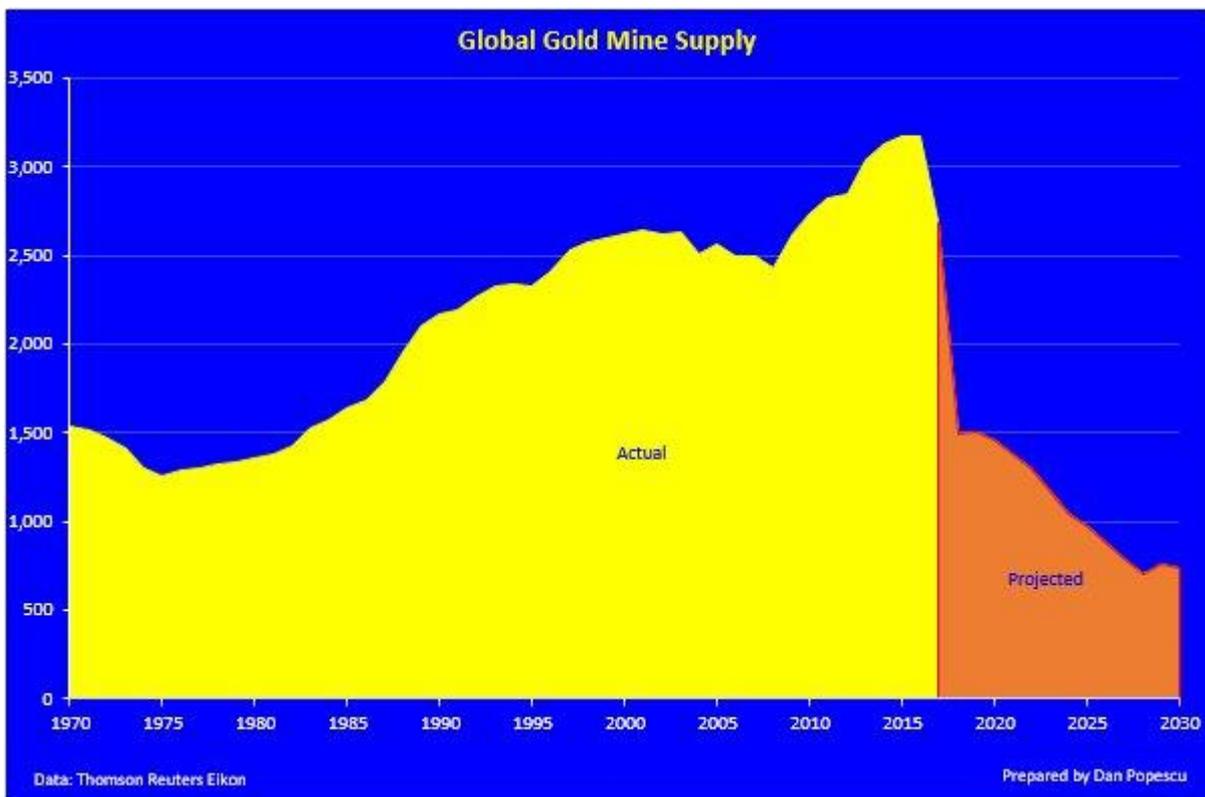
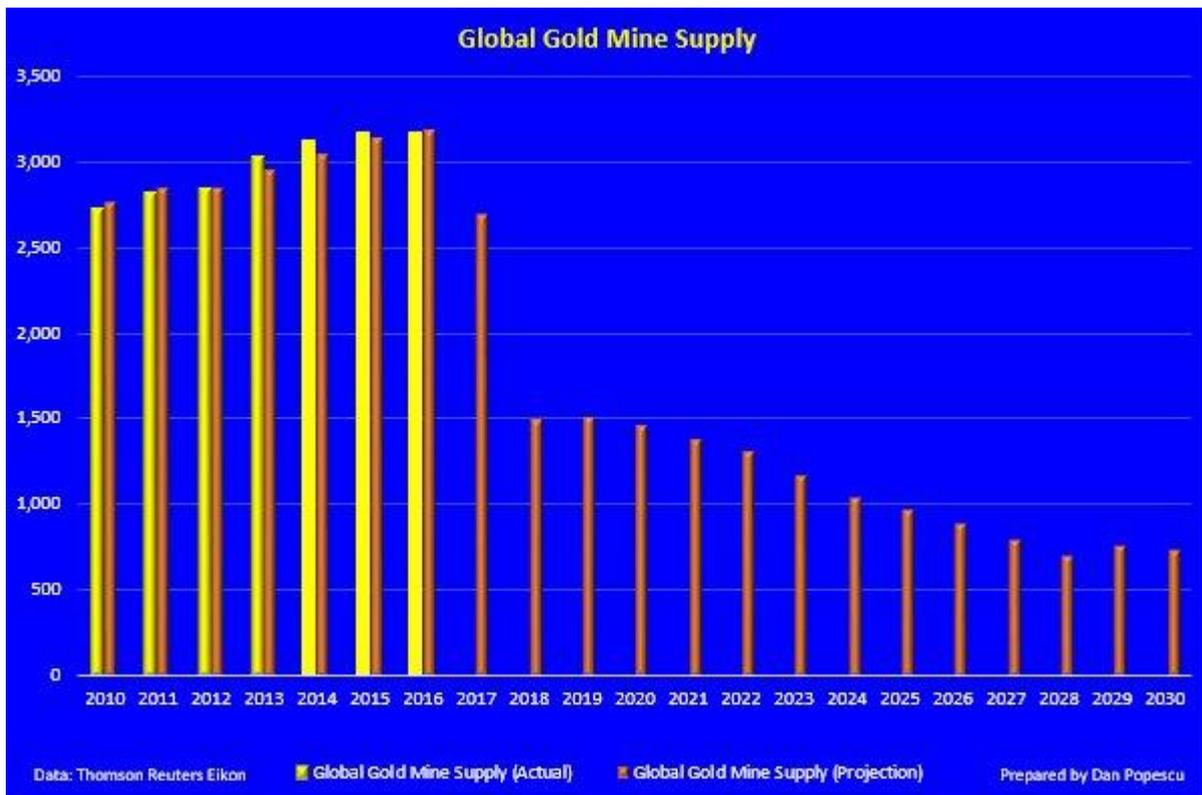


