



Management's Discussion and Analysis
For Tan Range Exploration Corporation (the "Company")
of Financial Condition and Results of Operation
Three months ended November 30, 2004
(In Canadian Dollars)

Overall Performance

As of November 30, 2004 the Company had Current Assets of \$1,837,591 as compared to \$2,065,573 on August 31, 2004. Current Assets included a deposit of \$482,069 that was advanced for the commissioning of a new drill rig. After becoming fully operational, the drill rig will constitute a fixed asset. Deferred Exploration Costs amounted to \$20,311,249 which includes \$457,953 (net) invested this quarter. The Company received \$52,787 from its option partners for reimbursement of fees and as option payments during the quarter.

The Company has financed its operations and investments through the issuance of common shares in the amount of \$509,600 (425,011 shares) for the quarter ending November 30, 2004 and \$651,300 (801,098 shares) in the quarter ending November 30, 2003. An additional \$125,000 has been received from the Company's Chairman and CEO, James E. Sinclair, for shares not issued before the end of the quarter.

Selected Financial Information

	Aug 31, 2002	Aug 31, 2003	Aug 31, 2004	Nov 30, 2004
Total Revenues	0	0	0	
Net Loss for the period	(1,343,958)	(3,014,778)	(1,616,364)	(444,024)
Basic and diluted loss per share	(0.02)	(0.04)	(0.02)	(0.01)
Total assets	20,912,060	21,424,565	22,092,373	22,344,173
Total Long Term Financial Liabilities	0	0	0	0
Cash dividends declared per share	0	0	0	0

Results of Operations

The operating loss for the first quarter ending November 30, 2004 was \$444,024 compared to \$553,896 for the comparable period in 2003. The most significant changes in expenditures were the reduction in spending on investigating new properties of \$180,199 given that the current year's focus is on exploring properties already acquired; lower office rental expense of \$29,466 due to the reduction in our Vancouver office space; and the increase in salaries and benefits of \$41,045 due to an increase in staffing necessary to perform the biogeochem protocol.



This quarter's foreign exchange loss of \$94,278 included \$42,842 of currency translation adjustments which is a result of converting fixed assets, deferred mineral property expenses and certain liabilities of our subsidiaries from Tanzanian shillings to the Canadian dollar at the appropriate historical weighted average conversion rate. The significant weakening of the Tanzanian shilling produced the need for a translation adjustment given its depreciation from 555 shillings to the Canadian dollar five years ago to 883 today.

Summary of Quarterly Results (unaudited)

	2004 November	2003 November	2004 August	2003 August	2004 May	2003 May	2004 February	2003 February
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Loss	(444,024)	(553,896)	(320,487)	(1,484,551)	(379,596)	(727,367)	(362,385)	(349,908)
Basic and diluted loss per share	\$0.01	\$0.01	\$0.004	\$0.019	\$0.005	\$0.009	\$0.004	\$0.005

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 write-off of the deferred exploration cost which can result in a large one-time loss. This explains the variation experienced in the quarter ending August 2003. Another cause for quarterly fluctuations is the amount of new property investigations in a given quarter. Exploration costs associated with investigating properties are not deferred but rather are expensed as incurred.

Liquidity

Because the Company does not currently derive any production revenue from operations, its ability to conduct exploration and development on properties is largely based upon its ability to raise capital by equity funding. Throughout the quarter, the Company raised \$500,000 by issuing 415,011 shares in privately placed tranches with Mr. Sinclair. In addition, another \$125,000 has been received from Mr. Sinclair for shares not issued before the close of the quarter.

As of November 30, 2004 the Company's working capital position was \$1,629,695 as compared to \$1,918,901 on August 31, 2004. 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 \$125,000 per month. 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.

In addition to receiving funding through the issuance of shares, the Company receives funds from its joint venture partners in the form of option payments. In fiscal 2004, the Company received a total of \$331,934 in option payments. For the latest quarter, option payments amounted to \$14,203 while another US \$270,000 was received in option payments after the quarter ended.



Capital Resources

The Company has purchased a drill rig and has made an initial payment of \$482,069. In addition, the Company is committed to paying Rand \$1,435,950 to finalize the purchase which at a conversion rate of .20966 amounts to \$301,061.

