



**Tanzanian Royalty Exploration Corporation  
Management’s Discussion and Analysis  
Years ended August 31, 2008 and 2007**

The Management’s Discussion and Analysis of Financial Condition and Results of Operation (“MD&A”) for Tanzanian Royalty Exploration Corporation (the “Company”) should be read in conjunction with the audited Consolidated Financial Statements for the years ended August 31, 2008 and 2007.

The financial information in the MD&A is derived from the Company’s Consolidated Financial Statements which have been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts are expressed in Canadian dollars unless otherwise described. The effective date of this MD&A is November 27, 2008.

**Overall Performance**

As of August 31, 2008, the Company had Current Assets of \$1,811,000 as compared to \$2,149,000 on August 31, 2007. The decrease of \$338,000 in current assets is mainly attributed to decreases in cash and cash equivalents. Mineral Properties and Deferred Exploration costs amounted to \$24,360,000 as of August 31, 2008, an increase of \$1,900,000 as compared to a cost of \$22,460,000 at August 31, 2007. The current year’s net expenditures on Mineral Property exploration is \$2,573,000 (2007-\$3,131,000) and the Company recovered \$390,000 of exploration costs from its option partners in 2008 (2007-\$411,000). The Company has also recorded a write-down in 2008 of \$672,000 (2007 - \$1,265,000) on mineral properties abandoned.

The Company has financed its operations and investments through the issuance of common shares. During 2008, the Company raised \$4,880,000 (2007 - \$3,154,000) through the issuance of share capital and share subscriptions.

**Selected Annual Information**

	<b>2008 August 31</b>	<b>2007 August 31</b>	<b>2006 August 31</b>
Total Revenues	\$0	\$0	\$0
Net Loss for the period	(\$3,698,045)	(\$3,921,469)	(\$4,326,722)
Basic and diluted loss per share	(\$0.04)	(\$0.05)	(\$0.05)
Total assets	\$26,965,294	\$25,421,472	\$24,891,967
Total Long Term Financial Liabilities	\$38,435	\$75,912	\$121,739
Cash dividends declared per share	\$0	\$0	\$0

## Results of Operations

The loss before income tax in 2008 was \$3,698,000 a \$223,000 decrease from last year's loss before income taxes of \$3,921,000. The decreased in loss before income taxes in 2008 was due to decreases of write off of mineral properties and deferred exploration costs of \$593,000, offset by an increase in salaries and benefit expense of \$381,000. The increase in salaries and benefit is due to the government of Tanzania implementing a minimum wage program in January 2008.

During the year, the Company earned \$88,000 (2007 - Nil) of Consulting income from a service agreement entered into with Sloane Developments Ltd. The Foreign exchange loss has decreased by \$51,800 from \$125,000 for the year ended August 31, 2007 to \$74,000 for the year ended August 31, 2008 due to the strength of the Canadian dollar in 2008. There was no gain on sale of investment as the Company did not receive any option payments in shares. Net interest earned decreased in 2008 by \$5,000 as there was a decrease in cash and cash equivalent throughout the year. During 2008, the Company has hired the Scowcroft Group to assist in identifying and negotiating partnership arrangements with qualified third parties. This increased the consulting and management fee to \$230,000. Press release expense decreased by \$38,000 to \$17,000 due to a change in news wire distribution agency.

Property investigation costs was \$83,000 for the year ended August 31, 2008. The increase of \$52,000 resulted from operations in areas where the Company has determined that it will not continue exploration. Promotion and shareholder relations expense has decreased by \$33,000 due to discontinuation of advertising in mining journals. Transfer agent and listing fees increased from \$129,000 in 2007 to \$203,000 in 2008 due to four private placements during 2008. In 2008, the directors' fee increased by \$58,000 and stock based compensation decreased by \$29,000, due to an increase in new RSUs and directors fees.

For the years ended August 31, 2008 and 2007, the Company did not record any income tax expense or recovery.

## Summary of Quarterly Results

	2008 August 31	2008 May 31	2008 February 29	2007 November 30	2007 August 31	2007 May 31	2007 February 28	2006 November 30
<b>Total Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Loss</b>	(\$660,145)	(\$904,764)	(\$1,152,336)	(\$980,800)	(\$1,624,739)	(\$697,573)	(\$970,354)	(\$628,803)
<b>Basic and diluted loss per share</b>	(\$0.007)	(\$0.010)	(\$0.014)	(\$0.011)	(\$0.020)	(\$0.008)	(\$0.011)	(\$0.007)

There are two primary reasons for fluctuations in quarterly operating results. If a property is deemed uneconomical it results in a write-off of the deferred exploration cost which can result in a large one-time loss. This explains the variation experienced in the quarters of 2008. Another cause for quarterly fluctuations is the amount of new property investigations in a given quarter. Exploration costs associated with investigating properties are not deferred but rather are expensed as incurred.

