensitive data, including intellectual property, its proprietary business information and that of its business partners, and personally identifiable information of its employees in its data centers and on its networks. The secure processing, maintenance and transmission of this information is critical to the Company’s operations and business strategy. Despite its security measures, the information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise the Company’s networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, potential liability under laws that protect the privacy of personal information, and potential regulatory penalties, disrupt the Company’s operations and damage its reputation, and cause a loss of confidence in the Company, which could adversely affect its business and competitive position.

*Risks Relating to the Mining Industry*

*The Company cannot accurately predict whether commercial quantities of ores as estimated or projected in the pre-feasibility study will be established once commercial production commences.*

Whether an ore body will be commercially viable depends on a number of factors beyond the control of the Company, including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to permitting, prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The Company cannot accurately predict the exact effect of these factors, but the combination of these factors may result in a mineral deposit being unprofitable. The Company has no mineral producing properties at this time. Although the mineral resource estimates included herein have been prepared by the Company, or, in some instances have been prepared, reviewed or verified by independent mining experts, these amounts are estimates only and there is a risk that a particular level of recovery of gold or other minerals

from mineral resource will not in fact be realized or that an identified mineralized deposit, if any, will never qualify as a commercially mineable or viable reserve.

*The COVID-19 Pandemic may adversely affect or restrict our business and exploration activities.*

The COVID-19 pandemic has caused significant and negative impact to the global financial market. Our business and exploration activities could be disrupted by the recent outbreak of COVID-19. As a result of measures imposed by the Tanzanian government, travelers to Tanzania may be subject to quarantine and travel to certain countries is restricted. Further certain schools have been suspended and public gatherings have been banned due to quarantines intended to contain this outbreak. The Company continues to monitor and assess the impact on its business activities. The potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results. There can be no assurance that our monitoring and assessment will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences, including suspension of our exploration activities,

*The exploration for and development of mineral deposits involves significant risks.*

Mineral resource exploration is a speculative business and involves a high degree of risk. The Company has completed several diamond and reverse circulation drilling programs on the Buckreef Project and independent qualified persons have reviewed the results of the drilling program in the context of analyzing the economic significance of the open-pit mineable mineral resources at the Buckreef Project using current gold prices. However, the exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Significant expenditures will be required to locate further and/or upgrade mineral resources from inferred category to measured and Indicated category, to revise and/or upgrade the recently established mineral reserves, to develop metallurgical processes, to purchase, construct and run a test 60tph pilot process plant and to finalize on a bankable feasibility study to construct mining and processing facilities at the Buckreef Project site.

*The Company may not be able to establish the presence of minerals on a commercially viable basis.*

The Company's ability to generate revenues and profits, if any, is expected to occur through exploration and development of its existing properties as well as through acquisitions of interests in new properties. The Company will need to incur substantial expenditures in an attempt to establish the economic feasibility of mining operations by identifying mineral deposits and establishing ore reserves through drilling and other techniques, developing metallurgical processes to extract metals from ore, designing facilities and planning mining operations. The economic feasibility of a project depends on numerous factors beyond the Company's control, including the cost of mining and production facilities required to extract the desired minerals, the total mineral deposits that can be mined using a given facility, the proximity of the mineral deposits to a user of the minerals, and the market price of the minerals at the time of sale. The Company's existing or future exploration programs or acquisitions may not result in the identification of deposits that can be mined profitably.

*The Company depends on consultants and engineers for its exploration programs.*

The Company has relied on and may continue to rely upon consultants for exploration development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish ore reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration infrastructure at any site chosen for exploration. The Company may not be able to discover minerals in sufficient quantities to justify commercial operation, and the Company may not be able to obtain funds required for exploration on a timely basis.

*The Company may not have clear title to its properties.*

Acquisition of title to mineral properties is a very detailed and time-consuming process, and the Company's title to its properties may be affected by prior unregistered agreements or transfers, or undetected defects. Several of the Company's prospecting licenses are currently subject to renewal by the Ministry of Energy and Minerals of Tanzania. There is a risk that the Company may not have clear title to all its mineral property interests, their licenses may not be renewed or they may be subject to challenge or impugned in the future. See "*Mineral Properties*". In other instances, the Company might not have immediate access to some of its mineral properties due to the ever revolving statutory requirements and regulations as enacted by the Government of Tanzania and enforced by the various ministries.

During fiscal 2019, the Company received a notice of cancellation of mining license relating to the Kigosi mining license for failure to satisfy the issues raised in the default notice. The Company has disagreed the notice sent by the Ministry of

Energy and Minerals of Tanzania followed due process under Tanzania law and the Company filed an appeal to this notification subsequent to year-end. Further, during fiscal 2019, the Company received a notice of rejection of the mining license application for Iteemia, for failure to have complied with certain regulations. The Company disagreed the notice sent by the government followed due process under Tanzania law and the Company filed an appeal to this notification subsequent to year-end. However, although the Company believes that it will be successful in appealing the notice of cancellation of the Kigosi mining license and appeal of notice of rejection of the mining license application for Iteemia, in the event the Company loses either appeal, the Company may lose its rights to either the Kigosi mining license or Iteemia mining license.

*The Company's properties have been and may continue to be subject to illegal mining.*

During 2015, illegal miners, consisting primarily of artisanal miners, invaded and forced occupation at the Buckreef Project. As a result, these illegal miners disrupted the Company's activities. As a result of these illegal miners' activities, the Company provided a notice of force majeure under its agreement with Stamico and did not allow Tanzam, the Company's joint venture operator, to continue mining activities at the Company's property until this issue was resolved. Although the Company worked out an agreement with Deputy Minister of Energy and Minerals to provide an area for artisanal mining, no assurance can be given that no more illegal mining activities will occur at the Company's properties or disrupt its operations. Recently, the Company has requested for and been provided with a police detail from the Ministry of Home Affairs, through the offices of the Inspector General of Police (Tanzania) permanently stationed and patrolling the Buckreef Project as further efforts by the Company to deter illegal Mining on the main project site.

During the fiscal year, there has been some attempted invasion in and around the Buckreef Project. The Company has requested and been granted the presence of Tanzanian police at the camp site and is negotiating a Memorandum of Understanding with the Tanzanian Inspector General Police, to have a permanent security detail from the police force.

Mining exploration, development and operating activities are inherently hazardous.

*The Company has not paid all annual license fees on its properties and it may be subject to penalties.*

In order to maintain the existing site of mining and exploration licenses, the Company is required to pay annual license fees. The Company has been making efforts to pay off certain of its outstanding annual license fees since October 2014 for all its active licenses. The Ministry of Mines has put into effect a requirement that even though a license is forfeited, the outstanding annual fees are still due and considered a liability. As at August 31, 2019, an accrual of \$680,000 (August 31, 2018 - \$260,000) has been recorded relating to unpaid license fees. For active licenses, these licenses remain in good standing until a letter of demand is received from Ministry of Mines requesting payment of any unpaid license fees plus 50% penalty, and the Company fails to respond within 30 days. The Company has not received a letter of demand from the Ministry of Mines on its active licenses. The current penalty estimate relating to unpaid license fees is approximately \$211,000 (August 31, 2018 - \$125,000). The Company has not recorded an accrual for all valid and active mining licenses but only from the forfeited licenses list as stated above.

*The Company may be subject to certain risks from Tanzanian government because it has not brought the Buckreef Project into production by a certain date.*

The Company's joint venture agreement with STAMICO contains an obligation clause regarding the commissioning date for the plant. The clause becomes effective only in the event the property is not brought into production before a specified future date which was originally estimated to be in December 2015. Under the agreement, the Company is entitled to extend the date for one additional year: (i) for the extension year; on payment to STAMICO of US\$500,000; (ii) for the second extension year, on payment to STAMICO of US\$625,000; and (iii) for each subsequent extension year, on payment to STAMICO of US\$750,000.

During November 2016, the Company received a letter from STAMICO regarding the status of a payment since they allege the property was not brought into production before the specified date. The Company responded that no penalty was due because it has certain reasons why the commission date was not met or, in the alternative, may have been met. After a series of discussions during November 2016, the Company and STAMICO resolved this issue, and the Company made payment of US\$172,330 to STAMICO and the Company will pay US\$382,818 to STAMICO in 24 equal installments out of proceeds of production. The US\$382,818 payment has been accrued and through correspondence, STAMICO has confirmed that no further amounts are due.

Notwithstanding the forgoing, no assurance can be given that STAMICO will not challenge the Company ownership in

the joint venture because the Company has not yet brought the Buckreef Project into production.

*If the Company experiences mining accidents or other adverse conditions, the Company's mining operations could be materially adversely affected.*

The Company's exploration activities may be interrupted by any or all of the following mining accidents such as cave-ins, rock falls, rock bursts, pit wall failures, fires or flooding. In addition, exploration activities may be reduced if unfavorable weather conditions, ground conditions or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment, dilution increases or electrical power is interrupted. Occurrences of this nature and other accidents, adverse conditions or operational problems in future years may result in the Company's failure to achieve current or future exploration and production estimates.

*Development of the Company's projects is based on estimates and the Company cannot guarantee that its projects, if any, will be placed into production.*

Any potential production and revenues based on production from any of the Company's properties are estimates only. Estimates are based on, among other things, mining experience, resource estimates, assumptions regarding ground conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of mining and processing. The Company's actual production from the Buckreef Project, if it ever achieves production, may be lower than its production estimates. Each of these factors also applies to future development properties not yet in production at the Company's other projects. In the case of mines the Company may develop in the future, it does not have the benefit of actual experience in its estimates, and there is a greater likelihood that the actual results will vary from the estimates. In addition, development and expansion projects are subject to unexpected construction and start-up problems and delays.

*The Company's exploration activities are subject to various federal, state and local laws and regulations.*

Laws and regulation govern the exploration, mining development, mine production, importing and exporting of minerals; taxes; labor standards; occupational health; waste disposal; protection of the environment; mine safety; toxic substances; and other matters. The Company requires licenses and permits to conduct exploration and mining operations. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a substantial adverse impact on the Company. Applicable laws and regulations will require the Company to make certain capital and operating expenditures to initiate new operations. Under certain circumstances, the Company may be required to close an operation once it is started until a particular problem is remedied or to undertake other remedial actions.

The Buckreef Project is held through a special mining license expiring June 11, 2027 granted pursuant to the Mining Act, 2010 (Tanzania). The Company's has other mineral interests in Tanzania that are held under prospecting licenses granted under that Act. There are initial application fees, registration fees, preparation fees and annual rental fees for prospecting licenses based on the total area of the license. Renewals of prospecting licenses can take many months and possibly even years to process by the regulatory authority in Tanzania and there is no guarantee that they will be granted. With each renewal at least 50% of the licensed area, if greater than 20 square kilometers, must be relinquished and if the Company wishes to keep the relinquished one-half portion, it must file a new application for the relinquished portion. There is no guarantee on the timing for processing the new application and whether it will be successful.

In addition, any new license (PL, ML & SML) applications and renewals are also now subject to the recently enacted of the Ministry of Mines Local Content Regulations GN 3 of 2018 that is enforced by the newly enacted and established 6-member Tanzanian Mining Commission that now oversees the Mining Commissioner and all license applications. The new regulations reflect a strong will to foster diversification and linkages to the local economy, create jobs through the use of Tanzanian expertise, goods and services, businesses and financing in the mining value chain. Not only does it force licensees and contractors to use indigenous Tanzanian companies for the procurement of goods and services, but also requires a physical presence in Tanzania.

#### *Risks Relating to the Market*

*The Company's competition is intense in all phases of the Company's business.*

The mining industry in which the Company is engaged is in general, highly competitive. Competitors include well-

capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Company. The Company competes with other mining companies in connection with the acquisition of gold and other precious metal properties. In general, properties with a higher grade of recoverable mineral and/or which are more readily mineable afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industries to acquire the most valuable properties. As a result, the Company may eventually be unable to acquire attractive gold mining properties.

*The Company is subject to the volatility of metal and mineral prices.*

The economics of developing metal and mineral properties are affected by many factors beyond the Company's control, including, without limitation, the cost of operations, variations in the grade ore or resource mined, and the price of such resources. The market prices of the metals for which the Company is exploring are highly speculative and volatile. Depending on the price of gold or other resources, the Company may determine that it is impractical to commence or continue commercial production. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, the relative exchange rate of the U.S. dollar with other major currencies, interest rates, global and regional demand, political and economic conditions, production costs in major gold-producing regions, speculative positions taken by investors or traders in gold and changes in supply, including worldwide production levels. The price of gold and other metals and minerals may not remain stable, and such prices may not be at levels that will make it feasible to continue the Company's exploration activities, or commence or continue commercial production. The aggregate effect of these factors is impossible to predict with accuracy.

*The Company's business activities are conducted in Tanzania.*

The Company's principal exploration and mine development properties are currently located in the United Republic of Tanzania, Africa, under which the Company has obtained a license to explore, develop and operate the properties. Although the Company believes that the Tanzania government is a stable, multi-party democracy, there is no guarantee that this will continue. Tanzania is surrounded by unstable countries enduring political and civil unrest, and in some cases, civil war. There is no guarantee that the surrounding unrest will not affect the Tanzanian government and people, and therefore, the Company's mineral exploration activities. Any such effect is beyond the control of the Company and may materially adversely affect its business.

Further, the operator of the Buckreef Project is Tanzam, a joint venture that is 55% owned by one of the Company's subsidiaries and 45% is owned by the Stamico, a governmental agency of the Tanzania. Therefore, the government of Tanzania will have a substantial input at the Company's operations at the Buckreef Project.

Additionally, the Company may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investment in Tanzania. The government of Tanzania may institute regulatory policies that adversely affect the exploration and mine development (if any) of the Company's properties. Any changes in regulations or shifts in political conditions in this country are beyond the control of the Company and may materially adversely affect its business. Investors should assess the political and regulatory risks related to the Company's foreign country investments. The Company's operations in Tanzania are also subject to various levels of economic, social and other risks and uncertainties that are different from those encountered in North America. The Company's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, restrictions on foreign exchange and repatriation, income taxes, expropriation of property, environmental legislation and mine safety. Other risks and uncertainties include extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, risks of war or civil unrest, government and civil unrest, regional expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, corruption, hostage taking, civil war and changing political conditions and currency controls. Infectious diseases (including Ebola virus, malaria, HIV/AIDS and tuberculosis) are also major health care issues where the Company operates.

*Mineral exploration in Tanzania is affected by local climatic and economic conditions.*

The Company's properties in Tanzania have year round access, although seasonal winter rains from December to March may result in flooding in low lying areas, which are dominated by mbuga, a black organic rich laustrine flood soil. Further, most lowland areas are under active cultivation for corn, rice, beans and mixed crops by subsistence farmers. As a result, the area has been deforested by local agricultural practices for many years. The seasonal rains and deforested areas can create a muddy bog in some areas, which can make access more difficult, and could impede or even prevent the transport of heavy equipment to the Company's mineral properties at certain times of the year between December and March.

*The Company's operations are subject to issues relating to security and human rights.*

Civil disturbances and criminal activities such as trespass, illegal mining, theft and vandalism may cause disruptions at the Company's operations in Tanzania which may result in the suspension of operations. There is no guarantee that such incidents will not occur in the future. Such incidents may halt or delay exploration, increase operating costs, result in harm to employees or trespassers, decrease operational efficiency, increase community tensions or result in criminal and/or civil liability for the Company or its employees and/or financial damages or penalties. The manner in which the Company's personnel respond to civil disturbances and criminal activities can give rise to additional risks where those responses are not conducted in a manner that is consistent with international standards relating to the use of force and respect for human rights. The failure to conduct security operations in accordance with these standards can result in harm to employees or community members, increase community tensions, reputational harm to the Company and its partners or result in criminal and/or civil liability for the Company or its employees and/or financial damages or penalties. It is not possible to determine with certainty the future costs that the Company may incur in dealing with the issues described above at its operations.

*Risks relating to the Securities of the Company*

*As a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to U.S. shareholders.*

The Company is a foreign private issuer under applicable U.S. federal securities laws. As a result, the Company does not file the same reports that a U.S. domestic issuer would file with the SEC, although the Company is required to file with or furnish to the SEC the continuous disclosure documents that the Company is required to file in Canada under Canadian securities laws. In addition, the Company's officers, directors, and principal shareholders are exempt from the reporting and "short swing" profit rules of Section 16 of the Exchange Act. Therefore, shareholders may not know on as timely a basis when the Company's officers, directors and principal shareholders purchase or sell common shares, as the reporting dates under the corresponding Canadian insider reporting requirements are longer. In addition, as a foreign private issuer, the Company is exempt from the proxy rules under the Exchange Act.

*The Company may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses.*

In order to maintain the Company's current status as a foreign private issuer, a majority of its common shares must be either directly or indirectly owned by non-residents of the United States, unless the Company also satisfies one of the additional requirements necessary to preserve this status. The Company may in the future lose its foreign private issuer status if a majority of its common shares is held in the United States and it fails to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs under U.S. federal securities laws as a U.S. domestic issuer may be significantly more than the costs incurred as a Canadian foreign private issuer eligible to use the multijurisdictional disclosure system ("MJDS"). If the Company is not a foreign private issuer, it would not be eligible to use the MJDS or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. In addition, the Company may lose the ability to rely upon certain exemptions from NYSE American corporate governance requirements that are available to foreign private issuers.

*U.S. investors may not be able to obtain enforcement of civil liabilities against the Company.*

The enforcement by investors of civil liabilities under the United States federal or state securities laws may be affected adversely by the fact that the Company is governed by the *Business Corporations Act* (Alberta), that some of the Company's officers and directors are residents of Canada or otherwise reside outside the United States, and that all, or a

substantial portion of their assets and a substantial portion of the Company's assets, are located outside the United States. It may not be possible for investors to effect service of process within the United States on certain of the Company's directors and officers or enforce judgments obtained in the United States courts against the Company, certain of its directors and officers based upon the civil liability provisions of United States federal securities laws or the securities laws of any state of the United States.

*Common share prices will likely be highly volatile, and your investment could decline in value or be lost entirely.*

The market price of the common shares is likely to be highly volatile and may fluctuate significantly in response to various factors and events, many of which the Company cannot control. The stock market in general, and the market for mining company stocks in particular, has historically experienced significant price and volume fluctuations. Volatility in the market price for a particular issuer's securities has often been unrelated or disproportionate to the operating performance of that issuer. Market and industry factors may depress the market price of the Company's securities, regardless of operating performance. Volatility in the Company's securities price also increases the risk of securities class action litigation.

*The Company's common shares must meet the requirements of the NYSE American.*

The NYSE American rules provides that the NYSE American may, in its discretion, at any time, and without notice, suspend dealings in or remove any security from listing or unlisted trading privileges, if, among other things, where the financial condition and/or operating results of the issuer appear to be unsatisfactory or it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make further dealings on the NYSE American inadvisable. Although the Company has received no indication or notification that its common shares may be delisted, in light of the current per common share price and the Company's financial losses, there is no assurance that the Company's common shares will continue to be listed on the NYSE American.

*Offers or availability for sale of a substantial number of common shares may cause the price of the Company's common shares to decline.*

In the future, in connection with current and future financings, the Company could have sales of a significant number of its common shares in the public market which could harm the market price of its common shares and make it more difficult for the Company to raise funds through future offerings of common shares. The Company's shareholders may sell substantial amounts of its common shares in the public market. The availability of these common shares for resale in the public market has the potential to cause the supply of its common shares to exceed investor demand, thereby decreasing the price of the common shares.

In addition, the fact that the Company's shareholders can sell substantial amounts of its common shares in the public market, whether or not sales have occurred or are occurring, could make it more difficult for the Company to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that it deems reasonable or appropriate.

#### **Item 4. Information on the Company**

##### **A. History and Development of the Company**

The Company was originally incorporated under the name "424547 Alberta Ltd." in the Province of Alberta on July 5, 1990, under the *Business Corporations Act* (Alberta). The name was changed to "Tan Range Exploration Corporation" on August 13, 1991. The name of the Company was again changed to "Tanzanian Royalty Exploration Corporation" on February 28, 2006 and to Tanzanian Gold Corporation on April 17, 2019.

The Company is also registered in the Province of Ontario as an extra-provincial company under the *Business Corporations Act* (Ontario).

The principal executive office of the Company is located at Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 3400, Toronto, Ontario, M5H 4E3, and its telephone number is (844) 364-1830. Our internet address is [www.tangoldcorp.com](http://www.tangoldcorp.com).

For the year ended August 31, 2019, the Company reported a net loss of \$30,417,517. Included in the net loss is \$22,229,752 of mineral properties and deferred exploration expenses that were written off primarily relating to the

Kigosi, Itetemia and Luhala properties. In light of the Company's strategic focus on the Buckreef Project, the Kigosi, Itetemia and Luhala properties were placed in a care and maintenance phase for potential development in the future. The Company incurred deferred exploration expenditures of \$3,137,557 during the year ended August 31, 2019.

In connection with the Company's disclosure of mineral resources/mineral reserves and the cut-off grade associated with each mineral resource/reserve, it has made certain assumptions for mineral pricing and cost associated with each cut-off grade to determine the reasonable prospects for economic extraction as discussed below.

During fiscal 2019, the Company focused on the Buckreef Project. In January 2019, Stamico and Coreworthy were selected to complete Phase One of the Company's planned three-phase drill program and in February 2019, the Company announced new assay results from the first completed drill hole PBR010, which included two mineralized zones. In March 2019, further assay results were announced with significant intercepts reported from two additional drill-holes, PBR05 and PBR07, as well as assay results for six drill-holes, PBR06, PBR08, PBR024, PBR025; PBR028 and PBR029, drilled to target the strike and down-dip extension of gold mineralization associated with a hanging-wall zone, one of two major splays associated with the Buckreef main shear returned wide but low grade gold values. In early May 2019, the first set of assay results were announced from the deep level diamond core drilling program at the Buckreef Project. Significant intercepts were reported from Hole L13-3, the first diamond drill-hole below the pit bottom on the central section of the Buckreef main zone. Assay results from the ongoing RC in-fill drilling program within the open pit were received for five additional holes PBR018, PBR019, PBR020, PBR01 and PBR024 with significant intercepts on Hole PBR18, PBR19 and PBR20. In late May 2019, results from three holes were announced, which brought to an end Phase I of the in-pit drilling program. Significant intercepts were noted for Hole U22-1, Hole L19-1 and PBR011. In early June 2019, the results from the third hole, Hole L19-2, of the Phase II drilling program were announced, with notable intercepts. In early August 2019, the Company announced the start of a geophysical survey at the Buckreef Project to help complete the Company's new resource-geology model, which geophysical survey was completed by mid-September.

