

# Tanzanian Royalty Exploration Corporation: 2018 - Good Political and Economic Climate for Investing in Tanzania

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TORONTO, March 13, 2018 (GLOBE NEWSWIRE) --

[Tanzanian Royalty Exploration Corp.](#) (hereinafter, "The Company") (TSX:TNX) (NYSE MKT:TRX) is pleased to take this opportunity to provide information regarding the investment climate in the mining industry in the United Republic of Tanzania.

"The political and economic climate of Tanzania is exceptionally good for investors in [Tanzanian Royalty Exploration Corp.](#)," stated James E. Sinclair, TRX Executive Chairman. "The climate is favourable for responsible companies who have partnered in mining endeavours with Tanzania. Our Company partnered with Tanzania through our Joint Venture Agreement with STAMICO, the mining agency for the government, a decade ago. The Company entered into the Agreement long before sharing in mining operation profits was required by Tanzania. We were ahead of the curve. We more than complied long before laws were enacted in Tanzania regarding mining profits," said Sinclair.

The background for The Company's successes where other mining companies are struggling and failing is due to a number of economic and political changes. The new government of Tanzania, as of November 2015 elected President John Magufuli who has a staunch anti-corruption agenda. Honourable President Magufuli is receiving worldwide recognition for his advancements in bringing Tanzania into 21st Century business and industry, by establishing laws and regulatory standards for Tanzania to benefit from commercial activity within its borders. New laws and regulations benefit the nation and its people, but also benefit industry operating within its borders. Written laws are preferable to common and changeable understandings. Understandings can change from administration to administration, but written laws are not as flexible. President Magufuli is finally disposing of Colonialism in addition to eliminating corruption. Magufuli is a member of the CCM Party which has ruled Tanzania since Julius Nyerere. Thus far, in the Magufuli administration, more than 12,000 employees have been removed for cause, and these dismissals include the heads of Ministries.

"President Magufuli's achievements are producing miracles in Tanzania, not only with new laws and regulations which protect government and industry, but also by Magufuli's active involvement in the development of industry. Tanzania is welcoming international investment as President Magufuli stamps out corruption and dishonesty from the system," stated James Sinclair, TRX Acting Chief Executive Officer.

In the two years President Magufuli has been in office, the investment landscape has changed dramatically in Tanzania. Magufuli chairs the Tanzanian National Business Council (TNBC) scheduled to meet Monday. The Council is a demonstration of the Magufuli Administration's commitment to engage with private industry and create a framework to attract local and foreign investments into a stable business environment. "President Magufuli will be viewed with international interest as he transforms the nation's economy," Sinclair, said. Many positive and transformative initiatives have been put into place by the Magufuli administration. Initiatives and new laws have been promulgated to stabilize and regulate matters from the mining industry to protecting Tanzania from illegal fishing. Of significant note, last week President Magufuli was awarded the Mandela Peace Prize. The changes in Tanzania have been achieved by Magufuli, and he has done so in a manner which protects and preserves not only life, but the quality of life as indicated by this prestigious award. "Magufuli has insisted on the protection of local industrialists. It was part of his stated agenda in 2015 and he is putting his initiatives into practice in a manner which is fair to private industry and balances the protections of the economic interests of Tanzania. The movement of Tanzania into the 21<sup>st</sup> Century international community has been a metamorphosis which will benefit the nation and its investors," Sinclair continued.

What is occurring in Tanzania is similar to what is being seen in other mineral rich, economically

underdeveloped countries. A few examples of the trend toward equitable host nation treatment can be seen in Guatemala, Indonesia, Mexico, numerous countries in South America, Africa, Greece and Turkey.

Tanzanian Royalty is, and has been, ahead of the curve with respect to equitable arrangement with its host nation during the past 20 years, and specifically with the Buckreef Project Joint Venture Agreement in the past decade. The Joint Venture Agreement can be viewed on EDGAR or SEDAR. Tanzania now requires new mining industry contracts to be in the form of the Buckreef agreement. The Company's agreement with Tanzania is the exact model currently required. This is critical for investors to know in order to understand the relationship between TRX and Tanzania. The Buckreef Project Joint Venture Agreement provides for profit sharing which exceeds current minimum statutory requirements of Tanzania, i.e. profit sharing TRX (55%) and Stamico, the state owned mining company (45%). This agreement existed before the minimum required profit sharing laws were enacted, and this good relationship with Tanzania precludes government intervention in our mining operations due to a long standing, existing fair and equitable agreement. The TRX agreement with the government is unique in that Tanzania not only owns 45% of the profits, but also 45% of the entire asset. The Buckreef Project is robust enough to easily support the 55%/45% arrangement with Tanzania. New laws adopted to secure profits for the host nation make Tanzania a nation of laws and regulations which maintain and support a stable and attractive economic environment for the mining industry.

"The companies who took advantage of Tanzania in the past are the companies that are struggling now. The companies that used and abused their mining privileges in Tanzania are the ones in difficulty. Tanzanian Royalty is not among them. We had greater foresight and acted with fairness and integrity before it was the law, and now we will reap the benefits of exceptionally good relations with the government in our mining operations. We are pleased to have the government of Tanzania as our partner. TRX could be the governmental/corporate and industrial model for all new contractual issues in Tanzania," Duval concluded.

For further information, please refer to the Company website at:  
[www.TanzanianRoyalty.com](http://www.TanzanianRoyalty.com)

Respectfully submitted,

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