



TAN RANGE EXPLORATION CORPORATION

**Consolidated Financial Statements
For the Three and Six Months Ended February 28, 2005 and February 29, 2004**

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

Tan Range Exploration Corporation
Consolidated Financial Statements
For the Three and Six Months Ended February 28, 2005 and February 29, 2004

Notice

The accompanying unaudited interim financial statements of Tan Range Exploration Corporation (the "Company") have not been reviewed by the Company's auditors.



Tan Range Exploration Corporation
 Consolidated Balance Sheet
 As at February 28, 2005 and August 31, 2004
 (in Canadian Dollars)

ASSETS	February 28, 2005	August 31, 2004
Current Assets	\$	\$
Cash and Short Term Deposits	1,049,490	1,067,448
Investments	-	415,201
Accounts and Other Receivables	54,996	61,035
Prepaid Expenses	<u>49,154</u>	<u>521,889</u>
	1,153,640	2,065,573
Mineral Properties and Deferred Exploration Costs (note 3)	19,181,430	19,853,296
Plant and Equipment	<u>994,809</u>	<u>173,504</u>
	<u><u>21,329,879</u></u>	<u><u>22,092,373</u></u>
 LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	169,336	146,672
Interim Loan Facility	213,751	-
 Future Income taxes	 647,565	 647,565
 SHAREHOLDERS' EQUITY		
Share Capital (note 4)	43,055,071	42,145,471
Share subscriptions received	305,945	-
Deficit	<u>(23,061,789)</u>	<u>(20,847,335)</u>
	<u>20,299,227</u>	<u>21,298,136</u>
	<u><u>21,329,879</u></u>	<u><u>22,092,373</u></u>

See Accompanying Notes to the Unaudited Consolidated Financial Statements

"James Sinclair", Director

"Victoria Luis", Director

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Tan Range Exploration Corporation

Consolidated Statements of Operations and Deficit

For the Three and Six Months ended February 28, 2005 and February 29, 2004

(in Canadian Dollars)

	Three months ended		Six months ended	
	February 28		February 28	
	2005	2004	2005	2004
	\$	\$	\$	\$
EXPENSES				
Annual General Meeting	27,584	18,215	30,084	21,216
Depreciation	7,526	13,348	20,070	23,539
Capital Tax	-	-	3,243	-
Consulting and Management Fees	52,035	20,888	82,609	65,761
Insurance	19,977	16,336	37,747	32,153
Membership, Courses & Publications	516	-	516	-
New Property Investigation Costs	33,107	146,258	77,197	374,546
Office and Administration	25,581	21,695	46,051	46,264
Office Rentals	26,284	14,873	36,257	54,313
Press Releases	11,627	2,959	34,211	8,891
Printing and Mailout	22,999	16,349	31,023	16,349
Professional Fees	66,956	35,379	77,342	54,000
Promotion and Shareholder Relations	1,513	3,919	3,140	5,363
Salaries and Benefits	182,956	136,490	329,103	241,591
Telephone and Fax	6,756	7,699	14,192	13,448
Transfer Agent and Listing	16,344	29,207	24,739	41,540
Travel and Accommodation	14,068	4,601	21,093	12,741
Training	<u>18,847</u>	<u>12,032</u>	<u>18,847</u>	<u>12,032</u>
	534,676	500,248	887,464	1,023,747
LESS: EXPENSE RECOVERIES	<u>-</u>	<u>43,809</u>	<u>-</u>	<u>43,809</u>
	534,676	456,439	887,464	979,938
OTHER (INCOME) EXPENSE				
Property Write-Off (note 3)	1,238,455	-	1,238,455	-
Gain on sale of short term investments	-	(4,479)	(2,527)	(13,494)
Gain on sale of plant and equipment	(1,122)	-	(1,122)	-
Interest Expense (Income), net	1,637	(12,727)	1,122	(12,961)
Foreign Exchange Loss (Gain)	<u>(3,216)</u>	<u>(76,848)</u>	<u>91,062</u>	<u>(37,202)</u>
	1,235,754	(94,054)	1,326,990	(63,657)
NET LOSS FOR THE PERIOD	1,770,430	362,385	2,214,454	916,281
DEFICIT, BEGINNING OF PERIOD	<u>21,291,359</u>	<u>19,784,867</u>	<u>20,847,335</u>	<u>19,230,971</u>
DEFICIT, END OF PERIOD	23,061,789	20,147,252	23,061,789	20,147,252
Basic and diluted loss per share	(\$0.021)	(\$0.004)	(\$0.027)	(\$0.011)

