TANZANITEONE

6 March 2008

TANZANITE ONE
2007 FINANCIAL YEAR RESULTS

Highlights

Financial
- Net profit up 267% to $6.6 million (US8.96 cents per share)
- Cash profit up 30% to $8.6 million
- Net cash generated from operating activities up $9.2 million to $14.5 million
- Full year dividend up 25% to US 10 cents per share
- Cash and near cash balances up $5.9 million to $12.9 million at year end

Operational
- Tonnes processed up 60% to 25,367 tonnes
- Tanzanite recovered up 38% to 1.7 million carats
- 10% quality-for-quality price increase achieved
- Increase in unit and US Dollar value sales in all major markets

Corporate
- Strategy to expand into other Premium Coloured Gemstones commenced with the conditional acquisition of a Tsavorite project which will be completed following the transfer of the prospecting licenses
- Increased infrastructure and resource requirements in place and absorbed within current operating costs
- Directors shareholdings in Company increased through share purchases and conversion of options
- Board and management restructure to reflect successful repositioning and rebuilding of operational and financial performance, Zane Swanepoel appointed Managing Director.

Key statistics

	FY 2007	**FY 2006**	***Movement***
Revenue	$42.6m	$36.0m	*+18%*
Gross margin	50%	44%	*+14%*
Profit attributable to equity holders of parent	$6.6m	$1.8m	*+267%*
Tonnes processed	25,367	15,896	*+60%*
Carats recovered	1.7 m cts	1.2 m cts	*+38%*
Carats per tonne	67	77	*(13%)*
On mine cash cost per carat	$3.39	$4.47	*(24%)*

Financial Performance

TanzaniteOne announces consolidated earnings for the year ended 31 December 2007 of $6.6 million, an increase of 267% compared to 2006 financial year. This is equal to US 8.96 cents per share (2006: US 2.5 cents per share).

The increased profit reflects an 18% increase in revenue, up $6.6 million to $42.7 million, primarily as a result of increased production.

The Directors have declared a final dividend of 7 cents (2006: 6 cents) per share payable on 25 April 2008 to shareholders registered on 28 March 2008. This brings the total dividend payable for the year ended 31 December 2007 to 10 cents, an increase of 25% over the previous year.

Net profit and production comparisons by year

	1H FY 2007	2H FY 2007	FY 2007	FY 2006*	Change
Net profit after tax & OEI	$3.0m	$3.6m	$6.6m	$1.8m*	+267%
Tanzanite recovered (carats)	762,073	938,061	1,700,134	1,230,505	+38%

***** *FY2006 comparative net profit is after non-cash write offs of $3.2 million following the decision to divest of the wholesale jewellery business.*

Revenues from ordinary activities for the period increased 18% to $42.6 million from $36.0 million in FY 2006. This increase was largely due to an increase in carats recovered during the year in line with the 60% increased in tonnes processed. The quantity of "A"-quality tanzanite recovered (0.90% of production), however, remained below historical averages of 1.5%.

Production for the year totalled 1,700,134 carats of tanzanite, from 25,367 tonnes at an average of 67.0 carats per tonne. During the first half of the year the mine recovered 762,073 carats of tanzanite from 9,818 tonnes processed. Production increased sharply by 23% during the second half, recovering 938,061 carats from 15,549 tonnes. The increase in production volumes was as a result of a change in mining practice to allow multiple producing faces to be mined concurrently. The concept of not locking up potential production faces (for later mining) and mining all faces concurrently continues to work well subsequent to December 2007. This new practice is possible due to improved security measures introduced at the mine. As a result of this new practice, a total of four production areas in Bravo, CT, Main and Delta Shafts were mined at various times. Indications are that Delta, Main, CT and Bravo will give a more even distribution in 2008, based on the current level of development and the mineralised areas identified.

FY 2007 Production profile

Shafts	Main	Bravo	Delta	Askari/CT	TOTAL
Production split	49%	36%	8%	7%	100%

The Merelani mine plant is currently operating at 90% capacity on a single shift basis. There is sufficient capacity to increase production through the introduction of a second shift at the plant.

On-mine cash costs per carat for the full year at $3.39 per carat were 24% lower compared to FY2006 due to increased production volumes mined during the year. The 60% increase in tonnes processed has had a significant effect on reducing unit costs despite inflationary challenges. On-mine cash costs include mine operating costs, mine administration costs and royalty charges incurred at Merelani mine.

