**TWST: Can we start with just a quick overview of Tan Range, kind of how you see the company at this point?**

**Mr. Sinclair:** Tan Range is a minerals exploration company whose business plan is to develop royalty income from mineral assets in Tanzania. We don't intend to achieve this objective in the usual way by issuing capital stock for financing, by borrowing from lenders to purchase royalties, by making direct purchases or by lending to companies that have bankable feasibility studies on quality projects. Instead, we plan to develop royalty income from exploration successes on our holdings which just happen to be in one of the world's most prospective gold producing belts.

**TWST: Why take that approach?**

**Mr. Sinclair:** The reason we have chosen this approach encompasses an understanding of simple mathematics and the minerals industry itself - especially how money is raised for project financing. The simple mathematics part is that the relationship between a junior exploration entity and a development company (usually a major mining firm) under normal conditions is a percentage transaction whereby the junior would for instance own 30% of a new project and the major 70%. Keep in mind that these are "working" interests where each of the partners puts up its share of expenses whether they involve exploration or development costs. Whatever percentages they agree upon is generally a product of the attractiveness of the project in its early stages. The junior then has to carry its part of the debt created to finance the project. Generally, the junior has to pay back to the major that share of the debt before seeing any significant degree of income. The payback schedule under normal conditions would be 80/20 of cash flow, with the higher amount accruing to the major and the remainder to the junior. However, in some cases it is 100% to the major. In rare cases, there might be more for the junior but that would be very unusual. So your average junior gets to count ounces by taking 30% of the proven reserves (and the remaining resources) and attempts to develop value for the common shareholder along with the ability to continue financing and operate based on counting those ounces. This of course assumes that the industry is being evaluated by analysts as an asset-based entity. However, that assumption hasn't held true over the past five to seven years. Nonetheless, I believe it will become true with the increasing price of gold, but we need to face the facts of where we are today. In reality, gold producers today are being analyzed as manufacturing companies on the basis of cash flows and Price Earnings ratios etc.

**TWST: What is wrong with that?**

**Mr. Sinclair:** Nothing whatsoever except that a mining company isn't a manufacturing company. A mining company is in fact an asset-based company that should be evaluated based on the value of its underlying assets. It's these assets that produce the ability to increase income and the price of its final product which would determine what that income would be. So a commodity-based company is not a manufacturing company. By asking that question, you are asking me what is wrong with the opinion of analysts - and nobody can argue an opinion.

**TWST: But you can argue the approach?**

**Mr. Sinclair:** It will change with time. Nobody can argue an approach. An approach is what it is and you have to face that fact. But I would argue that with gold under $529, it is still looked at by the establishment analytical community in the same manner as they would analyze a manufacturing company.

