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NEWS RELEASE

Tigray Acquires Option on Adyabo Licenses, Increases Land Position to 865 Square Kilometres and Defines New Targets

Vancouver, BC, October 16, 2012 – Tigray Resources Inc. (TSX-V: TIG) (“Tigray” or the “Company”) is pleased to announce it has acquired the option on the Adyabo property (formerly Harvest North properties) in Ethiopia, increasing its land position to 865 square kilometres, and has identified new targets.

In December 2011 Tigray entered into an agreement to acquire up to an undivided 80% interest in the Adyabo property in two phases over a three-year period. The Adyabo property covers 595 square kilometres immediately west of Tigray’s Harvest project and includes the Adi Dairo concession in the north and the West Shire concession in the south. The land package is considered prospective for volcanogenic massive sulfide (VMS) and orogenic (structurally controlled) gold deposits, and contains numerous alluvial, elluvial and bedrock gold workings as well as several large gold and gold-copper-arsenic anomalies defined by previous companies’ stream-sediment sampling programs. When combined with the Harvest concessions, Tigray holds 865 square kilometres of exploration ground in the region.

Adyabo is located in the locally underexplored area of the Arabian Nubian Shield. The geology of the project area includes variably sheared and deformed mafic and ultramafic rocks intruded by multiple generations of gabbro, pyroxenite, granite and granodiorite. Large shear zones contain several bedrock gold workings. Previous work on the concessions included stream sediment sampling, 300 metre spaced airborne electromagnetic and magnetic surveys, traverse rock-chip sampling, and reconnaissance mapping.

During due diligence on the properties, Tigray reviewed the geology of several sections of the project including Mato Bula, Sentraley and Adi Gozomo, the highlight being Mato Bula.

Mato Bula

Mato Bula is a 2.1 kilometre long gold and base metal soil anomaly with numerous deep artisanal gold workings at its centre, multiple high-grade gold assays from rock chip and channel samples, large zones of silicified rocks forming two large silica-rich hills (alteration, silcrete formation due to weathering, or a siliceous cap over an intrusive system) and several zones of malachite-rich gossan and breccia. Extensive active artisanal gold bedrock workings are present over a strike length of 500 metres with several shafts up to 45 metres deep. During early reconnaissance a total of 10 rock-chip samples were selected from mineralized faces and artisanal spoil heaps. These samples average 37 grams per tonne gold with five samples greater than 50 grams per tonne gold. Samples range between 100 and 1.37 grams per tonne gold. A total of 11 unbiased samples from artisanal miners’ waste dumps (spoil heaps) over a 180 metre strike length at the centre of the artisanal workings averaged 20.8 grams per tonne gold, with nine samples grading more than 11.6 grams per tonne gold and two samples grading 0.12 and 2.4 grams per tonne gold, respectively.

Soil sampling over the area was conducted on a 40 by 40 metre grid to accurately define targets and identify multi-element associations. A 1.7 kilometre long anomaly of more than 100 parts per billion gold was defined and a second zone at Mato Bula North increases the length of the target to 2.1 kilometres. The gold anomaly includes a zoned copper-lead-zinc-molybdenum-barium soil anomaly, with multiple values of copper, lead and zinc over 0.1% in soils and peak results of 9,724 parts per million copper, 8,087 parts per million zinc, 1,363 parts per million lead, 23 parts per million molybdenum, 73 parts per million arsenic, 2.8% barium and 1,134 parts per million tungsten were identified by Niton XRF results.

Recent continuous channel sampling in a few accessible areas around the main workings over a 180 metre strike length gave the following peak results:

- 4 metres at 6.70 grams per tonne gold (terminated in mineralization both sides) in a four metre channel at crest of Mato Bula
- 4 metres at 5.71 grams per tonne gold (terminated in mineralization both sides) from a four metre channel on a buttress between two lines of deep workings where the mineralized zone is a minimum of 12 metres true width
- 4 metres at 4.87 grams per tonne gold from a four metre channel across the centre of the southern part of the workings.
- 2 metres at 4.53 grams per tonne gold from a two metre channel across a minor pit at the south end of the artisanal workings

Four grab samples from areas of limited outcrop between 80 and 120 metres southwest of the end of the workings yielded values of 40.7 grams per tonne gold, 19.9 grams per tonne gold, 5.27 grams per tonne gold and 0.12 grams per tonne gold. From existing data, the primary high-grade gold target thus far defined by high-grade rock chip samples is 350 metres long within the overall target zone of 2.1 kilometres strike length. A total of 12 trenches have now been completed for a total of 654 metres to test along strike in areas of poor outcrop. Results are pending.