My Dear Friends,

Please review the charts below “Mine Supply since 1970 and Projection to 2030” produced by Dan Popescu via Thomson Reuters Eikon. These charts indicate that in the coming years, the mine supply will be reduced by half of its supply during 2018. Mr. Popescu is an independent gold/silver analyst whose projections in the mining supply are consistent with my own. Few investors understand the gold industry, and the reasons for the approaching decline are numerous and industry specific. An understanding of the gold mining industry is necessary in order to understand why the mining supply of gold is dramatically and rapidly shrinking. Junior gold producers and new miners will have an almost impossible task to achieve what Tanzanian Royalty has already achieved thus far. The analysis to support these charts is dry and complex subject matter, which I hope to provide in the most easily understandable read...





God did not put gold deposits at 72nd and Park Avenue in New York City. In fact, deposits of gold are located in some of the most distant and hostile places on the planet, where temperatures can run from 60 F below to 130 F degree above zero. If you are not dinner for a Polar Bear you are a target for the instantly, deadly Black Mamba snake. The logistics of moving all of the necessary equipment and materials you need for gold production makes D' day look like a walk in the park. Usually there are no roads, lots of bandits and thieves in the form of low level bureaucrats. These robbers are usually seeking cash pay off for allowing your equipment and materials through customs. These cash payoffs are commonly called “shake-downs”, and practised around the world. In the warmer areas, every lethal disease known to man exists, and in the colder areas you risk freezing to death. Exploration and mining are not for the weak of heart, frail of body or for those who lack tenacity of spirit. Locating the gold is a miracle in and of itself.