## **B. Business Overview**

The Company is a mineral resource company with exploration stage properties, which engages in the acquisition of interests in and the exploration of natural resource properties in the future and the possible development of those properties where warranted. The Company commits its own resources to the initial evaluation of mineral properties and in select situations, if and when warranted, the Company enters into joint venture agreements with other corporations to further the exploration of such properties for the purpose of earning income from the sale of gold and other mined materials. At present, the Company's natural resource activities do not generate any income.

The Company's main area of interest has been in the exploration and development of gold properties, with a primary focus on exploring for and developing gold properties in Tanzania. Tanzania remains the focus of the Company's exploration and development activities.

In the Company's view, its use of a joint venture in addition to its planned direct exploration and development offers investors leverage to precious and base metal prices with lower risk and shareholder dilution. Future production royalties from any producing properties discovered by joint venture partners would provide the Company with a direct interest in the mine's cash flow, with exposure to any benefits from new discoveries and production growth, but without the capital obligations, and environmental and social liabilities, associated with direct ownership.

## **Plan of Operations**

### *Exploration Activities*

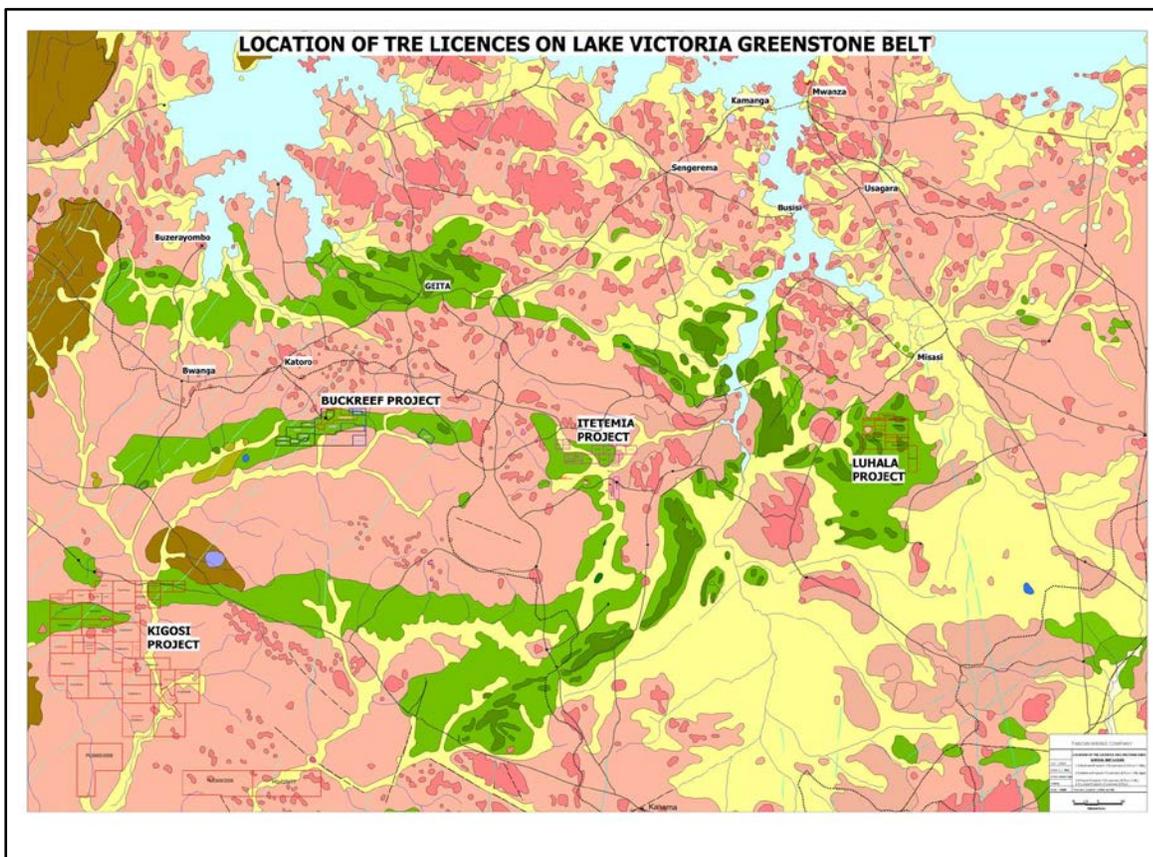
All of the properties in which the Company holds an interest are in the exploration and preliminary economic assessment stages of mining. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the control of the Company.

By way of general description of the Company's operating activities, the Company's business operations involve using known or published geological and geophysical data to locate mineral resource properties meriting further exploration or development. Once identified, the Company must stake and apply for registration to title of the mineral properties, or negotiate the acquisition of such properties from any third party owners. Upon registration or acquisition of title, the

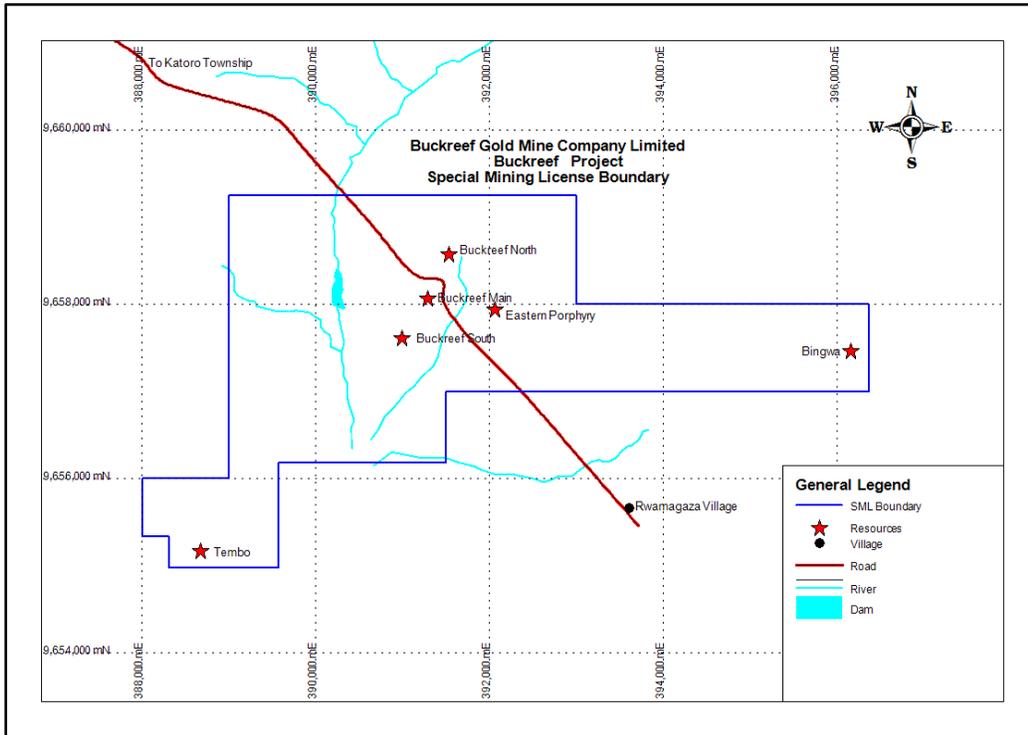
Company then designs a program of preliminary exploration which can involve grid mapping, geophysical and magnetic surveying, geochemical surveying, geological mapping and sampling, grab sampling, assaying and other forms of prospecting as circumstances may require. Based on the preliminary results, mineral properties are ranked according to merit for further exploration work, which may involve further mapping, more detailed geophysical and geochemical surveying, and trenching to identify potential drill targets. If mineralization is indicated which merits further investigation, drill targets are selected and a preliminary RC drilling program commences for underground sampling and assaying. If the results are positive, then a diamond drilling program will commence mainly to check, verify and confirm the mineralization potential of the prospect.

Based on the drilling program results, the Company will develop models of the underlying geology and mineralized zones for more detailed testing. After further drilling, some mineralized zones will then be modeled using relevant geological software and ultimately be classified as inferred or indicated mineral resources. With sufficient infill drilling, these inferred or indicated mineral resources can be confirmed as a measured mineral resource, upon which a pre-feasibility study can be prepared by a qualified, independent mining engineer or geologist to determine whether mining activities are economic in the circumstances of the particular property. A pre-feasibility study must be completed under the requirements of NI 43-101 in Canada in order for mineral reserves to be designated and to confirm the appropriate mining and mineral processing method based on the geological and metallurgical studies of the ore. A final or bankable feasibility study must be completed for the designation of reserves under the SEC's Industry Guide 7. If the bankable feasibility study is favorable, the Company can then use the feasibility study to seek out the necessary financing from a merchant banker or other financial institution for mine construction and development.

The map below shows the regional location of the Company's primary properties with historical and/or a current published mineral resource estimate in Tanzania.



The map below shows the location of mainstay prospects that make up the Company's Buckreef Project with a published Mineral resource and Mineral reserve estimate in Geita District, Tanzania



## Highlights for the year ended August 31, 2019

### Financial:

- On August 13, 2019, the Company closed a public offering of 4,000,000 common shares at US\$0.75 raising US \$3,000,000.
- On July 1, 2019, the Company closed a registered direct offering of 1,916,379 common shares at US\$0.58 per share raising US \$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 in a registered direct offering.
- 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 in a registered direct offering.
- 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 in a registered direct offering.
- 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) in a registered direct offering. Share issue costs amounted to \$103,591 for net proceeds of \$1,069,207.
- During the year ended August 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\$0.3357 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at a price of US\$0.3357 per share. There is no prepayment penalty.

During the year ended August 31, 2019 the Company settled \$130,670 (US\$100,000) of principal amount of outstanding loans through the issuance of 402,077 common shares.

- During the year ended August 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 one 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 exercise prices ranging from US\$0.27 to US\$0.34 per share. Interest is payable quarterly, either in cash or in shares at the option of the lender at prices ranging from US\$0.27 to US\$0.34 per share.

During the year ended August 31, 2019, the Company settled \$2,614,343 (US\$2,028,768) of principal amount of outstanding loans through the issuance of 7,387,818 common shares.

- 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 686,446 common shares with a value of \$581,181. The finder's fee was allocated proportionally between the gold loans and convertible loans.
- 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.

### ***Buckreef Project: Mine Development and Operations***

Please refer to “*Exploration*” below for details about exploration work carried out on the Buckreef Project during fiscal 2019. No mining or ore processing activities conducted at South Pit and Plant during the year under review. Cumulative Total Ore mined from the Buckreef South Pit (ROMPad + Pad#1-Pad#3+Crusher pad) as of August 31, 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 August 31, 2019, 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).

The following is a summary of the work carried out on the Buckreef Project during fiscal 2019.

- The Buckreef Technical team with inputs from Virimai Projects (consultant QP) completed a 63-hole (LOM) deep drilling program totaling 39,305m (underground potential resource) and a 29-hole resource upgrade drilling program totaling 4,463m focusing on the main Buckreef Project.
  - Tenders inviting bids for the planned Phase 1 resource upgrade drilling program were floated in local newspapers as per new Mining regulations in December 2018.
  - Applications for new licenses covering same area for 6 Buckreef licenses (PL6431/10; PL6544/10; PL6545/10; PL6546/10; PL6547/10 & PL6548/10) were lodged on 12th November 2018 with the offices of the Mining Commission (Ministry of Mines Licensing now under the Commission).
  - The Application on the Buziba license (PL6545/10) was submitted for conversion to an ML based on the initial economic studies already completed on the license, including the 2012 Preliminary Economic Assessment (PEA) Report completed on the Buziba prospect by Venmyn resource consultants of South Africa.
  - The first renewal license application on PL9968-14 was successfully uploaded on the Ministry's Online Portal to generate application fee invoice. The US\$300 invoice was subsequently sent to the accounts department (Dar) for settlement.
  - The Company was served with a seven-day Ministerial eviction order to vacate the Kigosi project base camp while negotiations for renewed access. This was part of enforcing the law barring mining and exploration for gold and base metals in game reserve areas after the Minister of Natural Resources & Tourism visited the area on 26th July 2018.

- The Company successfully relocated all pertinent equipment and drill-cores from the Kigosi camp to Buckreef mine site as part of compliance with the Ministerial order to vacate Luhwaika camp while access negotiations proceed.
  - Issuance of the Itetemia Mining License (Applic. #01722), applied for on 4<sup>th</sup> November 2015 is reportedly still under review. The Commission circulated the Local Content Regulation documentation and The Pledge that are both mandatory for submission as the last critical part of their review process. This was completed and submitted.
- In January 2019 it was announced that Stamico and Coreworthy had been selected to complete Phase One of the Company's planned three-phase drill program. The three-phase drill program, planned and directed by Ulrich Rath, Chair of the Company's Technical Committee, consists of:
- Phase One to be approximately 4,500m of infill drilling designed to upgrade existing inferred ounces within the proposed open pit and to begin testing of the deep contact below the open pit.
  - Phase Two will continue to delineate and test the continuity and extent of the deep contact; and
  - Phase Three work will be based upon information received from Phases One and Two.
- In February 2019 new assay results were announced from the infill RC drill program. Significant intercepts reported from the first completed drill-hole PBR010 include two mineralized zones as more particularly described under "*Exploration*" below.
- In March 2019 further assay results were announced from the infill RC drill program. Significant intercepts reported from two additional drill-holes targeting the Buckreef main zone are set out under "*Exploration*" below.

In addition, assay results for six drill-holes PBR06, PBR08, PBR024, PBR025; PBR028 and PBR029 drilled to target the strike and down-dip extension of gold mineralization associated with a hanging-wall zone, one of two major splays associated with the Buckreef main shear returned wide but low grade gold values with assay highlights as more particularly described under "*Exploration*" below.

- In early May 2019, the first set of assay results were announced from the deep level diamond core drilling program at the Buckreef Project. Significant intercepts reported from Hole L13-3, the first diamond drill-hole below the pit bottom on the central section of the Buckreef main zone are more particularly described under "*Exploration*" below.
- Assay results from the ongoing RC in-fill drilling program within the open pit were received for five additional holes PBR018, PBR019, PBR020, PBR01 and PBR024 as more particularly described under "*Exploration*" below.
- In late May 2019, results from three holes were announced, which brought to an end Phase I of the in-pit drilling program, which are set forth under "*Exploration*" below.
- In early June 2019, the results from the third hole, Hole L19-2, of the Phase II drilling program were announced. The objective of Phase II is to identify gold mineralization in the range of 50 to 200m below the pit bottom of the open pit that is the basis of the NI 43-101 ITR. The two previous drill holes in Phase II are Holes 13-3 and U22-1. All three holes have encountered significant mineralized widths that include notable intersections of high grade.
- In early August 2019, the Company announced the start of a geophysical survey at the Buckreef Project to help complete the Company's new resource-geology model, which geophysical survey was completed by mid-September 2019.

Exploration Geophysics Pty Ltd was on site and commenced down-the-hole wireline geophysical surveys of holes drilled earlier in the year. This was done by using a probe with IP and Electromagnetic sensors that feed a continuous stream of data on resistivity and chargeability of the host rocks to a truck on surface. This data will then be analyzed and will assist identification and/or correlation of different rock units and shear structures between the various drill-holes and thus also provide potential targets for follow up in-fill drilling.

## *Exploration*

In January 2019 it was announced that Stamico and Coreworthy had been selected to complete Phase One of the Company's planned three-phase drill program. The three-phase drill program, planned and directed by Ulrich Rath, Chair of the Company's Technical Committee, consists of:

- Phase One to be approximately 4,500m of infill drilling designed to upgrade existing inferred ounces within the proposed open pit and to begin testing of the deep contact below the open pit.
- Phase Two will continue to delineate and test the continuity and extent of the deep contact; and
- Phase Three work will be based upon information received from Phases One and Two.

This three-phased drilling program is designed to add significant overall value as well as to improve the already robust economics of the Buckreef Project.

The results will drive future development, potentially demonstrate value added improvements in project economics and gain critical insight into the potential underground resource which makes this program potentially extremely accretive in nature.

The Company complied with the bidder pre-qualification process as required by the 2018 Tanzanian local content regulations, and tendered Requests for Proposal (RFP's) to qualified drilling contractors. With this selection of the contractors by the Board of Directors, Parts B and C of the 2018 local content regulations were completed and submitted.

Additional information on the Buckreef Project can be found in the NI 43-101 ITR as filed on SEDAR.

In the NI 43-101 ITR, Virimai recommended an infill drilling program. This critical first phase itself has two purposes. Within the currently conceived open pit, this program will upgrade the mineable ounces, moving as much as possible of the current inferred resources to the measured and indicated categories and move some indicated resources to measured resources. Most importantly, high priority will be given to conduct drilling to confirm the previously known strong intersections and grades from deep holes and begin to test the deposit at depth and for potential as an underground mine.

In February 2019 new assay results were announced from the infill RC drill program. Significant intercepts reported from the first completed drill-hole PBR010 include two mineralized zones:

- 8m grading 2.32 g/t Au from 47m depth,
- 11m grading 3.06 g/t Au from 74m depth.

The upper mineralization zone comprises intensely altered basaltic schist with >20% vein quartz chips while the lower intercept also comprises altered basaltic schist but with <20% vein quartz chips. The target area is being in-filled to confirm mineralization extension at near surface depth (1st intercept) and also testing the depth continuation of the main mineralized zone within the defined main pit outline (2nd intercept).

In March 2019, further assay results were announced from the infill RC drill program. Significant intercepts reported from two additional drill-holes targeting the Buckreef main zone include highlights as follows:

- Hole PBR05 intersected 28m of gold mineralization grading @ 4.23g/t gold from 48m to 76m including:
  - 16m grading @ 6.72g/t gold from 60m to 76m including:
    - 3m grading @ 25.17g/t gold from 69m to 72m
- Hole PBR07 intersected 30m grading @ 1.27g/t gold from 142m to 172m including:
  - 3m grading @ 2.32g/t gold from 151m to 154m; and
  - 8m grading @ 1.84g/t gold from 155m to 163m

In addition, assay results for six drill-holes PBR06, PBR08, PBR024, PBR025; PBR028 and PBR029 drilled to target the strike and down-dip extension of gold mineralization associated with a hanging-wall zone, one of two major splays associated with the Buckreef main shear returned wide but low grade gold values with assay highlights including:

- 132m of gold mineralization in 33 narrow stringer zones; including;
  - Hole PBR08 intersected 2m grading @ 1.32g/t gold from 115m to 117m
  - Hole PBR06 intersected several narrow zones, including:
    - 1m grading @ 1.07g/t gold from 59m to 60m
    - 2m grading at 1.46g/t gold from 62m to 64m, and
  - 1m grading @ 1.09g/t gold from 76m to 77m
- All other zones intersected gold mineralization of less than 1.0g/t Au.

In early May 2019, the first set of assay results were announced from the deep level diamond core drilling program at the Buckreef Project. Significant intercepts reported from Hole L13-3, the first diamond drill-hole below the pit bottom on the central section of the Buckreef main zone include:

- 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

The drill-hole was drilled to a depth of 555 meters, one meter is equal to 3.2808 feet, for a total depth of 1,820 feet, all diamond core.

Assay results from the ongoing RC in-fill drilling program within the open pit were received for five additional holes PBR018, PBR019, PBR020, PBR01 and PBR024. Significant intercepts include:

- 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

In late May 2019, results from three holes were announced, which brought to an end Phase I of the in-pit drilling program.

Hole U22-1 was a diamond drill hole that went through the open pit and continued outside and below the current pit bottom. Both Hole L19-1 and PBR011 were RC holes that were in the open pit. Each of these three holes intersected significant intervals of continuous gold mineralization ranging from 89.6 m to two intersections of about 30m and to three intersections in the range of 17m - 21.0m. Also notable is the fact that many of these intersections were at an average gold grade that is significantly higher than the weighted gold grade of 1.5 g/t for the entire open pit.

Intersections from Hole U22-1 are shown from inside the open pit and from below the pit bottom, which is approximately 210m from surface. Several notable intersections; such as 9.4m @ 6.5 g/t Au and 5.0m @ 7.7 g/t Au were encountered approximately 120m below the pit bottom. Significant intersections were also found below the open pit bottom in Hole 13-3, the first hole of Phase II, as reported in the company's press release of May 1, 2019. All remaining holes in Phase II will be testing for mineralization at various levels below the open pit bottom.

Significant intercepts from the last three holes of Phase I are:

#### 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 and 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 12.1 g/t Au from 162m, including
    - 1.0m grading @ 19 g/t Au at 163m

In early June 2019, the results from the third hole, Hole L19-2, of the Phase II drilling program were announced. The objective of Phase II is to identify gold mineralization in the range of 50 to 200m below the pit bottom of the open pit that is the basis of the NI 43-101 ITR. The two previous drill holes in Phase II are Holes 13-3 and U22-1. All three holes have encountered significant mineralized widths that include notable intersections of high grade.

Notable intercepts in the third hole are:

#### Hole L19-2

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

In early August 2019, the Company announced the start of a geophysical survey at the Buckreef Project to help complete the Company's new resource-geology model, which geophysical survey was completed by mid-September 2019.

Exploration Geophysics Pty Ltd was on site and commenced down-the-hole wireline geophysical surveys of holes drilled earlier in the year. This was done by using a probe with IP and Electromagnetic sensors that feed a continuous stream of data on resistivity and chargeability of the host rocks to a truck on surface. This data will then be analyzed and will assist identification and/or correlation of different rock units and shear structures between the various drill-holes and thus also provide potential targets for follow up in-fill drilling.

The initial phase of the geophysical survey is based on 10 holes with a survey length of about 3,620m. The Company expects that additional holes will be surveyed in Phase Two. The actual number of surveyed holes will also depend on accessibility as some might have collapsed after the drill rods were pulled out.

The data from the geophysical survey will assist the Company in completing its resource-geology model. This model will be a state-of-the-art interpretation of the principal geological elements that carry gold mineralization and the key structures that are important in the distribution of gold along an estimated strike length of 1,200m of the Buckreef mineral

occurrence. The model will extend from surface to depths that are in some locations several hundred meters below the pit bottom of the current open pit as reported in the NI 43-101 ITR.