## Liquidity

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. Throughout the year, the Company issued 271,374 shares in private placement tranches with Mr. Sinclair, Chairman and CEO of the Company in consideration for cash received of \$1,500,000 (\$750,000 of which was received in the prior year). In addition, the Company has received \$5,725,000 for share subscriptions for which 1,031,695 common shares were issued.

As of August 31, 2008 the Company's working capital was \$1,265,000 as compared to \$1,546,000 on August 31, 2007. As the Company's mineral properties advance under various exploration agreements, option payments could increasingly play a role in funding exploration activities for our own account.

The following table sets out the Company's known contractual obligations as of the latest fiscal year end:

<i>Contractual Obligations</i>	<b>Payments Due by Period</b>				
	<i>Total</i>	<i>Less than 1 year</i>	<i>2-3 years</i>	<i>4-5 years</i>	<i>More than 5 years</i>
Capital Lease	US\$82,088 <sup>(1)</sup>	US\$44,311	US\$37,777	Nil	Nil

<sup>(1)</sup> Includes finance charges

## Capital Resources

The Company acquires gold and other mineral concessions through its own efforts or those of its subsidiaries. All of the Company's concessions are located in Tanzania.

For each concession granted in Tanzania under a prospecting or a reconnaissance licence, the Company is required to carry out a minimum amount of exploration work before a mining licence is granted for further development. There are no set work requirements to keep the concessions in good standing. A prospecting licence is issued for a period of up to three years and they are renewable two times for a period up to two years each. At each renewal, at least 50% of the area must be relinquished. A reconnaissance license is issued for one year and renewed for a period not exceeding a year. All prospecting licenses granted by the Tanzanian government are subject to an annual rental fee of not more than U.S. \$50 per square kilometer, a minimum exploration work commitment, and employment and training of Tanzanians. In addition, the government of Tanzania imposes a royalty on the gross value of all gold production at the rate of 3%.

Many 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. Current details of option payments required in the future if the Company elects to maintain its interest are as follows:

<i>Option Agreement Obligations</i>	<b>Option Payments Due by Period (US\$)</b>				
	<i>Total</i>	<i>Less than 1 year</i>	<i>2-3 years</i>	<i>4-5 years</i>	<i>More than 5 years</i>
	\$1,640,500	\$377,500	\$833,000	\$409,000	\$21,000

On August 8, 2006 the Company entered into private placement subscription agreement with James E. Sinclair, the Company's Chairman and C.E.O. for the purchase of an aggregate of \$3,000,000 worth of common shares of the Company in eight separate quarterly tranches of \$375,000 each. The initial quarterly period commenced February 1, 2007. As at November 27, 2008 the Company has completed six (6) of the eight (8) tranche private placement:

- (a) May 28, 2007 – 66,254 common shares at a price at a price of \$5.66 per share;
- (b) August 14, 2007 – 63,345 common shares at a price of \$5.267 per share;
- (c) November 13, 2007 – 63,993 common shares at a price of \$5.86 per share;
- (d) February 19, 2008 – 61,871 common shares at a price of \$6.061 per share;
- (e) May 14, 2008 – 72,268 common shares at a price of \$5.189 per share;
- (f) August 12, 2008 – 73,242 common shares at a price of \$5.12 per share.

In addition, on August 7, 2008 the Company issued 184,843 common shares at a price of \$5.41 per share for a \$1,000,000 private placement pursuant to a subscription agreement dated July 15, 2008 with Mr. Sinclair.

In addition, on May 14, 2008, the Company issued 332,434 common shares at a price of \$5.189 per share for a \$1.725 million private placement pursuant to a subscription agreement dated May1, 2008 with Mr. Sinclair.

On February 19, 2008, the Company issued 167,196 common shares at a price of \$5.981 per share for a \$1 million private placement pursuant to a subscription agreement dated February 4, 2008 with Mr. Sinclair.

On October 26, 2007 the Company issued 347,222 common shares at a price of \$5.76 per share for a \$2 million private placement pursuant to a subscription agreement dated October 11, 2007 with Mr. Sinclair.

Although no assurance can be given, the Company believes it will be able to raise additional capital as required to fund its commitments. In addition, if necessary, the Company could adjust the extent and timing of certain expenditures.

### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

## **Transactions with Related Parties**

During the year ended August 31, 2008 \$437,567(2007 - \$379,584) was paid or payable by the Company to directors for directors' fees. Directors were paid \$112,898 (2007 - \$102,473) in cash and \$303,883 (2007 - \$260,312) in non cash equivalent RSUs.

The company engages a legal firm for professional services in which one of the Company's directors is a partner. During the year ended August 31, 2008, the legal expense charged by this firm was \$152,583(2007 - \$82,404), of which \$20,761 remains payable at year end.

At August 31, 2008, the Company has a payable of \$10,478 to Mr. J. Sinclair, the Company's CEO.

## **Restricted Stock Unit Plan**

The Board of Directors has implemented the RSU Plan under which employees and outside directors are compensated for their services to the Company. Annual compensation for directors is \$68,750 per year, plus \$6,875 per year for serving on Committees, plus \$3,437.50 per year for serving as Chair of a Committee. At the election of each individual director, up to one-third of the annual compensation may be received in cash, paid quarterly. The remainder of the director's annual compensation (at least two-thirds, and up to 100%) will be awarded as Restricted Stock Units ("RSUs") in accordance with the terms of the RSU Plan and shall vest within a minimum of one (1) year and a maximum of three (3) years, at the election of the director, subject to the conditions of the RSU Plan with respect to earlier vesting.

On May 20, 2008, 63,192 RSUs were granted to outside directors and 85,177 RSUs to inside directors and employees. On April 28, 2008, 52,344 RSUs granted in 2007 to outside directors vested and 52,344 shares were issued to outside directors. On May 12, 2008, 10,446 RSUs granted in 2006 vested and 6,964 shares were issued to an inside director and 3,482 shares were issued to an employee.

As at August 31, 2008, 223,176 units were outstanding, of which 18,800 RSUs are expected to vest on April 11, 2009. As well, 50,782 RSUs are expected to vest on May 20, 2009. For the year ended August 31, 2008, stock-based compensation expenses related to the issue of restricted stock to employees were \$152,000 including \$33,000 capitalized to mineral properties and deferred exploration expenditures compared to \$148,000 for 2007. Expenses related to the issue of restricted stock to directors were \$303,883 and \$260,312 in 2007.

## **Fourth Quarter**

Net loss for the fourth quarter 2008 was \$660,000 compared to \$1,625,000 for the same period in the previous year. The primary reason for the decrease in the loss was no write-off of mineral properties in the fourth quarter in 2008 compared to a write-off of \$898,000 in the fourth quarter of 2007. Professional fees were \$99,000 and \$168,000 for the fourth quarter 2008 and 2007, respectively. The fees include accrual for the annual audit fee of \$150,000. The loss also included the RSU stock based compensation costs of \$57,000 in

the fourth quarter 2008 to employees and \$118,000 to directors. Salaries and benefit expense was \$264,000 in the quarter ended August 31, 2008 as compared to \$179,000 in 2007. The increase was due to the minimum wage implementation in Tanzania.

### **Changes in Accounting Policies including Initial Adoption**

Effective September 1, 2007, the Company adopted, on a prospective basis, the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

#### **(i) Accounting Changes (Section 1506):**

This standard allows for voluntary changes in accounting policy only when such changes enhance the relevance and reliability of the financial statements and the comparability of those financial statements over time and with the financial statements of other entities. The standard requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be correctly retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimate and errors on the financial statements.

Any impact that the adoption of Section 1506 will have on the results of operations and financial condition will depend on the nature of future accounting changes. Its adoption has had no material impact on these consolidated financial statements.

#### **(ii) Financial Instruments - Recognition and Measurement (Section 3855):**

This standard prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances.

Under Section 3855, financial statements must be initially classified into one of the following balance sheet categories (including derivatives):

- Held-for-trading financial assets and liabilities that are initially measured at fair value and where subsequent changes in fair value are recognized in the consolidated statements of operations.
- Available-for-sale financial assets that are initially measured at fair value and where subsequent changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired at which time the amount would be recorded in net earnings; or

Held-to-maturity investments, loans and receivables, or other financial liabilities - all of which are initially measured at cost and where subsequent changes in cost are amortized utilizing the effective interest rate method.

In accordance with this new standard, the Company classified financial instruments as follows:

- Cash and cash equivalents were classified as held-for-trading and accordingly carried at their fair values;
- Accounts and other receivables were classified as loans and receivables and are currently earned at their amortized cost.

Accounts payable and accrued liabilities were classified as other financial liabilities and are currently carried at their amortized cost.

The classification of the financial instruments as at September 1, 2007 and their subsequent changes to August 31, 2008 have resulted in no material gains or losses that require separate presentation in other comprehensive income (loss) or recognition in earnings (loss).