**TWST: Why is $529 important?**

**Mr. Sinclair:** Because that is the difference between a normal gold market and a runaway market. That particular level would be a breakthrough, a long-term, upside, overbought characteristic of a runaway market. No matter what market segment we are talking about, a runaway occurs when price action exceeds an overbought condition and continues to appreciate. The key to that is a very simple mathematical one which is also related to time. It could be any time within the next six months that gold will exceed 3% above $529 and that's a standard technical rule. We live in a world where we have a lot of self-fulfilling processes otherwise known as technical analysis. But be that as it may, it will still impact value analysis considerations. The only excuse for that is if the underlying assets are becoming more valuable. Another reason why that type of analysis today isn't terribly valid is the impact of the price of gold on the value of reserves and their mineability. As the price of gold rises, a producing gold company can mine reserves that weren't economic before or in fact could actually be called “ore.” (Always remember that ore is “anything you can mine at a profit”). So that is where they are different from a manufacturing company. But arguing an opinion leads to confusion while facts lead to conclusions. Right now, that's not how gold producers are looked at. The second is the way money has been raised for the industry, let's say since 1991 onward. Throughout the entire industry, the money has been raised on a non-recourse basis. For most projects, the major negotiates a loan on the junior’s behalf which then pledges its percentage of the property to the loan for its pro rata share of development costs. It couldn't be otherwise because no lender will provide financing on a fractured asset. When the junior pledges its percentage of the property to the major, it is inherent that the junior accept all criteria of the loan agreement. A non-recourse loan - because we all know banks take no risk - is based on an over-the-counter short of gold or synthetic Put derivative, which when put in place would afford protection to the bank from the downside impact of the gold price on any new gold project. If the downside impact on a project through lower gold prices was to occur, then the bank would protect itself by having the profit on that position cover the loss on the loan. The gold derivative has to be in place for the period of time of repayment of the loan agreement. So the junior is obligated through its percentage share by whatever impact that loan might produce. Now the gold derivative is a short of gold derivative otherwise how could it protect against the downside? We have new accounting rules that have come into place in the last two years that have specific application to derivatives whereby the company that initiates the derivative will have to at the time of initiation determine and apply that derivative to that specific project. In other words, you can't consolidate projects under one derivative. Derivative A goes to derivative project A, derivative B applies to project B and so it goes down the line. Now the mark-to-market on these derivatives must be charged to the project itself which means that as gold appreciates the mark-to-market will be a debit against the project. So the ability for that project to make money will not be determined as much by the economics of the project as it will by the economics of the short of gold derivative that was put in place to create the non-recourse loan by the major to which the junior has an obligation vis-a-vis. its percentage interest. So that's the method of financing that a royalty company chooses to avoid. That method of financing (non-recourse borrowing) doesn't mean that the junior is free from the risk of a cash call due to a margin call or some other unique feature imbedded by the major. But in certain circumstances that could in fact happen. The circumstances in which that could happen would only be (especially in the non-margin call over-the-counter short of gold derivative) where the major states that there is no such arrangement. In fact, there is no margin call as it applies to the price of gold but there is a hidden trigger to a margin call. The money demand that can be made by a derivative dealer on behalf of the writer is a clause that requires the major to maintain certain balance sheet liquidity and/or certain levels of debt rating in order to avoid having to put up additional funds to cover the differential between the price of gold, the gold short in the derivative, and whatever the existing price of the gold actually is. Should either of those two characteristics fall out of place, then an effective margin call could and would develop. Then the major would have to decide whether or not to pass that on to the junior according to their percentage JV agreement. We know that there is very little philanthropy and mercy among the majors - they simply aren't made that way. In truth, the juniors in such a transaction have whether they know it or not a modest but real risk of losing their share of the property to the major under certain circumstances. We don't choose to be in that position so a royalty arrangement avoids all of the initial financing and raising funds for any further development within the property. Most royalty option arrangements do recover their money invested in the property to bring it to that point where a major or junior producer might become interested in developing it. From an earnings perspective, the percent joint venture partner rarely sees a flow of money until year three to seven, depending on their agreement, while a royalty company will receive income from either day one or day 365 of the execution of a royalty option agreement. On day one, the exploration royalty company will have its expenses on that property reduced either to zero or to a negligible level. Now the income in the beginning is not extraordinary because it is income which can be related to renting an apartment. But generally the agreement has scheduled increases based on certain events being completed over certain periods of time. As an example, the rents can rise significantly with the additional years that that property is held. At bankable feasibility, the return of expenses we spent in the exploration, and of course at production, you have royalty income. So the exploration royalty company has income minus the risk of finance. That results in positive cash flow with reduced or totally eliminated expenses. As a result, when analyzing the difference between a royalty agreement and a percentage agreement, mathematics indicates that if you set them side-by-side, it's best to give them to an accomplished CPA to look at. There is more value on a 3% royalty agreement than there would be in a 30% JV agreement, taking the average industry for comparative purposes.

**TWST: Given all those, where are you looking?**

**Mr. Sinclair:** We have been in Tanzania since it first opened up its minerals industry to foreign investment. I was Chairman of Sutton Resources which owned the Bulyanhulu gold project that was subsequently acquired by Barrick in a takeover bid. Sutton also owned the Kabanga Nickel Project which is now being developed by Barrick and Falconbridge. This is a very significant nickel project in Tanzania. I maintained business interests in Tanzania when Sutton was sold and formed a private company called Tanzanian American Development in 1995 to accumulate properties there. In 2001, that company was merged with Tan Range Exploration which basically was a reverse takeover. This resulted in new management, a new Board of Directors, ongoing financing of its activities, and new acquisitions that have boosted our mineral license inventory to 140 prospecting licenses in Tanzania. That property position makes Tan Range Exploration the largest mineral license holder in the country. That's where we specialize and that's the only place we intend to be.

**TWST: What are you doing there at this point?**

**Mr. Sinclair:** We have dealt 36 of our 140 properties to other companies, all of which are actively exploring them. We have had various discoveries, all of which are noted on our highly transparent web site. One of these discoveries was recently made by Northern Mining in the Tulawaka area. We have properties that are prospective for diamonds, gold, platinum, and nickel. Once we deal a property to another company, that entity takes over the exploration of that property and makes “pre-royalty” or “rental” payments to us. We are constantly doing two things: accumulating properties and “condemning” them. By the latter I mean that we determine the exploration potential on a property and advance it - and if none exists we abandon it. We also own our own drilling equipment which is quite unusual.

