

TANZANIAN GOLD CORPORATION

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Tanzanian Gold Financing to Expand Buckreef Plant

For Immediate Release

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VANCOUVER (GlobeNewswire) - Tanzanian Gold Corp. (TSX: TNX); (NYSE American: TRX) ("Tanzanian Gold" or the "Company") is pleased to announce that it has signed a flexible financing agreement for up to US\$14 million of unsecured convertible debentures (the "Financing") with institutional investors Riverfort Global Opportunities PLC. and YA II PN, Ltd. (collectively, the "Investors"). The Company has also strengthened its balance sheet by converting US\$8.4 million of outstanding gold loans and convertible loans into common shares.

The proceeds from the Financing will be utilized for a significant expansion of the Buckreef Project oxide mining and processing operation, the advancement of a Feasibility Study for the larger sulphide mining complex, the continuation of multiple drilling programs, and general corporate purposes.

Tanzanian Gold has developed a scope of project to expand the oxide processing plant to the range of 40 tonnes per hour ("tph") as the basis for regulatory approval. Details of the plant expansion will be announced in the immediate future.

The Financing enables Tanzanian Gold to continue building shareholder value as the Company enters substantial new phases in the process of building a substantial mine at the Buckreef Project.

The Financing will be structured in multiple tranches: (i) US\$7.0 million will be advanced between close and the effectiveness of a registration statement with the Securities and Exchange Commission (“SEC”), and (ii) US\$7.0 million will be advanced over time at the Company’s election upon reaching certain milestones. For more information on the terms and conditions of the Financing please refer to our EDGAR filings.

Mr. James E. Sinclair, Executive Chairman of Tanzanian Gold, commented “The past 18 months of work from a talented team at Buckreef and our entire organization represent an incredible period of progress and value creation for our Company. We have dramatically grown our resource base at very low cost, increased the scale and scope of what we now feel will be the next major mine in Tanzania, and have begun to unlock the tremendous blue-sky potential that exists with our continuing exploration and development programs. Critically, we have now become a gold producer. The Financing announced today will ensure the rapid expansion of production, and by the end of the term of this agreement, we expect to reach our goal of becoming cash flow positive.”

Gold Loans and Convertible Loans

In advance of the Financing, Tanzanian Gold simplified and strengthened its balance sheet by converting previously existing convertible debt and gold loans into common shares as per the latest quarterly financial statement as follows:

- Subsequent to May 31, 2020, the Company settled US\$3.8 million of principal amount of outstanding gold loans through the issuance of 13.8 million common shares, and
- Subsequent to May 31, 2020, the Company settled US\$4.6 million of principal amount of outstanding convertible loans through the issuance of 11.0 common shares.

Main Features of the Financing Agreement

The first tranche of US\$7.0 million is essentially a low-cost equity financing as the Investors will seek to convert the debenture into common shares. To help maintain an orderly market for the Company’s shares, there are limitations on the number of shares the Investors can trade at any given moment. The second tranche is essentially a low-cost unsecured debt financing as dilutive conversions of the debentures into common shares are at the discretion of the Company. Investors can convert into common shares at any time at a fixed conversion price.

The Company expects that the size of the first tranche will fund orders of long lead items for the oxide plant expansion. The additional tranches provide the Company with additional financial support and flexibility to complete the plant expansion and other related expenditures. Furthermore, the Company believes that this approach to funding an expansion helps de-risk the project for the Company's shareholders without diluting significant upside.

About Tanzanian Gold Corporation

Tanzanian Gold Corporation is building a significant gold mine at the Buckreef Project in Tanzania. The Company commenced production at its oxide plant in June 2020. Tanzanian Gold is now moving ahead to significantly expand its oxide plant's processing capacity. An ongoing drill program has, to date, more than doubled the size of Measured and Indicated Resources to 2.036 million ounces. NI 43-101 compliant exploration mining targets have the potential to add up to another 2 million ounces. Tanzanian Gold is simultaneously advancing on three value-creation tracks:

1. Increasing production by expanding capacity at its oxide processing plant, which will operate separate and stand-alone during the full life of the larger sulphide mining and processing operation;
2. Advancing Final Feasibility for the sulphide operation utilizing a plant substantially larger than previously modelled, targeting annual gold production of 150,000 to 175,000 ounces; and
3. Considering an underground gold mining component at Buckreef. The Company has started ultra-deep drilling and completed a Level 1 stope design. The Company will start infill drilling to upgrade ounces currently in the Inferred category.

Respectfully Submitted,

James E. Sinclair
Executive Chairman

For further information, please contact Michael Martin, Investor Relations, via email at m.martin@tangoldcorp.com, direct line 860-248-0999, or visit the Company website at www.tangoldcorp.com

The Toronto Stock Exchange and NYSE American LLC have not reviewed and do not accept responsibility for the adequacy or accuracy of this release

Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission limits disclosure for U.S. reporting purposes to mineral deposits that a company can economically and legally extract or produce. We may use certain terms on this news release, such as “reserves”, “resources”, “geologic resources”, “proven”, “probable”, “measured”, “indicated”, or “inferred” which may not be consistent with the reserve definitions established by the SEC. U.S. Investors are urged to consider closely the disclosure in our SEC filings. You can review and obtain copies of these filings from the SEC's website at <http://www.sec.gov/edgar.shtml>

This news release contains certain forward-looking statements and forward-looking information. All statements, other than statements of historical fact, included herein are forward-looking statements and forward-looking information that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time-to-time with the British Columbia, Alberta and Ontario provincial securities regulatory authorities.

Certain information presented in this release may constitute “forward-looking statements” within the meaning of the *Private Securities Litigation Reform Act* of 1995. Such forward-looking statements are based on numerous assumptions, and involve known and unknown risks, uncertainties and other factors, including risks inherent in mineral exploration and development, which may cause the actual results, performance, or achievements of the Company to be materially different from any projected future results, performance, or achievements expressed or implied by such forward-looking statements. Investors are referred to our description of the risk factors affecting the Company, as contained in our SEC filings, including our annual report on Form 20-F for more information concerning these risks, uncertainties, and other factors. Such forward-looking statements include, but are not limited to, that the Company will be able to build shareholder value, that the Company will be successful in its expansion at the Buckreef project, that it will be able to build a mine, and that the Company will be able to achieve positive cash flow,