



Quarterly Report

for the period ending 31 March 2018

Highlights – March Quarter 2018

Tanga is focused on the discovery and development of high grade projects in Africa

Capital Structure

Market Cap	\$5.8m (\$0.01/share)
Issued Shares	582m
Options	86.5m (\$0.0125-\$0.12)

Joubira Zinc Project, Namibia

- Zinc, lead, silver project
- Open along strike and down dip
- Located on the metallogenic Damaran Belt
- Excellent infrastructure
- Secure JV partner

Hanang Gold Project, Tanzania

- Regional scale gold project
- Over ~700km² of unexplored greenstone belt
- Major mineralised structural corridor
- Multiple high priority targets

Board & Management

Allen Lafferty, Non Exec Chairman
John Stockley, Technical Director
John Jones, Non Exec Director
Matthew Bowles, CEO
Graeme Smith, Co Sec.

Registered Office

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ABN: 41 141 940 230

ASX Code: **TRL**

Joubira Zinc Project, Namibia

- Diamond drilling commenced as part of the technical due diligence programme
- Visual observations indicate the presence of sphalerite (zinc) and galena (lead) in semi-massive sulphides
- Held in a **secure joint venture with Namibian Government** owned Epangelo Mining Company
- The project is accessed by **sealed roads with rail, airstrips and grid power** in close proximity
- Namibia is a **low risk, politically stable, mining friendly jurisdiction** with an established mining industry

Key activities subsequent to the quarter

- Diamond drill programme completed at Joubira with a total of **seven holes drilled for 887m**
- A **total of 420 diamond core samples** despatched for multi-element assay
- **Results will be released once all assays have been received** and assessed

Hanang Gold Project, Tanzania

- President of Tanzania announced the United Republic of Tanzania has established the Mining Commission in accordance with the Mining Act
- **Government reiterates support for mining investment in Tanzania**
- Positive site visit to Hanang by the **Regional Commissioner, District Commissioner and the Commissioner of Mines**
- Ongoing, low cost regional exploration following up on **numerous high priority gold targets that remain untested**

Corporate

- The Company is **continuing the evaluation of a number of advanced, precious and base metal project** opportunities in low risk jurisdictions to further increase shareholder value and diversify risk.
- As at 31 March 2018 the Company had a cash position of \$0.6m.



Joumbira Zinc Project, Namibia

Joumbira Zinc Project (“Joumbira”) is an advanced, zinc-lead-silver project, located in the highly prospective and well endowed Damaran Belt, Namibia.

Joumbira is located in central Namibia, approximately 190km by sealed road from the capital, Windhoek and 400km from the port of Walvis Bay. The Project has excellent infrastructure with the major service town Otjiwarongo located 50km to the north with existing grid power and the national railway line is in close proximity.

The Project has had no modern day exploration, with the majority of historical exploration undertaken during the late 1970's and some limited follow up work in 2002.

Tanga has an option to acquire Coldstone Investments (Pty) Ltd, which has a joint venture agreement with Namibian government owned, Epangelo Mining Company (Pty) Ltd to earn in up to 80% (with the ability to increase to 90%) of Joumbira.

Highlights

- Joumbira has the **potential for a large, zinc-lead-silver orebody**
- Historic ore grade drill intersections, majority undertaken by Messina Transvaal in the late 1970's and **very little modern geochemical or geophysical exploration carried out** since 2002 by ISCOR
- **Zinc, lead and silver mineralisation** remains open along strike and down dip
- Joumbira is **held in a secure joint venture with Namibian Government owned Epangelo Mining Company**. Coldstone may initially earn in up to 80% and then increase to 90% with Epangelo retaining a 10% free carried interest
- The Project covers a total area of 210km² on granted licence and is located 190km from the capital Windhoek, and 400km by road to Walvis Bay port. The project is **accessed by sealed roads with rail, airstrips and grid power in close proximity**
- **Experienced in-country exploration and management team** in place to assist Tanga to immediately commence the planned exploration work programme
- Namibia is a **low risk, politically stable, mining friendly jurisdiction** with an established mining industry, including Rio Tinto, B2Gold, Vedanta and NAMDEB

No modern geochemical exploration has been carried out at Joumbira e.g. calcrete sampling, and this will be part of the Company's initial exploration approach, together with detailed geophysics.

