

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

In Accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company Disclosed that its auditors have not reviewed the unaudited financial statements for the period ended September 30, 2006.

**Tamerlane Ventures Inc.  
Financial Statements  
Unaudited Prepared by Management  
For the nine months ended September 30, 2006 and 2005**

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**TAMERLANE VENTURES INC.****STATEMENTS OF OPERATIONS AND DEFICIT**

<b>For the period ended</b>	<b>Three months</b>	<b>Three months</b>	<b>Nine months</b>	<b>Nine months</b>
	<b>September 30, 2006</b>	<b>September 30, 2005</b>	<b>September 30, 2006</b>	<b>September 30, 2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>EXPENSES</b>				
Amortization	945	—	1,720	—
Foreign exchange loss	—	—	(691)	—
Office, rent and miscellaneous (Note 8(b))	6,724	56,857	57,723	214,965
Professional fees	9,310	15,900	61,190	25,832
Stock-based compensation	18,200	—	116,800	152,567
Transfer agent and regulatory fees	13,889	—	35,860	—
Travel and promotion	2,830	8,718	9,264	50,914
Federal taxes	23,320	—	23,320	—
	<b>75,218</b>	<b>81,475</b>	<b>305,187</b>	<b>444,278</b>
Net Operating Loss	<b>(75,218)</b>	<b>(81,475)</b>	<b>(305,187)</b>	<b>(444,278)</b>
<b>OTHER INCOME</b>				
Interest income	46,621	3,292	91,763	17,415
Loss on marketable securities	—	(9,000)	—	(24,000)
Net Loss Before Income Taxes	<b>(28,596)</b>	<b>(87,183)</b>	<b>(213,423)</b>	<b>(450,863)</b>
Net Loss for the Period	<b>(28,596)</b>	<b>(87,183)</b>	<b>(213,423)</b>	<b>(450,863)</b>
Deficit, Beginning of the Period	<b>(507,035)</b>	<b>(829,867)</b>	<b>(322,208)</b>	<b>(466,187)</b>
Deficit, End of the Period	<b>(535,631)</b>	<b>(917,050)</b>	<b>(535,631)</b>	<b>(917,050)</b>
Net Loss Per Share – Basic and Diluted	<b>—</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.03)</b>
Weighted Average Number of Shares Outstanding	<b>31,754,702</b>	<b>14,024,662</b>	<b>25,373,970</b>	<b>14,024,662</b>

(The accompanying notes are an integral part of the financial statements)

**TAMERLANE VENTURES INC.****STATEMENTS OF CASH FLOWS****For the period ended**

	Three months	Three months	Nine months	Nine months
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005

	\$	\$	\$	\$
<b>Operating Activities</b>				
Net loss for the period	<b>(28,596)</b>	(87,183)	<b>(213,423)</b>	(450,863)
Items not involving cash:				
Amortization	<b>945</b>	-	<b>1,720</b>	-
Stock-based compensation	<b>18,200</b>	-	<b>116,800</b>	152,567
Changes in non-cash working capital:				
Increase in tax credits recoverable	<b>24,390</b>	(25,366)	<b>41,747</b>	(57,991)
Due from related parties	<b>24,080</b>	-	<b>44,080</b>	-
Increase (Decrease) in prepaid deposit	<b>2,500</b>	-	<b>(5,000)</b>	-
Advance to vendors	<b>(110,939)</b>	-	<b>(110,939)</b>	-
Accounts payable and accrued liabilities	<b>(131,223)</b>	12,420	<b>(26,690)</b>	(27,029)
	<b>(200,645)</b>	(100,129)	<b>(151,705)</b>	(383,316)
<b>Investing Activities</b>				
Acquisition of and expenditures on mineral interests	<b>(392,466)</b>	(333,646)	<b>(1,923,522)</b>	(971,232)
Marketable securities	-	9,000	-	24,000
Purchase of property and equipment	<b>(2,234)</b>	-	<b>(4,125)</b>	-
	<b>(394,700)</b>	(324,646)	<b>(1,927,647)</b>	(947,232)
<b>Financing Activities</b>				
Proceeds from shares issued	<b>189,996</b>	-	<b>6,147,364</b>	133,800
Share issue cost	<b>(1,505)</b>	-	<b>(301,113)</b>	-
	<b>188,491</b>	-	<b>5,846,251</b>	133,800
Increase (Decrease) in Cash and Cash Equivalents	<b>(406,854)</b>	(424,775)	<b>3,766,899</b>	(1,196,748)
Cash and Cash Equivalents, Beginning of the period	<b>4,327,308</b>	930,923	<b>153,555</b>	1,702,896
Cash and Cash Equivalents, End of Period	<b>3,920,454</b>	506,148	<b>3,920,454</b>	506,148
<b>Supplemental Disclosures</b>				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

