



**Management's Discussion and Analysis
For Tan Range Exploration Corporation (the "Company")
of Financial Condition and Results of Operation
Nine months ended and as at May 31, 2005
(In Canadian Dollars)**

Overall Performance

As of May 31, 2005 the Company had Current Assets of \$1,252,797 as compared to \$2,065,573 on August 31, 2004. Deferred Exploration Costs amounted to \$19,396,318 which includes \$991,845 (net) invested during the nine months ended May 31, 2005 year and a write-off of \$1,448,823. The Company received \$340,030 from its option partners for reimbursement of fees and as option payments during the nine months ended May 31, 2005. The Capital Assets of the Company have grown from \$173,504 as of August 31, 2004 to \$1,016,075 as of May 31, 2005. The increase is primarily due to the acquisition of a drill rig with support vehicle and a new truck. A portion of the drill rig was financed with an interim loan facility for \$215,223. This interim loan facility will be converted into a capital lease by July 15, 2005.

The Company has financed its operations and investments through the issuance of common shares in the amount of \$1,284,600 (1,186,001 shares) for the nine months ended May 31, 2005. An additional \$851,542 has been received from the Company's Chairman and CEO, James E, Sinclair, for 697,414 shares not issued before the end of the quarter. The Chairman has indicated his intention to continue pre payments on his private placement subscription.

Selected Financial Information

	Year Ended 2002 August 31	Year Ended 2003 August 31	Year Ended 2004 August 31	Nine Months Ended 2005 May 31
Total Revenues	0	0	0	0
Net loss for the period	(1,343,958)	(3,014,778)	(1,616,364)	(2,708,646)
Basic and diluted loss per share	(0.02)	(0.04)	(0.02)	(.032)
Total Assets	20,912,060	21,424,565	22,092,373	21,665,190
Total long term financial liabilities	0	0	0	215,223
Cash dividends declared per share	0	0	0	0



Results of Operations

The loss for the nine months ended May 31, 2005 was \$2,708,646 compared to \$1,295,877 for the comparable period in 2004. The largest component of the loss was a write-off of \$1,448,823 for twenty-one properties determined to be of no economic interest. Each project group may contain several licenses. The determination that one license in the project should be written-off and returned to the ministry does not have positive or negative implications to other licenses within the project. The nature of the Company's business plan is to seek royalty income and pre-royalty return of expenses income. As a result of this business plan, investors should be prepared for changes in mineral license inventory. The process will include acquisition and condemnation on an ongoing basis. The Company's land portfolio now holds 132 licenses.

Subtracting the write-off from the net loss would result in a net loss before write-off of \$1,259,823 for the period ended May 31, 2005 which is comparable to the loss of \$1,295,877 for the nine month period ended May 31, 2004. The Company has increased spending on wages from \$406,163 for the period ended May 31, 2004 to \$494,350 due to an increase in the number of Tanzania employees and to bring Tanzania management salaries to competitive levels. The costs associated with Transfer agents and listing fees have increased from \$58,768 for the period ending May 31, 2004 to \$99,814 for the period ending May 31, 2005 due to the new listing on the American Stock Exchange. These increased expenses have been offset by decreased spending on professional fees and new property investigations. Professional fees have decreased from \$146,303 for the period ended May 31, 2004 to \$91,146 for the period ended May 31, 2005. Much of the decrease in professional fees can be attributed to fees associated with filing the initial Form 20-F with the Securities Exchange Commission in 2004. Expenses for new property acquisitions decreased from \$380,219 in the period ended May 31, 2004 to \$80,377 for the period ended May 31, 2005.

The loss for the three months ended May 31, 2005 was \$494,192 compared to \$379,596 for the comparable three month period in 2004. Subtracting the mineral property write-off of \$210,368 from the loss would result in a loss before write-off of \$283,824 for the three months ended May 31, 2005 which compares to the loss of \$379,596 for the three months ended May 31, 2004. The major spending difference between the two periods is that expenses for professional fees for the three months ending May 31, 2005 were \$13,804 as compared to \$92,303 for the period ending May 31, 2004. Spending on transfer agents and listing fees increase from \$17,228 in the three month period ended May 31, 2004 to \$75,075 for the period ended May 31, 2005 due to the American Stock Exchange listing fee payment.