Historical exploration undertaken by Messina Transvaal and ISCOR, has generated datasets of geological mapping, soil sampling, gravity data and diamond drilling, which returned many significant results.

Refer to ASX announcement 5 December 2017 for further details.

Overview of the Joubira Zinc Project

Joubira is located in central Namibia, approximately 190km by sealed road from the capital, Windhoek and 400km from the port of Walvis Bay. The Project has excellent infrastructure with the major service town Otjiwarongo located 50km to the north with existing grid power and the national railway line is in close proximity.



Figure 1: Location of the Joubira Zinc Project, Namibia.

The geology and style mineralisation at Joubira appears to be semi-massive sulphide hosted by brecciated wall rocks and intruded by a late granite of unknown age. Wall rocks are likely to be Damaran calc silicate rocks, marble, and chlorite-biotite schists under a relatively thin cover of transported sands, gravels and calcrete.

The zinc-lead-silver mineralisation at Joubira is thought to be skarn hosted within Neoproterozoic Damaran calc-silicate sedimentary rocks intruded by Cambrian aged felsic rocks. Massive sulphide replacement mineralisation occurs distal to the felsic intrusives, and the Project has had little modern exploration carried out since 2002.

Joubira occurs within a major metallogenic belt (defined by regional magnetic data) stretching for over 300km southwest to Navachab (27Mt @ 2g/t Au) and northeast to Otjikoto (29Mt @ 1.5g/t Au) and the Kombat district (16Mt @ 2.6% Cu & 1.5% Pb) near Tsumeb (74Mt @ 4%Cu & 10%Pb).

Activities during the March quarter 2018

During the quarter, the Company progressed the due diligence on Joubira, with a number of conditions precedent now satisfied. These included securing access agreements from all local land holders and obtaining shareholder, joint venture and certain regulatory approvals.

Preparation and logistics for the drilling programme were also completed during the period, including site clearance and groundwork for the drilling pads.

On 7 March 2018, the Company announced diamond drilling at Joubira had commenced as part its technical due diligence of the Project.



Figure 2: Diamond drilling at Joubira



Figure 3: Diamond drilling at Joubira halted due to heavy rain

Unusually heavy rains and thunderstorms hampered progress of the drilling programme, resulting in completion taking longer than anticipated.

Subsequent to the quarter, the Company announced the completion of the diamond drill programme at Joubira, with a total of seven holes drilled for 887m. Figure 4 outlines the drill hole locations, historical drill hole locations.

A total of 420 core samples were transported to the Intertek sample preparation facility at Tschudi and the pulps despatched to Australia for multi element assay. **Results are pending and will be released once all assays have been received and assessed.**