The geological and structural information arising from the geophysical surveys will also be used to facilitate definition of hard wireframes that are necessary in order to do resource estimations. All resource estimations released by the Company on the Buckreef Project to date are based on a model verified by Virimai.

The model is divided into nine domains. The wireframes for these domains were designed to be mineralization envelopes largely unconstrained by geological or structural limitations. There are a total of 22 sub-domains in the model. In general, the gold assay data of the sub-domains are statistically distinct from the population of the main domains. The Company expects that the wireframes in the new geological-resource model will be closely linked to the geological information in the model.

At the time that the Company acquired the Buckreef Project (encompassing Buckreef, Tembo, Bingwa and Buziba prospects) it also acquired a significant database of assays and drill logs from such predecessor companies such as IAMGold and others. In total, this historical database came from over 8,700 exploration holes that amounted to 202,000m of RC drilling and 28,000m of diamond drilling. For the initial mineral resource definition, the RC and diamond core drill-hole database was interrogated and verified by Virimai.

On the Buckreef Project itself, the Company has assembled a large database that contains gold assays as well as geological information from over 892 Holes (137,509.95m). In addition to gold assays, the database also has geological information such as rock types, alteration type, amount of sulphide and structural information such as the presence of shear zones. All this information is being used to put together the new resource-geology model. Drilling of Phase II diamond drill holes is continuing on the property.

The Company has revised its license portfolio by discarding certain licenses in line with the strategic decision to focus on the Buckreef Project as well as closely monitor and reduce its liabilities arising from statutory payments such as annual fees and JV option payments to underlying vendors.

In line with the new program to established prospecting licenses by registered local companies, the Company's license holdings as of September 30, 2019 comprises a total of 28 active licenses and 104 forfeited licenses with underlying debt split by status as follows:

Active Licenses:

<b>Category</b>	<b>Project_ID</b>	<b># of PLs</b>
<b>Retain</b>	<b>Buckreef</b>	<b>14</b>
	<b>Itetemia</b>	<b>3</b>
	<b>Kigosi</b>	<b>3</b>
	<b>Luhala</b>	<b>1</b>
<b>JV</b>	<b>Lunguya</b>	<b>1</b>
<b>Discard</b>	<b>Biharamulo</b>	<b>1</b>
	<b>Tulawaka</b>	<b>1</b>
	<b>Itetemia</b>	<b>1</b>
	<b>Kanegele</b>	<b>2</b>
	<b>Kigosi</b>	<b>1</b>
		<b>28</b>

Forfeited Licenses (with outstanding debt):

Category	Project_ID	# of PLs
Forfeited	Biharamulo	7
	Igunga	1
	Itetemia	6
	Kanegele	10
	Kibara	3
	Kigosi	26
	Luhala	3
	Lunguya	9
	Majimoto	1
	Manonga	10
	Mbogwe	1
	Mwadui	7
	Nyanzaga North	2
	Nzega	2
	Other	3
	Shinyanga	1
	Tulawaka	7
Ushirombo	5	
	<b>104</b>	

In order to maintain the existing site of mining and exploration licenses, the Company is required to pay annual license fees. The Company has been making efforts to pay off certain of its outstanding annual license fees since October 2014 for all its active licenses. In addition, the Ministry of Mines has put into effect a requirement that even though a license is forfeited, the outstanding annual fees are still due for payment hence considered a liability now included in the Company's financial statements.

As of September 30, 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 (including forfeited PLs all of which no longer appear on our portal) in unpaid rents including the penalties is approximately US\$511,548 consisting as follows:

- Forfeited Licenses Outstanding Annual Fees: US\$353,009; and
- Forfeited Penalty Fees: US\$158,538.

Highlights on the landholdings include:

- Annual fees for the Buckreef Special Mining License has been duly paid, is presently current and in full force and effect.
- The Itetemia ML application was arbitrarily cancelled by the Mining Commission without any formal communications on the outcome of the Company's original application submitted in November 2015. The Company has initiated a formal appeal to reverse that decision.
- The Company also suspended its Kigosi project, a pre-production mining project whose development has been delayed due to recently enacted laws on mining in areas designated as game reserves. During the reporting period, the Mining Commission assumed 100% control of the Kigosi ML96/2013 while the protracted negotiations for access to the restricted Kigosi game reserve area are ongoing. Management has engaged the Mining Commission as well as the Minister of Mines to determine the event that have occurred. The Company has taken action to remedy the situation. 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.
- Due to some attempted invasion in and around the Buckreef Project, the Company has requested and been granted the presence of Tanzanian police at the camp site and is negotiating a Memorandum of Understanding

with the Tanzanian Inspector General Police, to have a permanent security detail from the Police force as we go forward with the project development.

Brief description of the work done and license holdings grouped by project names is summarized in the section below.

### **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. 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 Buckreef Project comprises five prospects namely Buckreef, Bingwa, Tembo, Eastern Porphyry and Buziba. The Buckreef Project encompasses three ore zones namely Buckreef South, Buckreef Main and Buckreef North. The Buckreef 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 August 31, 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 31<sup>st</sup> 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 31<sup>st</sup> 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 August 31, 2019:

- Continued Phase 2 resource upgrade Diamond Core (DD) drilling program.
- Commenced Phase 2 RC pre-collaring for deeper DD resource upgrade drill-holes.

#### **Reverse Circulation (RC) Drilling (Pre-collaring)**

- Phase 2 Reverse Circulation (RC) resource upgrade drilling comprising seven (7) RC drill-holes with a combined total metreage of 1,503m all drilled by Coreworthy mainly as RC pre-collaring was completed during the reporting period.

#### **Diamond Core (DD) Drilling**

- An additional eight DD drill-holes with a combined total metreage of 2,716.12m (all done by Coreworthy) were completed during the reporting period.

#### **Drilling Assay Results**

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

- L91\_2 (BMDD217): [1m@1.16g/t](#) Au from 255m; [66.7m@4.51g/t](#) Au from 357.30m including [3m@4.85g/t](#) Au from 358m; & [31m@7.10g/t](#) Au from 385m including [7m@17.00g/t](#) Au from 398m.
- L21\_3 (BMRC295): 65.21m@0.42g/t Au from 252.31m including 1.50m@1.18g/t (298.50m), 5m@1.05g/t (317m) & 1m@1.34g/t (342m); 65.45m@1.06g/t Au from 361.45m including 6.69m@3.41g/t (364m), 13.07m@1.88g/t (393m) with 3.56m@3.68g/t (402m); 1.20m@2.34g/t (428.50m) & 3m@1.07g/t (462m).
- U22.5\_1 (BMDD218): [4m@1.36g/t](#) Au from 29m; [8m@1.36g/t](#) Au from 305m including [1m@5.41g/t](#) (307m) & [3m@1.37g/t](#) Au from 364m.

*Mineral Resource and Mineral Reserve Estimates*

The Buckreef Project mineral resources as at August 31, 2019 using a cut-off grade of 0.5g/t is as summarized in the table below:

***Buckreef Project Mineral Resource Estimate as of August 31, 2019***

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
<b>Total</b>	<b>9.90</b>	<b>1.81</b>	<b>577,411</b>	<b>14.79</b>	<b>1.40</b>	<b>666,285</b>	<b>9.25</b>	<b>1.36</b>	<b>405,201</b>	<b>24.69</b>	<b>1.57</b>	<b>1,243,696</b>

Source: Virimai Projects 2018

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

Mineral Resources inclusive of Mineral Reserves

Estimates over variable widths to 3m to 40m

Bulk Density ranges 2.0g/cm<sup>3</sup> to 2.8g/cm<sup>3</sup>

Inconsistencies in totals are due to rounding down

55% attributable to TRX

Cut-off grade 0.5g/t Au

The Buckreef Project Mineral Reserve estimate is based on a gold cut-off grade of 0.37grams per tonne which has been calculated from the following parameters:

Gold Price (pit shell): US\$ 1,300 per oz

- Mining Cost (waste & ore): US\$1.13 per ton
- Mining Cost (ore): US\$17.67 per ton
- Process Cost: US\$10.24 per ton of ore
- Labour Cost: US\$1.98 per ton
- Recovery: 92.3% for oxides
- Recovery 85% for sulphides

The Buckreef Project pit-optimized mineral reserves as at August 31, 2019, are as summarized in the table below:

Pits Design Reserves Summary		COG: Oxide & Trans = 0.38, Fresh = 0.41			
		Virimai 22 <sup>nd</sup> June 2018 Pit Design Reserves Summary			
Prospect	Reserves	Tonnes	Grade	In Situ Gold Content	
Name	Category	(Mt)	Au (g/t)	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			
<b>Total (Proven + Probable)</b>		<b>16,348,562</b>	<b>1.52</b>	<b>24,809.78</b>	<b>797,652.24</b>
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		
<b>Total (Proven + Probable)</b>		<b>1,055,666</b>	<b>1.04</b>	<b>1,096</b>	<b>35,224</b>
Tembo	Proven	-	-	-	-
	Probable	70,183	2	165	5,312
	Waste	1,354,468	-		
<b>Total (Proven + Probable)</b>		<b>70,183</b>	<b>2.35</b>	<b>111</b>	<b>3,582</b>
Bingwa	Proven	1,098,383	2.39	2,366	76,074
	Probable	510,154	1.30	377	12,108
	Waste	10,311,734			
<b>Total (Proven + Probable)</b>		<b>1,608,536</b>	<b>2.04</b>	<b>2,743</b>	<b>88,182</b>
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

In light of the Company's focus on the Buckreef Project, there has been no fieldwork conducted on the Buziba Project during the past fiscal year and the project is currently in the care and maintenance stage. Accordingly, we will revise the disclosures as follows deleting reference to any mineral resources.

#### Buziba Project

The Buziba Project comprises a single prospecting license (PL6545/2010) located some 25km east of the Buckreef Project in the Geita district. The project area can be accessed from Buckreef via unpaved and poorly maintained gravel roads. The Buziba 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.

During the reporting period, no fieldwork was conducted on the Buziba Project and such property is currently in the care and maintenance phase.

#### License Holding and Status (Buckreef and Buziba)

At the end of Q4 2019, the Buckreef Project technically comprises one PL and one SML covering a surface area of 21.64km<sup>2</sup>. However, due to ongoing discussions for the continuance of the original JV land-holdings, the 12 other PLs whose 8-year tenure expired are still safeguarded on the Ministry of Minerals License Portal record and the license status and statutory liabilities for the Buckreef project is as shown in the table below:

**Buckreef Project PL Portfolio Status – License Status and Liabilities as of August 31,, 2019**

Project_ID	Company_ID	Vendor_ID	PL_ID	Application Date	Granted Date	Rent Paid To	Expiry Date	Area (km2)	Status	Application Fee	Preparation fee	Annual Rent 2019/20	Total Cost
Buckreef	Buckreef	Stamico	PL6427/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	2.1	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6428/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	3.0	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6429/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	20.0	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6430/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	8.9	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6549/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	2.7	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6432/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	2.0	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6431/10	12-Mar-10	21-Jun-10	20-Jun-18	20-Jun-18	2.7	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6544/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	2.6	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6546/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	17.4	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6547/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	5.3	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6548/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	1.9	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL6545/10	30-Mar-10	12-Jul-10	11-Jul-18	11-Jul-18	5.3	Byr-tenure Expired				\$0.00
Buckreef	Buckreef	Stamico	PL9968/14	21-Oct-13	10-Jul-14	9-Jul-20	9-Jul-21	5.6	Active			\$0.00	\$0.00
Buckreef	Buckreef	Stamico	SML04/92	12-Jun-00	12-Jun-00	11-Jun-20	11-Jun-27	16.0	Active			\$0.00	\$0.00
<b>Grand Total</b>										<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

- According to the updated Government Records the Buckreef-Buziba Project Annual Fees Liability as of 31st August is USD\$0.00.
- The Company, through its JV partner, Stamico, is still in the process of negotiating with the Mining Commission to issue new Licenses to preserve the PL holdings for the JV agreement.
- The Company still has not received any information back from the Government on its request to review the proposed land compensation for villagers affected by the expanded Buckreef Special Mining Lease area.

**Itetemia Property**

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.

The process to convert the PL covering the Horseshoe Gold Prospect at Itetemia into a Mining License (ML) commenced on November 4, 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 the events, and the Company is taking action to remedy the situation. 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 legal remedy under the Tanzanian / Canadian economic treaty of 2013.

As of September 30, 2019, the retained portion of the Itetemia Property area now has 4 active PLs all covering a surface area of 13.37km2. However, as of May 2019, the area covered by the ML application has five (5) PMLs already granted over the ML application area and now the subject of a court case filed by the Company to redress the situation.

**Itetemia Gold Project PL Portfolio Status – License Status and Liabilities as of August 31, 2019**

Project_ID	Company_ID	Vendor_ID	PL_ID	Application Date	Granted Date	Rent Paid To	Expiry Date	Area (km2)	Status	Application Fee	Preparation fee	Annual Rent 2019/20	Total Cost
Itetemia	Tanzam	Stamico	PL8638/2012	02-Nov-10	21-Dec-12	20-Dec-19	20-Dec-19	4.21	Active	\$300.00		\$842.00	\$1,142.00
Itetemia	Tancan	Stamico	PL8661/2012	18-May-09	24-Dec-12	23-Dec-19	23-Dec-19	4.62	Active	\$300.00		\$924.00	\$1,224.00
Itetemia	Tanzam	Stamico	PL8958/2013	14-Jun-10	08-Feb-13	7-Feb-20	07-Feb-20	2.27	Active	\$300.00		\$0.00	\$300.00
Itetemia	Tanzam		PL9568/2014	29-Jun-09	27-Jan-14	26-Jan-18	26-Jan-18	1.47	Active				\$0.00
<b>Grand Total</b>										<b>\$900.00</b>	<b>\$0.00</b>	<b>\$1,766.00</b>	<b>\$2,666.00</b>

- All three of the critical PLs were successfully renewed.
- Current liability (no penalties) on the Itetemia licenses totals US\$2,666 mainly related to planned renewal applications and attendant annual fees for the renewal period 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.

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.

The table below shows the status (as of August 31, 2019) of the Kigosi Project license portfolio (identified as critical to the project) has 4 active PLs all covering a surface area of 61.98km<sup>2</sup> (excluding the Kigosi ML096/2013 that was put under Mining Commission protector ship while access negotiations are underway) 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 August 31, 2019

Project_ID	Company_ID	Vendor_ID	PL_ID	Application Date	Granted Date	Rent Paid To	Expiry Date	Area (km2)	Status	Application Fee	Preparation fee	Annual Rent 2019/20	Total Cost
Kigosi	Tanzam	Abby Mining	PL10170/2014	15-Oct-13	29-Aug-14	28-Aug-18	28-Aug-18	14.90	Pending Renewal	\$300.00		\$5,587.50	\$5,887.50
Kigosi	Tanzam	Abby Mining	PL10171/2014	13-Dec-13	29-Aug-14	28-Aug-18	28-Aug-18	22.69	Pending Renewal	\$300.00		\$8,508.75	\$8,808.75
Kigosi	Tanzam	Abby Mining	PL10184/2014	15-Oct-13	29-Aug-14	28-Aug-18	28-Aug-18	19.50	Pending Renewal	\$300.00		\$7,312.50	\$7,612.50
Kigosi	Tanzam	Bazos	PL10187/2014	13-Apr-12	29-Aug-14	29-Aug-18	28-Aug-18	4.89	Active	\$300.00	\$300.00	\$489.00	\$1,089.00
<b>Grand Total</b>										<b>\$1,200.00</b>	<b>\$300.00</b>	<b>\$21,897.75</b>	<b>\$23,397.75</b>

- Applications for renewal of three of the critical licenses were successfully submitted.
- Current liability (no penalties) on the active licenses totals US\$23,398 mainly related to planned renewal applications and attendant annual fees for the renewal period as itemized in the table above.
- There is an anticipated liability that will stem from some of the forfeited licenses whose outstanding annual fees at the time of forfeiture are being tabulated by the Ministry.

## 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.

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 period, critical Luhala project area had 1 PL covering a surface area of 3.45km<sup>2</sup>. 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 August 31, 2019

Project_ID	Company_ID	Vendor_ID	PL_ID	Application Date	Granted Date	Rent Paid To	Expiry Date	Area (km2)	Status	Application Fee	Preparation fee	Annual Rent 2019/20	Total Cost
Luhala	Tancan		PL8937/2013	14-Jun-10	08-Feb-13	07-Feb-20	07-Feb-20	3.45	Active	\$300.00		\$0.00	\$300.00
<b>Grand Total</b>										<b>\$300.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$300.00</b>

- The single PL has been renewed.

- Current liability (no penalties) on the Active license totals US\$300 mainly related to planned renewal applications and attendant annual fees for the renewal period as itemized in the table above.
- There is an anticipated liability that will stem from some of the forfeited licenses whose outstanding annual fees at the time of forfeiture are being tabulated by the Ministry.

### **Exploration Projects Updates: Other PLs (JV/Discard)**

Following the Company's decision to include mine development to its strategy of focusing on the development of the Buckreef Project from its portfolio of properties and with the rising costs of maintaining prospecting and other licenses in Tanzania, management continues to streamline its license portfolio in Tanzania.

During the reporting period, the Company managed to pay off the bulk of the liabilities (as per the last government published debtors' list of January 31, 2019) for Prospecting Licenses proposed for possible Joint Venture partnerships (blue text) and/or discard (purple text) and subsequently discarded the bulk of the licenses that were considered surplus (Discard category). The entire portfolio covers a combined area of 67.52km<sup>2</sup>.

### ***Remaining Gold Project PL Portfolio Status – License Status and Liabilities as of August 31, 2019***

Project_ID	Company_ID	Vendor_ID	PL_ID	Application Date	Granted Date	Rent Paid To	Expiry Date	Area (km2)	Status	Application Fee	Preparation fee	Annual Rent 2019/20	Total Cost
Lunguya	Tanzam		PL10145/2014	30-Dec-12	29-Aug-14	28-Aug-15	28-Aug-18	8.53	Pending Renewal	\$300.00		\$3,198.75	\$3,498.75
Biharamulo	Tanzam		PL8963/2013	24-Dec-09	08-Feb-13	7-Feb-17	07-Feb-17	22.15	Active-in default				\$0.00
Kanegele	Tanzam		PL10186/2014	30-Mar-12	29-Aug-14	28-Jan-18	28-Aug-18	2.32	Active				\$0.00
Kanegele	Tanzam		PL8664/2012	17-Sep-09	21-Dec-12	20-Dec-16	20-Dec-16	3.19	Active				\$0.00
Kibara	Tanzam		PL9231/2013	30-Oct-09	21-Jun-13	20-Jun-17	20-Jun-17	22.48	Active-in default				\$0.00
Tulawaka	Tanzam		PL10331/2014	06-Sep-10	20-Oct-14	19-Oct-18	19-Oct-18	8.85	Active - In Default				\$0.00
<b>Grand Total</b>										<b>\$300.00</b>	<b>\$0.00</b>	<b>\$3,198.75</b>	<b>\$3,498.75</b>

- *All the PLs have outstanding annual fees and penalty fee payments were paid up during the reporting period.*
- Current liability (no penalties) on the active license totals US\$3,499 mainly related to planned renewal applications and attendant annual fees for the renewal period as itemized in the table above.
- There is an anticipated liability that will stem from some of the forfeited licenses whose outstanding annual fee at the time of forfeiture is being tabulated by the Ministry.

### ***License Relinquishment***

The practice within the Tanzanian Mining industry during the previous years was generally accepted that companies would half the size of their active license on 1<sup>st</sup> renewal period (at the end of the first 4 years of tenure) and 2<sup>nd</sup> renewal period (at the end of the following 3 years of tenure) periods where the company would retain half of the PL and relinquish the other half to the government but subsequently submit a new application covering the relinquished half to secure ground.

Following the gazetting of the new Mining Regulations (2017) and strict adherence to the statutory directives in the Mining Act of 2010, the relinquished half of the license area now reverts back to the government and has a 4-month grace period during which no applications are entertained by the Ministry of Mines. At the end of the 4-month period, other companies can apply for the leases and it is up to the government to award the licenses in order to maximize exploration activity by more juniors. The previous license holder is not automatically guaranteed to be awarded the relinquished license.

The total number of licenses that expired and/or forfeited to the state during the reporting period amounted to 104 PLs and the liabilities by both project and company name are as summarized in the tables below.

