



TAN RANGE EXPLORATION CORPORATION

**Consolidated Financial Statements
For the Three and Six Months Ended February 29, 2004 and 2003**

**Unaudited
Prepared by Management
Vancouver, B.C.**



Tan Range Exploration Corporation
 Consolidated Balance Sheet
 As at February 29, 2004 and August 31, 2003
 (in Canadian Dollars)

ASSETS	February 29, 2004	August 31, 2003
Current Assets	\$	\$
Cash and Short Term Deposits	2,242,935	1,550,072
Investments	925,100	926,192
Accounts and Other Receivables	55,780	44,288
Prepaid Expenses	<u>39,160</u>	<u>31,360</u>
	3,262,975	2,551,912
Mineral Properties and Deferred Exploration		
Costs (note 3)	18,783,456	18,672,446
Capital Assets	<u>219,987</u>	<u>200,207</u>
	<u>22,266,418</u>	<u>21,424,565</u>
 LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	255,834	459,000
Future Income taxes	647,565	647,565
 SHAREHOLDERS' EQUITY		
Share Capital (note 4)	41,510,271	39,423,971
Share Subscriptions Received	-	125,000
Deficit	<u>(20,147,252)</u>	<u>(19,230,971)</u>
	<u>21,363,019</u>	<u>20,318,000</u>
	<u>22,266,418</u>	<u>21,424,565</u>

See Accompanying Notes to the Unaudited Consolidated Financial Statements

"Victoria Luis", Director

"James E. Sinclair", Director

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Tan Range Exploration Corporation

Consolidated Statements of Operations and Deficit

For the Three and Six Months ended February 29, 2004 and February 28, 2003

(in Canadian Dollars)

	Three months ended		Six months ended	
	February 29		February 29	
	2004	2003	2004	2003
	\$	\$	\$	\$
EXPENSES				
Annual General Meeting	18,215	11,077	21,216	11,077
Depreciation	13,348	14,795	23,539	29,047
Consulting and Management Fees	20,888	62,617	65,761	110,258
Insurance	16,336	14,232	32,153	17,283
Membership, Courses & Publications	-	5,134	-	21,393
New Property Investigation Costs	146,258	(56,955)	374,546	42,127
Office and Administration	21,695	21,653	46,264	37,503
Office Rentals	14,873	38,415	54,313	76,947
Press Releases	2,959	2,133	8,891	4,973
Printing and Mailout	16,349	(558)	16,349	7,942
Professional Fees	35,379	69,147	54,000	100,647
Promotion and Shareholder Relations	3,919	41,456	5,363	64,645
Salaries and Benefits	136,490	11,296	241,591	158,992
Telephone and Fax	7,699	8,464	13,448	21,932
Transfer Agent and Listing	29,207	21,932	41,540	25,987
Travel and Accommodation	4,601	26,134	12,741	40,080
Training	12,032	(44)	12,032	2,187
Vehicles	-	(1,363)	-	-
	<u>500,248</u>	<u>289,565</u>	<u>1,023,747</u>	<u>773,020</u>
LESS: EXPENSE RECOVERIES	<u>43,809</u>	<u>-</u>	<u>43,809</u>	<u>-</u>
	456,439	289,565	979,938	773,020
OTHER (INCOME) EXPENSE				
Short term investments (Gain) Loss	(4,479)	-	(13,494)	-
(Interest Earned), Net of Expense	(12,727)	(5,012)	(12,961)	(12,101)
Foreign Exchange (Gain) Loss	<u>(76,848)</u>	<u>65,355</u>	<u>(37,202)</u>	<u>41,940</u>
	(94,054)	60,343	(63,657)	29,840
NET LOSS FOR THE PERIOD	362,385	349,908	916,281	802,860
DEFICIT, BEGINNING OF PERIOD	<u>19,784,867</u>	<u>16,669,145</u>	<u>19,230,971</u>	<u>16,216,193</u>
DEFICIT, END OF PERIOD	20,147,252	17,019,053	20,147,252	17,019,053
Basic and diluted loss per share	.004	.005	.011	.010

See Accompanying Notes to the Unaudited Consolidated Financial Statements

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Tan Range Exploration Corporation

Consolidated Statement of Cash Flows

For the Three and Six Months ended February 29, 2004 and February 28, 2003

(in Canadian Dollars)

	Three months ended		Six months ended	
	February 29		February 29	
	2004	2003	2004	2003
	\$	\$	\$	\$
Cash provided from (used in)				
Operating activities				
Loss for the period	(362,385)	(349,908)	(916,281)	(802,860)
Items not affecting cash:				
Depreciation	<u>13,348</u>	<u>14,795</u>	<u>23,539</u>	<u>29,047</u>
	13,348	14,795	23,539	29,047
Change in non-cash working capital items	<u>(103,112)</u>	<u>(145,192)</u>	<u>(222,458)</u>	<u>(36,958)</u>
	(452,149)	(480,305)	(1,115,200)	(810,771)
Investing Activities				
Mineral properties and deferred exploration	50,334	(220,498)	(111,010)	(610,835)
Short term investments	71,030	-	1,092	-
Capital asset (additions) disposals, net	<u>(31,091)</u>	<u>(4,340)</u>	<u>(43,319)</u>	<u>(6,985)</u>
	90,273	(224,838)	(153,237)	(617,820)
Financing Activities				
Share capital issued	<u>1,435,000</u>	<u>669,600</u>	<u>1,961,300</u>	<u>2,494,365</u>
NET INCREASE (DECREASE) IN CASH	1,073,124	(35,543)	692,863	1,065,774
CASH BEGINNING OF PERIOD	<u>1,169,811</u>	<u>3,128,589</u>	<u>1,550,072</u>	<u>2,027,272</u>
CASH END OF PERIOD	2,242,935	3,093,046	2,242,935	3,093,046

See Accompanying Notes to the Unaudited Consolidated Financial Statements

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Tan Range Exploration Corporation

Notes to the Unaudited Consolidated Financial Statements

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(in Canadian Dollars)

1. Nature of operations

Tan Range Exploration Corporation (the “Company”) is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral properties and related deferred costs are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the company to obtain necessary financing to explore and develop, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as deferred expenditures and property acquisition costs represent net costs to date, less amounts recovered, amortized and/or written off, and do not necessarily represent present or future values.