The Group achieved a gross margin for the year of 50% compared to 44% for FY2006. Whilst this reflects a 14% improvement compared to 2006, after adjusting for the non-cash write down of stock in 2006, the current year's gross margin shows a deterioration of 2% compared to 2006's adjusted margin. The reduction in gross margin is due to a number of factors including increased costs incurred at the mine level in support of increased capacity for growth, increased costs at the trading operation, local inflationary pressures, legislative changes requiring some wage adjustments and the lower overall quality mix of tanzanite recovered during the year.

Corporate and other operating costs include group mining overhead plus other costs associated with growth and the evaluation of projects. These costs were incurred in conjunction with the development of systems and structures in line with the Group's expansion into other gemstones, an objective which is part of the Group's aim of becoming a diversified global gemstone company. The first of these, the tsavorite project is in its preliminary stages and is working towards commencing bulk sampling. Anticipated savings from the closure of the South African offices have not occurred due to the delay in relocating services to Tanzania. This move is now scheduled to occur in the first half of 2008.

Inventory levels are down to $3.7 million, largely on account of the sale of historic cut and polished stock, in-line with the Group's decision to divest from the wholesale jewellery business in FY2006.

Capital expenditure for the year of $2.6 million included upgrades to security (including the purchase of X-Scan security machines and equipment for $0.8m), mine development ($1.2m) and sundry plant and equipment.

Cash balances at 31 December 2007 were $12.9 million representing a $5.9 million increase over the previous twelve months. This was due to strong net cash generated from operating activities of $14.4 million, up from $5.3 million in the 2006 financial year.

Tanzanite Market

FY2007 saw continued growth and confidence in tanzanite with more retailers stocking and marketing the gemstone. Despite a weakened U.S. economy, global demand for tanzanite increased during the year and is expected to reflect a gradual increase in "A" quality rough tanzanite prices for 2008.

During the year under review, TanzaniteOne sold 1.7 million carats of tanzanite ($42.6 million), an increase of 19% compared with the previous year. This was due to the 42% increase in the number of carats recovered during the year.

Five sights were held during the year. Demand for rough tanzanite throughout the year remained strong with all stock of tanzanite offered at the five sight sales successfully sold. A new market was established for the lighter coloured rough tanzanite (termed B Light) being mined in the second quarter.

Quality for quality, TanzaniteOne achieved a 10% increase in rough tanzanite prices for the year. This was in spite of "A" quality tanzanite sales contributing only 11% of sales by value, a 45% reduction in "A" quality tanzanite from 2006 where "A" quality sales represented 20% of sales by value.

Financial Statements

Tanzanite One Limited
Condensed Consolidated Income Statement
Year ended 31 December 2007
($'000)

	Notes	FY 2007	FY 2006
Revenue		42,635	35,958
Cost of sales		(21,319)	(20,102)
Gross profit	(i)	21,316	15,856
Corporate Administration and other operating costs	(ii)	(3,868)	(4,484)
Mine Administration	(iii)	(2,312)	(1,827)
Selling and distribution costs	(iv)	(3,257)	(4,251)
Royalties		(1,352)	(1,238)
Depreciation and amortisation		(1,858)	(1,692)
Interest income received		399	163
Financing costs paid		(81)	(5)
Profit before tax		8,987	2,522
Income tax expense	(v)	(2,503)	(737)
Profit after tax		6,484	1,785
Minority interest	(vi)	91	(2)
Profit attributable to equity holders of parent	(vii)	6,575	1,783
EPS (basic – cents)		*8.96*	*2.47*
EPS (diluted – cents)		*8.58*	*2.35*

Notes Income Statement

(i). Gross margin at 50% is marginally down from 52% compared to the previous year after adjusting for non-cash write-downs of $2.8 million in FY2006.

(ii). Corporate administration costs reflect costs incurred in administering stock exchange listing costs, corporate compliance, investor relations, Financial and legal consulting and M&A activity.

(iii). Mine administration includes costs incurred in exploration and development of new projects, community works, local regulatory compliance, and general administration at mine level.

(iv). Selling and distribution costs include costs associated with the Tanzanite Foundation advertising and general expenses incurred in the sale of tanzanite during the year.

(v). The effective tax rate for the year ended 31 December 2007 is 28%.