(The accompanying notes are an integral part of the financial statements)

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**TAMERLANE VENTURES INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006**

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The following financial statement notes include only the changes from the previously reported annual financial statements and notes.

**1. Nature and Continuance of Operations**

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. As at September 30, 2006, the Company had working capital of \$4,226,533 and has incurred significant losses since inception totaling \$535,631. The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

**2. Property and Equipment**

	Cost	Accumulated Amortization	September 30, 2006 Net Carrying Value	December 31, 2005 Net Carrying Value
	\$	\$	\$	\$
Furniture and equipment	6,882	2,180	4,702	2,297

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**3. Mineral Interests**

	Pine Point Property \$	Carolin Mine Property \$	Total \$
Balance, December 31, 2004	1,214,490	99,352	1,313,842
Expenditures during the year:			
Acquisition	10,183	-	10,183
Engineering	393,573	-	391,568
Drilling	428,692	-	428,692
Equipment rental and maintenance	229,009	-	229,009
Mining supplies	53,340	-	53,340
Survey	66,050	-	66,050
Travel	49,709	-	49,709
	1,230,556	-	1,230,556
Balance, December 31, 2005	2,445,046	99,352	2,544,398

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**TAMERLANE VENTURES INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006**

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Expenditure during the period

Acquisition	1,006,565	–	1,006,565
Engineering	592,128	–	592,128
Drilling	50,433	–	50,433
Equipment rental and maintenance	5,232	–	5,232
Mining supplies	6,182	–	6,182
Survey	208,087	–	208,087
Travel	54,895	–	54,895
	1,923,522	–	1,923,522
Balance, September 30, 2006	4,368,568	99,352	4,467,920

**4. Share Capital**

(a) Authorized: 100,000,000 shares without par value

	Number of shares	Amount \$
Balance, December 31, 2004	13,578,662	3,487,462
Issued pursuant to private placement	446,000	133,800
Share issuance costs	–	(23,445)
Flow-through share tax recovery	–	(447,779)
Balance, December 31, 2005	14,024,662	3,150,038
Issued during the period:		
Private placement	14,285,714	5,000,000
Broker fee	723,178	253,112
Exercise of options	50,000	25,000
Exercise of warrants	2,830,911	1,132,364
Share issue cost	–	(554,224)
Balance, September 30, 2006	31,914,465	9,006,290

**5. Share Purchase Warrants**

The following table summarizes the continuity of the Company's warrants.

	Number of shares	Weighted average exercise price \$
Balance, December 31, 2004	2,543,421	0.40
Issued with private placement	446,000	0.40
Expired	(87,500)	0.30
Balance, December 31, 2005	2,901,921	0.40

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**TAMERLANE VENTURES INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006**

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**Share Purchase Warrants-continued**

Issued:		
With private placement	7,505,937	0.45
Exercised	(2,830,911)	0.40
Expired	(150,000)	0.40
Balance, September 30, 2006	7,426,947	0.40

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As at September 30, 2006 the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
7,426,947	0.45	October 13,2007
<u>7,426,947</u>		

**6. Stock Options**

The Company has a fixed stock-based compensation plan in effect which provides that up to ten percent of the number of shares outstanding may be reserved for stock option grants to eligible optionees. Stock options granted under the plan vest immediately. At September 30, 2006, this plan provided for the grant of stock options to purchase a maximum of 3,191,447 common shares of which 1,402,000 have been granted and 1,789,447 options are available for future grants.

