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| **About Jim Sinclair** Jim Sinclair is primarily a precious metals specialist and a commodities and foreign currency trader. He founded the Sinclair Group of Companies (1977), which offered full brokerage services in stocks, bonds, and other investment vehicles. The companies, which operated branches in New York , Kansas City, Toronto , Chicago , London and Geneva , were sold in 1983. From 1981 to 1984, Mr. Sinclair served as a Precious Metals Advisor to Hunt Oil and the Hunt family for the liquidation of their silver position as a prerequisite for the $1 billion loan arranged by the Chairman of the Federal Reserve, Paul Volcker. He was also a General Partner and Member of the Executive Committee of two New York Stock Exchange firms and President of Sinclair Global Clearing Corporation (commodity clearing firm) and Global Arbitrage (derivative dealer in metals and currencies). In April 2002, shareholders of Tanzanian Royalty Exploration (formerly Tan Range Exploration) approved the acquisition of Tanzania American International, a company managed by the Sinclair family.  Following this transaction, Mr. Sinclair became Chairman of Tanzanian Royalty and now leads its transition to become a gold producer. He has authored numerous magazine articles and three books dealing with a variety of investment subjects, including precious metals, trading strategies and geopolitical events, and their relationship to world economics and the markets. He is a frequent and popular speaker at gold investment conferences and his commentary on gold and other financial issues garners extensive media coverage at home and abroad. In January 2003, Mr. Sinclair launched, "Jim Sinclair's MineSet" which now hosts his gold commentary and is intended as a free service to the gold community. |

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| QE to Infinity, followed by Gold balancing the balance sheets of the sovereign balance sheet disasters. Just as there is no tool other than QE to feign financial solvency, there is no tool to balance the balance sheet of the offending entities other than Gold. It is just that simple. **--Jim Sinclair**  |

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| **My Dear Extended Family,** With the arrival of Tanzania's new administration, the ministerial staff were sent to mining companies, especially those owned by non-Tanzanian companies. They made demands that were not bound by law or contract, threatening us all. The Deputy Minister of Mining gave a speech to the local village and illegal miners saying that he had given us 14 days to hand over land to them to be mined, which we had already done when we offered them their choice of 3 parcels, one of which they were already on. On the 15th day, two hundred people came over the fence demanding more property. If we took no action and let 200 remain, there would be, as happened at Bulyanhulu, 20,000 more coming. With the new government treating us all rudely via the Deputy Minister inciting riots by his pubic pronouncement, I had no viable option but to instantly declare Force Majeure against the government. In Sub Sahara Africa if you are hit you have no choice but to get up and hit back. If you don't you are finished. You must fight instantly or you will be picked on until you give up whatever you have. I am not sure it is too different here, just more refined. The rule in Africa is you have to put the illegal miners off your property the first day they arrive. If you don't, 1 turns into 5, 5 turns into 20, and then that 20 becomes 20,000 and you are cooked. When the invasion grew to 200, I had to take an instant, loud, public and serious action. The interlopers were escorted out. We do not owe Stamico one cent as that was triggered by actions on their government's part that can only be understood in terms of the movie "Lord of the Flies." We are still not able to exercise our full mining license on the Kigosi property due to the whim of a single Minister. We had refused to pay cash to his representative late in the last administration in order to get access. To add to this, a Chinese national mining company lusts for Buckreef. They are a modern form of the historical claim jumper willing to pay anyone corrupt inside or outside of the company if it helps them get what they want. We believe Buckreef represents billions, even at today's prices. People seem to think incorrectly that Force Majeure is something the government did to us, but it is something we declared against the government of Tanzania which we will arbitrate in London as per our contract provisions. Force Majeure gets a government's attention as it hits directly into the claim of welcome to investors and offers protection to non-Tanzanians conducting business in the country. Force Majeure freezes all company obligations payable until the issues are resolved and protects all licenses and permits as property in this case of TRX, the parent. I had absolutely no other option but to use the most powerful defense weapon in international mining as a tool provided in our contract. The alternative would have been to simply surrender, which would be the beginning of a very quick end. I had to go nuclear in the mining industry terms instantaneously. London arbitration is fair and our claims of no funds due to Stamico are solid. Stamico stands for the State Mining Company run by the Tanzanian government. These proceedings are governed by international law, not local law. We issued a detailed release on this subject and two additional items earlier this week. Stockholders looking at the market ran to the internet chat sites where information is always somewhat dicey and position profit motivated. In the best interest of protecting the company assets, a week ago I pushed the "Force Majeure pause button" protected by contract based on international, not Tanzanian, law and opted for binding arbitration in London while taking my staff temporarily out of harm's way. Stamico themselves publicly announced the imposition of Force Majeure with rather cordial words. As a result, our expenses are now under $100,000 per month and we have gold on the pads. The mine is protected by uniformed armed guards that were previously Tanzanian special forces. They are trained to protect. It is my long held, firm belief that the price of gold is headed much higher, making the recent multiyear decline not a gold bear market, but rather a simple reaction in the gold bull market of all time that will be seen reaching prices that most gold analysts cannot even imagine. If you as a gold company had nothing you would never have a single problem. If you are a gold company of significant merit you must fight a vicious war 24/7 until cashed high enough to be a force yourself. Nobody bothers claim jumping a piece of junk. Nobody organizes to create mass hatred using modern communication methods without a defined motive. Nobody attacks a market with such professionalism except to attempt to cut off financing, thereby rendering the company an easy hostile takeover target. This is a business requiring instant decision making processes driven by the constant willingness to act instantly to protect itself under international law and therefore to the best interest of its family of investors. Best wishes,Jim |

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