(vi). Minority interest (which represents the 25% minority in Tanzanite One Trading) reflects the 25% interest in the Tanzanite Trading Limited loss for the 12 months ended 31 December 2007.

(vii). Net profit attributable to Tanzanite One shareholders.

Tanzanite One Limited
Condensed Consolidated Balance Sheet
As at 31 December 2007
$'000

	Notes	2007	2006
Non-current assets			
Property, plant and equipment	(i)	21,558	20,824
Inventory	(ii)	621	613
Deferred tax assets	(iii)	2,376	2,515
Total non-current assets		**24,555**	**23,952**
Current assets			
Inventory	(iv)	3,655	9,872
Income tax receivable	(v)	2,757	2,125
Trade and other receivables	(vi)	10,227	11,497
Cash and cash equivalents		12,935	7,005
Total current assets		**29,574**	**30,499**
Total assets		**54,129**	**54,451**
Equity			
Issued share capital		22	22
Share premium		38,709	37,671
Share options outstanding		706	739
Foreign currency translation reserve		(227)	(27)
Retained earnings		6,247	7,858
Total equity attributable to parent equity holders		**45,457**	**46,263**
Minority interest		96	151
Total equity		**45,553**	**46,414**
Non-current liabilities			
Interest-bearing borrowings	(vii)	679	1,166
Provisions	(viii)	94	82
Deferred tax	(ix)	3,992	3,809
Total non-current liabilities		**4,765**	**5,057**
Current liabilities			
Interest-bearing borrowings	(x)	231	10
Income tax payable	(xi)	2,309	1,980
Trade and other payables	(xi)	1,271	990
Total current liabilities		**3,811**	**2,980**
Total liabilities		**8,576**	**8,037**
Total equity and liabilities		**54,129**	**54,451**
Number of shares in issue (million)		*74.3*	*72.7*
Net asset value per share (US cents)		*61.30*	*63.87*

Notes to Balance Sheet

(i) Represents fixed assets within the group. The movement from prior year is due to depreciation ($1.9 million) and current year capital expenditure ($2.6 million). Current year expenditure reflects purchase of security equipment which mainly include X-Scan machines ($0.58m) and CCTV cameras ($0.27m), development expenditure ($1.2m) and earthmoving equipment ($0.1m) which mainly include LHD and forklift.
(ii) Reflects display jewellery in Tanzanite Foundation Ltd ($0.19 million) and Tanzanite One (SA) Ltd ($0.42 million).
(iii) Reflects deferred tax on assessed losses in Tanzanite One (SA) Ltd.
(iv) Inventories: reflects rough and polished tanzanite gemstones and consumable stores
(v) Income tax receivable: includes tax prepaid mainly in Tanzanite One Mauritius Limited and Tanzanite One Mining Limited.
(vi) Reflects mainly trade debtors of $6.5million and value added tax of $1.4million.
(vii) Reflects non-current portion of finance lease loans.
(viii) Reflects provision for rehabilitation.
(ix) Deferred tax comprises largely deferred tax liability in fixed assets in Tanzanite One Mining Ltd in Tanzania.
(x) Reflects current portion of finance lease loans.
(xi) Reflects mainly income tax payable in TanzaniteOne Mining Ltd in Tanzania ($2.2 million).
(xii) Includes trade creditors $0.3 million, director's fees payable $0.1m million, and other creditors $0.9 million.

Tanzanite One Limited
Condensed Consolidated Cash Flow Statement
For the Year Ended 31 December 2007
$'000

	Notes	FY 2007	FY 2006
Cash flows from operating activities			
Cash generated from operations	(i)	18,159	7,548
Interest income received	(ii)	386	766
Financing cost paid	(iii)	(69)	(608)
Taxation paid	(iv)	(4,015)	(2,395)
Net cash from operating activities		**14,462**	**5,266**
Cash flows from investing activities			
Acquisitions of property, plant and equipment	(v)	(2,599)	(2,669)
Proceeds on disposal of property, plant and equipment		-	129
Net cash from investing activities		**(2,599)**	**(2,540)**
Cash flows from financing activities			
Net proceeds from issue of share capital	(vi)	1,038	788
(Repayment)/increase in interest-bearing borrowings – current	(vii)	(266)	397
Dividends paid	(viii)	(6,705)	(5,205)
Net cash from financing activities		**5,933**	**1,185**
Net increase/(decrease) in cash and cash equivalents		5,930	(1,293)
Cash and cash equivalents at beginning of the year		7,005	8,298
Cash and cash equivalents at end of the year		**12,935**	**7,005**