Transaction costs that are directly attributable to the issuance of financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method.

**(iii) Hedging (Section 3865):**

This standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company does not have any hedges.

**(iv) Comprehensive Income (Section 1530):**

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires that certain gains and losses which would otherwise be recorded as part of net earnings be presented in "other comprehensive income" until it is considered appropriate to recognize them into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as other financial statements. This standard has had no material impact on these consolidated financial statements.

**(v) Equity (Section 3251):**

This Section establishes standards for the presentation of changes in equity that arise as a result of the adoption of comprehensive income, financial instruments - recognition and measurement, and hedges (Sections 1530, 3855 and 3865). It establishes standards for the presentation of accumulated other comprehensive income, which is comprised of all components of other comprehensive income. This standard had no material impact on the consolidated financial statements.

Recently released Canadian accounting standards:

(i) The CICA has issued new accounting standards Section 3862, *Financial Instruments - Disclosures* and Section 3863, *Financial Instruments - Presentation* which replaces Section 3861 *Financial Instruments - Disclosure and Presentation*. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the existing presentation requirements. These new standards apply to the Company's interim and annual financial statements for its fiscal year ending August 31, 2009. The Company is evaluating the impact that the adoption of Section 3862 and Section 3863 will have on its consolidated financial statements.

(ii) Effective September 1, 2008, the Company will adopt new accounting standard Section 1535, *Capital Disclosures*, which requires companies to disclose their objectives, policies and processes for managing capital. In addition, disclosures are to include whether companies have complied with externally imposed capital requirements

and, if not in compliance, the consequences of such non-compliance. The Company is evaluating the impact that the adoption of Section 1535 will have on its consolidated financial statements.

(iii) International Financial Reporting Standards (IFRS):

In 2006, the Canadian Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of September 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended August 1, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(iv) CICA 3064 Goodwill and Intangible Assets:

In February 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Intangible Assets*, and Section 3450, *Research and Development Costs*. Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard applies to the Company's interim and annual financial statements for its fiscal year ending August 31, 2010.

### **Critical Accounting Estimates**

The Company's most critical accounting estimate relates to the write-off of exploration licenses and associated costs. The Company has recorded a write-down in 2008 of \$672,000 on mineral properties abandoned. 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. Other areas requiring the use of estimates include the determination of stock-based compensation and future income taxes.

### **Disclosure of Outstanding Share Data**

As at the date of this MD&A, there were 88,441,577 common shares outstanding. 223,176 Restricted Stock Units have been granted but not issued. There were no director and employee stock options outstanding and the Company had no share purchase warrants outstanding.

## **Subsequent Events**

On October 10, 2008 the Company issued 327,255 common shares at a price of \$3.056 per share for a \$1,000,000 pursuant to a subscription agreement dated October 1, 2008 with Mr. Sinclair.

The Company entered into a private placement subscription agreement with Van Tongeren Management LLC dated October 29, 2008 to issue 352,381 common shares at a price of \$2.10 per share for total proceeds of \$740,000. The proposed private placement is subject to regulatory approval.

## **Financial and Other Instruments**

The Company's financial assets and liabilities consist of cash and cash equivalents, accounts and other receivables, accounts payable, and accrued liabilities and obligations under the capital lease, of which some are held in different currencies. The Company does not engage in any hedging activities relating to these foreign denominated assets and liabilities. The fair value of the Company's financial assets and liabilities is estimated to approximate their carrying value.

## **Litigation**

There are no legal proceedings which may have or have had a significant affect on the Company's financial position or profitability.

## **Exploration Summary**

### **Kigosi Project**

The Kigosi Project continues to be the focus of the Company's exploration activities in the Lake Victoria Goldfields of Tanzania. Despite a few work stoppages because of rainy conditions and mechanical problems with the company's self-contained, dual purpose drill rig, drilling has continued virtually unabated these past months, producing significant exploration successes in the process.

In fact, the Phase 6 drill program completed in early June produced some of the best assay results to date including 3.0 metres grading 22.24 g/t (0.64 oz/t) and 1.0 metre averaging 66.06 g/t (2.0 oz/t) from the Luhwaika area.

The objective of this sixth phase of drilling was to complete infill drilling along the drilled out part of the Luhwaika Main and West Reef systems in order to confirm the continuity of high grade gold shoots tested in previous drill phases.

In early July, the Phase 7 drill program commenced at Kigosi with the intention of infill drilling the Luhwaika Main and West reefs in areas that generally proved to be inaccessible during the wet season. The rig also tested new IP/soil anomalies to the northeast of Luhwaika before moving to the Igunda artisanal workings some 2.5 kilometres southeast of Luhwaika.