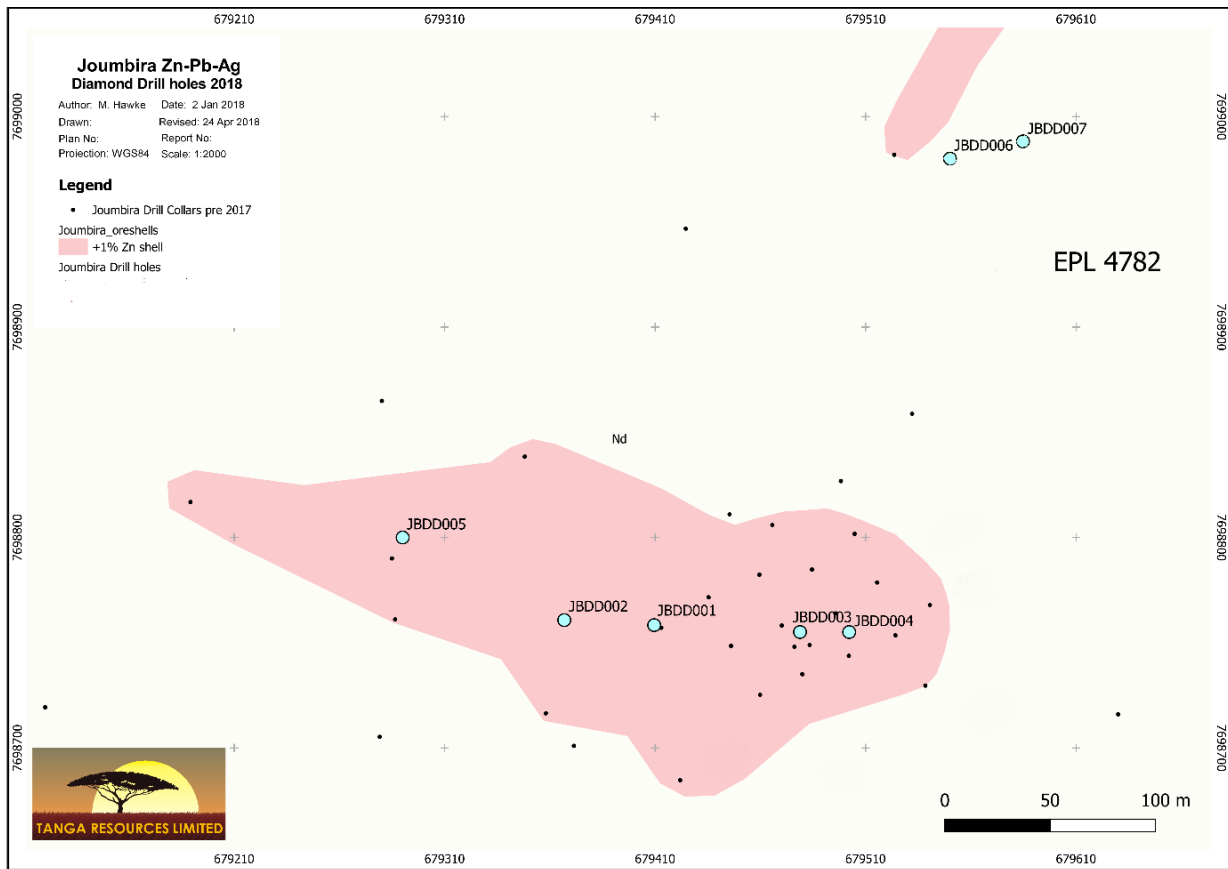


Figure 4. Diamond drill hole location of JBDD001 to JBDD007. Pink highlighted area denoting the limit of interpreted mineralisation projected to surface from historical drill results.

Initial visual observations from the first diamond hole, JBDD001 which intersected semi-massive sulphides, indicate sphalerite (zinc) and galena (lead) as the sulphide minerals present.

Host stratigraphy (limestone and calc-silicate) was intersected in JBDD001 between 56.5 metres and 81.5 metres, with substantial semi-massive sulphides intersected between 67.1 metres to 71.0 metres and 76.1 metres to 77.82 metres, with visually identified sphalerite (zinc) and galena (lead).



Figure 5. JBDD001 Semi-massive sulphide intersection containing approx. 25% total sulphides (sphalerite + galena), based on visual estimation of sulphide in ore.



Key Terms of the Option Agreement

Tanga has an option to acquire Coldstone Investments (Pty) Ltd, which has a joint venture agreement with Namibian government owned, Epangelo Mining Company (Pty) Ltd to earn in up to 80% (with the ability to increase to 90%) of Joubira.