Notes to Cash Flow Statement

(i) Reflects net cash from the sale of tanzanite, payments to suppliers and movement in working capital.
(ii) Reflects interest received on surplus cash balances and call accounts.
(iii) Interest paid on the NBC bank finance lease obligation applied on acquisition of certain plant and equipment.
(iv) Includes $2.0 million income tax paid in TanzaniteOne Mining Ltd and $1.5m income tax paid in TanzaniteOne Mauritius Limited and 12.5% Secondary Tax on Companies (STC) of $0.3m paid on dividend declared to 'A' Class shareholders in South Africa.
(v) Includes purchase of security equipment which mainly include X-Scan machines ($0.58m) and CCTV cameras ($0.27m), development expenditure ($1.2m) and earthmoving equipment ($0.1m) which mainly include LHD and forklift.
(vi) Reflects net proceeds from the exercise of options into shares.
(vii) Reflects a movement in the NBC Bank finance lease obligation as mentioned above.
(viii) Comprised of 2006 final dividend of 6 cents per common share declared on 16 March 2007 and the interim dividend of 3 cents paid on 16th November 2006.

Tanzanite Mining

The tanzanite resource is divided into five blocks. TanzaniteOne in Block C undertakes larger scale mining and medium scale mining is undertaken by each of Kilimanjaro Mining in Block A and Tanzanite Africa in Block D-extension. The Company's neighboring Blocks B and D are mined largely by artisanal miners. This poses some challenges for TanzaniteOne, notably in terms of undermining, whereby, the artisanal miners are mining into TanzaniteOne's designated license area.

Mining Operations

Safety

Operations reported an overall improvement in the LTIFR for the year, below the comparative industry benchmark emphasising the increased overall commitment to safety and supported improved efficiencies.

Production

A significant improvement was achieved in production rates due to the various steps implemented to enable multiple producing faces to be mined concurrently. Delta Shaft produced for the first time with exceptional colour and quality being recovered. Production for the period saw some overall improvements, a result of simultaneous tanzanite production from three shafts: Askari, Main and Bravo Shafts.

Operations

The major challenge to the operation remains the ongoing illegal mining activity mainly taking place from Block "B". Continued communication with officials from the Ministry of Home Affairs is starting to yield results with initiatives undertaken to identify offending operators. Management recognise that a high staff turnover at an operational level is mainly attributable to theft infringements. To minimise the effects on efficiencies recruitment and training policies have been strengthened as have additional security procedures been implemented.

Like much of Sub Saharan Africa, frequent national power interruptions continue to occur. It is anticipated that this will be alleviated in 2008 with the completion of a power stabilising project commissioned in late 2007.

Delays in the delivery of key equipment and the challenges of ongoing illegal undermining resulted in some internal project start dates not being met. The mechanisation trial at CT Shaft, and the commissioning of the Investor Shaft winder is now scheduled to be initiated early in 2008. Stoping tonnage contribution was disappointing as stoping resources were allocated to production areas.

Processed tonnes increased significantly to 25,367 tonnes from 15,896 tonnes in 2006. Two stoping operations were conducted with the stope in Main Shaft showing a recovery of 124 ct/tonne. Further areas will be stoped in 2008, both mechanically and manually as the development of multiple fold stacks continue.

Carats recovered increased by 38% to 1,700,134 carats from 1,230,600 carats in 2006. "A" and "B"-quality recoveries were 21.7% of total production. Delta shaft is showing the most promise of continued top quality production, although the other three shafts have yielded good results.

On Mine Cash Costs

Cash costs for the period decreased to $3.39 per carat from $4.47 in 2006 largely due to a significant increase of production up from 1.2m carats in FY2006 to 1.7m in FY2007. The increased number of carats recovered was a function of increased processed tonnes, up 60% to 25,367 tonnes from 15,896 tonnes in FY2006. On mine cash costs include operating costs, mine administration costs and royalty charges incurred at Merelani mine. For comparative purposes, the on-mine cash costs figure for FY2006 ($2.54) has been revised to include mining overhead costs previously reported as part of administration and other costs.