Table 1: Tancan PLs that forfeited and outstanding Liabilities as of September 30, 2019

Licence No.	Project_ID	Vendor_ID	Licence Holder	Minerals	Status	ANNUAL FEE COMPONENT	50% PENALTY FEE COMPONENT	AMOUNT PAID 30 AUG 2019	OUTSTANDING DEBT
PL9374/2013	Itetemia	Stamico	Tancan Mining	Au	Forfeited	\$227.00	\$113.50	\$340.50	\$0.00
PL4821/2007	Itetemia		Tancan Mining	Au	Forfeited	\$1,848.00	\$924.00	\$0.00	\$2,772.00
PL4862/2007	Manonga		Tancan Mining	Au	Forfeited	\$469.00	\$234.50	\$0.00	\$703.50
PL6059/2009	Itetemia		Tancan Mining	Au	Forfeited	\$1,848.00	\$924.00	\$0.00	\$2,772.00
PL7427/2011	Kibara		Tancan Mining	Au	Forfeited	\$3,108.00	\$1,554.00	\$0.00	\$4,662.00
PL8660/2012	Biharamulo		Tancan Mining	Au	Forfeited	\$4,098.00	\$2,049.00	\$0.00	\$6,147.00
PL9226/2013	Manonga		Tancan Mining	Au	Forfeited	\$8,643.00	\$4,321.50	\$0.00	\$12,964.50
PL9232/2013	Mbogwe		Tancan Mining	Au	Forfeited	\$11,514.00	\$5,757.00	\$0.00	\$17,271.00
PL8478/2012	Tulawaka		Tancan Mining	Au	Forfeited	\$1,296.00	\$648.00	\$0.00	\$1,944.00
PL8458/2012	Manonga		Tancan Mining	Au	Forfeited	\$1,608.00	\$804.00	\$0.00	\$2,412.00
PL9785/2014	Kigosi		Tancan Mining	Au	Forfeited	\$1,260.00	\$630.00	\$0.00	\$1,890.00
PL8940/2013	Lunguya		Tancan Mining	Au	Forfeited	\$1,706.00	\$853.00	\$0.00	\$2,559.00
PL9955/2014	Tulawaka		Tancan Mining	Au	Forfeited	\$1,809.00	\$904.50	\$0.00	\$2,713.50
PL9956/2014	Kigosi		Tancan Mining	Au	Forfeited	\$5,118.00	\$2,559.00	\$0.00	\$7,677.00
PL9565/2014	Kigosi		Tancan Mining	Au	Forfeited	\$4,280.00	\$2,140.00	\$0.00	\$6,420.00
PL9777/2014	Biharamulo		Tancan Mining	Au	Forfeited	\$4,992.00	\$2,496.00	\$0.00	\$7,488.00
PL8947/2013	Mwadui		Tancan Mining	Au	Forfeited	\$7,674.00	\$3,837.00	\$0.00	\$11,511.00
PL10277/2014	Kigosi		Tancan Mining	Au	Forfeited	\$6,354.00	\$3,177.00	\$0.00	\$9,531.00
PL9338/2013	Kigosi		Tancan Mining	Au	Forfeited	\$8,836.00	\$4,418.00	\$0.00	\$13,254.00
PL10605/2015	Kigosi		Tancan Mining	Au	Forfeited	\$14,604.00	\$7,302.00	\$0.00	\$21,906.00
PL8938/2013	Kigosi		Tancan Mining	Au	Forfeited	\$1,102.00	\$551.00	\$0.00	\$1,653.00
PL9030/2013	Kigosi		Tancan Mining	Au	Forfeited	\$980.00	\$490.00	\$0.00	\$1,470.00
PL9225/2013	Kigosi		Tancan Mining	Au	Forfeited	\$1,730.00	\$865.00	\$0.00	\$2,595.00
PL6402/2010	Luhala		Tancan Mining	Au	Forfeited	\$1,534.50	\$767.25	\$0.00	\$2,301.75
PL6759/2010	Luhala		Tancan Mining	Au	Forfeited	\$2,688.00	\$1,344.00	\$0.00	\$4,032.00
PL8103/2012	Nyanzaga north		Tancan Mining	Au	Forfeited	\$2,730.00	\$1,365.00	\$0.00	\$4,095.00
PL9373/2013	Kanegele		Tancan Mining	Au	Forfeited	\$566.00	\$283.00	\$0.00	\$849.00
PL10140/2014	Kigosi		Tancan Mining	Au	Forfeited	\$747.00	\$373.50	\$0.00	\$1,120.50
PL10141/2014	Kanegele		Tancan Mining	Au	Forfeited	\$2,850.00	\$1,425.00	\$0.00	\$4,275.00
PL8961/2013	Itetemia		Tancan Mining	Au	Forfeited	\$852.00	\$426.00	\$0.00	\$1,278.00
PL6564/2010	Kigosi		Tancan Mining	Au	Forfeited	\$3,069.00	\$1,534.50	\$0.00	\$4,603.50
PL8667/2012	Kigosi		Tancan Mining	Au	Forfeited	\$870.00	\$435.00	\$0.00	\$1,305.00
PL8921/2013	Kigosi		Tancan Mining	Au	Forfeited	\$590.00	\$295.00	\$0.00	\$885.00
PL8922/2013	Kigosi		Tancan Mining	Au	Forfeited	\$7,120.00	\$3,560.00	\$0.00	\$10,680.00
PL8925/2013	Kigosi		Tancan Mining	Au	Forfeited	\$4,330.00	\$2,165.00	\$0.00	\$6,495.00
PL8666/2012	Kanegele		Tancan Mining	Au	Forfeited	\$260.00	\$130.00	\$0.00	\$390.00
PL8475/2012	Manonga		Tancan Mining	Au	Forfeited	\$580.00	\$290.00	\$0.00	\$870.00
PL8485/2012	Manonga		Tancan Mining	Au	Forfeited	\$4,092.00	\$2,046.00	\$0.00	\$6,138.00
PL8957/2013	Manonga		Tancan Mining	Au	Forfeited	\$4,092.00	\$2,046.00	\$0.00	\$6,138.00
PL8960/2013	Nyanzaga north		Tancan Mining	Au	Forfeited	\$2,697.00	\$1,348.50	\$0.00	\$4,045.50
PL8924/2013	Shinyanga		Tancan Mining	Au	Forfeited	\$8,913.00	\$4,456.50	\$0.00	\$13,369.50
PL8642/2012	Ushiroombo		Tancan Mining	Au	Forfeited	\$711.00	\$355.50	\$0.00	\$1,066.50
PL6925/2011	Ushiroombo		Tancan Mining	Au	Forfeited	\$2,202.00	\$1,101.00	\$0.00	\$3,303.00
PL8484/2012	Ushiroombo		Tancan Mining	Au	Forfeited	\$2,228.00	\$1,114.00	\$0.00	\$3,342.00
PL8639/2012	Ushiroombo		Tancan Mining	Au	Forfeited	\$1,854.00	\$927.00	\$0.00	\$2,781.00
PL7773/2012	Lunguya		Tancan Mining	Au	Forfeited	\$1,040.00	\$520.00	\$0.00	\$1,560.00
PL8920/2013	Kibara		Tancan Mining	Au	Forfeited	\$5,016.00	\$2,508.00	\$0.00	\$7,524.00
PL9201/2013	Kibara		Tancan Mining	Au	Forfeited	\$3,918.00	\$1,959.00	\$0.00	\$5,877.00
					<b>Sub Total</b>	<b>\$160,653.50</b>	<b>\$80,326.75</b>	<b>\$340.50</b>	<b>\$240,639.75</b>

Table 2: Tanzam2000 PLs that forfeited and outstanding Liabilities as of September 30, 2019

Licence No.	Project_ID	Vendor_ID	Licence Holder	Minerals	Status	ANNUAL FEE COMPONENT	50% PENALTY FEE COMPONENT	AMOUNT PAID 30 AUG 2019	OUTSTANDING DEBT
PL8465/2013	Kanegele		Tanzam2000	Au	Forfeited	\$3,870.00	\$1,935.00	\$0.00	\$5,805.00
PL8672/2014	Biharamulo		Tanzam2000	Au	Forfeited	\$7,683.00	\$3,841.50	\$0.00	\$11,524.50
PL8914/2014	Biharamulo		Tanzam2000	Au	Forfeited	\$3,512.00	\$1,756.00	\$0.00	\$5,268.00
PL9229/2013	Itetemia		Tanzam2000	Au	Forfeited	\$5,054.00	\$2,527.00	\$0.00	\$7,581.00
PL8676/2012	Kanegele		Tanzam2000	Au	Forfeited	\$472.00	\$236.00	\$0.00	\$708.00
PL9037/2013	Kanegele		Tanzam2000	Au	Forfeited	\$1,046.00	\$523.00	\$0.00	\$1,569.00
PL6455/2010	Kigosi		Tanzam2000	Au	Forfeited	\$2,973.00	\$1,486.50	\$0.00	\$4,459.50
PL8476/2012	Kigosi		Tanzam2000	Au	Forfeited	\$1,728.00	\$864.00	\$0.00	\$2,592.00
PL8477/2012	Kigosi		Tanzam2000	Au	Forfeited	\$4,266.00	\$2,133.00	\$0.00	\$6,399.00
PL8663/2012	Kigosi		Tanzam2000	Au	Forfeited	\$2,942.00	\$1,471.00	\$0.00	\$4,413.00
PL5289/2008	Lunguya		Tanzam2000	Au	Forfeited	\$3,980.00	\$1,990.00	\$0.00	\$5,970.00
PL9228/2013	Lunguya		Tanzam2000	Au	Forfeited	\$1,776.00	\$888.00	\$0.00	\$2,664.00
PL6273/2009	Nzega		Tanzam2000	Au	Forfeited	\$2,176.00	\$1,088.00	\$0.00	\$3,264.00
PL8479/2012	Tulawaka		Tanzam2000	Au	Forfeited	\$1,222.00	\$611.00	\$0.00	\$1,833.00
PL9227/2013	Ushiroambo		Tanzam2000	Au	Forfeited	\$5,481.00	\$2,740.50	\$0.00	\$8,221.50
PL6941/2011	Lunguya		Tanzam2000	Au	Forfeited	\$7,915.50	\$3,957.75	\$0.00	\$11,873.25
PL9224/2013	Kanegele		Tanzam2000	Au	Forfeited	\$3,232.00	\$1,616.00	\$0.00	\$4,848.00
PL9361/2013	Kanegele		Tanzam2000	Au	Forfeited	\$4,434.00	\$2,217.00	\$0.00	\$6,651.00
PL4605/2007	Igunga		Tanzam2000	Au	Forfeited	\$2,683.49	\$1,341.74	\$0.00	\$4,025.23
PL4838/2007	Other		Tanzam2000	Au	Forfeited	\$3,958.00	\$1,979.00	\$0.00	\$5,937.00
PL4911/2008	Tulawaka		Tanzam2000	Au	Forfeited	\$670.00	\$335.00	\$0.00	\$1,005.00
PL4962/2008	Tulawaka		Tanzam2000	Au	Forfeited	\$1,108.00	\$554.00	\$0.00	\$1,662.00
PL5278/2009	Luhala		Tanzam2000	Au	Forfeited	\$2,772.00	\$1,386.00	\$0.00	\$4,158.00
PL6222/2009	Biharamulo		Tanzam2000	Au	Forfeited	\$5,020.00	\$2,510.00	\$0.00	\$7,530.00
PL6240/2009	Other		Tanzam2000	Au	Forfeited	\$6,054.00	\$3,027.00	\$0.00	\$9,081.00
PL6666/2010	Majimoto		Tanzam2000	Au	Forfeited	\$1,516.80	\$758.40	\$0.00	\$2,275.20
PL6694/2010	Manonga		Tanzam2000	Au	Forfeited	\$9,706.00	\$4,853.00	\$0.00	\$14,559.00
PL6842/2010	Mwadui		Tanzam2000	Au	Forfeited	\$2,733.60	\$1,366.80	\$0.00	\$4,100.40
PL9781/2014	Biharamulo		Tanzam2000	Au	Forfeited	\$7,677.00	\$3,838.50	\$0.00	\$11,515.50
PL8300/2012	Kigosi		Tanzam2000	Au	Forfeited	\$1,002.00	\$501.00	\$0.00	\$1,503.00
PL8171/2012	Kanegele		Tanzam2000	Au	Forfeited	\$2,763.00	\$1,381.50	\$0.00	\$4,144.50
PL9295/2013	Biharamulo		Tanzam2000	Au	Forfeited	\$4,434.00	\$2,217.00	\$0.00	\$6,651.00
PL8964/2013	Manonga		Tanzam2000	Au	Forfeited	\$4,194.00	\$2,097.00	\$0.00	\$6,291.00
PL9035/2013	Manonga		Tanzam2000	Au	Forfeited	\$1,461.00	\$730.50	\$0.00	\$2,191.50
PL8674/2012	Tulawaka		Tanzam2000	Au	Forfeited	\$1,806.00	\$903.00	\$0.00	\$2,709.00
PL8671/2012	Mwadui		Tanzam2000	Au	Forfeited	\$564.00	\$282.00	\$0.00	\$846.00
PL8673/2012	Mwadui		Tanzam2000	Au	Forfeited	\$5,373.00	\$2,686.50	\$0.00	\$8,059.50
PL6449/2010	Kigosi		Tanzam2000	Au	Forfeited	\$1,491.00	\$745.50	\$0.00	\$2,236.50
PL6756/2010	Kanegele		Tanzam2000	Au	Forfeited	\$1,074.00	\$537.00	\$0.00	\$1,611.00
PL7358/2011	Lunguya		Tanzam2000	Au	Forfeited	\$853.00	\$426.50	\$0.00	\$1,279.50
PL7548/2012	Kigosi		Tanzam2000	Au	Forfeited	\$2,110.33	\$1,055.17	\$0.00	\$3,165.50
PL8675/2012	Kigosi		Tanzam2000	Au	Forfeited	\$4,140.00	\$2,070.00	\$0.00	\$6,210.00
PL8962/2013	Kigosi		Tanzam2000	Au	Forfeited	\$976.00	\$488.00	\$0.00	\$1,464.00
PL6406/2010	Manonga		Tanzam2000	Au	Forfeited	\$2,026.00	\$1,013.00	\$0.00	\$3,039.00
PL6411/2010	Mwadui		Tanzam2000	Au	Forfeited	\$4,991.00	\$2,495.50	\$0.00	\$7,486.50
PL4074/2006	Other		Tanzam2000	Au	Forfeited	\$511.80	\$255.90	\$0.00	\$767.70
PL8853/2013	Tulawaka		Tanzam2000	Au	Forfeited	\$3,616.00	\$1,808.00	\$0.00	\$5,424.00
PL9039/2013	Lunguya		Tanzam2000	Au	Forfeited	\$1,706.00	\$853.00	\$0.00	\$2,559.00
PL9230/2013	Mwadui		Tanzam2000	Au	Forfeited	\$6,744.00	\$3,372.00	\$0.00	\$10,116.00
PL9294/2013	Mwadui		Tanzam2000	Au	Forfeited	\$5,916.00	\$2,958.00	\$0.00	\$8,874.00
PL8677/2012	Nzega		Tanzam2000	Au	Forfeited	\$6,309.00	\$3,154.50	\$0.00	\$9,463.50
					<b>Sub Total</b>	<b>\$171,722.52</b>	<b>\$85,861.26</b>	<b>\$0.00</b>	<b>\$257,583.78</b>

Table 3: Other PLs that forfeited and outstanding Liabilities as of September 30, 2019

Licence No.	Project_ID	Vendor_ID	Licence Holder	Minerals	Status	ANNUAL FEE COMPONENT	50% PENALTY FEE COMPONENT	AMOUNT PAID 30 AUG 2019	OUTSTANDING DEBT
PL9626/2014	Lunguya		Chomoza	Au	Forfeited	\$0.00	\$0.00	\$0.00	\$0.00
PL0185/2014	Kigosi		Chomoza	Au	Forfeited	\$2,526.00	\$1,263.00	\$0.00	\$3,789.00
PL10150/2014	Lunguya		Pamwe Tutafika	Au	Forfeited	\$1,704.00	\$852.00	\$0.00	\$2,556.00
PL9712/2014	Kigosi		Pamwe Tutafika	Au	Forfeited	\$4,191.00	\$2,095.50	\$0.00	\$6,286.50
PL9198/2013	Itetemia		Wakawaka	Au	Forfeited	\$462.00	\$231.00	\$0.00	\$693.00
					<b>Sub Total</b>	<b>\$8,883.00</b>	<b>\$4,441.50</b>	<b>\$0.00</b>	<b>\$13,324.50</b>

### License Liabilities Summary

The total liability (outstanding and upcoming annual fees, application fees and processing fees) by project area as of September 30<sup>th</sup>, 2019 totals US\$541,411 that is split as follows:

- Active PLs: US\$29,863 (Upcoming Annual Fees: US\$26,863; Application Fees: US\$2,700 and Preparation Fees: US\$300)
- Forfeited PLs: US\$511,548 (Outstanding Annual Fees: US\$353,009 and Penalties: US\$158,538)

### *Exploration*

The Company's principal exploration properties are currently all located in the United Republic of Tanzania, Africa. The government of Tanzania is a stable, multi-party democracy. Mineral exploration in Tanzania is affected by local climatic, political, and economic conditions. The Company's properties have year round access, although seasonal summer rains from December to March may result in flooding in low lying areas, which are dominated by mbuga (black organic rich laustrine flood soils). Further, most lowland areas are under active cultivation for corn, rice, beans and mixed crops by subsistence farmers. As a result, the area has been deforested by local agricultural practices for many years. The seasonal rains and deforested areas can create a muddy bog in some areas, which can make access more difficult, and could impede or even prevent the transport of heavy equipment to the Company's mineral properties at certain times of the year between December and March.

### *Competition*

The mining industry in which the Company is engaged is in general, highly competitive. Competitors include well-capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Company. The Company competes with other mining companies in connection with the acquisition of gold and other precious metal properties. In general, properties with a higher grade of recoverable mineral and/or which are more readily mineable afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industry to acquire the most valuable properties. As a result, the Company may eventually be unable to acquire attractive gold mining properties.

### *Dependence on Suppliers*

The Company is not dependent upon a single or few suppliers for its operations.

### **Governmental Regulations**

As of November 1, 2010, the *Tanzania Mining Act, 2010* ("*Mining Act, 2010*") came into effect. The Tanzania Ministry of Energy and Minerals announced changes to fees effective July 27, 2012.

The Company's mineral interests in Tanzania are initially held under prospecting licenses granted pursuant to the Mining Act, 2010 for a period of up to four years, and are renewable two times for a period of up to two years each. The Company must pay annual rental fees for its prospecting licenses based on the total area of the license measured in square kilometres, multiplied by US\$100/sq.km for the initial period, \$150/sq.km for the first renewal and \$200/sq.km for the second renewal. There is also an initial one-time "preparation fee" of US\$500 per license. Upon renewal, the Company must pay a renewal fee of US\$300 per license. Renewals of its prospecting licenses can take many months and even years to process by the regulatory authority in Tanzania.

All prospecting licenses in Tanzania also require the holder to expend funds which are set out in the Mining Act, 2010. At each renewal, at least 50% of the Company's licensed area must be relinquished on prospecting licences in excess of 20 square kilometres. On relinquishing the ground, the area is automatically returned to the Mining Commissioner's jurisdiction for a period of 4 months after which it will be declared vacant or otherwise by the Commissioner. If the Company still has an interest in the relinquished one-half portion, it must then file a new application in competition with other interested companies for the relinquished portion 4 months after the relinquishment date. If more than one application is lodged on the same day at the Mining Commissioner's office, then the Commissioner may award the ground by tender. There is no guarantee on the timing for processing the new application and whether it will be successful.

The Company must hold a mining license or special mining licence to carry on mining activities. Pursuant to the Mining Act, 2010 a mining license is granted for a maximum initial period of 10 years. It is renewable 6 months prior to expiry for a period the applicant will state but not exceeding 10 years. A special mining licence is granted for the estimated life of the ore body indicated in the feasibility study report, or such period as the applicant may request whichever period is shorter. It is renewable for a period not exceeding the estimated life of the remaining ore body.

Prospecting and special mining and mining license holders must submit regular reports in accordance with mining regulations. Upon commercial production, the government of Tanzania imposes a royalty on the gross value of all production at the rate of 7.3% of all gold produced. The applicable regulatory body in Tanzania is the Ministry of Energy and Minerals.

An environmental impact statement and an environmental management plan must accompany special mining license, mining license and gemstone mining license applications for mineral rights. In addition to the establishment of environmental regulations, the Tanzanian Government has improved management procedures for effective monitoring and enforcement of these regulations by strengthening the institutional capacity, especially in the field offices. The Government has provided rules for the creation of reclamation funds to reinstate land to alternative uses after mining and it has developed guidelines for mining in restricted areas, such as forest reserves, national parks, sources of water and other designated areas.

### C. Organizational Structure

The Company has the following seven subsidiaries:

Name of Subsidiary	Jurisdiction of Incorporation	Percentage & Type of Securities Owned or Controlled by Company	
		Voting Securities Held	Non-Voting Securities
Iteitemia Mining Company Limited	Republic of Tanzania, Africa	90% <sup>(1)</sup> common shares	N/A
Lunguya Mining Company Ltd.	Republic of Tanzania, Africa	60% <sup>(2)</sup> common shares	N/A
Tancan Mining Company Limited	Republic of Tanzania, Africa	100% common shares	N/A
Tanzania American International Development Corporation 2000 Limited	Republic of Tanzania, Africa	100% common shares	N/A
Buckreef Gold Company Limited (BGCL)	Republic of Tanzania, Africa	55% <sup>(3)</sup> common shares	N/A
Northwest Basemetals Company Limited	Republic of Tanzania, Africa	75% <sup>(4)</sup> common shares	N/A
BGCL/AGC Joint Venture <sup>(6)</sup>	Republic of Tanzania, Africa	40% <sup>(5)</sup> common shares	N/A

- (1) The remaining 10% interest is held by State Mining Corporation.
- (2) The remaining 40% interest is held by Northern Mining and Consultancy Company Ltd.
- (3) The remaining 45% interest is held by State Mining Corporation.
- (4) The remaining interest is held 15% by State Mining Corporation and 10% by Songshan.
- (5) The remaining interest is held 60% by Allied Gold Corp. of United Arab Emirates.
- (6) Joint venture letter of intent signed and subject to final approval.

### D. Property, Plant and Equipment

The Company's business is the acquisition, exploration and development of mineral properties, with a primary focus on exploring for gold properties in Tanzania. Currently, the Company is focused on the development of the Buckreef Project. Historically, the Company has funded its activities by way of the sale and issuance of its common shares and convertible loans. The Company also obtains operating funds through sales of and options to sell its various mineral property interests to other parties, retaining a royalty interest. To date, the activities of the Company within its properties with or without a known body of commercial ore, with or without established mineral reserves, have been exploratory and developmental in nature. Pre-feasibility studies have been completed and published on the Buckreef Project.

**Buckreef Project****History**

The Lake Victoria Goldfields (“LVG”) was discovered in 1894 by German explorers and significant exploitation began in the 1930s at the Geita Gold Mine. Several small gold mines exploiting near surface reefs, operated throughout the Rwamagaza Greenstone Belt (“RGB”), particularly near the village of Rwamagaza. By 1940, Tanzania was producing 4.5tpa of gold (Au).

Gold bearing quartz veins were reported from the current Buckreef Mine area in 1945 and reports from the 1950s attest to ongoing production at a number of localities near Rwamagaza, including the Buckreef area. The extent of the small scale local and colonial mining activities is evident from the numerous pits and adits covering the entire Buckreef tenement; however, no production figures are available.