The following table summarizes the continuity of the Company's stock options:

	Number of Shares	Weighted Average Exercise Price \$
Balance, December 31, 2004	595,000	0.38
Granted	700,000	0.30
Cancelled/forfeited	(265,000)	0.35
Balance, December 31, 2005	1,030,000	0.33
Granted	422,000	0.43
Exercised	(50,000)	0.30
Balance, September 30, 2006	1,402,000	0.36

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**TAMERLANE VENTURES INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006**

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**Stock Options (continued)**

Additional information regarding options outstanding as of September 30, 2006 is as follows:

Exercise price \$	Number of shares	Outstanding and exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.30	505,000	3.25	0.30
0.38	425,000	2.33	0.38
0.30	50,000	4.08	0.30
0.28	50,000	4.17	0.28
0.45	322,000	4.33	0.45
0.50	25,000	4.92	0.50
0.45	25,000	5.00	0.50
	<u>1,402,000</u>	<u>3.70</u>	<u>0.36</u>

The fair value for stock options granted was estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2006	2005
Interest rate	3.32%	3.32%
Expected life (in years)	3.5	3.5
Expected volatility	113%	104%

The weighted average to grant date fair value of stock options granted during 2006 was \$0.28 per option.

**7. Contributed Surplus**

The following table summarizes the continuity of the Company's contributed surplus:

	Amount \$
Balance, December 31, 2004	95,365
Fair value of stock options granted	124,026
Stock options cancelled/forfeited	(37,694)
Balance, December 31, 2005	181,697
Fair value of stock options granted	116,800
Fair value of options exercised	(10,000)
<u>Balance, September 30, 2006</u>	<u>288,497</u>

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**TAMERLANE VENTURES INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006**

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**8. Related Party Transactions/Balances**

For the period ended September 30, 2006, the Company was involved in the following related party transactions:

- (a) The amount of \$ Nil (2005 - \$44,080) due from a company with common officer and directors is non-interest bearing and due on demand.
- (b) In 2004, the Company entered into an agreement with a company with common officers and directors whereby this company would provide office space, accounting, geological services and vehicle rentals. During quarter ending September 30, 2006 a total of \$ 7,500 in office, rent and miscellaneous and \$3,000 in professional fees were paid to this company. Included in mineral interests is \$230,380 in consulting fees paid to this Company. The total amount paid during the nine months period by the Company is \$487,593 (2005 - \$389,188) to this company. The agreement does not commit the Company to future expenditures.
- (c) During the period ended September 30, 2006 the Company paid \$1,000,000 to a Partnership with common officers and a common director to increase its interest to 100% in the Pine Point Property.

All of the above transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

**9. Non Cash transactions**

During the period ended September 30, 2006 the Company issued 723,178 shares valued at \$253,112 as broker fees for the issue of a private placement.

**10. Subsequent Events**

- (a) Subsequent to the end of the third quarter, the Company granted 55,000 employee stock options with an exercise price of \$0.38 per share and expiry date of October 16, 2011, and 100,000 employee stock options with an exercise price of \$0.43 per share and expiry date of November 1, 2011.

# **TAMERLANE VENTURES INC.**

**Management's Discussion and Analysis of Financial Condition & Results of Operations.**

**For the three- and nine-month periods ended September 30, 2006**

**(This interim Management's Discussion and Analysis of Financial Condition & Results of Operations has been prepared by Management and have not been reviewed by the Company's auditors)**

**TAMERLANE VENTURES INC.**  
**Financial Results (Unaudited)**  
**To September 30, 2006**

November 27, 2006

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION & RESULTS OF OPERATIONS**

The following management's discussion and analysis (MD&A) should be read in conjunction with the financial statements and related notes. This discussion is based on information available to November 27, 2006. All dollar amounts are stated in Canadian dollars except where noted.

**Overview**

Tamerlane Ventures Inc. (the "Company" or "Tamerlane") was incorporated under the provisions of the Province of British Columbia on May 16, 2000. The Company's shares trade on the TSX Venture Exchange under the symbol TAM.

The Company is engaged in the exploration, development and acquisition of mineral properties and mining assets.

In September 2004, the Company completed the acquisition of an option and exclusive right to earn an undivided 60% interest in a zinc-lead property in the Northwest Territories south of Great Slave Lake ("Pine Point Property"). The Company commenced exploration activities in the fourth quarter of 2004 and completed a two-phase exploration program in the fall of 2005. The Company, as at December 31, 2005, had completed all exploration requirements to earn a 60% interest in the Property. The Company is carrying out a feasibility study in 2006, which includes a bulk sample program with the objective of advancing the project to a commercial production decision in 2008. In the second quarter of 2006, the Company increased its interest in the Pine Point Property to 100% by payment of \$1,000,000 to a Partnership with common officers and a common director.