Production statistics

	2007	2006	*Movement*
Tonnes Processed	25,367	15,896	*+60%*
Carats per tonne	67	77	*(13%)*
Production (carats recovered)	1.7	1.2	*+38%*
On mine cash costs per carat *	$3.39	$4.47**	*(24%)*
On mine revenue per carat	$9***	$12	*(25%)*

** On mine cash costs include operating costs, mine administration costs and royalty charges incurred at Merelani mine.*
*** For comparative purposes, the on mine cash costs figure for FY2006 ($2.54) has been revised to include ongoing mining overhead costs previously reported as part of administration and other costs.*
****Reduction in revenue per carat achieved is as a direct result of the lower overall quality of produced material since the year saw an average 10% increase in the quality-for-quality price achieved.*

Askari/Investor Shaft: Equipping of the surface infrastructure is 70% complete with completion of the 135kw hoist and bin anticipated in early 2008. The surface security building and X-Scan facility are 80% complete. It is planned to have this shaft operational by mid-2008, to sink to 600 metres and to be the main hoisting shaft for Delta production.

Newly recruited teams commenced with the construction of the security complex on the shaft bank, the new winder has been delivered and the shaft is expected to be commissioned by the end of the year.

Main Shaft: The shaft has reached a depth of 620 metres with development for the sub-shaft infrastructure being carried out. This includes a dedicated ventilation and second access shaft to enable the ultimate depth of approximately 1,200 metres to be attained.

In addition to planned development for stoping operations in old workings, efforts are currently concentrating on shaft sinking to intersect fold-stacks at greater depths.

Bravo Shaft: The 17-Level structure has been producing for over a year. A sub-shaft off this structure is yielding exceptional results with a large scale stoping operation being laid out and planned to be worked over the next year. Stoping in the upper levels continues with the main aim to remove all potential mining areas to reduce the temptation for illegal mining activities.

Development of the 17-Level fold-stack resulted in the intersection of a highly mineralised area. Trial stoping was temporarily stopped to assist with the excavation of the 17-Level superstructure. Incursions from Block B miners required the reallocation of mining personnel from other development areas.

Delta Shaft: Mining of the twofold stacks continues and will be linked to Investor Shaft in 2008 to improve ventilation and hoisting efficiencies. Once again, the areas are proving to be larger that predicted with good stoping potential areas being developed.

New geological structures believed to be linked to the highly productive fold-stack discovered in late 2006 have been discovered in Delta and have yielded reasonable production. Exploration and development work in and around these structures are ongoing with further production anticipated.

JW Shaft: No work was carried out at JW Shaft during 2007 due to the lack of supervisors. This situation has been addressed and the vacuumation (extraction method) and stoping exercise is being developed for 2008.

Planned stoping trials were delayed on account of ground handling, supervision and security constraints.

CT Shaft: The surface infrastructure is now in place except for the X-Scan unit, which will be commissioned, in early 2008. The 135kw hoist will allow this shaft to be sunk to a depth of 600 metres from the current depth of 410 metres.

The scoop-tram has been commissioned on Level-30 with exceptional efficiency figures being shown.

The development of the scraper and mechanisation section from Bravo Shaft to CT Shaft is progressing with production planned to commence in mid 2008.

Production continues from the fold stacks intersected below Level-30 with good colour and quality material being recovered.

Development at the shaft bottom remains a priority with the aim of intersecting the next fold stack below the current stack, from which various boudins were removed. The depth of the shaft has been increased to approximately 370 metres, which has exposed new structures. In addition, it is planned to commission the new 135kw winder during the third quarter. This combined with a larger capacity skip is expected to result in significant improvements in efficiencies.

The introduction of five security specialists into the production areas has increased the recoveries and reduced shrinkage from mine faces due to a significantly increased security presence at the production faces.

Planned changes in mining operations aimed at introducing greater mechanisation, including the introduction of a scoop-tram and greater emphasis on selective stoping remain viable options for continued growth, and will result in a significant increase in material passing through the processing plant and sorthouse. To ensure recovery rates are not adversely affected by increased throughput, the micro-sort unit has been re-programmed to sort only the medium to smaller sizes, with larger gems selected by hand in a gloved sorting box. This has resulted in a dramatic improvement in the recovery rate of smaller sizes, whilst freeing sorthouse personnel to concentrate their efforts on hand-sorting the larger, higher value, material.

Exploration

Activities in 2007 centred on the exploration of the area surrounding the 7 kilometre tanzanite controlled area.