Once the gold is located, which has already resulted in a huge expense, a miner must define all aspects of the gold, the costs of mining and have an independent third party verify and attest to every aspect of the gold. The costs are a fortune, which could be described as a “king’s ransom.” The “ransom” could easily be one hundred million dollars for a modest deposit. International engineering firms would be better named “The Wild Bunch” or “Jesse James Engineering” and results for studies, methods and plans are not only expensive, but slow.

After exploring and locating the gold, defining all aspects of the deposit, and having third party verification, the miner must determine the mining methods to be used and deal with the government bureaucracies in approving and implementing a mining method and plan. The bureaucracies are a battle of enormous proportions regardless if you are in Nevada, British Columbia or Africa. The bureaucracies which regulate the mining industry are enormous. The rules are maddening. The delays are torturous. The reporting is vast. The compliances are rigid. The pace is dreadfully slow.

Everything must be lawfully and honestly done, without succumbing to the ever present grand corruption. Some mining companies deal with the devil of corruption and they become its prisoner. If you dance with the devil, it is always to his tune. Once in a trap of misdealing, the costs for suborning corruption always increase. The costs never go down. The costs of corruption always go up. An honorable mining company does not prostitute itself by suborning corruption. One call to the FBI or Interpol, or other authority by a disgruntled corrupt bureaucrat and the officials of a mining company can be facing time in jail. The “pay to play” is a very dangerous game, and the risk in North America is as bad as it is anywhere else on the planet. The method and plan for mining, once approved, normally requires financing for the bigger processes and procedures required for implementation.

For corporations, the path for stockholders and management is arduous. The stockholders in the price determination process deal with each other. Those funds do not go to the company. The company must seek financing from other sources. Over the past five years in the gold mining industry, financing has been almost non-existent for companies not fully in production. Only projects already producing have had the ability to raise money. Companies on the cusp of producing are often forced to seek funding from predatory lenders. Average stockholders seek quick and easy results which are not obtainable anywhere in the mining industry. Stockholders become frustrated and scream for results, and management screams even louder. Few stockholders understand the hoops management must jump through to move ahead in the mining industry. Mining is a front end loaded endeavor, in which, all money is put into the operation up front before a penny of profit can be realized.

Today, we see that the host nation of miners (the true owners of the gold) want to be justly compensated. In years past, under colonialism, a mining company could subscribe to financial corruption, pay, dig a hole you could see from Mars, cheat on government taxes, and take the gold. Subsequently, the people of the nation received nothing and the mining company took their gold and the miner eventually left. That system of mining is over. Colonialism is dead. We are in the age of information. The people of the developing nations can read and have computers. They want a fair share of the enormous profits the majors have made. In the past decade, new laws, regulations and rules have been put into place to protect host nations and their people. The wild west days of mining are over, and new miners will have much greater expenses to overcome in accessing gold.

The costs of future mining will be fortune, so great, it was unimaginable in the former days of mining. The price of gold will need to be north of \$5000 per ounce for potential mining operations to be able to undertake the tasks from exploration to production. Until a \$5000 per ounce price of gold is a reality, do not expect to see gold reaching the market from mining supply. There is no clean money for exploration whatsoever. If a miner does not have the ore, it may never be had. If a miner has a bonanza, the miner must be a master at fending off every type of criminal, from the modernized claim jumpers to stock operators working to make financing for you more difficult. For all of the foregoing reasons, mining supply is dwindling and any company who has not already overcome the obstacles mentioned above in this article will not be able to explore, mine or produce gold for the marketplace. The diminishing gold available to be mined will cause the price of gold to skyrocket. As the charts reveal, gold able to be mined in 2018 may be half of what was available in 2017 and prior years. The reasons for the reduction in the mining supply of gold is for all of the foregoing reasons.

Tanzanian Royalty Exploration Corporation is very fortunate to be in a position to mine gold, and is moving forward, having already overcome the obstacles aforementioned which are responsible for the dramatic decrease in gold mining supply.

May we all have a successful and highly profitable New Year!

Best Regards,

Jim