Upon exercise of the option to acquire all of the issued shares in Coldstone, Tanga shall provide the following consideration:

- Issue 44,000,000 fully paid shares in Tanga, upon completion; plus
- A deferred consideration payment of A\$250,000 upon announcement to the ASX of a maiden JORC Indicated Mineral Resource Estimate at Joubira; plus
- A deferred consideration payment of A\$150,000 upon granting of a valid Mining Licence; plus
- A deferred consideration payment of A\$350,000 upon a decision to mine.

Deferred consideration payments are payable in cash and/or shares at Tanga's election.

The transaction is subject to the following conditions precedent including:

- Completing of due diligence enquiries, including a work programme (estimated at A\$100,000), to Tanga's satisfaction by 1 June 2018.
- Tanga and Coldstone obtaining all shareholder, joint venture partner, regulatory and government approvals necessary to complete the transaction.

Key Terms of the Joint Venture Agreement with Epangelo

Joubira is held in an equity joint venture with Epangelo, with Coldstone currently holding a 10% equity interest (which will increase to 40% following the completion of the work programme and associated preliminary study work). Coldstone may then increase its equity interest to 80% by expending a minimum of US\$1 million over the next two years and the satisfaction of certain milestones to demonstrate the Project is being advanced to a decision to mine. Coldstone can dilute Epangelo to a 10% free-carried interest after earning an 80% interest in Joubira.

Epangelo is a private company with the Government of the Republic of Namibia as the sole shareholder. The company's primary objective is to be a premier local, regional and global mining asset management company.

Hanang Gold Project, Tanzania

The Hanang Gold Project (“Hanang”) is a regional gold project of over 800 km², located in Tanzania. The project is owned 99.95% by Tanga Resources and is located on a highly prospective and unexplored Archaean greenstone belt on the eastern margin of the +70 Moz gold endowed Lake Victoria Gold Field, host to world class deposits such as Geita (30 Moz) and Bulyanhulu (10.5 Moz). Further to the west of the project, on the same structural corridor, was Resolute’s Golden Pride Mine which produced over 2.2 Moz of gold.

Regionally, within the ~700 km² Hanang Gold Project, there are numerous high priority gold targets that remain untested.