The first area of focus was PL2148 (AEGIS) with area reconnaissance and outcrop mapping. The field team was subsequently moved to the Shamberai region, namely PL2939 and PL4195. Work in this region comprised pitting and trenching with the aim of putting together a surface geology map of the region. As most of the rock had a competent overburden and very little outcrop, a 20 kilometre squared area was systematically worked over a period of 7 months. The exploration team will be moving to the Lemshuku area in early 2008.

A drilling programme comprising 2,300 metres of long-hole core drilling was approved during the year with drilling to commence in early 2008. Two holes have been scheduled to be drilled within PL2148 (AEGIS), and single deep holes in PL4691 and in the PML region to the SW of Block C. In addition to the 'off-site' exploration, three short holes are going to be drilled on-site, exploring the Upper Horizon of the tanzanite deposit.

The exploration team has also focused on long-hole core drilling and geophysics over the existing licence area (SML 8/92) to determine the extent of mineralisation at greater depths. Favourable results from the first two drill holes: LHD 15 and 16, warranted the drilling of an additional two holes: LHD 17 and 18. The graphitic host rock or JW-zone was intersected in all four-drill holes.

The second two holes; LHD 17 and 18, intersected the JW-Zone at a down-dip extent of over 1,400 metres. The overall drilling programme indicates that the Lower Horizon, which hosts the economic mineralisation, extends three times further down-dip than previously established.

All of the four drill holes intersected the JW-zone. The ore-bearing horizon intersected at depth was shown to be geochemically similar to the tanzanite-bearing zone currently being mined. The drilling programme has also revealed that the JW-zone appears to thicken out at deeper levels.

Tanzanite One Trading

The focus of TanzaniteOne Trading continued to be the purchasing of medium to fine quality rough tanzanite of 2.5 carats and above. This medium to fine quality rough was in short supply for the first four months of 2007 due to limited production from the adjacent mining areas. Much of the rough available on the Arusha market during this time was a lighter colour, which TanzaniteOne Trading refrained from procuring. Finer colour was available in May and by July 2007 medium to fine rough was readily available; however, a premium was paid to secure finer colours.

Good supplies continued throughout the second half of the year and October saw record purchases. The material being purchased during this period was predominantly of larger size and better colour. With the larger volumes being available TanzaniteOne Trading placed strong focus on procuring much of the "A"-quality rough supply. Through new and strengthened relations with prominent Masai brokers TanzaniteOne Trading's purchases of "A"-quality rough increased threefold compared to 2006.

The retailing of cut tanzanite continued to be successful from the Trading office with all the cut tanzanite being sold as certified by The Tanzanite Laboratory, as endorsed by the Tanzanite Foundation. Sales have increased significantly and are expected to continue to increase in 2008. Although retail is not the Company's primary focus this initiative has been successful in increasing awareness and confidence in the Arusha retail market.

Human Resources and Social Responsibility

In December 2007, the Tanzanian Government announced a 268% increase in minimum wages for the mining sector. Following successful representation by the Company, it has been agreed by representative bodies that non-core employees be paid sector rates as opposed to mining sector rates. This proposal was put forward to government and accepted, thus minimising the effect of the proposed wage increase.

Regular meetings with local community leaders continue. At Naisinyai Village, the roof at the local secondary school is complete and we are working together with the Tanzanite Foundation to secure 205 double bunk beds, mattresses and mosquito nets to equip the boarding facilities at the school.

A further eye clinic is scheduled for early 2008 following the success of the operation conducted in late 2007 where more than 300 people received treatment from the TanzaniteOne sponsored project implemented by the Charitable Eyecare Mission Tanzania, a locally registered NGO. Meetings with the Chairman of the Naisinyai Village and the Merelani Ward continued at regular intervals, with the focus on ways to improve the cooperation and mutually beneficial relationship between all the company employees and its neighbours.

Corporate Matters

Acquisition of the Lemshuku-Shamberai Tsavorite Project

On 22 July 2007, Tanzanite One announced the commencement of a strategy to leverage its position as a leading premium coloured gemstone producer, following the conditional acquisition of the Lemshuku-Shamberai Tsavorite Project (the "Tsavorite Project", the Acquisition") through its 75% owned Tanzanian subsidiary, TsavoriteOne Mining Limited ("TsavoriteOne"). Transfer of the prospecting licences forming part of the acquisition process is underway

The Tsavorite Project:

- Comprises 12 prospecting licenses covering 100 square kilometres.
- Could potentially represent the largest known single-source of tsavorite.
- Is located approximately 20 kilometres to the southwest of TanzaniteOne's existing tanzanite operations.
- Tsavorite enjoys a current quality-for-quality market-price per carat of approximately two to four times that of tanzanite.