In September 2004, the Company completed the sale of an option and exclusive right to Century Mining Corporation to earn an undivided 70% interest in the dormant Carolin gold mine, which is located in British Columbia. In April 2006 Tamerlane purchased 100% of the property from Athabaska Gold Resources Ltd. This purchase was funded by Century and the agreement with Century Mining was amended to form an immediate 70% Century / 30% Tamerlane joint venture with Century. Century still maintains the right to purchase the remaining 30% interest from Tamerlane.

## Results of Operations

The Company is not engaged in mining operations that generate revenue. The Company expects to incur significant ongoing exploration and development expenses prior to generating any revenues from future mining operations.

### ***Third quarter ended September 30, 2006 compared to the same period in 2005***

In the third quarter ended September 30, 2006 there was a net loss of \$28,596, or \$Nil per share, compared to a net loss of \$87,183, or \$0.01 per share in the same period in the prior year. The decrease in the loss mainly reflects interest income of \$46,621 (2005 – \$3,292) earned on funds deposited after completion of a \$5.0 million private placement in April 2006.

In the three-month period ended September 30, 2006 total expenditures were \$75,218 compared to \$81,475 in the same period in the prior year.

Expenditures in the third quarter and year to date ended September 30, 2006 compared to the same periods of 2005 are shown in the following table:

<b>For the periods ended September 30</b>	<b>Q3-2006</b>	<b>Q3-2005</b>	<b>9 mos 2006</b>	<b>9 mos 2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>				
Amortization	945	-	1,720	-
Foreign exchange loss	-	-	(691)	-
Office, rent and miscellaneous	6,724	56,857	57,723	214,965
Professional fees	9,310	15,900	61,190	25,832
Stock-based compensation	18,200	-	116,800	152,567
Transfer agent and regulatory fees	13,889	-	35,860	-
Travel and promotion	2,830	8,718	9,264	50,914
Federal taxes	23,320	-	23,320	-
<b>Total expenses</b>	<b>75,218</b>	<b>81,475</b>	<b>305,187</b>	<b>444,278</b>

In the third quarter total expenses of \$75,218 (2005 - \$81,475) were \$6,257 lower than in the same period a year earlier. Office, rent and miscellaneous expenses were \$6,724 (2005 – \$56,857). Expenses in the period last year included consulting fees that were reclassified as capitalized expenditures on the Pine Point project at year-end. Professional fees were \$9,310 compared to \$15,900 in the same period last year and were incurred mainly for legal work on the Carolin project and the private placement. Transfer agent and regulatory fees were \$13,889 (2005 - \$Nil). Travel and promotion expenses were \$2,830 (2005 – \$8,718); the lower expenses in the third quarter of this year is because of the capitalization of travel expenses on the Pine Point project. Federal taxes were \$23,320 (2005 - \$Nil) and represented taxes paid on a shortfall of flow-through exploration expenditures in 2005.

***Nine-month period ended September 30, 2006 compared to the same period in 2005***

In the year to date period ended September 30, 2006 there was a net loss of \$213,423, or \$0.01 per share, compared to a net loss of \$450,863, or \$0.03 per share, in the same period of 2005. Interest income earned on deposits from funds raised in the April private placement in the first nine months of 2006 was \$91,763 compared to \$17,415 in the same period of 2005.

In the nine-month period ended September 30, 2006 total expenditures were \$305,187 compared to \$444,278 in the same period a year earlier. Office, rent and miscellaneous expenses were \$57,723 (2005 - \$214,965), the decrease of \$157,242 reflecting consulting fees that were reclassified as capitalized expenditures on the Pine Point project at year-end. Professional fees were \$61,190 (2005 - \$25,832), the increase in the nine-month period of 2006 reflecting legal fees on the Carolin project and the private placement. Stock-based compensation was \$116,800 (2005 - \$152,567), the decrease reflecting fewer options granted in 2006. Transfer agent and regulatory fees were \$35,860 (2005 - \$Nil), the principal item being fees paid for an equity issue in the first quarter of this year. Travel and promotion expenses decreased from \$50,914 in the first nine months of 2005 to \$9,264 in the same period of 2006 due to capitalization of travel expenses on the Pine Point project. Federal taxes were \$23,320 (2005 - \$Nil), which were paid in the third quarter, and represented taxes paid on a shortfall of flow-through exploration expenditures in 2005.