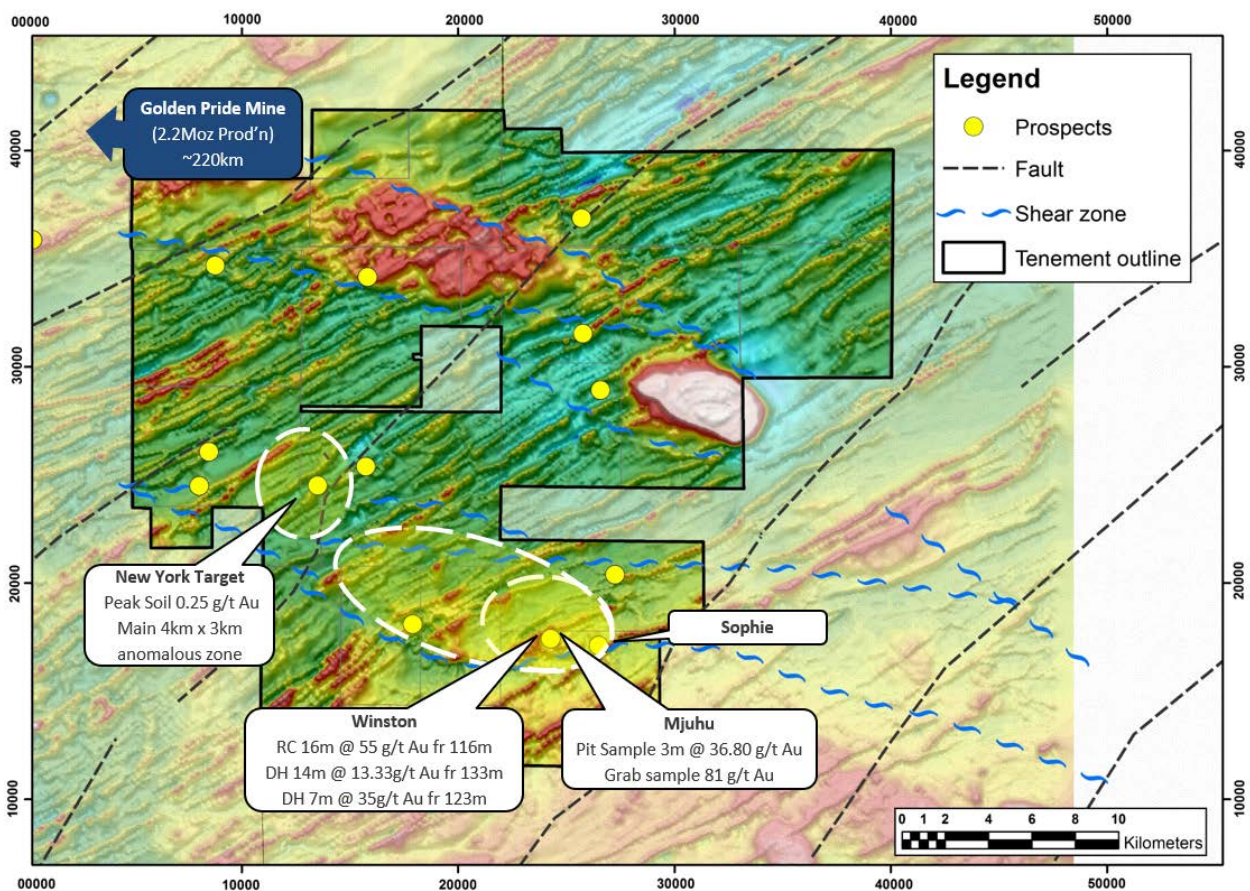


Figure 6. Hanang Gold Project location plan and regional targets.

Kito Moto Prospect and the New York Target Area¹

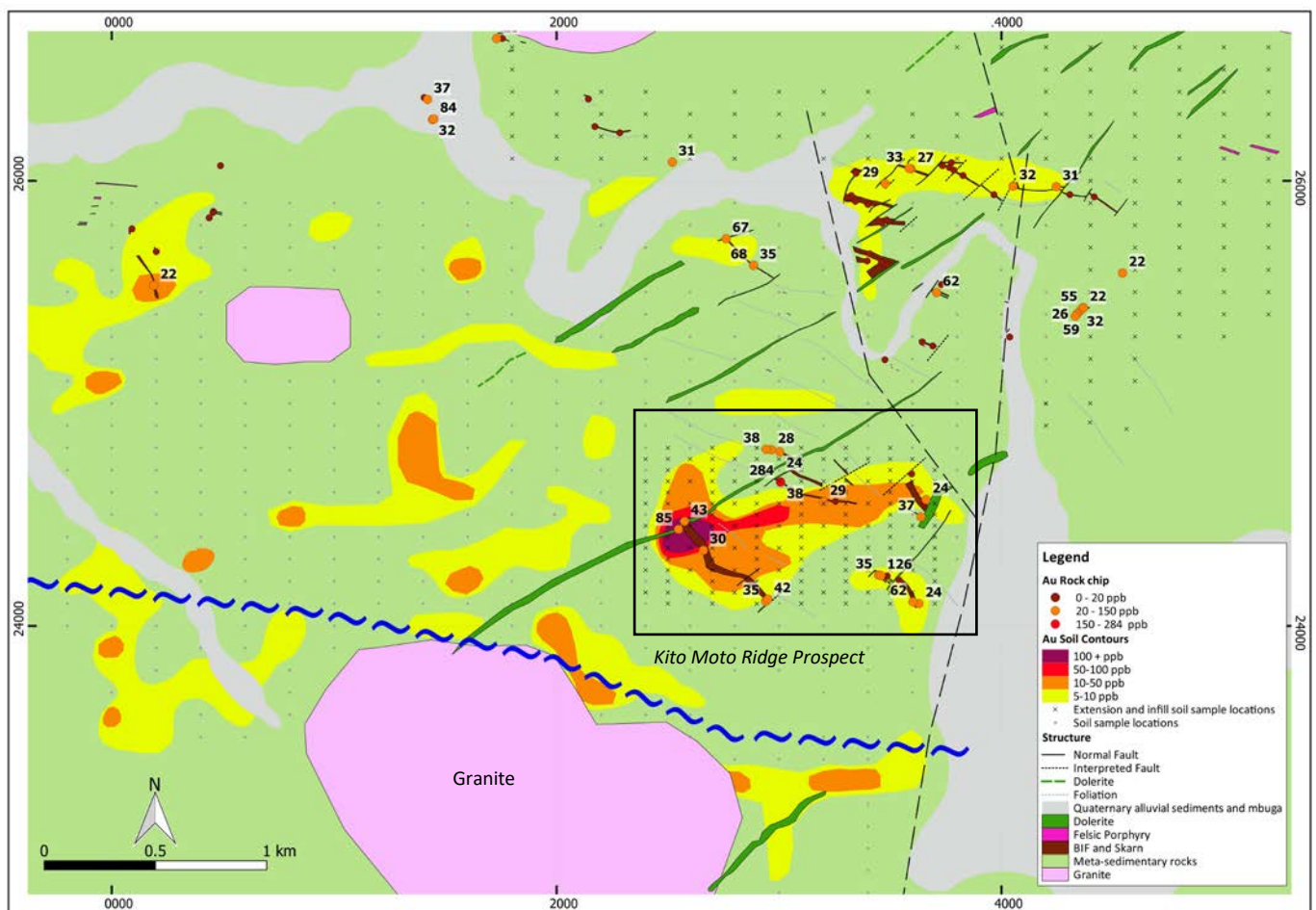
The New York target area was identified in 2017 and is located approximately 15 km to the west of, and along strike from the high grade Winston gold discovery. New York displays extensive alteration, quartz veining, sulphide development and strong structural deformation in Archaean rocks, extending over 16 km² area