We have a combination RC (Reverse Circulation) and RAB (Rotary air blast) drill rig that was purchased in South Africa for which we paid \$800,000 Canadian including sundries. We also have our own drill crew that we have trained specifically for the conditions that exist on our holdings. And we have taken a known science called biogeochemistry and invested over \$1 million developing field protocols and preparation laboratories. Biogeochem is a non-invasive means of evaluating large areas at quite a low price and can be done very quickly with company-trained botanists. We developed the biogeochemistry protocol because the challenge in Tanzania is to see beneath deep overburden or "mbuga." Up until now, every company has avoided the challenge, even if they have mineralized structures coming right up to its edge – the theory being that if you can't see it, you don't have it. The philosophy of Tan Range management has always been to look for some degree of advantage. Although biogeochemistry is not by any means the absolute panacea and singular protocol to become a successful explorer, it is nonetheless an effective protocol. Where nothing else works, it becomes a set of eyes so you aren't exploring blind with the drill.

**TWST: With all this work volume, why have your own drills and capabilities? Why not just let other people do it?**

**Mr. Sinclair:** Because you have to stand in line and take a ticket for a drill and crew in Tanzania. I don't care who you are drilling with, the company with the biggest name (usually a major) always gets the equipment that works and the junior ends up with whatever falls off the truck. It is rare that a junior would get the best drill and drill crew from an independent contractor. Believe me, we know this from experience. Every drill requires constant maintenance, replacement parts and preventative maintenance. Having our own drill rig gives us the ability to lead with biogeochemistry without being at the behest of anyone else. No junior has ever done this before. I intend to continue with the success of our drilling operations by ordering diamond drills as well. So we will be both a drilling company and an exploration company, employing an exploration protocol not being used by others. This flexibility allows us, for instance, to shift quickly to areas where we have some exploration success - whether it be for gold, diamonds or base metals including nickel. The freedom and mobility associated with having your own drill rig is certainly worth the price of admission. You do save to some degree the actual cost of drilling itself versus the cost that a drilling contractor would charge.

We are doing something that has never been done before up to this point - taking royalties out of exploration. It is an audacious thing to do but so far we are exactly where we want to be.

**TWST: What are the goals that you set for Tan Range for the next two or three years?**

**Mr. Sinclair:** The main goal for Tan Range is to deal the properties it holds because once an exploration-based royalty company has done this it becomes a very simple property management and exploration operation. So you are constantly streamlining rather than constantly expanding. My entire career was outlined by Forbes in December of 2001 and I consider this period of my career its “Grande Finale.” We have created a unique vehicle which is really a financial company rather than a mining or exploration company. We seek to utilize the royalty strategy because I have 46 years of trading experience in gold and in fact was considered to be the largest gold trader in the big rally between 1968 and 1980. That being said, our philosophy is to conduct ourselves much in the way that Shenley operated back in the 1940s when they issued warehouse receipts for whiskey and those receipts began to trade. What I would like to see Tan Range become is a royalty company, doubling as a financial company, that would scrupulously manage its income and pay dividends to its shareholders in significant amounts. This is what Shenley did in cash or warehouse receipts. A market would no doubt be created for these warehouse receipts for gold.

My focus on Tanzania is for a very simple reason. I have been there since 1989 and have a political base and understanding of its people that few Westerners can claim. Several years ago, I wrote a book called “Boom” which outlined 14 reasons why I selected the country of Tanzania. So far, that's been the best thing we have done and this view is supported by none other than the IMF, the World Bank, the Financial Times and UNESCO who have all said that Tanzania is the diamond of Africa with the highest degree of political stability – even better than South Africa.

**TWST: Where does gold have to be priced to make all this work for you?**

**Mr. Sinclair:** Our royalties are ratcheted into the price of gold: the higher the gold price the more we make. But we typically start at 0.5% and we run up to levels of 2% to 2.5% according to what the gold price is at the given time. As you can well imagine, gold above $529 would be a bonanza. But whatever the price level, we derive royalty income at no cost to ourselves as long as the mine is operating.