2. Significant accounting policies

These interim consolidated financial statements of the Company have been prepared by management, and have not been audited or reviewed by an independent public accountant. These interim consolidated financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements, and accordingly, these interim consolidated financial statements should be read in conjunction with the Company’s most recent annual consolidated financial statements. These interim consolidated financial statements follow the same accounting policies and methods of application as the Company’s audited annual consolidated financial statements as at and for the year ended August 31, 2003.

These interim consolidated financial statements include the accounts of the Company and its subsidiaries.



Tan Range Exploration Corporation

Notes to the Unaudited Consolidated Financial Statements

For the Six Months Ended February 28, 2004 and Year Ended August 31, 2003

(in Canadian Dollars)

3. Mineral Properties and Deferred Exploration Costs

The continuity of expenditures on mineral properties is as follows:

	Itetemia	Luhala	Kigosi	Lunguya	Kanagele	Tulawaka	Ushiroambo	Mbogwe	Biharamulu	Other	Total
Balance, August 31, 2002	\$7,288,200.00	\$2,498,293	\$1,072,516	\$2,177,768	\$785,565	\$1,424,545	\$1,330,002	\$984,190	\$679,869	\$311,607	\$18,552,555
Exploration expenditures:											
Camp, field supplies and travel	2,512	3,747	1,223	15,687	218	42	24,275	2,770	1,659	6,172	58,305
Exploration and field overhead	(143)	33,543	6,240	182,437	52,319	185,825	66,311	36,418	17,743	149,041	729,734
Geological consulting and field wages	22	314	6,510	47,786	1,234		5,376	130	278	397	62,047
Geophysical and geochemical	13,910	2,814	3,298	80,985	8,465		24,619	16,421	1,896	34,623	187,031
Property acquisition costs		40,519	36,183		6,900				12,501	57,850	153,953
Parts and equipment				1,454			1,875			2,937	6,266
Trenching and drilling				122,563				16,393			138,956
Option payments received	(11,410)					(56,974)	(44,419)	(11,410)	(60,752)		(184,965)
Reclassifications			371,411			4,270	(371,411)			(4,270)	0
	4,891	80,937	53,454	450,912	69,136	128,893	78,037	60,722	(26,675)	251,020	1,151,327
Write-offs	7,293,091 (729,309)	2,579,230	1,125,970	2,628,680 (35,342)	854,701	1,553,438	1,408,039 (106,386)	1,044,912	653,194 (10,744)	562,627 (149,655)	19,703,882 (1,031,436)
Balance, August 31, 2003	6,563,782	2,579,230	1,125,970	2,593,338	854,701	1,553,438	1,301,653	1,044,912	642,450	412,972	18,672,446
Exploration expenditures:											
Camp, field supplies and travel				1,514	3,048					16,252	20,814
Exploration and field overhead	7,715	9,960	32,889	9,353	2,096	19,300	9,703	5,309	14,341	218,402	329,068
Geological consulting and field wages										(21,113)	(21,113)
Geophysical and geochemical			3,775	829	3,152	397		2,272	1,663	28,652	40,740
Property Acquisition costs			290,441				(87,824)			(195,728)	6,889
Parts and equipment										111	111
Trenching and drilling											0
Option payments received	(17,720)					(78,789)	(125,007)	(17,720)	(26,263)		(265,499)
	(10,005)	9,960	327,105	11,696	8,296	(59,092)	(203,128)	(10,139)	(10,259)	46,576	111,010
Write-offs	6,553,777	2,589,190	1,453,075	2,605,034	862,997	1,494,346	1,098,525	1,034,773	632,191	459,548	18,783,456
Balance, February 29, 2004	\$6,553,777	\$2,589,190	\$1,453,075	\$2,605,034	\$862,997	\$1,494,346	\$1,098,525	\$1,034,773	\$632,191	\$459,548	\$18,783,456

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Notes to the Unaudited Consolidated Financial Statements

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(in Canadian Dollars)

3. Mineral Properties and Deferred Exploration Costs (continued)

Acquisition costs and exploration and development costs relating to mineral properties are deferred until the properties are brought into production, at which time they are amortized on a unit-of-production basis, or until the properties are abandoned or sold or management determines that the mineral property is not economically viable, at which time the deferred costs are written off.

4. Share Capital

	<u>Number</u>	<u>Amount (\$)</u>
Balance at August 31, 2003	80,191,542	39,423,971
Issued for cash	994,729	1,625,000
Subscription Receivable	65,445	125,000
Issued on exercise of stock options	<u>710,000</u>	<u>336,300</u>
Balance at February 29, 2004	<u>81,961,716</u>	<u>41,510,271</u>

5. Options Outstanding

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
50,000	\$0.50	January 19, 2005
35,000	\$0.51	August 7, 2006
400,000	\$0.79	May 3, 2007
10,000	\$0.96	May 23, 2007
<u>50,000</u>	\$0.83	June 20, 2007
<u>545,000</u>		

	<u>Number</u>	<u>Exercise Price</u>
Balance at August 31, 2003	1,255,000	\$0.40 to \$0.96
Exercised	<u>710,000</u>	\$0.40 to \$0.51
Balance at February 29, 2004	<u>545,000</u>	\$0.50 to \$0.96

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