



31 August 2010

**TanzaniteOne Limited**

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

**Export and Cutting Expansion Agreement, Tanzania**

Further to the announcement made on 9 June 2010, TanzaniteOne is pleased to announce that it has been granted a staged exemption from the prohibition on the export of rough tanzanite larger than 5 carats (1 gram) by the Government of Tanzania.

The staged exemption has been granted in recognition of the Company’s position as the biggest producer and exporter of tanzanite operating in Tanzania and it provides a moratorium which allows for a 100% export of the Company’s tanzanite production, including stones in excess of 5 carats, until 31 December 2010. This period has been agreed to ensure TanzaniteOne can research and initiate development of economically sustainable domestic cutting operations and assess the potential for cutting and polishing agreements in Tanzania.

The Tanzanian Government has further indicated that the Company will be allowed a rollout period to enable the expansion of its local cutting and polishing facilities in Tanzania. The planned expansion will be staggered to guarantee a consistent supply of gemstones into the market and ensure that no backlog of high value, uncut stones develop.

The Company is in continual dialogue with the Tanzanian Government regarding the details of the rollout period. The Company’s strategy is to expand in-house cutting and training utilizing existing relationships with overseas experts, in addition to entering into agreements with external beneficiation companies locally.

The Company already beneficiates and sells cut stones direct to customers or through its JV company, TanzaniteOne Cutting Edge and is currently working to expand these activities in order to sell larger cut stones in addition to existing sales. TanzaniteOne Cutting Edge focuses on precision cutting and visual optimisation of predominantly lighter coloured tanzanite using uniquely developed cuts. Consequent sales and marketing channels are already established, for such material, with established cutting and distribution houses including Hohoemi Brains Inc, GRAFGEM S.A., and Alankara SKR Ltd (ASKR Jewelry). .

Commenting today Bernard Olivier, CEO, of TanzaniteOne said: “I am delighted that following discussions with the Tanzanian Government the Company has been granted an exemption from the export ban on rough, large gemstones, and support to establish a domestic cutting operation that will bring real benefits to TanzaniteOne. A schedule is currently being put in place that allows us to expand cutting operations while ensuring quality of final product and global competitiveness. Earlier this year, the Board established an important new revenue line from previously undervalued, light, stones with TanzaniteOne Cutting Edge. Through the agreement with the Tanzanian Government, these new marketing and sales channels and utilizing existing relationships, our objective remains to build a customer base for high value cut gemstones. I look forward to updating the market on the details of our cutting expansion towards the end of the year.”

END



For more information, please visit [www.tanzaniteone.com](http://www.tanzaniteone.com) or contact:

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