**Buckreef Exploration History Synopsis**

<b>Year</b>	<b>Operator</b>	<b>Work Performed</b>
1959	Tanzania Mineral Resources Division (TMRD) & UNDP	UN-sponsored regional airborne geophysical survey over Rwamagaza Greenstone Belt.
1960-1965	Tanzania Mineral Resources Division (TMRD) & UNDP	Ground based geophysical surveys (magnetics, IP) follow up on regional targets. Discovery of Buckreef Quartz Vein and follow up drilling commenced. 13 diamond drill holes by UNDP (12 in current database, UNBR01-12) identified a “possible ore zone 107m long, 8m wide and extending to 122m depth
1968	Tanzania Mineral Resources Division (TMRD)	13 diamond drill holes by Tanzanian Mineral Resources Division (MRD01-13)
1972	Tanzania Mineral Resources Division (TMRD)	Tanzanian government approved investment decision and Buckreef Gold Mining Company.
Mid-1970s	Williamson Diamonds Ltd	Underground development on 30m and 61m levels by Williamson Diamonds Ltd. Indicated ore reserve of 106,000t @ 8.7g/t Au between 23m and 76m levels using minimum mining width of 1.5m
1973-79	Tanzania Mineral Resources Division?	Further underground development and 3 diamond drill holes (BGMDD01-03) by BGMC.
1973-1981	State Mining Corporation	CIP treatment plant and other facilities established with financial assistance from Swedish International Development Agency
1982-1988	State Mining Corporation	Gold production commenced but reached only 25-40% of forecast targets. Production figure unavailable. Review of operations by British Mining Consultants Ltd. who found Buckreef assay laboratory assays 65% higher than overseas check assays
1990	State Mining Corporation	Mining ceased and workings flooded. Total ore extracted estimated at approximately 100,000t @3-4g/t Au
1992	East African Mining Corporation	Commencement of modern exploration techniques including Aircore, RC and diamond drilling.
1994	East African Gold Mines Ltd	Signing of first Buckreef Gold Mine Re-Development agreement with State Mining Corporation. Additional surface and subsurface gold resources were identified.

<b>Year</b>	<b>Operator</b>	<b>Work Performed</b>
1995-2010	East African Gold Mines Ltd / Gallery Gold / Iamgold	Explored 40km of contiguous strike length of the RGB encompassing geophysical surveys (IP, EM & magnetic); 52,737m of RAB & AC drilling; 80,796m RC drilling and 22,197m of Diamond drilling. Several metallurgical test-works for a CIL and/or CIC process plant conducted; Preliminary economic assessment leading to a Feasibility scoping study completed. Project returned to Stamico by IAMGOLD.
2008- 2009	Tanzanian Gold	Continues with exploration and starts RAB, RC and DC drilling at Kigosi on the Luhwaika and Igunda Prospects. Completed drilling at Luhwaika and Igunda Prospects. 3D modelling completed and resources declared for both.
2010-2011	Tanzanian Gold	Commenced RAB and RC drilling at Msonga and subsequently ceased bulk sampling of Luhwaika quartz rubble deposit (four months later). Completed drilling at Msonga. 3D modelling completed. No resource declared on Msonga.
2011	Tanzanian Gold	Second Buckreef Gold mine Re-Development JV Agreement signed between Tanzanian Gold Corporation and Stamico. Commenced with detailed review of all historical exploration data and results for an updated NI 43-101 report supervised by Venmyn Rand (Pty) Ltd.
2012-2013	Tanzanian Gold	Additional exploration and resource drilling (33,711m diamond core & 4,459m RC) conducted. Preliminary NI 43-101 report completed by Venmyn Rand (Pty) Ltd that showed a 121% increase in mineral resources. Successfully applied for extension of the Special Mining License area (from 3.4km <sup>2</sup> to 16.04km <sup>2</sup> ). Commenced NEMC EIA certification process.
2014	Tanzanian Gold	Awarded NEMC Environmental EIA certification. Metallurgical testwork for heap leach and/or CIL process plant conducted. Geotechnical test-work conducted. Construction of pilot Heap leach process plant commenced. Pilot Mining on South Pit commenced late October 2014.
2015	Tanzanian Gold	Pilot mining continued on South pit. Pilot heap leaching operations commenced.
2016	Tanzanian Gold	Force majeure declared February 2016. First gold pour from heap leach operations. Further Metallurgical testwork for CIL process plant commenced. Buckreef process plant re-dsign into CIL system commenced. Commenced application for an initial 15yr Life of Mine extension for the Special Mining License.
2017-2018	Tanzanian Gold	Applied for and received offer letter for a 10-year renewal of the Buckreef Special Mining License. Published NI 43-101 compliant Updated Mining Reserve Estimate and Economic Feasibility report completed by MaSS Resources (Pvt) Ltd of Tanzania. Subsequent amendment on said report by Virimai Projects (QP) as Zimbabwe published on SEDAR on July 2018 as per OSC directives.

<b>Year</b>	<b>Operator</b>	<b>Work Performed</b>
2019	Tanzanian Gold	Carried out first phase of three-phase drill program. Phase I infill drilling, primarily by RC was to increase in-pit mineable reserves and has been completed. Phase II is below open pit bottom primarily by diamond drilling to explore continuity of ore zones and had commenced before fiscal year end 2019 and expected to be completed in Q1 2010. Phase III is in final planning stages and will be commenced upon completion of Phase II. Geophysical survey has been completed; new surface map has been published; new interpretation of northwest extension; and metallurgical and rock mechanics testing.

### **Ownership**

#### **Prior Ownership**

Originally, the Buckreef Project was an advanced exploration project held by Iamgold Tanzania (“IAGT”) prior to July 2009. The Agreement to Redevelop the Buckreef Gold Mine (“ARBG M”) between IAGT and the Ministry for Energy and Minerals included at that point, a single Mining Licence and 12 Prospecting Licences covering 98.19km<sup>2</sup>.

In July 2009, IAGT applied to surrender all licenses relating to the ARBG M, effective October 25, 2009 and the Commissioner for Minerals withdraw all license applications relating to the ARBG M.

#### **Current Ownership, Property and Location**

On December 16, 2010, the Company signed a binding Heads of Agreement with STAMICO setting forth the key terms to develop the Buckreef Project for which the Company paid STAMICO US \$3,000,000. On October 25, 2011, Tanzam, a wholly owned subsidiary of the Company, entered into a Definitive Joint Venture Agreement for Re-Development of the Buckreef Gold Mine with STAMICO. Under the Joint Venture Agreement, Tanzam holds a 55% interest and STAMICO holds the remaining 45% interest in the joint venture company called Buckreef Gold Company Limited (“BGC Ltd.”).

Through Tanzam, the Company has 100% control over all aspects of the joint venture. In accordance with the joint venture agreement, the Company has to arrange financing, incur expenditures, make all decisions and operate the mine in the future. The Company’s obligations and commitments include completing a preliminary economic assessment, feasibility study and mine development. STAMICO’s involvement is to contribute the licenses and rights to the property.

The joint venture agreement contains an obligation clause regarding the commissioning date for the plant. The clause becomes effective only in the event the property is not brought into production before a specified future date which was originally estimated to be in December 2015. The Company shall be entitled to extend the date for one additional year: ( i) for the extension year, on payment to STAMICO of US\$500,000; (ii) for the second extension year, on payment to STAMICO of US\$625,000; and (iii) for each subsequent extension year, on payment to STAMICO of US\$750,000.

During November 2016, the Company received a letter from STAMICO regarding the status of a payment since they allege the property was not brought into production before the specified date. The Company responded that no penalty was due because that it has certain reasons why the commission date was not met or, in the alternative, may have been met. After a series of discussions during November 2016, the Company and STAMICO resolved this issue, and the Company made payment of US\$172,330 to STAMICO and the Company will pay US\$382,818 to STAMICO in 24 equal installments out of proceeds of future production. Through correspondence, STAMICO has confirmed that no further amounts are due. The Company has accrued for the US\$382,818 payment.

The Company has recognized a non-controlling interest (NCI) in respect of STAMICO’s 45% interest in its consolidated financial statements based on the initial payment by the Company to STAMICO and will be adjusted based on annual exploration and related expenditures. STAMICO has a free carried interest and does not contribute to exploration expenses.

There is a supervisory board made up of four directors of Tanzam and three directors of STAMICO, whom are updated with periodic reports and review major decisions. Amounts paid to STAMICO and subsequent expenditures on the

property are capitalized by the Company to mineral properties or inventory for costs directly related to the extraction and processing of ore and reported under (“BGC Ltd.”).

The Buckreef Project is located in north central Tanzania immediately to the south of Lake Victoria, in the Mwanza Provincial District. The Buckreef Project is situated 110km southwest of Mwanza, in the Geita District and is accessed by ferry across Smiths Sound and then via unpaved roads and an airstrip. The Buckreef Project comprises five gold deposits located within two geographically separated areas approximately 25km apart, termed the Buckreef Mining Area (“BRMA”) and the Buziba-Busolwa Mining Area (“BZMA”) and the individual gold deposits within these mining areas have been termed Prospects, as summarized below:-

- BRMA: includes the Buckreef Project, the Bingwa Prospect, Eastern Porphyry Prospect and the Tembo Prospect; and
- BZMA: includes the Buziba Prospect

An extended mining right was granted to Tanzam (Special Mining Licence 04/1992) encompassing the Buckreef, Bingwa, Eastern Porphyry and Tembo Prospect areas. The Buziba Prospect is held under a prospecting licence which is in the process of being converted into either a retention licence or a special mining. Within the BZMA small-scale miners operate under numerous primary mining licences adjacent to our main prospect.

### **Geology and Mineralisation**

The BRMA and BZMA gold deposits are classified as low to medium grade orogenic gold deposits hosted by mafic volcanic sequences of the eastwest trending Archaean RGB within the L of the Tanzanian Craton. The BRMA gold deposits are hosted by a major steeply dipping, northeast-southwest trending brittle-ductile shear zone and subsidiary shears, with an early phase of iron rich carbonate alteration, re-brecciation, feldspar intrusion and a later phase of auriferous quartz veining.

The BZMA deposit is located 25km east of the Buckreef Prospect in the RGB. The principal host lithologies include magnesium rich basalt, co-magmatic dolerite and a suite of quartz-albite felsic porphyries that have intruded the mafic sequence. Gold mineralisation is associated with quartz vein arrays that occur in altered shear zones in mafic lithologies and as extensive stock works in the felsic porphyries.

### **Regional Geological Setting**

The Buckreef Project is situated within the LVG of northern Tanzania, which consists of a number of eastwest trending, linear, Archaean greenstone belts, which are separate granite-gneiss terrains within the Tanzanian Craton of east Africa. The LVG is the third largest gold producing region of Africa, surpassed only by the Witwatersrand Basin in South Africa and the Tarkwa region of Ghana. Numerous gold occurrences have been identified in the LVG, and new discoveries continue to be made. Since 1998, when the first mine, Golden Pride was commissioned, four additional large scale mines namely, Geita, Bulyanhulu, North Mara, and Tuluwaka have come into production.

The greenstone belts comprise mafic volcanics, pyritic sediments, tuffs, iron formation, chert, and felsic volcanics, collectively known as the Nyanzian Group. The metamorphic grade of the Nyanzian Group is lower to middle greenschist facies, and two major deformational episodes have been identified. Amphibolite facies metamorphic rocks are exposed in the western portions of the belt near Tulawaka Mine, but in general higher grade metamorphic complexes are rare.

The greenstone belt sequences have geological and structural similarities to major gold districts in the Canadian Shield (Val d’Or, Kirkland Lake) and the Yilgarn Craton in Western Australia (Kalgoorlie, Laverton, Leonora, Kambalda and Southern Cross).

Gold mineralisation within the LVG occurs in a number of styles including:-

- quartz veins within minor brittle lineaments, most commonly worked on a small scale by artisanal workers, due to their limited extent and erratic gold distribution;
- mineralisation within major ductile shear zones;
- mineralisation associated with replacement of iron formation and ferruginous sediments; and

- Felsic (porphyry) hosted mineralisation, such as within the RGB.

Regardless of the geological environment, it is accepted that structural control on the emplacement of the mineralisation is critical. The following structural features have proven to be important foci of gold mineralisation:

- structural lineaments trending at 120°;
- flexures and splays to the 120° trend (such as at Golden Pride);
- structural lineaments at 70° (such as at Golden Ridge); and
- Granite-greenstone contacts (such as at the Ushiroombo and RGB).

### **Local Geological Setting**

The Buckreef Project area covers the eastern portion of the eastwest trending RGB, which forms part of the Sukumaland Greenstone Belt. The Sukumaland Greenstone Belt is oval shaped and is defined by two intermittently exposed belts of meta-volcanic and meta-sedimentary rocks that surround a core of granitoids and gneisses. The inner belt comprises an older, Lower Nyanzian sequence characterised by basaltic and andesitic lavas and tuffs, whilst the outer, younger, Upper Nyanzian succession consists of iron formation and tuffs. The understanding of the geology in the region has been hampered by the lack of outcrop (less than 2%). Isotopic dating suggests that the sequences are approximately 2.6Ga in age and although no contact between the outer and inner belts is exposed, a general trend of younging outwards is considered valid.

Within the Sukumaland Greenstone Belt, the RGB consists of a sequence of eastwest trending, poorly outcropping basaltic flows and overall the RGB varies in width from 5km to 10km. The mafic sequences consist of komatiitic basalts to the south and tholeiitic basalts in the north, separated by the Rwamagaza Shear Zone. The basalts display well preserved volcanic features such as varioles, pillows, and flow top breccias. Aeromagnetic data and minor outcrop, indicate the presence of a number of elongate discontinuous, serpentinised, sheared ultramafic bodies which parallel the flow stratigraphy and which could represent either intrusive bodies or the cumulate portions of thick, magnesium rich basaltic lava flows.

Two main clusters of felsic intrusions occur throughout the region and comprise large batholithic granites and porphyry intrusions. The RGB could possibly form part of a much larger mafic belt that has been dissected by the intrusion of large batholithic granites. Aeromagnetic surveys over the Project area indicate the presence of granites at depth. The RGB mafic-ultramafic sequence is strained to varying degrees, with the highest strain occurring in the central area of the Buckreef Project tenements, where the belt is thinnest. In this area, the dominant rock type is mafic schist. Toward the thicker (less attenuated) eastern and western parts, the schists form thinner more discrete zones of high strain separating areas of relatively unstrained ultramafic lithologies. The granitoids are generally unstrained and hence assumed to be post peak deformation. A large portion of the basalts to the southeast of Nyarugusu are hornfelsed, suggesting the presence of granite at shallow depths beneath them.

The tectonic evolution of the RGB is very poorly understood. Aeromagnetic data reveals several generations of crosscutting, late stage, brittle-ductile faults and shears, which offset flow stratigraphy and have locally been intruded by the felsic porphyries and by a late stage dolerite dykes. Early formed ductile structures are not easily defined in aeromagnetic data and there is evidence of shear zones that parallel the stratigraphy. The Project host rocks comprise meta-basalt, which is generally un-deformed but metamorphosed to lower greenschist facies grades. At Buckreef Prospect interflow units of predominantly pelitic and cherty sediments occur, as well as a variety of porphyritic textured, dyke and vein like felsic intrusions along crosscutting structures or sub-parallel to flow stratigraphy.

The RGB has been subjected to a phase of laterite development, with formation of predominantly iron rich ferricrete caps, which were subsequently extensively eroded and only isolated remnants of laterite remain in situ. The high rainfall and sub-tropical climate has resulted in deep laterisation and although there is evidence of localised gold enrichment in the shallow oxidation profiles in both BRMA or BZMA areas, major zones of supergene gold enrichment are not developed in either area. The RGB in general is covered by a thin layer of alluvial regolith, which is amenable to standard soil sampling techniques.

A non-penetrative deformation fabric is developed at Buziba, which dips steeply to the south, sub-parallel to the stratigraphy. Individual zones in which this fabric is well developed cannot be traced for distances of more than a few hundred metres on drill sections, but a number of such zones occur throughout the 200m of thickness of stratigraphy, which hosts the mineralisation.

### **Exploration Status and Project History**

The Buckreef Gold Mine was an underground mine operated by the Tanzanian State during the late 1980s to early 1990s. A brief description of the historical work conducted during periods 1992-2011 (pre-Tanzanian Gold Royalty) and 2011-2019 (Tanzanian Gold era) is summarized in two sections below.

#### **Pre-TRX era Project History**

Apart from the state, several previous owners of the project undertook numerous exploration programs including aeromagnetic, helicopter borne IP, ground magnetic and soil geochemistry surveys, as well as extensive RC, Air Circulation (“AC”) and diamond drilling programs as highlighted below.

- **1994:** Signing of Buckreef Redevelopment Agreement (of the project undertook numerous exploration programs including aeromagnetic, helicopter borne IP, and ground magnetic).
- **1996:** Spinifex Gold of Australia acquires East Africa Mines Ltd.
- **2003:** Gallery Gold of Australia acquires Spinifex Gold
- **2006-2010:** IAMGOLD Corporation (Canada) acquire Gallery Gold (project incorporated Buckreef, Buziba, Mawe Meru & Busolwa).
- Work done includes:
  - 65,000m of exploration and reconnaissance drilling
  - 70,000m of resource definition, metallurgical and hydrogeological drilling,
  - Estimated expenditure of US\$12 million on all four projects.
  - Total Buckreef Project mineral resources increased from 1.1 to 1.9 MoZ.
- **2010:** IAMGOLD Corporation surrendered project back to Stamico after decision to relocate and concentrate on projects in Mali.
- **2010:** October, TRX Corporation (Canada) signs MOU with Stamico to acquire Buckreef Project.

Iamgold, the most recent historic owner of the project, verified the historic drilling data, undertook additional exploration and defined JORC compliant Mineral Resources in 2006. Historic metallurgical testwork programs were undertaken on both the BRMA and BZMA mineralisation types. The testwork on BMRA material indicated that oxide and transitional material are amenable to treatment using typical CIL processing techniques and fresh material may benefit from flotation and a finer grind with recoveries anticipated to be in the low 90%*s*. The testwork results for BZMA mineralisation indicated that it is amenable to treatment using gravity and CIL processing techniques. Metallurgical recoveries for BZMA mineralisation were anticipated to be in the low to mid 90%*s*. Heap leaching testwork indicated that, at a 25mm to 50mm crushing size fraction in oxide mineralisation, a 75% recovery could be anticipated, whilst transitional and fresh mineralisation recoveries were lower, at 35% to 50%.

#### **TRX era Project History and Development**

The Company acquired the rights to the Buckreef Project early in 2011 and undertook further exploration work that mainly involved mineral resource confirmation drilling, mineral resource drilling, metallurgical and geotechnical diamond drilling programs as tabulated briefly below.

**2011:**

- October, TRX Corporation (Canada) acquire Buckreef Gold (project incorporated Buckreef, Buziba) through definitive JV Agreement (55/45% equity) with Stamico.
- TRX engaged Hellman & Schofield (Pty) Limited of Australia to prepare an independent NI 43-101 Preliminary Economic Assessment (PEA)-: pathfinder study

**2012:**

- TRX engaged Venmyn Independent Projects (Pty) Limited of South Africa to prepare an independent NI 43-101 Preliminary Economic Assessment (PEA)-: pathfinder study evaluating all historical technical and economic parameters of the Buckreef Project (Buckreef, Buziba, Busolwa).
- TRX successfully enlarges SML area from 4km<sup>2</sup> to 16km<sup>2</sup> to encompass Bingwa and Tembo prospects

**2013:**

- TRX commences infill exploration & additional resource definition drilling on four main prospects as follows:
  - Buckreef Project: 684 drill-holes for 97,287m;
  - Tembo Prospect: 74 drill-holes for 5,713m;
  - Bingwa Prospect: 136 drill-holes for 12,537m &
  - Eastern porphyry: 80 drill-holes for 10,814m.
  - TRX engaged ENATA Resources to commence a National Environmental Management Council (NEMC) compliant Environmental Impact Assessment report. Final certification received in October 2014.
  - TRX institutes bulk sample heap leach metallurgical testwork on ores from Bingwa and Tembo using SGS of South Africa.

**2014:**

- TRX engages Venymn to produce an updated NI 43-101 compliant Independent Technical and Valuation Report.
- ITVR incorporated new technical parameters, exploration results, Mineral Resources to update preliminary mine design, preliminary process design, environmental fatal flaw review and economic analysis on the 2012 PEA report.
- TRX engages contractors to construct Carbon-in-Column process plant and 4 heap leach pads.
- TRX completes 10,000m of Grade control drilling targeting oxide & transition ore on the pilot Buckreef South Prospect (delineated 5 major mineralized zones with a proved reserve of 206,551t @1.54g/t containing 10,225ozs Au within the original mineralization envelope).
- TRX commences pilot mining on Buckreef South (Oct. 2014).

**2015/2016:**

- TRX continues pilot mining, commences CIC process plant and heap leach pad operation.
- TRX commences the CIC pilot heap leaching on 3 loaded pads in April 2016. Leaching operations run for 9 months and subsequently stopped due to unfavourable un-agglomerated ore conditions.
- Process plant failure leads to Process Plant re-design planning (Emisha Mining Solution engaged).
- Renewal application for SML04/92 submitted (MEM).

**2017:**

- TRX receives offer letter for the renewal of the Buckreef SML and pays all statutory dues as requested. License extended for further 10-years to 2027.
- TRX smelts 6.6kg of gold dore from the Carbon-in-Column process plant.
- TRX submits 4-tonne bulk sample for further detailed metallurgical testwork with a laboratory in South Africa. TRX engages MaSS Resources Pvt Ltd. of Tanzania to commence and complete an NI 43-101 compliant Mining and Economic Feasibility study. The Report titled "*Updated Independent Technical Mining Reserve Estimate and Economic Feasibility Study on the Buckreef Gold Mine Project, Tanzania, East Africa*" is published on SEDAR with effective date April 27, 2017.)
- Emisha Mining Solutions continues with detailed CIL process plant designs.
- TRX hosts the new Minister of Mines, Hon. Angellah Kairuki at Buckreef Mine site.
- Buckreef mega-pit site area marked, cleared and surveyed as part of mine development.