Significant alteration associated with the hosting mafic shear zone and associated quartz veins include abundant sulfide and gossan, silica, sericite and carbonate alteration. Two large silica hills are present northeast of the main gold workings (600 by 250 metres at Silica Hill and 220 by 120 metres at Mato Bula North). The silica hills are zoned, with gold and molybdenum anomalism over the silica zones and copper, lead and zinc surrounding, abutting, and partially overlapping the silica hills. Base metal enriched jasperoid zones are also present. The assemblage has signatures reflective of a VMS type mineralized system, with a possible high-grade gold component. If the silica hills are caps over mineralized intrusions (i.e. porphyry), there is also potential for skarn type mineralization as several limestone outcrops have been mapped in the vicinity.

Mato Bula West

Additional gold soil anomalies have been defined by recent 320 by 40 metre spaced soil sampling. These are located parallel to, and five and eight kilometres west of the Mato Bula VMS target. The anomalies are 2.6 and 2.0 kilometres long, respectively, and are open to the north. Mapping will be initiated in this area.

Sentraley

A cluster of four distinct, linear, over 100 parts per billion gold soil anomalies occur in a northeast trending zone of 3.8 kilometre strike length, and 800 metre width, with two anomalies over 300 parts per billion gold over a 1.7 kilometre strike length, making this the largest soil geochemical target on the Adyabo property. The soil anomalies were defined by 320 by 40 metre spaced soil sampling following up on the previous company's stream sediment sampling, and are related to mineralized quartz veins in sheared mafic and sedimentary rocks in the west-central region of the Adi Dairo Concession. This area is mainly covered by thin colluvium with approximately 20% outcrop. Several areas of alluvial artisanal gold workings are present in the northeastern part of the target area, including minor bedrock workings, over each of the four main anomalies.

Bedrock workings identified on the eastern anomaly include two clusters of pits about 100 metres apart in sheared black shale. Rock chip sampling yielded results of 7.96 grams per tonne gold and 0.02 grams per tonne gold.

Recent work completed includes 1:2,000 scale mapping over five square kilometres of strike, three trenches dug over the central and eastern zones, and infill soil sampling to 160 by 40 metres. Results are pending from infill soil and also trench sampling.

Adi Gozomo

The Adi Gozomo artisanal gold workings occur in an altered and quartz-veined granodiorite intrusion, within a zone of sheared ultramafic rocks. The workings are 120 metres long, up to 27 metres wide and are focussed on cubic pyritic mineralization possibly associated with stockwork to sheeted quartz veins in a granodiorite intrusion (dyke or series of dykes). Pyritic granodiorite is present over a 330 metre strike length, with half the trend under cover (farmland and alluvium). Results include an assay up to 67.6 grams per tonne gold from selected sampling of pyrite-rich mineralization. Channel samples along the western wall of the biggest pit assayed 13 metres at 1.32 grams per

tonne gold, including 4 metres at 3.43 grams per tonne gold and open to the north. Soil sampling results have highlighted an anomaly over 420 metres long at more than 50 parts per billion gold.

A second and larger soil anomaly is present on the eastern edge of the 40 by 40 metre soil sampling grid at Adi Gozomo. The anomaly, at greater than 100 parts per billion gold, is approximately one kilometre long and is associated with a low ridge covered in colluvium and sourcing minor alluvial workings. Two low hills of massive quartz-tourmalinite are located on the edge of this anomaly.