The Company has generated a number of priority drill targets at New York from exploration results returning a **peak value of 284 ppb Au (0.28 g/t gold)** from rock chips, correlating with a **1,200 m long, 600 m wide soil anomaly (+100 ppb Au with a peak of 246 ppb Au)**, named the **Kito Moto Ridge Prospect**. These results are within a much larger 4km x 3km anomalous zone.

These results are very encouraging as they reinforce the potential of the entire New York target area of the Hanang Gold Project. Kito Moto Ridge Prospect displays **strong similarities to early first pass exploration results at Winston.**

Low cost exploration work and further targeting continues to be completed over Kito Moto and the broader New York target area.

The New York target was **generated from the Company's regional exploration activities** and is the **first of several high priority targets** at the Hanang Gold Project.



1. Refer to ASX announcements 24 July 2017, 12 September 2017 and 12 October 2017 for further details.



Regional Commissioner's visit to Hanang Gold Project

The Regional Commissioner of Manyara, Mr. Mnyeti along with the District Commissioner, Ms Sarah Msafiri and the Commissioner of Mines of Arusha, Mr Adam Juma recently visited the Hanang Gold Project to follow up on the progress of the exploration activities and understand the future exploration plans for the Hanang Gold Project.

The delegation was informed that exploration by Tanga in the Manyara District commenced in 2015, during which time, geological mapping, geophysical surveys and diamond and RC drilling totalling over 6,650m has been completed. During 2017, regional exploration works searching for new gold prospects was conducted moving west of the Winston Prospect resulting in a identification of the New York Target about 15km west of the Winston exploration camp. Tanga's exploration plans for 2018 at Hanang, are to continue exploration at the newly identified New York Target and regional work further to the north and west of the New York Target area.

During the visit, the Regional Commissioner and Zonal Mines Office acknowledged the Company's excellent working relationship with both local authorities and local communities, which was made evident during the visit. The Regional Commissioner concluded by affirming his support for the future success of Hanang and the continued open communication between the local authorities, including the Zonal Mines Office and local communities with the future exploration and development of Hanang.