- Mining and pit pre-development work on the ground halted while awaiting issuance of renewed SML certificate

**2018:**

- Detailed planning for 10,000m of close-spaced grade control drilling on the Buckreef main pit finalized.
- The Company engaged Virimai Projects Pvt Ltd. of Zimbabwe to complete Ontario Securities Commission recommended amendments to the NI 43-101 compliant Mining and Economic Feasibility study. Report entitled “*ITR Mineral Reserve Estimation and Pre-Feasibility Study for the Buckreef Gold Mine Project*” published on SEDAR with effective date June 26, 2018. This report supercedes all previous ITRs on the Buckreef Project.
- The Company commenced detailed planning for additional deep drilling (diamond core) and resource upgrade drilling (RC) on the main Buckreef Project.
- The Company was in constant engagement with the Ministry of Mines pertaining to the issuance of the renewed SML certificate.
- Mining and pit pre-development work on the ground still on halt while awaiting issuance of renewed SML certificate

**2019:**

- Under completed Phase I and partially completed Phase II of three phase drill program, the Company has drilled 10,592m (34,751 ft) to September 25, 2019 (34,751 ft), consisting of 6,446m RC and 4,145m diamond drilling. For further details and assay results, please refer to *Plan of Operations – Exploration*.
- Geophysical survey has been completed.
- Resource-geology model nearing completion.
- New surface map has been published.
- New interpretation of northwest extension.
- Metallurgical and rock mechanics testing.
- Currently evaluating pilot plant production at site.

**Mineral Resource and Mineral Reserve Estimates: Virimai Projects June 2018**

On publication of MaSS’ report entitled “*Updated Independent Technical Mining Reserve Estimate and Economic Feasibility Study on the Buckreef Gold Mine Project, Tanzania, East Africa*”, the OSC conducted a routine review of the report’s contents and raised some queries that necessitated a review of the original report compiled by MaSS. Virimai Projects was then commissioned by Tanzam2000, to carry out an in-depth review of the original report by MaSS with the objective of amending and recompiling the ITR in compliance with NI 43-101.

Virimai Projects subsequently produced an amended Mining and Economic Analysis Pre-feasibility study of the Buckreef Gold Mine Project titled “*ITR Mineral Reserve Estimation and Pre-feasibility Study on the Buckreef Gold Mine Project*” that takes into account a number of refinements, optimizations and alternatives that will form the basis for TRX to move to Definitive Feasibility Study and development of the Buckreef Project as an open pit mine, which can be brought rapidly into production to benefit from the current favourable gold market conditions.

The scope of work for this study included the following:

- Confirmation of the Mineral Resources as first published by Venymn
- Estimation of Mineral Reserves
- Mining Method Analysis and Selection
- Development and Production Scheduling with Specialized Mining Software
- Optimization of Production rate and Sequencing
- Estimation of Equipment and manpower requirements
- Mining logistics and infrastructure design
- Project Execution Plan

- Capital and Operating cost estimation
- Benchmarking against current operations
- Financial analysis modeling and valuation
- Identification of opportunities, risks and risk mitigation

Virimai carried out a review of the four resource models (Buckreef Main, Eastern Porphyry, Tembo and Bingwa) used in the published estimates and found that the grade estimates were robust. For this reason, Virimai accepted and adopted the resource models for use in the current pre-feasibility study. However, Virimai re-stated the Mineral Resources for two of the resource areas as follows:

- Virimai declared about 10,000t less Inferred Mineral resources as a result of surface correction; and
- 85,000t spread across the categories were removed for the declared Mineral Resources at Bingwa as a result of being located away from the main mineralised zone either located under overburden exceeding 40 m or existing as discrete non-contiguous bodies.

The 85,000 tonnes remains in the Mineral Inventory outside the open-pit mine mineral resource from current Mineral Resource projections as summarized in the table below.

**NI 43-101 Compliant Re-stated Mineral Resource Estimate for BRMA as at June 26, 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
<b>Total</b>	<b>9.90</b>	<b>1.81</b>	<b>577,411</b>	<b>14.79</b>	<b>1.40</b>	<b>666,285</b>	<b>9.25</b>	<b>1.36</b>	<b>405,201</b>	<b>24.69</b>	<b>1.57</b>	<b>1,243,696</b>

Source: Virimai Projects 2018

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

Mineral Resources reported inclusive of Mineral Reserves

Cut-off Grade 0.5g/t Au

Estimates over variable widths to 1m to 40m

Specific Gravity ranges 2.0 to 2.8

Inconsistencies in totals are due to rounding

55% attributable to the Company

Having taken into account a number of economic costing and engineering refinements, optimizations and alternatives, Virimai Projects declared an open-pit optimized Mineral Reserve estimate of 19.08Mt grading at 1.54g/t (excluding the existing mined stockpile) and containing 943,851 troy ounce gold for the Buckreef Project as summarized in the table below.

NI 43-101 Compliant Pit Optimized Mineral Reserve Estimate for BRMA as at June 26, 2018

Pits Design Reserves Summary		COG: Oxide & Trans = 0.38, Fresh = 0.41			
		Virimai 22 <sup>nd</sup> June 2018 Pit Design Reserves Summary			
Prospect	Reserves	Tonnes	Grade	In Situ Gold Content	
Name	Category	(Mt)	Au (g/t)	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			
<b>Total (Proven + Probable)</b>		<b>16,348,562</b>	<b>1.52</b>	<b>24,809.78</b>	<b>797,652.24</b>
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		
<b>Total (Proven + Probable)</b>		<b>1,055,666</b>	<b>1.04</b>	<b>1,096</b>	<b>35,224</b>
Tembo	Proven	-	-	-	-
	Probable	70,183	2	165	5,312
	Waste	1,354,468	-		
<b>Total (Proven + Probable)</b>		<b>70,183</b>	<b>2.35</b>	<b>111</b>	<b>3,582</b>
Bingwa	Proven	1,098,383	2.39	2,366	76,074
	Probable	510,154	1.30	377	12,108
	Waste	10,311,734			
<b>Total (Proven + Probable)</b>		<b>1,608,536</b>	<b>2.04</b>	<b>2,743</b>	<b>88,182</b>
<b>Grand Total</b>	<b>Proven</b>	<b>9,352,183</b>	<b>1.72</b>	<b>16,092</b>	<b>517,358</b>
	<b>Probable</b>	<b>9,730,764</b>	<b>1.36</b>	<b>13,265</b>	<b>426,492</b>
	<b>Proven + Probable</b>	<b>19,082,947</b>	<b>1.54</b>	<b>16,749</b>	<b>943,851</b>

Source: Virimai Projects 2018

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

Mineral Resources reported inclusive of Mineral Reserves

Cut-off Grade: Oxide/Trans 0.38 g/t Au & Fresh rock 0.41g/t Au

Estimates over variable widths to 1m to 40m

Specific Gravity ranges 2.0 to 2.8

Inconsistencies in totals are due to rounding

55% attributable to the Company

The major highlights from the Technical Mining Feasibility report include the following:

- Conventional open pit mining methods selected in pit designs.
- Over LoM, a total of 19.08Mt of ore with a strip ratio of 8.1:1 will be mined.
- Pre-existing stockpile (ROMPAD) ore totaling 119,726t grading 1.89g/t to be used for process plant commissioning.
- 0.944Moz of gold mined over the open-pit life of the project.
- Recoveries of 89% for primary ore and 93% for saprolite ore, utilizing a simple EDS comminution, flotation and leaching process with gravity recovery circuit for free Au component collection.
- 0.822Moz of gold will be produced over the open-pit life of the project.
- Initial capital cost outlay estimated at US\$76.5 Million and sustaining capital of US\$22.95 Million, including closure costs.
- Cash operating costs of \$735/oz produced.
- Generation of a positive after-tax NPV of \$130.96 million at a 5% discount rate and an IRR of 74%

The Company has incurred total net costs (after recoveries, if any) of \$3,588,879 on the Buckreef Project for the year ended August 31, 2019.

## **Kigosi Project**

### ***Property Description and Location***

The Kigosi Project area is principally located within the Kigosi Game Reserve controlled area. Through prospecting and mining option agreements, the Company has options to acquire interests in several Kigosi prospecting licenses. A comprehensive report summarizing exploration work done and results to date was submitted to the Director of Wildlife and Nature Conservation as part of the requisite and mandatory requirements for an application to renew the Kigosi game reserve access permit. It is a statutory requirement to have an access permit to conduct any exploration activities in an area designated as a forest and/or game reserve. On May 31, 2012, the Company was granted a two year permit from the Ministry of Wildlife and Nature Conservation to enter the Kigosi Game Reserve and continue with exploration activities. The Company is evaluating various alternatives for advancing the Kigosi Project by focusing on an area of near surface mineralization.

In December 2012, the Kigosi Access Agreement between the Company (through its subsidiary Tanzam) and the Director of Wildlife, Wildlife Division, Ministry of Natural Resources and Tourism was signed, and in February 23, 2013, the Company (through Tanzam), was awarded the Environmental Impact Assessment Certificate for the Kigosi gold project. Stamico has a 15% carried interest in the Kigosi Project.

On May 30, 2013 the Company announced it had been granted a Mineral Rights and Mining Licence through its wholly owned subsidiary, Tanzam. The Mineral Rights and Mining Licence covers the entire area applied for of 9.91 square kilometres of the Kigosi Project. The area remains subject to a Game Reserve Declaration Order. Upon repeal or amendment of that order by the Tanzanian government, the Company will be legally entitled to exercise its rights under the Mineral Rights and Mining Licence.

### ***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The property is accessed via air from the city of Dar Es Salaam on the Indian Ocean coast to the city of Mwanza on the southern shoreline of Lake Victoria. From Mwanza, a moderately maintained tar road accesses the town of Ushirombo, via the towns of Shinyanga and Kahama, around the southern part of the Lake, referred to as Smith Sound. This trip is approximately 400 km and takes some 5 hours. From the town of Ushirombo one keeps heading east along the main Burundi tar road for approximately 6 km, where a dirt track allows access into the Kigosi Game Reserve.

The southern bulk of the Kigosi Project area is wholly located within the northern sector of the Kigosi game reserve with a third of the licenses being located in the adjacent Nikonga-Ushirombo Forestry reserves further north. As per legal and mandatory requirements, the Company acquired respective renewable permits from the Departments of Game Reserves and Forestry Reserves of the Ministry of Wildlife and Tourism to conduct exploration activities in both the game and forestry reservation areas throughout the year. Access to the main Kigosi exploration camp via the dirt track has been substantially improved by the Company to allow access by four wheel drive vehicles during the rainy season.

The exploration camp at Kigosi is predominantly a tented facility with larger semi-permanent structures employed for offices and storage facilities. Previous construction included the installation of metal containers which will be utilized as living and office quarters. Communications at the camp are via satellite, internet and telephone.

The access track passes over the Shiperenge River, a tributary to the Nikonga River and both are perennial rivers, typically dry in the winter months and overflowing during the October-May rainy season. Three large ponds located on the Nikonga River were the only close source of water until the Company drilled a highly productive water borehole located some 5km northwest of the camp. Drinking water for the camp is pumped via pipeline from the borehole to the camp. The Nikonga and Shiperenge rivers have played a major part in structuring the physiographic landscape in the area. These rivers drain southwards into the Moyowosi and Njingwe Swamps. Small undulating granite hills form the topographic highs, and generally trend northwest. These hills make up approximately 5% of the project area. The climate is typical of an African tropical climate, being hot during the day and cooling down in the evenings. Winters are very mild, but a blanket is needed in the early hours of the mornings. Kigosi falls within a malaria area, and precautions are necessary. Tsetse flies are also present in some parts of the project area. The region is heavily forested, but has only limited wildlife, chiefly small gazelle and baboons.

## ***Geology and Mineralization***

The Kigosi-Miyabi granite-greenstone belt and the Ushirombo greenstone belt, form part of two of the greenstone belts within the Nyanzian Archaean greenstone terrain in northwestern Tanzania. These belts host small-scale artisanal workings at Luhwaika and Igunda within the core project area at Kigosi and further to the southeast. The Ushirombo Greenstone Belt has been extensively explored by geologists and small scale miners. It consists predominantly of mafic volcanics with lesser meta-sedimentary rocks across an east-west trending belt some 50 kilometres in strike. Gold mineralization generally occurs in narrow quartz veins. The Kigosi-Miyabi Greenstone Belt has been less explored, mainly because of the location within the Kigosi Game Reserve.

Several prominent regional scale NW trending structural lineaments, interpreted as regional shear zones, appear to be the major conduits and controls for the localization of gold mineralization in the Kigosi area. There is also a prominent NNW trending set of regional scale lineaments that are believed to be deep seated sources of the gold bearing fluids.

The Company previously discovered three previously undocumented shear-zone hosted gold mineralized targets and it has also established the presence of a surface to sub-surface horizon of unconsolidated residual in-situ auriferous vein quartz rubble on the Kigosi Property, forming a part of the Company's Lake Victoria Goldfield Properties held through its subsidiary, Tanzam.

The Kigosi Mineral Resource estimate September 2009 includes Mineral Resources from several prospects each with primary mineralisation in shears and secondary mineralisation in alluvial gravels. No cut-off grade was applied to the shear hosted mineralisation and a cut-off of 0.1g/t Au was applied in the case of the gravels just as nominal indicator of the presence of mineralisation. The Kigosi prospect is an early exploration project and no specific costing exercises have been yet been conducted that could be used in an economic cut-off grade calculation. Nonetheless, the effect of introducing and changing cut-off grades was provided in the document as an indicative exercise. The parameters pertaining to prospects for economic extraction in the Victoria Goldfields are well known, and the grades and style of mineralisation reported for the Kigosi prospect were considered relative to this benchmark.

### ***Luhwaika Quartz Rubble Deposit***

A brief summary of the work done on the Luhwaika Quartz Rubble Deposit and the Msonga Prospect are briefly summarized. Historical summaries for Luhwaika and Igunda Prospects are also briefly described.

During a previous detailed vertical RC-drilling program on the Luhwaika Prospect, the Company established the presence of a consistent and sizeable near-surface quartz-rubble bed with a potentially significant economic potential. The Luhwaika Prospect is host to a potentially economic quartz rubble deposit which is likely a direct result of surface collapse and erosion of the Luhwaika Main and West reefs. Artisanal mining activity has concentrated on this loose quartz rubble deposit which is easily accessible for mining. High grade quartz rubble has so far been identified in three areas: the Luhwaika West reef, the Luhwaika Main reef and the Luhwaika East area. The Company completed a detailed bulk sampling program on this potentially economic quartz rubble bed.

### ***Bulk Sampling Program***

The Company initiated a pit bulk sampling campaign between September 2010 and February 2011. The nature of this exploration was the collection of composite channel sampling from the pit side walls as a way of providing an indication of the in-situ grade. The bulk sample itself was fed through a mobile modular gravity separation plant located at the main camp. The extent of the exploration was on a small scale and included 43 excavated and channel sampled pit bulk samples. Only 18 of these pit bulk samples underwent the full excavation, channel sampling and pilot plant testing within the four month period. The objective of the pit bulk sampling campaign was to provide confidence in the gold grades for the already finalised resource model for the quartz rubble deposit and to ascertain the free gold recoverability using a rudimentary pilot plant as a low cost exercise.

The Company utilised an in-house geologist and field assistants to carry out the pit bulk sampling. Excavation was conducted with a small excavator and a single dump truck. Excavation was monitored by the geologist to ensure uniformity of the excavation and to stop the hole once the mottled zone had been reached. The mottled zone was also dug out as part of the bulk sample to a further depth of ~0.5m below the quartz rubble.

The location of the bulk sampling pits was defined by the then Senior VP, Mr. R. Van Der Westhuizen, based on the earlier RAB drilling and various other requirements. The pit co-ordinates were emailed to the field geologist who then

located the pit using a hand-held GPS and staked the limits on an east-west orientation. A 5.0m x 2.5m x 2.5m pit was measured out with tape and staked. The sizing of each pit was targeted to yield approximately 80t of bulk sample. No specific grid size or spacing was used for the pit location.

### ***Luhwaika Prospect***

Gold mineralization at the Luhwaika Prospect occurs in a series of sub-parallel and variably auriferous shear zones. The geological setting of the Luhwaika Gold Prospect shows many characteristics that are typical of classic mesothermal lode gold deposits.

At Luhwaika, two principal shear zones have been identified: the Luhwaika Main and Luhwaika West reefs. These reefs carry significant gold mineralization as evidenced by strike extensive small-scale mining and exploration shafts, and more recent drill results. The gold mineralization in the Luhwaika Main reef is structurally controlled, consisting mostly of lodes of laminated quartz veins impregnated in strongly sheared and altered quartz sericite schist with occasional massive tabular whitish-grey quartz vein blow-outs. These veins are shear hosted, with lesser extensional veins noted in outcrop in the granite host rock.

The Luhwaika West reef, located 100-200m in the hanging-wall and sub-parallel to the Luhwaika Main reef, consists mainly of shear-zone hosted tabular quartz veins that often contain irregular hematite filled fracture surfaces.

### ***Igunda Prospect***

The structural setting of the Igunda Gold Prospect is similar to that of the Luhwaika Prospect with the exception that the former is hosted in mafic greenstone rocks intruded by lenses of felsic granitoids including quartz-feldspar porphyry. At Igunda, two principal shear zones have been identified: the Igunda A and B reefs. Closely associated with the reefs are sub parallel quartz feldspar porphyry units.

Gold mineralization is structurally controlled and the Igunda Reefs are localized in two sub-vertical dipping northwest striking shear zones, dipping steeply (75° – 85°) to the northeast. Gold mineralization also occurs in the host wall rock up to over a meter and is not confined to the veins.

### ***Msonga Prospect***

#### ***Drilling***

The Msonga Prospect is situated in the far northeast of the Kigosi license area. The earlier geochemical and structural studies covering this area had identified the presence of a substantial (7 km long) Au-in-soil anomaly hosted in mafic greenstone rocks. Dominant regional structures in the area (Ushirombo greenstone belt) generally trend east-west and are associated with the development of swarms of auriferous quartz veins such as those being currently mined by small-scale miners in the Katente area at Ushirombo. The Msonga Prospect is located ~3-5km along strike from these artisanal workings, and as such it was considered conceivable that the Msonga Prospect represented a similar setting to the Igunda Prospect (i.e., a greenstone and shear zone hosted gold deposit).

During the period mid-2009 to early-2011, the Company conducted a single phase of widely spaced RAB drilling covering the 7km-long Au-in-soil anomaly outline. From early 2010 to June 2011, the Company conducted two phases of RC drilling. The first phase of RC drilling comprised short vertical RC drill-holes mainly investigating the area's potential for gold mineralization in a distinctive auriferous surficial lateritic quartz rubble deposit. The second phase of RC drilling comprised inclined RC drill-holes to mainly investigate the east-west strike extension of the auriferous quartz veins associated with the nearby Katente Prospect. A total of 148 inclined RC holes were drilled on the Msonga Prospect.

Subsequent modelling and krigging was conducted on the deposit. However, no mineral resources could be declared for Msonga Prospect due to the very low average grade, the paucity of sampling and a lack of geological control for mineralisation. The current targets at Msonga prospect are therefore, classified as minor gold occurrences only.

### ***Kigosi Exploration History***

The exploration history of the Kigosi Property from 2006 to 2019 is summarized as follows:

## Kigosi Exploration History Synopsis

Year	Operator	Work Performed
1990	Barth	Production of the regional geological map of granite-greenstone belt south of Lake Victoria
Early 1990s	Pangea Goldfields Inc/ Iscor	Rotary Air Blast (RAB) drilling in Msonga prospect area (Kigosi North). No records available
Early 1990s	Artisinal Miners	First evidence of artisanal working in the Kigosi area. No records available for gold extracted by the artisans.
1994	Tan Range	Acquires gold properties for exploration in Tanzania.
1998	AngloGold	Acquired rights to nine licenses associated with the Kigosi area.
1999	Geodass	Conducted regional geophysical survey (airborne magnetics, radiometric and VLF-EM) over Ushirombo greenstone belt, including the Kigosi area.
1999	Tan Range	Helicopter visit to Luhwaika and Igunda artisanal workings. Signed option agreement with Anglo for the Kigosi North Property.
2003	Geoscientific and Exploration Services Ltd (Geoscientific)	Conducted a regional LandSat interpretation on the Kigosi Project area.
2003	J Klein (Independent Consultant)	Reviewed and interpreted 1999 geophysical survey data
2003	AngloGold Ashanti	Detailed regional airborne geophysical survey and soil sampling survey
2004	AngloGold Ashanti & Tan Range	Follow up of anomalies with soil and termite mound sampling. Identification of Msonga, Bungoni, Luhwaika and Igunda Prospect area. Geological and regolith mapping conducted. Limited sampling from pits, streams and trenches.
2005-2006	AngloGold Ashanti & Tan Range	Temporary suspension of exploration activities due to permitting issues for access into Kigosi Game reserve area. JV arrangement maintained.
2007	Tan Range/ Tanzanian Gold	JV agreement with AngloGold Ashanti terminated & Tan Range changes name to Tanzanian Royalty Exploration Corp. Commenced with exploration at Kigosi in September. Exploration included biogeochemistry and induced polarisation surveys.
2008- 2009	Tanzanian Gold	Continues with exploration and starts RAB, RC and DC drilling at Kigosi on the Luhwaika and Igunda Prospects. Completed drilling at Luhwaika and Igunda Prospects. 3D modelling completed and resources declared for both.
2010-2011	Tanzanian Gold	Commenced RAB and RC drilling at Msonga and Commenced and subsequently ceased bulk sampling of Luhwaika quartz rubble deposit (four months later). Completed drilling at Msonga. 3D modelling completed. No resource declared on Msonga.
2013	Tanzanian Gold	Applied for and granted Mining License (ML496/2013) covering Luhwaika and Igunda Prospects
2014-2016	Tanzanian Gold	Kigosi game reserve access permitting issues forced a stop to all activities on the project.
2017-2018	Tanzanian Gold	Evacuation of Luhwaika base camp while access negotiations are pursued.
2019	Tanzanian Gold	Care and maintenance.

The Company has incurred total net costs (after recoveries, if any) of \$45,945 on the Kigosi Project for the year ended August 31, 2019. The Kigosi Project is currently in the care and maintenance stage.

During 2019, the Company received a notice of cancellation of mining license relating to the Kigosi Mining License for failure to satisfy the issues raised in the default notice. The notice sent by the government did not follow due process under Tanzanian law and, as such, the Company filed an appeal to this notification subsequent to year-end and the Company remains confident that they will be successful in the appeal. 1. In light of the Company’s focus on the Buckreef Project, the Company recorded a write off of \$12,769,216 related to the Kigois property pending the result of the appeal (year ended August 31, 2018 - \$nil, year ended August 31, 2017 - \$124,717).

