

31 January 2011

**TanzaniteOne Limited**

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

**Operational and Marketing Update**

**TanzaniteOne Limited (AIM: TNZ)**, the gemstones producer and developer today announces an operational, sales and marketing update. All figures are unaudited.

**Highlights**

- US\$ 15.8 million in sales for 2010 (US\$ 12.5 million, 2009)
- Total production of 2.2 million carats for 2010 (1.9 million carats, 2009)
  - Average grade of 59 carats per tonne for 2010 (51 carats per tonne, 2009)
- Commissioning of new cutting and polishing facility located at the TanzaniteOne mine
- Q4 2010 :
  - Total production of 536,521 carats for Q4 2010 at 65 carat per tonne average grade
  - US\$ 3.4 million in sales for Q4 2010

**Production**

In the fourth quarter of 2010, the Company achieved production totaling 536,521 carats from the processing of 8,280 tonnes of material at an average grade of 65 carats per tonne for the quarter. Furthermore, Company achieved its annual production target of 2.2 million carats with an average grade of 59 carats per tonne for 2010 for the year.

TanzaniteOne, which uses state-of-the-art optical sorters and technically advanced processing and sorting methods, has further enhanced its sorting techniques resulting in the unlocking of further value in the B and BL quality categories. This initiative forms part of the Group’s stated refocus on its main production source of these lighter but equally brilliant stones. Additional evaluation continues in this area as TanzaniteOne strives to unlock value in this significant portion of its production.

**Sales**

The Company achieved total sales revenue for the fourth quarter of 2010 of approximately US\$3.4 million and for the full year of approximately US\$ 15.8 million .

**Legislation for cutting of all gemstones over 5 carats**

As reported to the market on 9 June 2010, a ban on the export of rough tanzanite larger than 5 carats (1 gram) came into effect on 31 December 2010. The Company and other industry stakeholders are currently in ongoing negotiations with the Government regarding the implementation of the ban and possible effects on the tanzanite industry. However, in preparation for the ban the Company has completed phase 1 of the development of its own cutting and polishing facility located at its Block C tanzanite operation. The cutting facility was commissioned in December 2010 when a total of 216 carats were polished.

The Company remains positive that it will be able to maintain its revenue stream through the continued expansion of sales from its own cutting and polishing facility, agreements with other cutting facilities in Tanzania and the sale of material not affected by the ban.

Commenting today Bernard Olivier, Chief Executive Officer, said; “The Company accomplished its production target for 2010 of 2.2 million carats and achieved an average grade of 59 carats per tonne, culminating in total sales of US\$ 15.8 million for the year. In December 2010, as part of our phase 1 development plan, we commissioned our new cutting and polishing facility located at the TanzaniteOne mine where 216 carats were polished for the month. We look to expand our sales from this in-house cutting facility. TanzaniteOne is also working towards establishing an economic model for the Tsavorite mine where we will be commencing a bulk sampling programme in the coming months with a view to updating the resource in Q2 2011.”

**Notes to the Editor:**

The following modified tanzanite grading and classification system is currently being used by the Company:

Grade	Description
A	Exceptional Colour, Eye Clean
B	Rare Deep Colour, Eye Clean
B (SI)	B Colour - Slightly Included
B (I)	B Colour – Included
BL	Lighter Colour B grade, Eye Clean
BL (SI)	B Light - Slightly Included
BL (I)	B Light – Included
D	Opaque Material

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