



**TAN RANGE EXPLORATION CORPORATION**

**Consolidated Financial Statements  
For the Three Months Ended November 30, 2002 and 2001**

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

**Tan Range Exploration Corporation**  
**Consolidated Balance Sheet**  
As at November 30, 2002 and August 31, 2002

<b>ASSETS</b>	<b>November 30, 2002</b>	<b>August 31, 2002</b>
<b>Current Assets</b>	<b>\$</b>	<b>\$</b>
Cash and Short Term Deposits	3,128,589	2,027,272
Accounts and Other Receivables	20,303	56,867
Prepaid Expenses	<u>67,570</u>	<u>56,261</u>
	3,216,462	2,140,400
<b>MINERAL PROPERTIES AND DEFERRED EXPLORATION AND DEVELOPMENT COSTS</b>		
Capital Assets	18,942,893	18,552,555
	<u>207,497</u>	<u>219,105</u>
	22,366,852	20,912,060
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	301,961	218,982
Future Income taxes	1,087,565	1,087,565
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	37,646,471	35,821,706
Deficit	<u>(16,669,145)</u>	<u>(16,216,193)</u>
	<u>20,977,326</u>	<u>19,605,513</u>
	22,366,852	20,912,060

"Victoria Luis", Director

"James Sinclair", Director

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# Tan Range Exploration Corporation

## Consolidated Statements of Operations and Deficit

For the Three Months Ended November 30, 2002 and 2001

	November 30, 2002	November 30, 2001
	\$	\$
<b>EXPENSES</b>		
Annual General Meeting	0	2,749
Depreciation	14,252	8,750
Consulting and Management Fees	47,641	30,373
Insurance	3,051	9,255
Membership, Courses & Publications	16,259	2,076
New Property Investigation Costs	99,082	39,333
Office and Administration	15,851	6,052
Office Rentals	38,532	23,105
Press Releases	2,840	3,560
Printing and Mailout	8,500	468
Professional Fees	31,500	8,534
Promotion and Shareholder Relations	23,189	9,290
Salaries and Benefits	147,696	51,422
Telephone and Fax	13,468	7,686
Transfer Agent and Listing	4,055	2,431
Travel and Accommodation	13,946	15,945
Training	2,231	
Vehicles	<u>1,363</u>	<u>0</u>
	483,456	221,029
<b>LESS: EXPENSE RECOVERIES</b>	<u>0</u>	<u>(11,490)</u>
	483,455	209,539
<b>OTHER (INCOME) EXPENSE</b>		
(Interest Earned), Net of Expense	(7,089)	(6,933)
Foreign Exchange (Gain) Loss	<u>(23,415)</u>	<u>4,681</u>
	(30,504)	(2,252)
<b>NET LOSS FOR THE PERIOD</b>	452,952	207,287
<b>DEFICIT, BEGINNING OF PERIOD</b>	<u>16,216,193</u>	<u>14,872,235</u>
<b>DEFICIT, END OF PERIOD</b>	16,669,145	15,079,522

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# Tan Range Exploration Corporation

## Consolidated Statement of Changes in Financial Position

For the Nine Months Ended November 30, 2002 and 2001

	November 30, 2002	November 30, 2001
	\$	\$
<b>Cash provided from (used for)</b>		
<b>Operating activities</b>		
Loss for the period	(453,721)	(207,287)
Items not affecting cash:		
Depreciation	14,252	8,750
Loss (Gain) on sale of assets	<u>0</u>	<u>0</u>
	14,252	8,750
Change in non-cash working capital items	<u>108,234</u>	<u>(485,127)</u>
	(331,235)	(683,664)
<b>Investing Activities</b>		
Mineral properties and deferred exploration	(390,338)	(301,950)
Capital asset (additions) disposals, net	<u>(1,875)</u>	<u>(3,190)</u>
	(723,448)	(305,140)
<b>Financing Activities</b>		
Share capital issued	1,824,765	0
Due to related parties	<u>0</u>	<u>0</u>
	1,824,765	0
<b>NET INCREASE (DECREASE) IN CASH</b>	1,101,317	(988,804)
<b>CASH BEGINNING OF PERIOD</b>	<u>2,027,272</u>	<u>3,064,793</u>
<b>CASH END OF PERIOD</b>	3,128,589	2,075,989

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## **Tan Range Exploration Corporation**

Summary of Note Disclosure to the Consolidated Financial Statements

For the Three Months Ended November 30, 2002 and 2001

(Unaudited)

### **1. Nature of operations**

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 Tan Range Exploration Corporation (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, 2002 except as described below in Note 3.

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

<b>Name of Company</b>	<b>Percentage Ownership</b>
Dia Consult Limited (a Tanzanian Company)	100%
Itetemia Mining Company (a Tanzanian holding company)	90%
Kabahelele Mining Company ( a Tanzanian holding company)	80%
Tancan Mining Company Limited (a Tanzanian holding company)	100%
Tanzania American International Development Corporation 2000 Limited (a Tanzanian Company)	100%

### **3. Stock-based compensation**

Effective September 1, 2002, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to the accounting for stock-based compensation and other stock-based payments. The new recommendations are applied prospectively. As the Company did not grant any options during the quarter ended November 30, 2002, the adoption of the new standard had no effect on the quarterly financial statements.

The Company accounts for all stock-based payments to non-employees, and employee awards that are direct awards of stock, granted on or after September 1, 2002, using the fair value method. No compensation cost is recorded for options granted to employees. Consideration paid by employees on the exercise of stock options is recorded as share capital. The Company will disclose the pro forma effect of accounting for these awards under the fair value based methods.