**Lunguya Project Area**

***Property Description and Location***

The Lunguya Property is located in the Kahama District of Tanzania. The Lunguya Property is situated in the Lake Victoria Greenstone Belts, approximately 100 kms by air to the southwest of Mwanza and about 15 kms south of Bulyanhulu. With respect to Lunguya PL 1766/01, in January, 2003, a Shareholder’s Agreement was entered into wherein a new company, Lunguya Mining Company Limited (“*LMC*”), was created to form a joint venture between Northern Mining and Consultancy Company Limited (“*NMCCL*”), Tanzam and LMC. Tanzam has a 60% shareholding and NMCCL has the remaining 40% shareholding in LMC.

In February 2010, the Company entered into an Option and Royalty Agreement with Joseph Magunila and Partners (“*JMP*”) over an area in the Kahama District of the Shinyanga Region in Tanzania 100% owned by JMP. The agreement grants the Company an option to acquire up to 90% of JMP’s interest and/or, at the sole discretion of the Company, to enter into a mining and exploration services agreement. The Company paid US\$90,000 for this option.

In late 2015, the Option and Royalty Agreement between Joseph Magunila and the company became null and void as the Company relinquished its interest in the Primary Mining Licenses.

***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The Lunguya Property can be reached by plane from Mwanza to an airstrip accommodating Bulyanhulu or by road via Geita up to the Bulyanhulu/Kahama road intersection. From Kahama, the property is located approximately 8 kms to the south, toward Lunguya village. Secondary roads and trails traverse the property. The Nyamakwenge Reef, located in the northeastern part of the property, can be accessed using a 12 kms dirt tract passing to the north of the property. Climate and elevation are similar to the Luhala Property.

Very little outcrop (less than 1%) has been identified at Lunguya. The entire property is flat and covered largely by granitic sands and grey orange laterities derived from granitic sources. Like Luhala, Lunguya is actively cultivated, but also is being actively mined by a few score artisanal miners along the trend of the Nyamakwenge Reefs. No significant infrastructure, power or water is available on site. However, the entire infrastructure of the region including electricity, air transport, health clinics, schools, and improved road networks, have been greatly improved due to the proximity to Barrick’s Bulyanhulu mine, some 20 kms to the north.

***History***

**Lunguya Exploration History Synopsis**

<b>Year</b>	<b>Operator</b>	<b>Work Performed</b>
1999-2001	Tan Range	Acquire prospecting licenses. Review of regional aeromagnetic data as part of regional prospective target identification
2002	Tan Range	Regional scale soil surveys. 4 regional anomalies identified
2003-2004	Tan Range	Follow up detailed soil surveys, ground IP surveys, Biogeochemistry (BGC) surveys identified Luhawika North (Bulynhulu replica?) Shilela, Nyikoboko & Nyaamakwenge prospects.

<b>Year</b>	<b>Operator</b>	<b>Work Performed</b>
2005-2006	Tan Range	Phase 1 auger drilling, RAB/RC/Core drilling on selected targets on 3 of the 4 prospects.
2007-2008	Tanzanian Gold	Conducted detailed ground magnetics and IP surveys on Shilela, Nyamakwenge & Nyikoboko prospects
2009	Tanzanian Gold	Signed Option & Royalty Agreement on Primary Mining Licenses covering the Nyamakwenge prospect
2010-2012	Tanzanian Gold	Detailed RC and diamond core drilling on Nyamakwenge prospect (Reef and gravel resource definition-internal report). Lost main license over Luhwaika North (Buly-type?) prospect inadvertently.
2013-2015	Tanzanian Gold	No field work conducted. JV agreement on Nyamakwenge terminated in late 2015.
2016-2019	Tanzanian Gold	No field work done. Review of project conducted internally.

### ***Geology***

The very limited outcrop exposures on the Lunguya concession necessitate development of a geological and interpretive environment largely based on geophysical interpretations.

Regionally, Lunguya is located near the eastern terminus of the inner volcanic arc, lower Nyanzian, of the Sukumaland Greenstone belt. The succession is dominated by tholeiitic volcanic rocks containing lesser felsic tuffaceous rocks and argillaceous horizons cut by thin quartz porphyry dykes and sills. The thick, banded iron formation and felsic flows characteristic of the outer arc Upper Nyanzian sequence are absent. Most of the map scale granite – greenstone contacts strike north-south. No information is available with respect to the orientation of sub-surface contacts.

At Lunguya, all currently known, auriferous structural zones track at an oblique angle, the eastern granodiorite-mafic volcanic contact. Auriferous veins strike at 020° to 030° with the dominant intrusive volcanic contact trending at approximately 360°. On the property scale, two 330° trending fault structures are interpreted to offset the Lunguya vein into two fault repeated vein segments, having strike lengths of approximately 180 and 300 m. A few score artisanal miners have exploited these veins to a depth not exceeding 30 verticalm subsurface. A second set of auriferous reefs, the Nyikoboko Reefs, are located 12 kilometres to the south. This area is associated with a smaller set of largely inactive artisanal dumps and workings.

Based on the aeromagnetic data a model has been proposed whereby a large NS trending shear zone is believed to exist below a thick black cotton soil (mbuga) cover. The thin veins associated with the Nyikoboko and Nyamakwengwe reefs probably represent secondary structures from the main shear. This idea has been tested using biogeochemistry.

### ***Mineralization***

Lunguya is a mineralized brittle ductile strain zone, developing internal to a major granite-greenstone contact. Gold is associated with one fault offset vein which is likely broken into two segments, the Western and Eastern reefs. Lesser veins are also present. Initial sampling of artisanal vein waste dumps indicated the presence of well mineralized dump samples. The site contained greater than 200 of these small pits-shafts ranging from 1 to 20m deep.

Diamond drill and RC programs at Lunguya have demonstrated geological continuity of the Nyamakwenge West and East Reefs but weaker continuity of grade. The difficulty in obtaining representative gold grades from small core samples of vein material containing coarse particulate gold is a well documented phenomenon. Widths in these boreholes are approximately true widths and the boreholes have been collared roughly perpendicular to the strike and dip of the mineralized structural zones.

## ***Exploration***

In November 2010, the Company announced positive results from laboratory test work on surface quartz rubble collected from its Lunguya Primary Mining Licenses (PMLs) in northern Tanzania. The laboratory test work was intended to establish the mineralogical (physical) characteristics of gold contained within an extensive auriferous (gold bearing) quartz rubble bed identified at Lunguya, along with suitable gravity-based recovery methods to extract gold from the quartz rubble which is essentially broken and fractured surface rock.

Chemical analysis of sample material returned values of 3.58g/t, 5.75g/t, 2.33g/t and 3.31g/t, giving an average "head grade" for gold of 3.74g/t. (The "head grade" refers to the average grade of the material submitted for processing and analysis).

Bulk samples were collected from random pits within the Lunguya PML in February 2010. RC drilling began at Lunguya in June 2011. The program was intended to confirm evidence of reef mineralization identified during the 2002 RC and diamond drilling program in the area. A total of 14 drill holes consisting of 1,247m were completed during the month. A number of narrow, parallel, moderate dipping shear structures hosted in granite were intersected. The shears are possibly related to those hosting gold mineralization in the area.

The RC drilling program continued at Lunguya in August 2011, demonstrating the continuity of Nyamakwenge reefs to the southwest of the prospect. Two sets of quartz vein in sheared granite were identified during the drilling program in 2002, with their thickness ranging from 1 – 8m thick. During 2011 RC program another two sets of quartz reefs were identified, with their thickness ranging from 2 to 20m. These two new sets of quartz reef have similar characteristics with the first sets of quartz veins identified.

During the period ended August 31, 2019, no direct property work was conducted on the Lunguya property. The Lunguya Property is currently in the care and maintenance stage.

The Lunguya Property is without known mineral reserves and any exploration program is an exploratory search for ore.

## **Itetemia Property**

### ***Property Description and Location***

The Itetemia Property is located in the Mwanza Region of the Lake Victoria Greenstone Region, Tanzania, approximately 90 kilometres by air southwest of the city of Mwanza, situated on the south shore of Lake Victoria.

### ***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The property is accessed via local roads from Geita or by plane from Mwanza to an airstrip accommodating the neighbouring Bulyanhulu Mine, owned by Barrick. The Barrick airstrip is 3.75 km west of the western boundary of the Itetemia prospecting license, and approximately 4 km northeast of the Nyamykonze village. Local resources are available at Mwanza, located on the southern shore of Lake Victoria.

The topography in the region and on the property consists of large flat-lying areas surrounded by numerous small hills. The hills have elevations of up to 100 m above local terrain. The hills are thickly vegetated and access is only possible along cut lines. Little outcrop exists on the property. The climate is similar to the rest of the region. The rainy season starts in November and lasts to the middle of April, but precipitation is irregular from one season to another. The dry seasons are usually hot. Mwanza, located along the southern shore of Lake Victoria, can, and has, provided limited supplies for mining and exploration operations in the area. Dwellers in the area of the Itetemia Property, such as the neighbouring Nyamykonze village, are traditionally subsistence farmers and ranchers, and have limited mining experience from the Bulyanhulu operation and numerous small scale activities. Water for the purpose of mining and processing is not readily available in the region; however, a pipeline from Lake Victoria built by Barrick for its Bulyanhulu Mine, provides an adequate supply.

The large, relatively flat terrain surrounding the known gold mineralization may be suitable for potential tailings and waste rock storage and for heap leach pads and a potential processing plant. Electric power is available via the national grid within 5 km; due to the unreliability of such power, alternative forms of residual or back-up power would be necessary for mining or processing operations, such as diesel power generation used by Barrick at its Bulyanhulu mine.

## ***Ownership***

### Prior Ownership

With respect to one Itetemia prospecting license, the interest of the Company was acquired from Stamico pursuant to a joint venture agreement dated July 12, 1994 (the “*Stamico Venture Agreement*”). The *Stamico Venture Agreement* obligated the Company to make two initial payments of TSh\$1,000,000 and US\$7,200 to Stamico, both of which were satisfied.

### The Company’s Interest

Through prospecting and mining option agreements, the Company has options to acquire interests in several Itetemia Property prospecting licenses. The prospecting licenses comprising the Itetemia Property are indirectly held by the Company through the Company’s subsidiaries, Tancan or Tanzam. In the case of one prospecting license, Tancan acquired its interest pursuant to the *Stamico Venture Agreement*, as amended June 18, 2001 and July 2005, which provides, among other things, that:

1. Tancan had to pay Stamico, on execution of the *Stamico Venture Agreement*, the sum of US\$7,200 (as an advance against the 2% gross revenue royalty) and TSh1,000,000.
2. Tancan and Stamico were to form a joint venture company for the purpose of holding the prospecting license that shall be held 10% by Stamico (with no obligation to contribute) and 90% by Tancan, which was effected through the formation of Itetemia Mining Co.
3. Stamico is entitled to acquire an additional 20% interest in the joint venture company by paying a sum equal to 20% of the cost of placing the property into commercial production based on the feasibility study, if and when submitted to the Government of Tanzania for such purpose.
4. Tancan shall assist Stamico in raising the required capital to exercise the right referred to in (3) above.
5. Tancan was to expend the sum of US\$25,000 in the first year and US\$50,000 annually thereafter in relation to the training of Tanzanian personnel.
6. Upon commencement of commercial production, Stamico shall receive a 2% gross revenue royalty, which shall be increased to a 2.5% gross revenue royalty should a mine on the Itetemia prospecting license produce recoverable gold in excess of 12 grams per tonne.
7. Tancan shall pay to Stamico, as an advance against the 2% gross revenue royalty, the sum of US\$7,200 on or before every anniversary of the *Stamico Venture Agreement* up until the development phase, upon and after which the annual sum of US\$10,000 shall be paid as an advance against such royalty.
8. Tancan shall show preference to Stamico for the provision of local materials and services during the period of mining operations.
9. As amended July 2005, Tancan had to pay to Stamico the sum of US\$15,000 on or before July 12 of 2006 and 2007, and ending upon commercial production, provided that commercial production commences by December 31, 2007, failing which the aforementioned payment shall be revisited. As expected, commercial production did not commence by December 31, 2007. In 2008, the annual option fee was renegotiated to US\$25,000 per annum until commercial production.
10. Tancan may assign its rights under the agreement, subject to the prior written consent of Stamico.

The Itetemia prospecting licences are adjacent to Barrick’s Bulyanhulu gold mine.

## ***History***

The exploration history of the Itetemia Property from 2006 to 2019 is summarized as follows:

## Itetemia Exploration History Synopsis

Year	Operator	Work Performed
2006	Tancan	In-house evaluation. 4-hole diamond drill program
2007	Sloane	Planned 2000 m RC drill program and 3000 m infill diamond drilling program.
2008	Sloane	First phase drill program consisted of 10 Reverse Circulation (RC) aggregating 1,489m. Eight diamond drill holes were drilled totalling 2,286.5m.
2009	Sloane	Data analysis
2010	Sloane	Data analysis
2013	Company	In-house evaluation
2014	Company	Digital Terrain Model (DTM) survey pickups using GPS to create topographical survey over the resource area for resource modelling, completion of study, which was contracted to MaSS Resources Company Ltd., submission of the Final Itetemia Gold Project (IGP) Study by MaSS Resources company, Environmental Impact Assessment (EIA) study on the Itetemia Gold Project (IGP), which was contracted to Efficient Consultants environmental experts. The EIA study is ongoing and completed activities include - Visit to site, conducting consultative meetings with stake holders, consultation with OSHA officials & Lake zone mines officer, project registration with NEMC, submission of brief project report to NEMC for project screening, preparation of Scoping Project Report and Terms of Reference (ToR) for management approval before submission and the submission of the Scoping Report to NEMC for approval.
2015	Company	EIA study report approved and ESIA certificate issued. Application to convert PL into Mining License procedures have commenced
2016 - 2019	Company	Itetemia Mining License Application no/01722 submitted on 4 <sup>th</sup> November 2015 still under review by the Ministry of Energy and Minerals. No fieldwork conducted pending resolution on application.

### Geology

The Lake Victoria area contains 12 Archean Nyanzian greenstone belts which are surrounded by and have been interrupted by numerous granitic intrusions. The Nyanzian belts comprise a volcano-sedimentary sequence composed of mafic to felsic volcanics (lavas and tuffs), BIF and shales. The greenstone belts have been grouped into locally distinct geographic regions. One of these regions is the Southwest Mwanza Region which includes a large area south of the town of Mwanza, located on the south shore of Lake Victoria. There are five greenstone belts in the Southwest Mwanza Region, one of which is the Ushirombo belt. The Ushirombo belt is an east-west trending belt, the eastern end of which is located approximately 25 km west of the southern end of Smith Sound on Lake Victoria. The eastern end of the belt is arcuate in shape and trends northerly tangential to the northwestern flank of the Siga Hills.

The Itetemia Property is underlain by the northerly trending eastern portion of the Ushirombo Nyanzian greenstone belt. Granite underlies the eastern and northern portions of the property. The greenstone/granite contact trends northerly through the east-central portion of the Itetemia prospecting license and through the central portion of the Itetemia East prospecting license onto the Itetemia Village license; at which point, the contract tends westerly through the Mwingilo license cutting the northeast corner of the Ngula license. Sixty percent of the Itetemia, Itetemia North and Ngula licenses are underlain by the Nyanzian greenstone belt. The remaining 40% is underlain by granite. Granite variably underlies 90 to 100% of the Itetemia East, Itetemia Village and Mwingilo prospecting licenses. The Mbuga soil covers 10 to 40% of the property.

## ***Mineralization***

The sulphide mineralization encountered on the Itetemia Property comprises massive to semi-massive, stringers, veins and veinlets, disseminated and nodular mineralization. The types of mineralization are (i) sulphides associated with volcanism activity; (ii) remobilized sulphides associated with deformation (shear hosted); and (iii) sulphides associated with sedimentation. The gold and metallic contents associated with this mineralization are variable and the relation between the grades and the mineralized type is not well known at this stage.

The massive to semi-massive sulphide mineralization seems to be related to volcanism. It occurs in two areas on the Property. One area is located in the northern part of the licenses and has been intersected by the hole ITDD-06. More than 30 m. of sulphides were intersected at the contact between a QFP and an argillite horizon separating two pillowed basalts. The sulphide content ranges from 10 to 90% pyrrhotite, 2 to 5% pyrite, trace to 5% sphalerite, trace to 1% copper.

The Golden Horseshoe Reef mineralization occurs as massive sulphide veins locally ranging from 15-30 cm wide. Sulphides dominantly appear in veins/veinlets less than 5 cm wide in felsic volcanic rocks. Five to thirty percent pyrite-pyrrhotite is common over sections of 1 to 15 m along the holes. They are sub-concordant and parallel to the schistosity. The strong shearing at the Golden Horseshoe Reef probably represents a remobilization of the sulphides.

## ***Exploration***

The majority of the exploration work in 2007 consisted of RC and diamond drilling, along with limited ground geophysics. Exploration crews were mobilized to the Itetemia Property in August 2007 and drilling commenced in mid-September. The first phase drill program completed 10 RC holes aggregating 1,489m and eight diamond drill holes totaling 2,286.5m. The drill program targeted the shallowest part of the previously established Golden Horseshoe Reef with a view to developing an open pit resource with a notional floor level of 200m below surface. In support of preparation of a resource estimate, drill holes were sited to provide data at grid points at or below 50 x 50m spacing. A number of deeper holes were also sited to test the extent of the mineralized body at depth and along strike.

The Company is reviewing various alternatives for advancing its Itetemia Property. Previous studies have indicated that the Golden Horseshoe Reef (GHR) represents a small, yet robust, medium-grade, near surface gold deposit that warrants further feasibility investigations.

During the period ended August 31, 2019, no direct property work was conducted on the Itetemia property.

The Company has incurred total net costs (after any recoveries, if any) of \$nil on the Itetemia Property for the year ended August 31, 2019. The Itetemia property is currently in the care and maintenance stage.

During 2019 the Company received a notice of rejection of the mining license application for the Itetemia Property, for failure to have complied with certain regulations. The notice sent by the government did not follow due process under Tanzanian law and, as such, the Company filed an appeal to this notification subsequent to year-end and the Company remains confident, as confirmed by legal counsel, that the mining application was filed correctly and they were not in default of the claims listed in the rejection notification. In light of the Company's focus on the development of the Buckreef Project, the Company recorded a write off of \$6,059,044 related to the Itetemia Property (year ended August 31, 2018 - \$nil).

## **Luhala Property**

### ***Property Description and Location***

The Luhala property is located in Misungwi District of Mwanza Region of Tanzania. It lies approximately 70 kilometres south of the city of Mwanza. The Luhala prospecting licenses are in good standing with respect to required filings and payments with the Government of Tanzania.

The target on the Luhala property is gold stockwork mineralization associated with felsic rock units in dilatational structures.

### ***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

Access to the Luhala Property is via the main Mwanza – Shinyanga road, which is a single lane, good to excellent quality, asphalt highway. To access the property, one drives approximately 45km to the south of Mwanza, where a dirt road from a junction at the settlement of Manawa, leads southwest to the town of Misasi. The property has year round access, although seasonal winter rains, December to March, may result in flooding in low lying areas which are dominated by mbuga (black organic rich laustrine flood soils). Most lowland areas are under active cultivation, corn, rice, beans and mixed crops, by subsistence farmers. Low scrub and thorn bushes cover the small hills. The area has been, for many years, deforested by local agricultural practices.

At Luhala, the mean elevation is approximately 1,200 m above sea level, with a series of small sub-rounded hills, rising up to one hundred meters above the surrounding plain. These hills are typically formed by either resistive iron formations or felsic volcanic rocks. Mafic volcanic rocks weather recessively and are typically only exposed in trenches through well formed laterite profiles. Laterite development is extensive with brick-red laterites overlying weak mottled zones and saprolites at a depth of approximately 3-5m. Deep weathering penetrates 45 - 60m vertically within the subsurface.

An enthusiastic and competent labor force is available through the surrounding villages, and local people have been routinely hired during the trenching, drilling and soil sampling programs conducted on this property. However, no other significant infrastructure is available.

### ***History***

Luhala has had a significantly more protracted exploration history than Lunguya, beginning with the initial exploration by the then Tanganyikan Geological Survey in 1947. The exploration history of Luhala since 2006 to 2019 is summarized as:

#### **Luhala Exploration History Synopsis**

<b>Year</b>	<b>Operator</b>	<b>Work Performed</b>
2006	Tancan	Diamond drilling, RC drilling
2007	Sloane	Follow-up exploration planning
2008	Sloane	Data analysis
2009	Sloane	Data analysis
2010	Sloane	Data analysis
2013	Company	In-house evaluation
2014	Company	Continued in-house evaluation
2015	Company	Continued in-house evaluation/property maintenance
2016-2019	Company	No fieldwork conducted. Property maintenance observed.

### ***Geology***

Luhala is found within the eastern portion of the Buhungukira Belt, a local place name assigned to one of the eight greenstone belts in the Lake Victoria District. These rocks are believed to be the eastern continuation of the Geita Greenstone Belt and consist of dominantly Upper Nyanzian rock sequences.

In the Luhala area, the predominant structural grain is dominated by an early deformational event which has deformed all supracrustal rocks into tight, south to southwest plunging, west overturned, synforms and antiforms. The short limbs of these folds may have east-west strikes and modest, 40 degree south dips. The long limbs of these folds have north to northeast strikes and generally much steeper, 60 – 80 degree, and east dips.

At Luhala, three principal mineralized zones have been identified. These include Kisunge Hill, Shilalo South, and Shilalo West. All of the three principal mineralized areas are linked by a common southwest plunging antiform, the limbs of which are separated by 500 to 800m and converge just south of Line 6200 E and 3800 N. Mineralization to Kisunge Hill is associated with a chert – felsic volcanic contact. As Shilalo South, structurally controlled gold mineralization closely

tracks the position of a massive to locally well-bedded chert or cherty iron formation. The results of diamond drilling in Shilalo West strongly outline the importance of the felsic volcanic - chert – structural sites and gold association. For example, borehole LSD – 08A is collared in the hangingwall to the Shilalo West mineralized zone, traverses the host rhyolite-chert lithology, and terminates in the footwall. This borehole intersected significant gold mineralization of 3.55 g/t Au over 5 m near the hangingwall contact of the felsic volcanic rocks, and is mineralized repeatedly at over one gram ranges throughout much of the felsic host interval, which in this borehole is over 35m thick.