Further updates will be provided on the Tsavorite Project as the venture advances.

Board and Management

The past 12 months have seen TanzaniteOne Limited and its subsidiaries repositioned and refocused for strategic, operational and financial growth. The current results are testament to this process which has taken place under the guidance of Mr Ian Harebottle and the senior management team. To position the Company for the next stage of operational growth, both within the tanzanite business and in the recently acquired Lemshuku-Shamberai Tsavorite Project, a number of Board and senior management changes are announced. Ian Harebottle has stepped down as CEO of TanzaniteOne Limited and will leave the company with immediate effect to pursue other interests. Mr Harebottle joined the Group following TanzaniteOne's acquisition of Afgem's tanzanite assets in 2004. Commencing as Chief Operating Officer, he took on the role as CEO in May 2006.

The Board wishes to record its thanks and appreciation to Mr Harebottle and acknowledges his dedication and contribution to the growth of the Group, particularly in Tanzania.

Mr Zane Swanepoel has been appointed Managing Director of TanzaniteOne Limited effective immediately and will be driving the operational performance and growth of the tanzanite operations and the tsavorite project. Mr. Swanepoel joined the Company in September 2005 as General Manager - Mining. He has 25 years experience in mining of which 18 years has been at senior mine management level. Mr. Swanepoel has been instrumental in coordinating and developing the Group's operational growth to date and will continue to be based at the mine in Meralani.

In view of Mr. Swanepoel's appointment as Managing Director, Mr Greg Moss has been appointed Mine Manager at the Group's Merelani mine in Tanzania.

In addition, Mr Ami Mpungwe, currently non-executive director of TanzaniteOne Limited, will assume the role of Executive Deputy Chairman. Mr Mpungwe holds directorships in a number of companies including National Bank of Commerce, Tanzania Breweries and Air Tanzania. He has an honours degree in International Relations and Political Science and has spent 25 years in the diplomatic service. Mr Mpungwe will be responsible for guiding the Company's presence in Tanzania.

The restructured Board of the Company is:

- Michael Adams – Non-executive Chairman
- Ami Mpungwe – Executive Deputy Chairman
- Zane Swanepoel – Managing Director
- Ed Nealon – Non - executive director
- Nicholas Sibley – Non-executive director
- Mark Summers – Non-executive director

Tanzanite One Limited
Incorporated in Bermuda
Exempt company number EC33385

Quoted on the London Alternative Investment Market: TNZ.L
Company ISIN: BMG8672E1021
Company SEDOL: B01RP04
Number of shares in issue at 31 December 2007: 73,584,834
Number of unlisted options at 31 December 2007: 871,000

Board of Directors
Michael Adams - Non-executive Chairman
Ami Mpungwe - Executive Deputy Chairman
Zane Swanepoel - Managing Director
Edward Nealon - Non-executive Director
Nicholas Sibley - Non-executive Director
Mark Summers - Non-executive Director

Audit/Risk Committee
Nicholas Sibley (Chairman)
Michael Adams
Ami Mpungwe

Remuneration/Succession Planning Committee
Michael Adams (Chairman)
Ami Mpungwe
Edward Nealon

Mining and Geology Committee
Edward Nealon (Chairman)
Zane Swanepoel
Greg Moss

Nominations Committee
The Nominations Committee comprises the Full Board

Company Secretary
Willi Boehm

Management
Zane Swanepoel - Managing Director
Farai Manyemba – Chief Finance Officer
Greg Moss - TanzaniteOne Mining, General Manager
Adrian Banks - TanzaniteOne Trading, Managing Director
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Glossary

ct	carat
dollar or $	United States Dollar
g/t	Grammes per tonne, measurement unit of grade (1g/t = 1 part per m)
JORC code	Australasian code for reporting of Mineral Resources and Ore Reserves
LTIFR	Lost time injury frequency rate, being the number of lost-time injuries expressed as a rate per 200,000 man-hours worked
NOSA	National Occupational Safety Association
On-mine cash costs	On-mine cash costs include mine operating costs, mine administration costs and royalty charges incurred at Merelani mine.
tonne	1 Metric tonne (1,000kg).