Significant high grade gold mineralization was established in the Igunda Main Shear system where two closely-spaced reefs approximately 18 metres apart produced high grade gold intersections averaging up to 30.58g/t. The high-grade gold mineralization in this area appears to be confined to quartz-veined chlorite schist shears that are up to 4.0 metres wide. Igunda is approximately 2.2 kilometres southwest of the main Luhwaika discovery area and is along strike.

### **Other Projects**

Induced Polarization (IP) gradient grids, ground magnetometer surveys and soil sampling were conducted on various licenses. At Igunda, one ground magnetic anomaly stands out and is interpreted as a possible kimberlite target. At Manonga, the results of eight soil geochemical grids completed over eight BGC anomalies yielded a soil anomaly covering an area of approximately one square kilometre. The anomaly is open ended towards the north and west. Recent BGC results show an east-west trending anomalous zone extending over 9.0 kilometres.

The Lunguya project area was reviewed and exploratory field work has been ongoing. A total of eleven IP gradient grids comprising 82.5 line kilometres as well as two soil geochemical grids totaling 413 samples were completed.

### **Biogeochemistry**

A key component in the Company's optimization of its exploration process is the deployment of biogeochemistry techniques in its field programs. One of the major problems confronting mineral explorers in the Lake Victoria Greenstone Belt - and for that matter in most other greenstone belts in the world - is the presence of deep overburden which frequently masks the presence of favorable host rocks for gold, diamonds and other mineral commodities.

Biogeochemical protocols have been developed relating to the selection and analysis of sample materials and specially-trained crews have been put into the field to gather samples for analysis. In addition, a biogeochemistry laboratory has been established in Mwanza, Tanzania for the preparation of sample materials which are then sent to independent laboratories. The BGC program has now been completed and follow-up programs in the form of soil sampling and auguring are presently underway.

### **Property Acquisitions and Abandonments**

Properties are acquired on the basis of favorable geology and will be evaluated in detail by our in-house technical staff to firm up exploration potential and make them attractive to potential partners under standard royalty agreements.

The Company currently has royalty agreements with three industry partners covering 19 prospecting licences

At the present time, the Company's land position totals 149 prospecting licenses and new and renewal applications in the Lake Victoria Greenstone Belt and Kabanga/Kagera Nickel Belt regions of Tanzania covering an area of approximately 10,000 square kilometers.

### **Risk Factors**

The Company is subject to a number of extraneous risk factors over which it has no control. These factors are common to most exploration companies and include, among others: project ownership and exploration risk, depressed equity markets and related financing risk, commodity price risk, fluctuating exchange rates, environmental risk, insurance risk and sovereign risk.

### **Controls and Procedures**

During the fiscal year ended August 31, 2008 there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

### **Management's Report on Internal Control Over Financial Reporting**

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of August 31, 2008. In making this assessment, the Company's management used the criteria established in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The Public Company Accounting Oversight Board's Auditing Standard No. 5 defines a material weakness as a control deficiency, or a combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected. The company identified a material weakness in its internal control over financial reporting as of August 31, 2008:

- The Company has limited accounting personnel with expertise in generally accepted accounting principles to enable effective segregation of duties over transaction processes with respect to financial reporting matters and internal control over financial reporting. Specifically, certain personnel with financial transaction initiation and reporting responsibilities had incompatible duties that allowed for the creation, review and recording of journal entries, note disclosures and certain account reconciliations without adequate independent review and authorization. This material weakness is pervasive.

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

There has been no material change in internal control over financial reporting.

- Management continues to review the current assignment of responsibilities and has reassigned responsibilities to improve the segregation. In addition, Management will identify and may hire additional accounting resources where required to redistribute and eliminate overlapping of duties.

### **Evaluation of Disclosure Controls and Procedures**

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, as of the end of the period covered in this report, evaluated the effectiveness of our disclosure controls and procedure and determined that, as a result of the material weakness in internal control over financial reporting described above, as of August 31, 2008 our disclosure controls and procedures are not effective to ensure that information required to be disclosed by us is recorded, processed, summarized and reported within the time periods specified.

### **Inherent Limitations of Disclosure Controls and Internal Control over Financial Reporting**

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Approval**

The Board of Directors of Tanzanian Royalty Exploration Corporation has approved the disclosure contained in the Annual MD&A. A copy of this Annual MD&A will be provided to anyone who requests it and can be located while additional information will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **Cautionary Note Regarding Forward-Looking Statements**

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risk set above.

## **Additional Information**

Additional information about the company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com).