See Accompanying Notes to the Unaudited Consolidated Financial Statements
Unaudited – Prepared by Management



Tan Range Exploration Corporation

Consolidated Statement of Cash Flows

For the Three and Six Months ended February 28, 2005 and February 29, 2004

(in Canadian Dollars)

	Three months ended		Six months ended	
	February 28		February 28	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash provided from (used in)				
Operating activities				
Loss for the period	(1,770,430)	(362,385)	(2,214,454)	(916,281)
Items not affecting cash:				
Write off of Mineral Properties	1,238,455	-	1,238,455	-
Depreciation	7,526	13,348	20,070	23,539
Gain on sale of plant and equipment	(1,122)	-	(1,122)	-
Gain on Sale of Short-term Investments	<u>-</u>	<u>(4,479)</u>	<u>(2,527)</u>	<u>(13,494)</u>
	(525,571)	(353,516)	(959,578)	(906,236)
Change in non-cash working capital items:				
Accounts and Other Receivables	(10,966)	(33,472)	6,039	(11,492)
Prepaid Expenses	3,454	3,977	(12,265)	(7,800)
Accounts Payable	<u>(38,560)</u>	<u>(73,617)</u>	<u>22,664</u>	<u>(203,166)</u>
	(571,643)	(456,628)	(943,140)	(1,128,694)
Investing Activities				
Mineral properties and deferred exploration, net	(108,636)	50,334	(566,589)	(111,010)
Proceeds on sale of short term investments	-	75,509	417,728	14,586
Plant and Equipment (additions) disposals, net	<u>(107,129)</u>	<u>(31,091)</u>	<u>(141,502)</u>	<u>(43,319)</u>
	(215,765)	94,752	(290,363)	(139,743)
Financing Activities				
Share capital issued	275,000	1,435,000	909,600	1,961,300
Share subscriptions received	<u>305,945</u>	<u>-</u>	<u>305,945</u>	<u>-</u>
	580,945	1,435,000	1,215,545	1,961,300
NET INCREASE (DECREASE) IN CASH	(206,463)	1,073,124	(17,958)	692,863
CASH BEGINNING OF PERIOD	<u>1,255,953</u>	<u>1,169,811</u>	<u>1,067,448</u>	<u>1,550,072</u>
CASH END OF PERIOD	<u>1,049,490</u>	<u>2,242,935</u>	<u>1,049,490</u>	<u>2,242,935</u>
Supplemental Information:				
Plant and equipment acquired by way of				
Interim loan facility, being a non-cash	<u>213,751</u>	<u>--</u>	<u>213,751</u>	<u>--</u>
transaction				

See Accompanying Notes to the Unaudited Consolidated Financial Statements

Unaudited – Prepared by Management



Tan Range Exploration Corporation

Notes to the Unaudited Consolidated Financial Statements

For the Three and Six Months Ended February 28, 2005 and February 29, 2004

(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, 2004, except as noted below.

During the three months ended February 28, 2005, the Company acquired a drill rig with a capitalized cost of \$781,644.00. The drill rig has been partially financed by way of a capital lease. Property under capital lease is initially recorded at the present value of minimum lease payments at the inception of the lease. Amortization has not commenced on drill rig as it has yet to be put in to use.