***Summary of Quarterly Results***

The following table summarizes the Company's operating results for each of the eight most recently completed quarters:

<b>Period</b>	<b>Net income (loss) (\$)</b>	<b>Net income (loss) per share (\$)</b>
Q3-06	(28,596)	-
Q2-06	(57,334)	-
Q1-06	(127,493)	(0.01)
<b>2005</b>		
Q4-05	632,092	0.05
Q3-05	(87,183)	(0.01)
Q2-05	(113,329)	(0.01)
Q1-05	(287,601)	(0.02)
<b>2004</b>		
Q4-04	(101,323)	(0.02)

(Net loss per share figures have been rounded).

## **Liquidity and Capital Resources**

At September 30, 2006 the Company had working capital of \$4,226,533 compared to \$402,832 at December 31, 2005. The increase in working capital mainly reflects an increase in cash pursuant to completion of a \$5.0 million private placement in the second quarter of this year. Current assets at September 30, 2006 were \$4,238,807, of which the major component is cash and cash equivalents of \$3,920,454 compared to current assets of \$441,796 at December 31, 2005. Current liabilities were \$12,274 at September 30, 2006 and \$38,964 at December 31, 2005.

On February 1, 2005 the Company established an irrevocable letter of credit for \$60,000 assigned to the Mackenzie Valley Land and Water Board for bonding for exploration activity at the Pine Point Property.

The Company had no long-term debt at September 30, 2006, June 30, 2006 or at December 31, 2005.

### ***Cash flows from operating activities***

In the third quarter of 2006 cash flows used in operating activities after changes in non-cash working capital were \$200,645 (2005 – \$100,129). Changes in non-cash working capital in the third quarter of 2006 were \$(191,192) (2005 – \$(12,946)). In the third quarter this year there was an advance to vendors of \$110,939. Accounts payable and accrued liabilities increased by \$131,223.

In the nine-month period ended September 30, 2006 cash flows used in operating activities were \$151,705 (2005 – \$383,316) after changes in non-cash working capital. Items not involving cash in the period this year were mainly \$116,800 in stock-based compensation (2005 - \$152,567). Changes in non-cash working capital in the first nine months of 2006 were \$(56,802) (2005 - \$(85,020)). In the nine-month period this year there was an advance to vendors of \$110,939.

### ***Cash flows from investing activities***

In the third quarter of 2006 cash flows used in investing activities was \$394,700 (2005 – \$324,646) of which \$392,466 (2005 - \$333,646) represented expenditures on the Pine Point Property.

In the nine-month period ended September 30, 2006 cash flows used in investing activities was \$1,927,647 (2005 – \$947,232) of which \$1,000,000 was paid this year to a Partnership with common officers and a director to increase the Company's interest in the Pine Point Property. The balance of \$923,522 represents expenditures on the Pine Point Property (2005 - \$971,232).

### ***Cash flows from financing activities***

In the third quarter of 2006 cash flows provided by financing activities were \$188,491 (2005 - \$Nil), which represented net proceeds from a share issuance.

In the nine-month period ended September 30, 2006 cash flows provided by financing activities were \$5,846,251 (2005 - \$133,800), which comprised \$6,147,364 from share issuances net of share issue costs of \$301,113.

### **Outstanding Share Data**

As at November 27, 2006 the Company had 31,914,465 common shares issued and outstanding, of which 270,000 common shares are held in escrow until December 30, 2006. In addition, there were 7,476,947 shares reserved for issuance for the exercise of warrants, and 1,557,000 shares reserved for issuance for the exercise of stock options. Assuming exercise of all outstanding stock options and warrants, which would result in approximately \$3.9 million added to the Company's treasury, there are 40,948,412 shares on a fully diluted basis.

### **Related Party Transactions/Balances**

For the period ended September 30, 2006, the Company was involved in the following related party transactions:

- (a) The amount of \$Nil (2005 - \$44,080) due from a company with a common officer and directors is non-interest bearing and due on demand.
- (b) In 2004, the Company entered into an agreement with a company with common officers and directors whereby this company would provide office space, accounting, geological services and vehicle rentals. During the quarter ending September 30, 2006 a total of \$7,500 in office, rent and miscellaneous and \$3,000 in professional fees were paid to this company. Included in mineral interests is \$132,098 in consulting paid to this company. The total amount paid during the nine-month period by the Company is \$487,593 (2005 - \$389,188) to this company. The agreement does not commit the Company to future expenditures.
- (c) During the period ended September 30, 2006 the Company paid \$1,000,000 to a Partnership with common officers and a common director to increase its interest to 100% in the Pine Point Property.