The felsic volcanic rock package at Shilalo West once again presents an excellent structural site for the development of dilatant sites and gold mineralization. As of Shilalo South, a well defined planar, brittle-ductile structural zone was not identified at Shilalo West. Gold distribution is likely related to the presence of extensional and shears extensional veinlets, which are developed within the felsic volcanic rocks at or near, the felsic volcanic “red tuff” contact.

### ***Exploration***

During the year ended August 31, 2019, no site-based exploration work was conducted on the Luhala Property.

At Luhala, three principal mineralized zones have been identified: Kisunge Hill, Shilalo South, and Shilalo West. Gold mineralization is associated with zones of diffuse silicification, localized around small scale fractures within competent chert and felsic volcanic rock units.

### ***Mineralization***

At Luhala, gold mineralization is associated with zones of diffuse silicification, localized around small cm and mm scale fractures within competent chert and felsic volcanic rock units. Major discordant vein structures are not identified and planar high strain zones are absent.

No specific gravity data have been calculated for any of the rocks cored in these intervals and without strong cross sectional control, no reliable resource estimates for any of the principal mineralized zones at Kisunge, Shilalo South and Shilalo West may be calculated.

### ***Historical Drilling***

The Phase 7 drill program at Luhala was completed in August 2006 and consisted of nine diamond drill holes aggregating 991m. All the holes tested the eastern limb of the Kisunge Main Zone. Among the better intercepts reported from this program was 3.07m @ 6.87 g/t. Within this intercept was a 1.44m interval averaging 10.95 g/t. Invaluable structural information was obtained from the Phase 7 diamond drilling program which will be utilized in the planning process for follow-up exploration.

The Company has incurred total net costs (net of recoveries, if any) of \$2,733 for the year ended August 31, 2019. The Luhala Property is currently in the care and maintenance stage.

During the year ended August 31, 2019, the Company recorded a write off of \$3,401,492 related to the property to reflect the Company’s intention to focus on and develop the Buckreef Project (year ended August 31, 2018 - \$nil).

The Luhala Property is without known mineral reserves and any exploration program is an exploratory search for ore.

## **Item 5. Operating and Financial Review and Prospects**

This discussion and analysis of the operating results and the financial position of the Company for the years ended August 31, 2019 and 2018, and should be read in conjunction with the consolidated financial statements and the related notes attached hereto. Discussion and analysis of the financial condition and operating results of the Company for the years ended August 31, 2018 and 2017 are included the Company’s Form 20-F for the year ended August 31, 2018 as previously filed with the SEC.

### **Fiscal Year Ended August 31, 2019 Compared to Fiscal Year Ended August 31, 2018**

#### **Results of Operations**

Net additions to mineral properties and deferred exploration costs for the year ended August 31, 2019 were \$4,067,153

compared to \$2,992,551 for the year ended August 31, 2018. Out of the net additions, \$929,596 (2018 - \$1,703,323 increase) represents an increase/decrease due to foreign exchange in the current period on functional currency. The increase excluding these amounts saw expenditures of \$3,137,557 for the year ended August 31, 2019 compared to \$1,289,228 during 2018. The expenditures increased compared with the prior year due to the ongoing drilling and exploration program initiated in the current fiscal year. The Company also recorded a write off of mineral properties in the amount of \$22,229,752 during the year ended August 31, 2019 compared to \$nil during the year ended August 31, 2018. The Company wrote off values for its non-core assets as it focuses on the development of the Buckreef Project. The Company has also taken a conservative stance while the properties are under appeal as described in note 4 of the audited consolidated financial statements for the years ended August 31, 2019 and 2018.

Net loss for the year ended August 31, 2019 was \$30,417,517, compared to a net loss of \$7,097,397 for the comparable year ended August 31, 2018. For the three month period ended August 31, 2019 and 2018, there was a net loss of \$25,471,720 compared to a net loss of \$2,076,711, respectively. Net loss increased during the current year primarily due to the write off of mineral properties in the amount of \$22,229,752 during the three month and year ended August 31, 2019 compared to \$nil during the year ended August 31, 2018. The Company wrote off values for its non-core assets as it focuses on the development of the Buckreef Project. The Company has also taken a conservative stance while the status of the properties is under appeal as described in note 4 of the audited consolidated financial statements for the years ended August 31, 2019 and 2018. Net loss also increased due to 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 and year ended August 31, 2019, as well as a loss on fair value of the derivative in gold loans of \$1,100,000 during the year ended August 31, 2019, compared to \$200,000 during the year ended August 31 2018. These increases were offset by the decrease in share based payments, amounting to \$236,000 during the year ended August 31, 2019 compared to \$1,598,883 in the comparable year ended August 31, 2018.

*Variances in expenditures are set out below:*

For the year ended August 31, 2019, depreciation expense was \$353,115, compared to \$386,845 for the year ended August 31, 2018. The decrease of \$33,730 is due to a lower overall capital assets base as there were minimal additions during the current and prior fiscal year.

Consulting fees for the year ended August 31, 2019 were \$1,159,991, compared to \$938,569 in the comparable year ended August 31, 2018. Consulting expenses were higher during the period due to timing of various consulting work, primarily related to the Buckreef Project as well as regulatory matters during the year. Consulting fees for the three months ended August 31, 2019 were \$475,451 compared to \$241,471 in the comparable period ended August 31, 2018. The reason for the increased expense during the three month period is due to reclassifications of expenses between accounts.

Directors' fees for the year ended August 31, 2019 were \$111,625, compared to \$111,625 in the comparable year ended August 31, 2018. For the three month period ended August 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 year ended August 31, 2019 were \$185,268, compared to \$121,757 in the comparable year ended August 31, 2018. Office and general costs increased between the comparable period due to the increased activity at site with the current drill program which increased supporting office and general expenditures. For the three month period ended August 31, 2019, office and general expenses were \$54,642 compared to \$26,819 in the comparable period ended August 31, 2018. The reason for the increase is the same as for the year ended August 31, 2019.

Shareholder information costs for the year ended August 31, 2019 increased to \$378,177 from \$343,658 for the comparable year ended August 31, 2018. The amounts were consistent between the two periods. For the three month period ended August 31, 2019, shareholder information costs were \$113,970 compared to \$58,340 for the three month period ended August 31, 2018. The amounts were lower due to the number and timing of various corporate filings and news releases.

Professional fees increased by \$820,996 for the year ended August 31, 2019 to \$1,666,920 from \$845,924 for the year ended August 31, 2018. Professional fees increased mainly due to increased work surrounding current litigations as disclosed in the audited financial statements for the years ended August 31, 2019 and 2018, the shelf registration statement and other general corporate matters. For the three month period ended August 31, 2019 professional fees went from \$280,841 for the three month period ended August 31, 2018 to \$334,069. The amounts increased due to the same reason as the increase for the year.

Salaries and benefits expense increased to \$718,669 for the year ended August 31, 2019 from \$605,659 for the year ended August 31, 2018. Salaries and benefits increased in line with the overall increased activity due to the current drill and exploration program underway. The expenses for the corresponding three month period ending August 31, 2019 and 2018 were \$200,497 and \$124,943 respectively and increased for the same reason as the increase for the year.

Share based payments for the year ended August 31, 2019 were \$236,000, compared to \$1,598,883 in the comparable year ended August 31, 2018. The decrease is due to the Company issuing nil options (2018 – 3,682,000) with a value vested of \$nil (2018 - \$966,000) 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 9 of the audited consolidated financial statements for the years ended August 31, 2019 and 2018 for details of stock options issued.

For the year ended August 31, 2019, travel and accommodation expense were higher at \$43,052 compared to \$24,335 in 2018. Travel and accommodation expense increased due to increased travel to site given the current exploration program. For the three months ended August 31, 2019 and 2018, travel and accommodation went from \$1,098 in 2018 to \$19,786. Travel and accommodation expense increased due to increased travel to site given the current exploration program.

For the year ended August 31, 2019, the foreign exchange loss was \$207,042 compared to an exchange gain of \$126,583 for the same year ended August 31, 2018. The primary reason is the foreign exchange effect on the US dollar denominated warrant liability.

The interest accretion expense for the year ended August 31, 2019 was \$988,530, compared to \$819,060 for the year ended August 31, 2018. Interest accretion increased due to additional loans closed during the year ended August 31, 2019.

The Company recognized a loss on fair value of the gold loan derivative of \$1,100,000 during the year ended August 31, 2019, compared to \$200,000 during the year ended August 31, 2018 in connection with the lenders option to elect repayment in gold.

The Company recorded a write off of mineral properties in the amount of \$22,229,752 during the three month and year ended August 31, 2019 compared to \$nil during the year ended August 31, 2018. The Company wrote off values for its non-core assets of primarily the Kigosi, Itetemia and Luhala properties as it focuses on the development of the Buckreef Project. The Company has also taken a conservative stance while the status of the properties is under appeal as described in note 4 of the audited consolidated financial statements for the years ended August 31, 2019 and 2018.

Details of the write down are as follows:

Kigosi:

During 2019 the Company received a notice of cancellation of mining license relating to the Kigosi Mining License for failure to satisfy the issues raised in the default notice. The notice sent by the government did not follow due process under Tanzanian law, as such, the Company filed an appeal to this notification subsequent to year-end and the Company remains confident that they will be successful in the appeal. The Company recorded a write off of \$12,769,216 related to the property pending the result of the appeal (year ended August 31, 2018 - \$nil, year ended August 31, 2017 - \$124,717).

Itetemia Project:

During 2019 the Company received a notice of rejection of the mining license application for Itetamia, for failure to have complied with regulations. The notice sent by the government did not follow due process under Tanzanian law, as such, the Company filed an appeal to this notification subsequent to year-end and the Company remains confident, as confirmed by legal counsel, that the mining application was filed correctly and they were not in default of the claims listed in the rejection notification. The Company recorded a write off of \$6,059,044 related to the property pending the result of the appeal (year ended August 31, 2018 - \$nil, year ended August 31, 2017 - \$nil).

Luhala Project:

During the year ended August 31, 2019, the Company recorded a write off of \$3,401,492 related to the property to reflect the Company's intentions on focusing and developing the Buckreef project (year ended August 31, 2018 - \$nil, year

ended August 31, 2017 - \$nil)). The Company continues to hold and will develop the Luhala project in the future and fully expects the value to exceed the balance sheet value of \$3,401,492 being written off during 2019.

### **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 and loans. Historically, the Company obtained funding via private placements and public offerings.

Based on the Company's current funding sources and taking into account the working capital position and capital requirements at August 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 August 31, 2019, the Company had a working capital deficiency of \$10,395,970 (August 31, 2018 – \$12,210,685 working capital deficiency), had not yet achieved profitable operations, has accumulated losses of \$133,762,683 (August 31, 2018 – \$103,463,959) 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.

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.

### **Fiscal Year Ended August 31, 2018 Compared to Fiscal Year Ended August 31, 2017**

#### **Results of Operations**

Net additions to mineral properties and deferred exploration costs for the year ended August 31, 2018 were \$2,992,551 compared to \$1,242,162 for the year ended August 31, 2017. Out of the net additions, \$1,703,323 (2017 - \$1,933,614 decrease) represents an increase/decrease due to foreign exchange in the current period on functional currency. The increase excluding these amounts saw expenditures of \$1,289,228 for the year ended August 31, 2018 compared to \$3,175,776 during 2017. The lower expenditure in 2018 is due to reduced financial resources currently available to the Company and a related reduction in exploration expenditures.

Net loss for the year ended August 31, 2018 was \$7,097,397, compared to a net loss of \$6,434,112 for the comparable year ended August 31, 2017. For the three month period ended August 31, 2018 and 2017, there was a net loss of \$2,076,711 compared to a net loss of \$1,307,313, respectively. Net loss and related expenditures were consistent between the two periods.

*Variances in expenditures are set out below:*

For the year ended August 31, 2018, depreciation expense was \$386,845, compared to \$421,983 for the year ended August 31, 2017. The decrease of \$35,138 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 year ended August 31, 2018 were \$938,569, compared to \$805,943 in the comparable year ended August 31, 2017. Consulting expenses increased during the current period as the Company hired consultants in an effort to advance its Buckreef project. The consultants were hired to advise in regards to the status of the processing plant and any modifications and changes to the operational process, and many were hired in replacement of salaried management and personnel that resigned or were let go during the course of the last year resulting in a decrease in salaries and benefits expenses discussed below. Consulting fees for the three months ended August 31, 2018 were \$241,471 compared to \$272,597 in the comparable period ended August 31, 2017. The amount remained consistent for the three month period.

Directors' fees for the year ended August 31, 2018 were \$111,625, compared to \$186,826 in the comparable year ended August 31, 2017. The amount decreased as compared to the same period in the prior year due to director resignations during the prior year as well as no RSU issuances during the current year. For the three month period ended August 31, 2018, director fees amounted to \$27,906 (2017 - \$27,907). The amount was the same for the three month period.

Office and general expenses for the year ended August 31, 2018 were \$121,757, compared to \$197,457 in the comparable year ended August 31, 2017. Office and general costs decreased between the comparable periods due to continued cost reduction measures across all areas of the Company. For the three month period ended August 31, 2018, office and general expenses were \$26,819 compared to \$44,777 in the comparable period ended August 31, 2017. The reason for the decrease for the three month period is the same as above.

Shareholder information costs for the year ended August 31, 2018 decreased to \$343,658 from \$476,285 for the comparable year ended August 31, 2017. The amounts decreased due to reduced spending on investor relation services for the period. For the three month period ended August 31, 2018, shareholder information costs were \$58,340 compared to \$113,838 for the three month period ended August 31, 2017. The decrease is due to the same reason as the decrease for the year.

Professional fees increased by \$91,186 for the year ended August 31, 2018 to \$845,924 from \$754,738 for the year ended August 31, 2017. Professional fees increased mainly due to increased work surrounding the adoption of the stock option plan incurred in the comparative period. For the three month period ended August 31, 2018 professional fees went from \$17,001 for the three month period ended August 31, 2017 to \$280,841. The increase is due to an increase in general corporate matters during the period.

Salaries and benefits expense increased to \$605,659 for the year ended August 31, 2018 from \$458,700 for the year ended August 31, 2017. Salaries and benefits increased due to an increase in payroll tax assessment in Tanzania. The expenses for the corresponding three month period ending August 31, 2018 and 2017 were \$124,943 and \$116,309 respectively and remained consistent between the two periods.

Share based payments for the year ended August 31, 2018 were \$1,598,883, compared to \$1,772,663 in the comparable year ended August 31, 2017. The decrease is due to the Company issuing 3,682,000 options (2017 – 3,750,000) with a value vested of \$966,000 (2017 - \$1,725,000) offset by the forfeiture of RSU's of \$65,098 (2017 - \$(123,569)) as well as the repricing of the 3,750,000 options issued in 2016 which resulted in additional compensation of \$240,000 (2017 - \$nil), see Note 7 of the unaudited interim condensed consolidated financial statements for the years ended August 31, 2018 and 2017 for details of stock options issued.

For the year ended August 31, 2018, travel and accommodation expense were lower at \$24,335 compared to \$31,267 in 2017. Travel and accommodation expense decreased due to cost cutting measures across all areas of the Company. For the three months ended August 31, 2018 and 2017, travel and accommodation went from \$(4,103) in 2017 to \$1,098. Travel and accommodation expense were minimal during the period.

For the year ended August 31, 2018, the foreign exchange gain was \$126,583 compared to an exchange gain of \$161,593 for the same year ended August 31, 2017. The primary reason is the US Dollar exchange rate decreasing from 1.258 at August 31, 2017 to 1.3055 at August 31, 2018.

The interest accretion expense for the year ended August 31, 2018 was \$819,060, compared to \$725,696 for the year ended August 31, 2017. Interest accretion generally decreases as loans approach their maturity date. The amount increased due to additional loans issued during the course of fiscal 2017 and in the first quarter of fiscal 2018.

The Company recognized a loss on fair value of the gold loan derivative of \$200,000 during the year ended August 31, 2018 compared to nil for the year ended August 31, 2017 in connection with the lenders option to elect repayment in gold.

### **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 August 31, 2018, 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 August 31, 2018 the Company had a working capital deficiency of \$12,210,685 (August 31, 2017 – \$6,552,376 working capital deficiency), had not yet achieved profitable operations, has accumulated losses of \$103,463,959 (August 31, 2017 – \$96,566,577) 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.

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 and Kigosi mining licenses. As at August 31, 2019 an accrual of \$680,000 (August 31, 2018 - \$260,000) has been recorded relating to unpaid license fees and resultant penalties. 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 within 30 days. The Company has not received a letter of demand. The potential penalty relating to unpaid license fees is approximately \$211,000 (August 31, 2018 - \$125,000). The Company has recorded an accrual for all valid and active mining licenses.

### **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 it 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 6 of the August 31, 2019 audited 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***

Trade and Other Receivables and cash are classified as loans and receivables, which are measured at amortized cost. Trade and other payables, leases payable, convertible loans and gold bullion loans are classified as other financial liabilities, which are measured at amortized cost. Fair value of trade and other payables and convertible loans are determined from transaction values that are not based on observable market data.

The carrying value of the Company's cash, 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.

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements.

The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

As at August 31, 2019 and 2018, cash and cash equivalents were recorded at fair value under level 1 within the fair value hierarchy.

The carrying value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, leases payable, convertible loans and gold bullion loans approximate fair value because of the limited terms of these instruments.

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 August 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 August 31, 2019, a 1% increase/decrease in interest rates would decrease/increase net loss for the period by approximately \$34,000 (2018 - \$4,000).

#### ***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 August 31, 2019, the Company had current assets of \$4,135,316 (August 31, 2018 - \$1,322,307) and current liabilities of \$14,531,286 (August 31, 2018 - \$13,532,992). 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 \$10,395,970 (August 31, 2018 - \$12,210,685 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 August 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 \$859,000 on the statements of comprehensive loss.

### **C. Research and Development, Patents and License, etc.**

Not applicable.

#### **D. Trend Information**

No known trend.

#### **E. Off Balance Sheet Arrangements**

The Company has no material off balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition.

#### **F. Tabular Disclosure of Contractual Obligations**

The Company has no contractual obligations as of the latest fiscal year end which have a term of more than one year.

### **Item 8. Financial Statements**

#### **A. Consolidated Statements and Other Financial Information**

This Form 20-F Annual Report contains the audited consolidated financial statements of the Company for the fiscal years ended August 31, 2019, 2018 and 2017 with the Report of Independent Registered Public Accounting Firm, comprised of:

- (a) Consolidated Statements of Financial Position as of August 31, 2019 and 2018;
- (b) Consolidated Statements of Comprehensive Loss for the years ended August 31, 2019, 2018 and 2017;
- (c) Consolidated Statements of Changes in Equity for the years ended August 31, 2019, 2018 and 2017;
- (d) Consolidated Statements of Cash Flows for the years ended August 31, 2019, 2018 and 2017; and
- (e) Notes to the consolidated financial statements.

The Company's audited consolidated financial statements are filed as Exhibit 15.1, to this form.

### **Item 15. Controls and Procedures**

#### **(a) Disclosure Controls and Procedures**

As required by paragraph (b) of Rules 13a-15 or 15d-15 under the Exchange Act, our principal executive officer and principal financial officer evaluated our Company's disclosure controls and procedures (as defined in rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this annual report on Form 20-F. Based on the evaluation, these officers concluded that as of the end of the period covered by this Annual Report on Form 20-F, our disclosure controls and procedures were not effective to ensure that the information required to be disclosed by our Company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the rules and forms of the Securities and Exchange Commission. These disclosure controls and procedures include controls and procedures designed to ensure that such information is accumulated and communicated to our Company's management, including our Company's principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. The conclusion that our disclosure controls and procedures were not effective was due to the presence of material weaknesses in internal control over financial reporting as identified below under the heading "Management's Report on Internal Control Over Financial Reporting."

Management anticipates that such disclosure controls and procedures will not be effective until the material weaknesses are remediated. Our Company intends to remediate the material weaknesses as set out below.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our Company have been detected.

#### **(b) Management's Annual Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) for our Company. Our Company's internal control over financial

reporting is designed to provide reasonable assurance, not absolute assurance, regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including our principal executive officer and principal financial officer conducted an evaluation of the design and operation of our internal control over financial reporting as of August 31, 2019 based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, our management concluded our internal control over financial reporting was not effective as at August 31, 2019 due to the following material weaknesses: (i) review and approval of certain invoices and the related oversight and accuracy of recording the associated charges in the Company's books; and (ii) lack of adequate oversight related to the development and performance of internal controls. Due to the limited number of personnel in the company, there are inherent limitations to segregation of duties amongst personnel to perform adequate oversight, including oversight regarding complex International Financial Reporting Standards that may cause misinterpretation and misapplication. These material weaknesses resulted in understatement of the fair value of the derivatives contained in the gold bullion loans by \$1,300,000 and \$200,000 respectively for the years ended August 31, 2019 and 2018.

We intend to take steps to enhance and improve the design of our internal controls over financial reporting; however during the period covered by this Annual Report on Form 20-F, we have not been able to remediate the material weaknesses identified above. Further, proposed changes to address the material weaknesses will take time to implement due to, among other things, a limited number of staff at the Company.

This annual report includes an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

#### **Changes in Internal Controls over Financial Reporting**

During the year ended August 31, 2019, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonable likely to materially affect, its internal control over financial reporting.

**Item 19. Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
12.1	Certification of the Principal Executive Officer under the Sarbanes-Oxley Act
12.2	Certification of the Principal Financial Officer under the Sarbanes-Oxley Act
13.1	Certification under Section 1350
15.1	Consolidated Financial Statements for the years ended August 31, 2019 and 2018
15.2	Management's Discussion and Analysis for the years ended August 31, 2019 and 2018 as filed with Canadian securities commissions.
15.3	Consent of DMCL Chartered Professional Accountants LLP
15.4	Consent of Crundwell Metallurgy (Crundwell)
15.5	Consent of Virimai Projects (Virimai)

**SIGNATURE**

The registrant hereby certifies that it meets all of the requirements for filing this Amendment No.1 to Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Date August 10, 2020

**TANZANIAN GOLD CORPORATION**

By: /s/ James E. Sinclair  
James E. Sinclair,  
Executive Chairman and Director  
(Principal Executive Officer")