

11 August 2009

TanzaniteOne Limited

(“TanzaniteOne” or “the Company”) (AIM: TNZ)

Operational Update and Sight Sales of USD\$2.01million Sales

TanzaniteOne Limited, the gemstones producer and developer, today announces an operational update governing production information and recent sales revenues.

Highlights

- USD\$ 2.01 million sales from the second sight of 2009
 - USD\$ 6.92 million tanzanite sales to date in 2009
- 18.7% increase in average comparative per carat price since previous sight (22 April 2009)
- Average price of USD\$ 38 per carat achieved
- All six sight parcels offered sold at the July 2009 sight
- USD\$ 594,000 in revenue from “The Tanzanite Experience” retail outlet to date
- 1.02 million carats mined to end July 2009
- Opening of the Dubai office
- Enhanced margins achieved through prudent cost management

Sales

The second formal sight of 2009 was conducted in July 2009, in Dubai. All six parcels, comprising a total 10,495 grams (52,475 carats) of stones were sold, resulting in total sales revenue of USD\$ 2.01 million. This second sight of the year achieved an average price of USD\$ 38 per carat and resulted in an 18.7% increase in average per carat price per comparative quality grade, since the previous sight held in April 2009.

The July sight coincided with the opening of the Dubai office and the subsequent closure of the Johannesburg office. All future sights will be held in Dubai, which is ideally located due to its central global position. This will allow TanzaniteOne to more efficiently service its existing markets and also access other new markets.

The Tanzanite Experience (TTE) has generated approximately USD\$ 0.6 million in sales revenues from its Arusha (Tanzania) based retail operation for the year to date. Following the success of the TTE, the Company has expanded TTE with the opening of a second outlet in Arusha in July 2009. A TTE visitors centre will also be opened at the mine in August 2009.

The Company is making considerable progress in the development of complimentary sales channels to the traditional sight system, affording the opportunity to move particular stone types at particular points in the market cycle. As a result of the progress made in this regard, the Company has decided to holdback the out-of-sight sales of selected tanzanite sizes and quality stones until the completion of the necessary agreements with its new distribution and marketing partners.

Management

During the second quarter of 2009, Mr Nick Hughes was appointed as General Manager of TanzaniteOne Mining Ltd. Mr Hughes has a wealth of experience in the mining industry and was General Manager of the Tsumeb mine in Namibia, until 2008. Nick is based on site at the Company's mining operation and oversees both the day-to-day underground mining operations as well as all mining related surface activities.

Production

In the second quarter of 2009, the Company achieved production totalling 467,796 carats, bringing the total production for the current year until end July 2009 to 1,020,744 million carats. Production at the end of June was 867,381 carats. The Company is still on track to achieve its target of 1.7 million carats for the year.

TanzaniteOne benefits from advanced coloured gemstone extraction operations. In particular, through the use of the state-of-the-art optical sorter and technologically advanced processing and sorting methods. This is enabling operations to maintain positive margins despite the downturn in tanzanite prices. Currently, only selective areas are being mined for tanzanite and the Company has taken steps to scale back the workforce whilst continuously reviewing all areas of expenditure.

Tsavorite

As part of the Company's diversification strategy, approximately USD\$ 1 million of the placing proceeds from the recent USD\$ 5.5 million Private Placement has been allocated to the bulk sampling and scoping study of the Company's tsavorite projects. On-site preparation work for the bulk sampling recommenced in July 2009.

Outlook

The first and second sights of 2009 have seen significant improvements in both the demand and the average per carat price of tanzanite stones. So far in 2009, the Company has seen revenues of USD\$ 6.92 million, predominantly due to the stabilisation of demand.

Commenting on the operational update, Zane Swanepoel, Managing Director of TanzaniteOne, said: *"We are pleased to report an increase of over 18% in the average per carat price of tanzanites sold at the July sight, compared to the April 2009 sight. We are confident that if a continuation of the increase in demand and price for tanzanite, experienced over the last quarter, can be maintained for the rest of year, the Company will return to profitability by the end of 2009."*

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