All of the above transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

### **Subsequent Events**

- a) Subsequent to the end of the third quarter, the Company granted 55,000 employee stock options with an exercise price of \$0.38 per share and expiry date of October 16, 2011, and 100,000 employee stock options with an exercise price of \$0.43 per share and expiry date of November 1, 2011.

## **Evaluation of disclosure controls and procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this MD&A, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

## **Risks and Uncertainties**

The business of exploring and developing mineral properties, and operating mines, are highly uncertain and risky by their very nature. The Company may require additional equity and/or debt capital to maintain positive working capital and continue as a going concern.

While a Company's success may result from good fortune, it is more often dependent on management's knowledge and expertise and its ability to identify and advance attractive projects and targets from exploration through development into production, as well as to secure the necessary financing to fund these activities.

Regulatory standards continue to change, making the review and due diligence processes longer, more complex, and more costly. Even if an apparently mineable deposit is discovered, there is no assurance that it will ever reach production or be profitable, as its results are influenced by many key factors, such as commodity prices, more stringent environmental regulations and foreign exchange rates, which cannot be controlled by management. Due to the increase in metals prices, the mining industry is experiencing high demand for capital equipment, spare parts, consumables and supplies, as well as for experienced professional staff and operating personnel, all of which have an impact on the Company's exploration and development activities.

While it is impossible to eliminate all of the risks associated with exploration, development and mining, it is management's intention to

manage its affairs, to the extent possible, to ensure that the Company's assets are protected and that its efforts will result in increased value for the Company's shareholders. The Company assesses and minimizes risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel, establishing and maintaining internationally recognized standards, performing independent audits, and purchasing insurance policies.

As of the date of this report, the Company is undertaking a feasibility study, including metallurgical testwork and other activities on its Pine Point zinc-lead property in the Northwest Territories with the objective of advancing the project into production. The Company continues to recruit highly experienced mining and geological professionals with relevant experience of conditions pertaining to the Pine Point Project. The Company has also commenced discussions with local First Nations groups to establish a protocol for employment opportunities on the project.

These activities expose the Company to various financial and operational risks that could have a significant impact on its profitability and levels of operating cash flows in the future. Readers are therefore urged to study and consider risk factors more particularly described in the Company's Annual Report and its Annual Information Form.

## **Outlook**

In the first quarter of 2006 the Company commenced a feasibility study, including an evaluation of various mining methods to extract ore from the R-190 deposit at Pine Point. Preliminary results of metallurgical test work confirm the applicability of dense media separation of the ore in the R-190 deposit to increase the grade of ore so that it can be shipped directly to a smelter for processing. Testwork results are being used to establish the design and operating parameters of the process flow sheet.

Zinc and lead prices are at the highest levels in two decades as demand for the metals far exceeds supply, largely due to high economic growth in China. Based on the positive conclusions of the scoping study that was completed in June of 2002, when zinc and lead prices were one third of current levels, the Company believes that the Pine Point Property can be developed into profitable production within the next two years following completion of a positive feasibility study and granting of all applicable permits.

In April of 2006 the Company completed a private placement of Units for \$5.0 million, the proceeds of which are being used to fund the feasibility study on the Pine Point Project and for general corporate purposes. The Company expects to obtain further funds as required through equity and/or debt financing. Several major metals trading firms have expressed an interest in entering into concentrate off-take agreements with the Company and financing the Pine Point Project into production.

## **Forward - Looking Statements**

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Tamerlane to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Tamerlane to fund the capital and operating expenses necessary to achieve the business objectives of Tamerlane, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Tamerlane. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Tamerlane should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this report are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements contained in this report or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

## **Additional Information and Continuous Disclosure**

This MD&A has been prepared as of November 27, 2006. Additional information on the Company is available through regular filings of press releases, annual and quarterly financial statements and its Annual Information Form on SEDAR ([www.sedar.com](http://www.sedar.com)).