

Tanzanian  **Royalty**
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News Release – November 28, 2012

Tanzanian Royalty Exploration announces the formation of a new company to explore the Kabanga Nickel, Cobalt and Platinum Group Metals belt

Tanzanian Royalty Exploration Corporation is pleased to announce the formation of a new company to explore the Kabanga nickel, cobalt and platinum group metals belt in Tanzania. The name of this company is Northwestern Basemetals Company Limited. It will be owned 75% by Tanzanian Royalty Exploration Corporation, 15% by Stamico, the State Mining Corporation of Tanzania, and 10% by Beijing Songshanheli Mining Investment Co., a Beijing mining company. Jinchuan Mining will not participate.

Mr. Sinclair, CEO of Tanzanian Royalty Exploration Corporation, will be CEO of the new company. He was in the past the Chairman of Kabanga Nickel now owned by Barrick Gold and its partner Xstrata Plc (Glencore International Plc). Sinclair said, "My history goes way back on this belt. I was exploring it prior to Barrick's purchase and have always had significant confidence in its ultimate development.

"Tanzania looks right across the Indian Ocean at the growing markets of India and China. Developments of the infrastructure in this area have been significant in the past year including roads and electricity. Historically nickel foundries are established to service their clients so that development in India and China can be expected. If current trends continue, India and China will grow into membership of the three largest markets on the planet for these products. With our Chinese and Tanzanian partners I am delighted to again be spearheading this initiative."

Respectfully submitted,
James E. Sinclair
President and Chief Executive Officer

For further information, please contact Investor Relations at 1-800-811-3855
Visit our website: www.TanzanianRoyalty.com

The Toronto Stock Exchange and NYSE MKT LLC have not reviewed and do not accept responsibility for the adequacy or accuracy of this release

Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission limits disclosure for U.S. reporting purposes to mineral deposits that a company can economically and legally extract or produce. We use certain terms on this news release, such as “reserves”, “resources”, “geologic resources”, “proven”, “probable”, “measured”, “indicated”, or “inferred” which may not be consistent with the reserve definitions established by the SEC. U.S. Investors are urged to consider closely the disclosure in our SEC filings. You can review and obtain copies of these filings from the SEC's website at <http://www.sec.gov/edgar.shtml>

This news release contains certain forward-looking statements and forward-looking information. All statements, other than statements of historical fact, included herein are forward-looking statements and forward-looking information that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time-to-time with the British Columbia, Alberta and Ontario provincial securities regulatory authorities.

Certain information presented in this release may constitute “forward-looking statements” within the meaning of the *Private Securities Litigation Reform Act* of 1995. Such forward-looking statements are based on numerous assumptions, and involve known and unknown risks, uncertainties and other factors, including risks inherent in mineral exploration and development, which may cause the actual results, performance, or achievements of the Company to be materially different from any projected future results, performance, or achievements expressed or implied by such forward-looking statements. Investors are referred to our description of the risk factors affecting the Company, as contained in our SEC filings, including our annual report on Form 20-F and Registration Statement on Form F-10, as amended, for more information concerning these risks, uncertainties, and other factors.