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 licence, the Company is required to carry out a minimum amount of exploration work before a mining licence can be granted for further development. There are no set work requirements to keep the concessions in good standing. A prospecting licence is issued for a period of up to three years and renewable two times for a period up to two years each. At each renewal at least 50% of the area is relinquished. A reconnaissance licence 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 quarter ended November 30, 2004, \$6,755 was paid or payable by the Company to existing directors and a former director for consulting fees. Directors were paid \$21,250 in fees. The Company expects to continue paying directors and officers consulting and directing fees at a similar level.

Changes in Accounting Policies including Initial Adoption

There have been no changes in accounting policies which effect the November 30, 2004 consolidated financial statements.

Critical Accounting Estimates

The Company's most critical accounting estimate relates to the 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.

Included in the accounts payable and deferred exploration cost is an estimate for the drilling work performed on the Luhala project. Invoices have not been received for the work performed there but an accrual of \$50,000 has been made as an estimate for invoices to be received.



Disclosure of Outstanding Share Data

As at the date of this MD&A, there were 82,986,098 common shares outstanding. In addition, there were 515,000 director and employee stock options outstanding at an average weighted price of \$0.76. 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 and accounts payable and accrued liabilities. The fair value of the Company's financial assets and liabilities is estimated to approximate their carrying value.

Exploration Highlights

- **Luhala Project Area**

During September, the Company completed an RC drilling program on its Luhala gold property, approximately 70 kilometers south of Mwanza, Tanzania. This 100% owned property hosts a large gold mineralized system that was never fully evaluated in the past.

Drilling began in late summer with 14 RC drill holes testing a large surface gold-in-soil geochemical anomaly that was identified in earlier phases of exploration. In total, three individual target areas were tested at Luhala with several holes terminating in significant gold mineralization as indicated in the following tables:

Kisunge West Zone

Hole No.	From	To	Intercept Length	Grade g/t
LRC-19	0	40	40	2.4
including	30	38	8	4.5
LRC-20	2	41	39	1.7
including	28	35	7	3.9
	57	60	3	1.1
	65	70	5	1.3 (end of hole)
LRC-21	26	40	14	1.8
including	33	37	4	2.7
	62	66	4	1.1
LRC-22	46	58	12	0.9
LRC-25	10	46.5	36.5	1.1
including	28	34	6	2.1

Kisunge Central Zone

Hole No.	From	To	Intercept Length	Grade g/t
LRC-23	1	13	12	1.4
including	5	9	4	3.3
including	23	25	2	1.1 (end of hole)
LRC-26	3	11	8	4.4
LRC-27	11	19	8	1.9
including	13	17	4	3.0
LRC-28	2	8	6	1.3
	20	34	14	1.3
including	26	29	3	2.1

Kisunge East Zone

Hole No.	From	To	Intercept Length	Grade g/t
LRC-24	52	56	4	3.3 (end of hole)
LRC-29	44	49	5	0.85

The discovery has the geological signature of a stratabound, shear-hosted, gold deposit and exhibits good correlation between the higher grade zones identified to date.

Deeper testing of the various drill targets, including the holes that bottomed in gold mineralization, was precluded by the limited depth capacity and mechanical availability of the RC drill rig which was only able to drill efficiently to approximately 50 meters.

The shallow dipping nature of the discovery suggests that the gold-bearing oxide zone has considerable potential down dip and along strike, a hypothesis that will be tested in 2005 with the Company's new drill rig which will have better mechanical availability and greater depth capacity.

- **Other**

A trenching program was completed in the Shinyanga Project Area and 212 samples were collected and submitted for gold analysis. In one trench, seven 2m trench channel zones of anomalous gold were intersected with the following values: 14.6g/t, 2.33g/t, 1.39g/t, 0.68g/t, 0.66g/t, 0.53g/t, 0.43g/t.

Within the 14.57g/t zone, two quartz veins were individually sampled: a 15 cm vein returned 2 values of 62.25g/t and 51.41g/t respectively and a smaller 8cm vein gave a value of 18.50g/t.

Kimberlite indicator mineral grains were identified in the Mbogwe, Kanegele and Geita project areas after which adjoining ground was selected for follow-up. Visual results from the Mbogwe project area subsequently indicated the presence of kimberlitic grains from ilmenite, chromite and garnets. Further analysis of these grains is under way.

Areas with known indicator grains from previous exploration work conducted by De Beers were re-sampled on one licence in the Kanegele Project Area, confirming their historical presence.



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.

January 10, 2004