

C O N S O R T I U M O F C O N C E R N E D T A N Z A N I A N S
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AN OPEN LETTER TO MR. JAMES E. SINCLAIR – CHAIRMAN AND CEO OF TANZANIA ROYALTY EXPLORATION
June 10, 2008

A RESPONSE TO HIS MAY 30TH 2008 CHAIRMAN'S CORNER COMMENTS TITLED "*Changes to Tanzanian Mining Law Certain to Benefit Mineral Explorers*"

Dear Mr. Jim Sinclair,

Recently you released a public statement (see attached at the bottom) regarding the mining industry in the African country of Tanzania, that has touched off a justifiable outrage in the Tanzanian Cyberspace and in some segments of the Press.

You wrote that you've had "the privilege" of seeing the yet-unreleased Presidential report on the ailing, corruption-laden mining industry in Tanzania. People are wondering how a foreign investor was able to gain access to a report which has just been turned over to the President by an inquiry commission, before the real stakeholders of the country's mineral resources have had a chance to see it.

Such a blatant leak of a presidential report would have been a no-no in Canada or the US, where your businesses originate from. So, why lower the standards when dealing with small countries Mr. Sinclair? We may be regarded as, or I guess we are, insignificant, impoverished, little failing states on the edge of the universe, but we are not cadavers yet, and such flagrant disregard of our laws and honor of the Presidency is extremely disconcerting to some of us, citizens, albeit the President himself is not bothered, if he actually gave you "the privilege" of a peek at it!

And Mr. Sinclair, if the Commission or the President, whose praise you lavishly sing, had the inexplicable friendliness to show you the report before its formal release to the general public, why would you disparage the people and the Commission with your thinly veiled call to the President not to follow recommendations to fix a malfeasant industry which serves but a venal few? And if you have no problem with the report's recommendations, as you confusingly wrote, why, then, tell the President not to disturb the markets with the report's recommendations? Of all people involved in the exploration of our minerals you should know better.

We just don't know who gave you the "privilege" to see this report before us, the people or our parliamentary representatives.

Such international, self-serving influence peddling is the type of superpower hegemony that is decried around the world. This is the type of paternalistic thinking which gives America a bad name in the world.

We were extremely puzzled and dismayed! Mr. Sinclair, whatever privileged information you might have from His Excellency, we ask you to refrain from discussing or distributing to your shareholders as long as that information is not available officially to the general public. We are suspecting by doing so you might even influence gold trading (favoring your shareholders) and possibly breaking some Security Exchange regulations. If you don't halt your public dissemination of this privileged information you might have, we will consider that to be a clear and present assault and contempt to the dignity of our president, our independence and honor of the Tanzanian people and our way of life.

We will consider you not as a friend to our country and Tanzanian people but an emerging and obvious threat to our quest for equality in opportunity, dignity and prosperity for us and our posterity. In our own way we will mount a Public Relations offensive against you and the presence of your investments in Tanzania, until you apologize for this unbecoming act and halt your offensive actions in the future. This we will do.

Sincerely,

Consortium of Concerned Tanzanian Citizens,
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Re: Chairman's Corner - Friday, May 30, 2008
Title: Changes to Tanzanian Mining Law Certain to Benefit Mineral Explorers
Author: Jim Sinclair

Dear Friends:

President Jakaya Kikwete of Tanzania formed a committee last year to review the country's Mining Law. This body has a name that describes its mission and limitations: "The Presidential Committee to Review and Advise Government on Management of the Mineral Sector."

I've had the privilege of reviewing the Committee's recommendations - along with comments from the Chamber of Mines - and have no serious issues with them. What's important to know, however, is that the man who will make the final decision on the recommendations is the President - not the Committee.

President Kikwete is an extremely knowledgeable and capable man who will do nothing to disturb the balanced fiscal policies that have produced enormous growth in Tanzania's economic base, most of it fueled by international investors.

There is one recommendation put forth by the Committee that is very intriguing: "The policy should direct most of the incentives to mineral exploration and not to mining."

There is no question in my mind that the Committee's recommendations are focused on improving the conditions and privileges of exploration companies who through the discovery process produce new wealth for the country and its citizens.

Regards,

Jim Sinclair