**TWST: But there has to be a level at which it is not worthwhile for the operator to run them on.**

**Mr. Sinclair:** That's correct. And that level will vary with each project according to the cost of mining. Tanzania has some of the lowest cost mining operations outside of Nevada. As far as we are concerned, we don't have any expenses for our gold. In other words, we are a virtual gold miner, not an actual gold miner. And that is where we intend to stay. If we became involved in a project that was quite simple that met our profit expectations, we might actually do it on our own account. But we would do it through a subsidiary, not as a primary company. We are a royalty company and intend to remain that. We seek to do it in another manner where success is determined by property dealing. We are basically a new car dealer and if we don't deal our inventory, we are not succeeding. When income starts, by holding tight control of our operating budget, cash flows increase and our ability to pay dividends to shareholders. It doesn't take an awful lot to break even and after that the rest is all profit. So, it's entirely a different approach to things.

**TWST: You have been funding it. Are you going to continue to do that?**

**Mr. Sinclair:** The Sultan of Brunei could go broke but I was able to finance Sutton Resources from 1989 through bankable feasibility on Bulyanhulu. My pockets are relatively deep but no pocket is so deep that it might not turn to the public for funds in the future. My theory is that you mature your assets first so that if you ever do go to public financing, your assets qualify for better treatment than you would receive otherwise - and also for better underwriters. I don't believe in scurrying around for private placements here and there. I don't think that's a real classy way of doing business. Also, by me doing what I do, I feel that I am carrying a risk equal or greater than my stockholders. I don't take discounts with my financings. I don't take warrants, I don't take options. I think in the same way a stockholder would. My placements are at a weighted price to the volume average of the last five days of the trading month in which I make the placement. I don't believe in insider stock options and dilutive tactics. As a result, for all intents and purposes those simply don't exist in our situation.

**TWST: Do you think investors understand what you are doing?**

**Mr. Sinclair:** No, I don't think they have a clue. The harder I try, the more frustrated I become.

**TWST: What are they missing?**

**Mr. Sinclair:** The idea that I am trying to get across is that this company is a financial company whose success is related to dealing properties and generating royalty income without the risks and obligations associated with financing and operating a mine. Some understand and others have woken up recently because the stock price reflects it. But I don't think in the main people understand it. It's akin to trying to explain dilution to a stockholder. You might as well talk to a pine tree. I am not denigrating my stockholders. I am simply telling you the truth.

If you go to our web site, I don’t think you will see anything comparable on the web in terms of transparency. Now that doesn't mean that there will be web-based insider information on the site because the rules are quite specific on that. But I will say that except for lab analysis, it tells you everything including when the drill breaks down. It also tells where we are, the specifics of every project, with whom we are dealing, what those projects are, and when information will become available to our shareholders.

**TWST: When you sit down with investors, what two or three reasons do you give them to take a look at Tan Range at this juncture?**

**Mr. Sinclair:** Well, we simply don't do any of that. Also, we don't have an investor relations department, largely because we want to keep a low profile in what is very much a building stage. The worse thing that can happen to you is if your price outruns your actual value because it won't hold up. Better to build your values on a solid foundation and present everything in written form, especially when you are not looking for financing. I don't speak at investment seminars; we don't send out glossy promotional materials although our annual report is very presentable and cost-effective. We answer questions when they come to the best of our abilities. But we don't sit down with investors per day. Could you restate the question because I now I have forgotten it.

**TWST: If you were sitting down with potential investors, what two or three reasons would you give them to take a look at your company?**

**Mr. Sinclair:** The first thing I would say is that we practically own the rights to the undiscovered mineralization of a country. Second, I would say that anybody wishing to enter Tanzania has to come to us because what was available before isn't available any longer. We have it. The third thing I would do is suggest that they research the country itself to determine the solid nature of the location that we have chosen. Then I would draw their attention to the properties we have dealt and our partners because no company is going to take on a property unless they feel there is potential to develop a resource, a reserve and/or a mine. Then after looking at the arrangements, I would suggest reviewing our Form 20-F filings which provide incredible detail on the company. Next a review of the company's biogeochemical protocol with a specific emphasis on the names associated with it and the actual science itself. Then take into consideration the company's perspective that it is enjoying the hospitality of a country that has provided it with an extraordinary opportunity to do things differently than you would if you were operating in Europe or North America. Determine whether or not we are in fact behaving that way. After that, take a pencil and a piece of paper and do the mathematics to convince yourself that a royalty deal is better than a percentage deal on a real cash flow basis. Take time to understand that the freedom from the borrowing and the derivative risk associated with new project development is in fact real and then decide if the price is properly reflecting that. Following their analysis, investors should either make an investment in the company or disinvest what they have.

**TWST: Thank you.**

**Mr. Sinclair:** Thank you.