Summary of Quarterly Results (unaudited)

	2005 May 31	2004 May 31	2005 February 28	2004 February 28	2004 November 30	2003 November 30	2004 August 31	2003 August 31
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Loss	(494,192)	(379,596)	(1,770,430)	(362,385)	(444,024)	(553,896)	(320,487)	(1,484,551)
Basic and diluted loss per share	\$0.006	\$0.005	\$0.021	\$0.004	\$0.01	\$0.01	\$0.004	\$0.019

There are two primary reasons for fluctuations in quarterly operating results. If a property is deemed not to be of economic interest, it results in a condemnation write-off of the deferred exploration cost which can result in a large one-time loss. This explains the variation experienced in the quarters ending August 2003 and February 2005. Another cause for quarterly fluctuations is the amount of new property investigations in a given quarter. Exploration costs associated with new property investigations are not deferred but rather are expensed as incurred.

Liquidity and Capital Resources

Because the Company does not currently derive any production revenue from operations but does receive pre-royalty payments as repayment of expenses, its ability to conduct exploration and development on properties is largely based upon its ability to raise capital by equity funding. Throughout the nine months, the Company raised \$1,250,000 by issuing 1,126,001 shares in privately placed tranches with Mr. Sinclair. In addition, another \$851,542 has been received from Mr. Sinclair for shares not issued before the close of the quarter. The Chairman has indicated his intention to continue the procedure of prepayment of the private placement obligation without interest or any other consideration.

As of May 31, 2005 the Company's working capital position was \$960,804 as compared to \$1,918,901 on August 31, 2004. The Company has secured an Interim Loan Financing which is to be converted into a Capital Lease by July 15, 2005. This Interim Loan Financing has caused working capital to be reduced by \$215,223. The Company feels confident that it will continue to be able to raise capital through private placements with its Chairman and CEO at an anticipated rate of \$375,000 per quarter. Also, as the Company's mineral properties advance under various exploration agreements, rental payment accruals could increasingly play a role in funding exploration activities for our own account.

The Company acquires gold or other precious metal concessions through its own efforts or through the efforts of its subsidiaries. All of the Company's concessions are located in Tanzania.



For each concession granted in Tanzania under a prospecting or a reconnaissance license, the Company is required to carry out a minimum amount of exploration work before a mining license can be granted for further development. There are no set work requirements to keep the concessions in good standing. A prospecting license is issued for a period of up to three years and is renewable two times for a period up to two years each. At each renewal at least 50% of the area is relinquished. A reconnaissance license is issued for one year and renewed for a period not exceeding a year. All prospecting licences are granted subject to an annual rental fee of not more than U.S. \$30 per square kilometer payable to the government of Tanzania, a minimum exploration work commitment, and employment and training of Tanzanians. In addition, the government of Tanzania imposes a royalty on the gross value of all production at the rate of 3% of all gold produced.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related parties

During the nine month period ended May 31, 2005, \$4,445 was paid or payable by the Company to existing directors for consulting services rendered. Directors fees in the amount of \$76,629 were paid to directors during the nine month period ended May 31, 2005. The Company expects to continue paying directors and officers consulting and directing fees at a similar level. Also during the period, \$38,605 was paid to the law firm of a director of the Company for legal fees incurred with respect to various matters on behalf of the Company.

Changes in Accounting Policies including Initial Adoption

There have been no changes in accounting policies which effect the May 31, 2005 consolidated financial statements.

Critical Accounting Estimates

The Company's most critical accounting estimate relates to the determination of impairment and write-off of exploration licenses and costs. Management assesses impairment of its exploration prospects regularly. If an impairment results, the capitalized costs associated with the related project or area of interest are charged to expense.

Disclosure of Outstanding Share Data

As at the date of this MD&A, there were 83,650,038 common shares outstanding. In addition, there were 465,000 director and employee stock options outstanding at an average weighted price of \$0.785. The Company had no share purchase warrants outstanding.