Other prospects

Previous companies explored the Adi Dairo concession using stream sediment sampling as the principal geochemical sampling tool. This work highlighted large areas that contain anomalous gold. Four significant anomalies were defined in the stream sediment sampling program, and the target areas have now been sampled on 320 by 40 metre spaced soil sampling to define the targets more accurately. Results are still pending for targets at Adi Zerensky in the north (seven by two kilometre stream anomaly), Imba Twisa in the central part (three by one kilometre stream sediment anomaly) and Awahi Stream North and South anomalies (four by three kilometre and seven by two kilometre stream anomalies, respectively) in the south of the Adi Dairo Concession.

Adyabo Agreement

Under the terms of the agreement, Tigray has the option to acquire up to an undivided 80% interest in the Adyabo property in two phases. The first phase allows Tigray to earn a 55% interest in exchange for (a) the payment of \$300,000 in cash and the issuance of 300,000 Tigray shares on receipt of TSX Venture Exchange (the "Exchange") approval, and (b) an additional payment of \$300,000 in cash and the issuance of an additional 300,000 Tigray shares on the first anniversary of the Exchange approval date. The second phase will allow Tigray to earn an additional 25% interest in exchange for (a) the payment of \$300,000 in cash and the issuance of an additional 1,000,000 Tigray shares on the second anniversary of the Exchange approval date, and (b) the issuance of an additional 1,000,000 Tigray shares on the third anniversary of the Exchange approval date. Further, on receipt of a positive feasibility study, Tigray will issue an additional 1,000,000 shares to the optionor, and upon commencement of commercial production, Tigray will issue an additional 500,000 shares to the optionor. The optionor may elect to convert the remaining 20% interest into a 2% net smelter royalty (NSR), and Tigray will have the option to buy back 1% of the NSR for \$5 million in cash.

The acquisition is subject to Exchange approval and other standard conditions.

An Adyabo location map is attached at the end of this release.

Quality Control

The planning, execution and monitoring of Tigray's quality control programs at the Adyabo project are under the supervision of Jeff Heidema, P.Geo., Tigray's Vice President Exploration. Mr. Heidema is a Qualified Person as defined by National Instrument 43-101. Control reference samples are placed in soil and rock sample submission streams to monitor laboratory performance. Preliminary base metal soil and rock analyses are carried out by handheld Niton XRF methods. Soil samples were collected using -60 mesh screening, with reference standards included every 30 samples, and replicates included every 10 samples. Soil prep and analyses were conducted at Ultratrace in Perth, Australia, with Aqua Regia digest, and ICPMS finish for gold. Rock samples have undergone preliminary preparation at the Acme Laboratories facility in Ankara, Turkey, and are crushed to 80% passing 10 mesh, and pulverized to 85% passing 200 mesh (Acme R200-1000 package). Analyses are conducted at Acme Laboratories in Vancouver, Canada, utilizing Aqua Regia digestion and ICP-ES. Precious metal analyses are conducted via Fire Assay Fusion with AA finish, and gravimetric analyses for over-limit samples.

About Tigray

Tigray is a Canadian mineral exploration company focused on discovery through advancing early-stage mineral projects in Ethiopia. Tigray's key property is the 70%-owned Harvest polymetallic VMS exploration project, which covers 270 square kilometres in the Tigray region of Ethiopia, 600 kilometres north-northwest of the capital city of Addis Ababa. The Company recently entered into an agreement to acquire up to an 80% interest in the Adyabo property covering 595 square kilometres immediately west of the Harvest project. Tigray's shares trade on the TSX Venture Exchange under the symbol TIG.

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Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "expect", "intend", "estimate", "forecast", "project", "budget", "schedule", "may", "will", "could", "might", "should" or variations of such words or similar words or expressions. Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company's projections and estimates; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of diminishing quantities of grades of reserves; contests over title to properties; and changes in project parameters as plans continue to be refined, as well as those risk factors set out in the Company's listing application dated August 18, 2011. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the price of gold; the demand for gold; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is included herein, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

LEGEND



Prospect

10 kilometres



Ethiopia

Eritrea

Sentraley

Adi Zerensky

Imba Twisa

Adi Gozomo

Awahi North

Awahi South

Mato Bula

Mato Bula West