Under the fair value based method, stock-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until counterpart performance is complete and any change therein recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of stock-based payments to non-employees that are fully vested and non-forfeitable at the grant date is measured and recognized at that date.

**Tan Range Exploration Corporation**  
**Consolidated Statement of Mineral Properties and**  
**Deferred Exploration and Development Cost**  
**For the Three Months Ended November 30, 2002 and**  
**Year Ended August 31, 2002**

**4. Mineral properties and deferred exploration and development costs (continued):**

The continuity of expenditures on mineral properties is as follows:

	Iteitemia (a)	Luhala (b)	Kigosi (c)	Lunguya (d)	Kanagele (e)	Tulawaka (f)	Ushirombo (g)	Mbogwe (h)	Biharamulu (i)	Other (j)	Total
Balance, August 31, 2001	6,762,014	1,949,444	-	-	-	315,608	-	-	-	48,063	9,075,129
Exploration expenditures:											
Camp, field supplies and travel	31,826	8,647	-	5,497	-	-	-	-	-	698	46,668
Exploration and field overhead	155,871	198,784	9,144	140,702	-	-	1,258	18,191	-	9,612	533,562
Geological consulting and field wages	70,900	73,104	-	-	-	-	-	-	-	-	144,004
Geophysical and geochemical	30,342	137,157	532	8,572	5,504	-	-	2,287	3,173	20,556	208,123
Property acquisition costs	82,583	57,125	1,062,840	1,945,732	780,061	1,111,747	1,328,744	976,320	676,696	275,957	8,297,805
Parts and equipment	5,542	150	-	-	-	-	-	-	-	-	5,692
Trenching and drilling	149,122	73,882	-	77,265	-	-	-	-	-	317	300,586
	526,186	548,849	1,072,516	2,177,768	785,565	1,111,747	1,330,002	996,798	679,869	307,140	9,536,440
Write-offs	7,288,200	2,498,293	1,072,516	2,177,768	785,565	1,427,355 (2,810)	1,330,002	996,798 (12,608)	679,869	355,203 (43,596)	18,611,569 (59,014)
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	2,597	286	1,145	6,323	241	4,413	673	-	608	569	16,854
Exploration and field overhead	12,250	5,137	1,455	25,764	22,835	-	-	1,528	10,571	26,109	105,649
Geological consulting and field wages	24	327	-	37,085	1,362	-	-	-	-	132	38,930
Geophysical and geochemical	52	460	-	505	4,055	-	-	408	-	856	6,336
Property Acquisition costs	-	-	14,434	-	-	-	-	-	-	23,490	37,924
Parts and equipment	-	-	-	138	-	-	-	-	-	-	138
Trenching and drilling	-	-	-	184,508	-	-	-	-	-	-	184,508
	14,924	6,210	17,033	254,321	28,493	4,413	673	1,937	11,179	51,156	390,338
	7,303,124	2,504,503	1,089,549	2,432,089	814,058	1,428,958	1,330,675	986,127	691,048	362,763	18,942,893
Write-offs											
Balance, August 31, 2002	\$ 7,303,124	2,504,503	1,089,549	2,432,089	814,058	1,428,958	1,330,675	986,127	691,048	362,763	18,942,893

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## Tan Range Exploration Corporation

Summary of Note Disclosure to the Consolidated Financial Statements

For the Three Months Ended November 30, 2002 and 2001

(Unaudited)

4. 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.
  
5. Share Capital

<b>Share Capital</b>	<b>Number</b>	<b>Amount (\$)</b>
Balance at August 31, 2002	74,714,203	35,821,706
Issued for cash	0	0
Conversion of Special Warrants	0	0
Issued for debt settlement	0	0
Subscriptions receivable	0	102,000
Issued on exercise of stock options	500,000	237,000
Issued on exercise of warrants	2,451,275	1,485,765
Issuance costs	0	0
Balance at November 30, 2002	77,665,478	37,646,471

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## Tan Range Exploration Corporation

Summary of Note Disclosure to the Consolidated Financial Statements  
For the Three Months Ended November 30, 2002 and 2001 (Unaudited)

### 6. Options & Warrants outstanding

Type of Security	Number of Shares	Exercise Price	Expiry Date
Warrants	98,000	\$0.60	May 30, 2003
Options	280,000	\$0.92	January 14, 2003
Options	475,000	\$0.50	March 1, 2004
Options	100,000	\$0.40	November 4, 2004
Options	154,000	\$0.45	January 4, 2005
Options	110,000	\$0.45	January 7, 2005
Options	50,000	\$0.50	January 19, 2005
Options	335,000	\$0.40	November 8, 2005
Options	265,000	\$0.33	January 16, 2006
Options	1,010,000	\$0.51	August 7, 2006
Options	715,000	\$0.79	May 3, 2007
Options	40,000	\$0.96	May 23, 2007
Options	50,000	\$0.83	June 20, 2007

### 7. Stock Options

Stock Options	Number	Cost
Balance at August 31, 2002	4,084,000	\$0.33 to \$0.92
Granted		
Expired or cancelled		
Exercised	500,000	\$0.40 to \$0.51
Balance at November 30, 2002	3,584,000	\$0.33 to \$0.96

### 8. Warrants

Warrants	Number	Cost
Balance at August 31, 2002	2,674,275	\$0.60 to \$0.70
Granted	0	0
Expired	125,000	\$0.60
Exercised	2,451,275	\$0.60 to \$0.70
Balance at November 30, 2002	98,000	\$0.60

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