Financial Instruments and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, short-term investments, other receivables, accounts payable and accrued liabilities and interim loan facility. The fair value of the Company's financial assets and liabilities is estimated to approximate their carrying value.

Exploration Activities

Sampling for diamond indicator minerals was carried out on two magnetic targets during March in the Geita Project area using an auger drill. A similar program in the Kanagele project area confirmed that several mineral indicator grains from this prospect had a kimberlite source, the principal host rock for diamonds.

Following the discovery of kimberlite indicator grains over these Tan Range licences, the Company's geophysical consultant was asked to re-select possible magnetic targets that could be related to kimberlite indicator grains discovered earlier. Four areas encompassing the grain discoveries were selected and a report recommending further work was submitted to the Company's President and was approved for ground follow up work. Two targets within the Ushirombo project area were subsequently prioritized for drilling.

The combination RC/RAB (Reverse Circulation/Rotary Air Blast) drill rig left Johannesburg on March 20, 2005 for Mwanza and in preparation for its arrival, an office and workshop were constructed. Drill crew contracts were signed and job descriptions were prepared to ensure optimization of the drill rig and sample recovery procedures.

An extensive auger drilling program was carried out in the Ushirombo West Project area region to test areas with anomalous gold values. Also during March, test samples were taken from the Isunga license where gold prospective greenstones are present in the northeast portion of the license. Sampling confirmed that biogeochemical data sets in the Geita Project area are sensitive to seasonal variations which is consistent with published information. During March, a total of 3066 samples and 1533 duplicates were prepared in the Mwanza biogeochemical laboratory, reflecting the scope of the Company's biogeochemical initiative.

Ground follow-up work was initiated on several diamond prospective targets in April as part of a larger regional exploration program.

The Company's new drill rig arrived in Mwanza in April and preparations were made to begin drilling on the Shinyanga Project. Preparatory work included sorting out stores and preparing drill lines at the site. Road construction into the Shinyanga area was delayed because of wet conditions which was somewhat unusual. Meetings were held with farmers in the area regarding a drill road that traversed cultivated shambas (small farms). A basic "fly camp" was constructed for both the drill and sampling crews.



A total of 770 biogeochemical samples were taken during the month of March from the Kanagele project area which covers prospective greenstones and some recent fluvial sediments. Additionally, the Nungwiza E license was botanically mapped by the Company's biogeochemical field crew to establish plant associations and gold distribution patterns. In addition, an auger drilling program was initiated on the Lunguya project area to test various anomalies reported in previous exploration programs. The aim of this particular program was to start testing some of the less attractive RAB drill targets while waiting the arrival of the drill rig in Mwanza.

A total of 1766 samples and 1766 duplicates were prepared at the Mwanza lab during the month of April.

The registration process for the drilling rig was completed in May and the unit was prepared for moving into the field. In the Kanagele project area, grab samples returned anomalous gold values from artisanal workings within Banded Iron Formation which are considered prospective for large tonnage mineral deposits. Auger drilling was initiated on the Lunguya project area in May to test various anomalies reported in previous exploration programs, however, RAB drilling will be needed to confirm the overburden profile on these anomalies before a decision on further work is made.

A total of 1478 samples were prepared at the Mwanza BCG prep lab along with 1478 duplicates. Samples collected during the baseline study from Luhala were sent to Acme Laboratories in Canada for analysis.

American Stock Exchange Listing

The American Stock Exchange (AMEX) approved the Company's application for listing of its common shares and trading commenced on AMEX (TRE) on May 12, 2005. The Company will retain its listing on the senior Toronto Stock Exchange (TNX).

Risk Factors

The Company is subject to a number of extraneous risk factors over which it has no control. These factors are common to most exploration companies and include, among others: project ownership and exploration risk, depressed equity markets and related financing risk, commodity price risk, fluctuating exchange rates, environmental risk, insurance risk and sovereign risk.



Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risk set above.

Additional Information

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com.

July 12, 2005