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

Tan Range Exploration Corporation
Consolidated Statement of Mineral Properties and
Deferred Exploration and Development Cost
For the Six Months Ended February 28, 2005 and
Year Ended August 31, 2004

3. Mineral properties and deferred exploration and development costs:

The continuity of expenditures on mineral properties is as follows:

	Itetemia Project (a)	Luhala Project (b)	Kigosi (c)	Lunguya (d)	Kanagele (e)	Tulawaka (f)	Ushirombo (g)	Mbogwe (h)	Biharamulu (i)	Other (j)	Total
Balance, August 31, 2002	\$7,288,200	\$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)	-
	4,891	80,937	424,865	450,912	69,136	133,163	(293,374)	60,722	(26,675)	246,750	1,151,327
Write-offs	7,293,091 (729,309)	2,579,230 -	1,497,381 -	2,628,680 (35,342)	854,701 -	1,557,708 -	1,036,628 (106,386)	1,044,912 -	653,194 (10,744)	558,357 (149,655)	19,703,882 (1,031,436)
Balance, August 31, 2003	6,563,782	2,579,230	1,497,381	2,593,338	854,701	1,557,708	930,242	1,044,912	642,450	408,702	18,672,446
Exploration expenditures:											
Camp, field supplies and travel	-	13,967	-	5,528	3,406	-	1,098	-	2,259	21,386	47,644
Exploration and field overhead	-	168,588	39,175	129,371	101,526	56,643	52,614	41,485	28,182	348,888	985,189
Geological consulting and field wages	18,717	1,274	-	-	-	-	-	-	-	(21,113)	(19,839)
Geophysical and geochemical	-	4,813	3,986	60,625	73,524	2,598	16,065	2,288	5,244	91,976	261,119
Property acquisition costs	-	50,546	-	-	21,706	-	-	-	274	164,833	237,359
Parts and equipment	-	108	-	-	-	-	-	-	-	109	217
Trenching and drilling	-	1,095	-	-	-	-	-	-	-	-	1,095
Option payments received	(17,496)	-	(58,811)	-	-	(88,926)	(123,275)	(17,496)	(25,930)	-	(331,934)
Reclassifications	-	-	286,762	-	-	-	(286,762)	-	-	-	-
	1,221	240,391	271,112	195,524	200,162	(29,685)	(340,260)	26,277	10,029	606,079	1,180,850
Balance, August 31, 2004	6,565,003	2,819,621	1,768,493	2,788,862	1,054,863	1,528,023	589,982	1,071,189	652,479	1,014,781	19,853,296
Exploration expenditures:											
Camp, field supplies and travel	348	6,140	-	-	1,501	-	2,384	-	-	19,003	29,376
Exploration and field overhead	194	156,635	8,904	3,489	53,388	8,824	6,663	4,160	4,225	152,710	399,192
Geological consulting and field wages	(24,782)	-	10,819	-	-	-	-	-	-	-	(13,963)
Geophysical and geochemical	-	5,533	-	38,786	52,641	35	1,358	612	1,430	122,920	223,315
Property acquisition costs	-	-	16,985	-	24,658	12,394	-	-	-	128,380	182,417
Parts and equipment	-	4,762	-	-	-	-	-	-	-	10	4,772
Trenching and drilling	-	41,662	-	-	-	-	-	-	-	-	41,662
Option payments received	-	-	-	-	-	(121,261)	-	(24,782)	(154,139)	-	(300,182)
	(24,240)	214,732	36,708	42,275	132,188	(100,008)	10,405	(20,010)	(148,484)	423,023	566,589
Write-offs	(623,466)	-	-	-	-	-	(103,305)	(214,188)	(57,707)	(239,789)	(1,238,455)
Balance, February 28, 2005	\$5,917,297	\$3,034,353	\$1,805,201	\$2,831,137	\$1,187,051	\$1,428,015	\$ 497,082	\$ 836,991	\$ 446,288	\$ 1,198,015	\$19,181,430

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Tan Range Exploration Corporation

Summary of Note Disclosure to the Consolidated Financial Statements

For the Six Months Ended February 28, 2005 and February 29, 2004

(in Canadian Dollars)

(Unaudited)

4. Share Capital

<u>Share Capital</u>	<u>Number</u>	<u>Amount (\$)</u>
Balance at August 31, 2004	82,464,037	42,145,471
Issued for cash	743,348	875,000
Issued on exercise of stock options	<u>60,000</u>	<u>34,600</u>
Balance at February 28, 2005	<u>83,267,385</u>	<u>43,055,071</u>

5. Options Outstanding

<u>Type of Security</u>	<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Options	15,000	\$0.51	August 7, 2006
Options	400,000	\$0.79	May 3, 2007
Options	<u>50,000</u>	\$0.83	June 20, 2007
	<u>465,000</u>		

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