Tanzanian Update

On 18 April 2018 the President of the United Republic of Tanzania, John Pombe Magafuli announced the Government of Tanzania had established the Mining Commission in accordance with the Mining Act.

The establishment of the Mining Commission now provides an empowered body that is able to regulate the effective implementation of the Mining Act, including the evaluation and granting of applications under the Act.

The Tanzania Government has recently stated it is ready to make any necessary changes to the legislation in order to ensure that all stakeholders in the sector can benefit and in turn contribute to the growth of the economy.

Tanga considers these latest steps as a clear statement by the Government of its determination to facilitate mining investment in Tanzania and assure investors Tanzania is, and remains, investor friendly.

The Company is encouraged by these recent developments in Tanzania, which Tanga views as positive, and is generating renewed investor interest in Tanzania.

Community & Social Investment

Tanga continues its involvement and support of the local community through various initiative. During the quarter the Company was a sponsor of the Hanang District Peace Summit, Katesh.



Figure 8 and 9: Tanga employee Azizi meets the District Chairman of the Ruling Party (CCM) during the Summit



CORPORATE

The Company is increasing its investor marketing activities, including attending the 121 Mining Conference in Cape Town during February where it met with a number of investment funds and brokers.

As at 31 March 2018 the Company had a cash position of \$0.6m.

New project generation

In addition to the option agreement secure over the Joubira Zinc Project, the Company continues to evaluate several other advanced precious and base metal project opportunities in low risk jurisdictions, including Namibia, to further enhance shareholder value. The assessment of these projects are at a relatively early stage and confidential in nature. Further information shall be released as appropriate.

For additional information on Tanga and the Company's project please visit: www.tangaresources.com.au

Contact details

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+61 8 9381 5686

Competent Person Statement

The information in this report that relates to the exploration results, geology and geophysical interpretation was based on material compiled by John Stockley. Mr Stockley is a Member of the Australian Institute of Geoscientists and is a Director of Tanga Resources Limited. Mr Stockley has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which was being undertaken to qualify as Competent Person as defined in the 2012 Edition of the JORC "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Stockley consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Appendix 1

Tenement Directory

Project	Tenement Number	Name	Beneficial Interest	Area (km²)
Hanang	PL7246/2011	Wandela West	99.95%	12.79
Hanang	PL7344/2011	South Garauja	99.95%	31.74
Hanang	PL7389/2011	North Garauja	99.95%	29.66
Hanang	PL7405/2011	West Garauja	99.95%	6.82
Hanang	PL7644/2011	Haidom	99.95%	14.95
Hanang	PL8208/2012	Wandela Renewal	99.95%	42.21
Hanang	PL9293/2013	Basuto	99.95%	39.59
Hanang	PL9895/2014	Dorirojiki	99.95%	23.07
Hanang	PL10570/2015	Singa Kubwa	99.95%	65.53
Hanang	PL10620/2015	Wandela Central	99.95%	23.74
Hanang	PL10865/2016	Iramba West	99.95%	47.49
Hanang	PL10940/2016	Getanyambu	99.95%	61.20
Hanang	PL10939/2016	Wandela East	99.95%	23.74
Hanang	PL11414/2016 (application)	Haidom Northwest	99.95%	41.8
Hanang	PL11073/2017	Haidom West	99.95%	26.49
Hanang	PL11057/2017	Mbulu West	99.95%	64.98
Hanang	PL11058/2017	Mahaha	99.95%	42.25
Hanang	PL11059/2017	Haidom Farwest	99.95%	46.65
Hanang	PL11060/2017	Singa North	99.95%	48.97
Hanang	PL12069/2017 (application)	Mwanga West	99.95%	5.21

Total area of tenements granted and under application = 698.88km²

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

TANGA RESOURCES LIMITED

ABN

41 141 940 230

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(273)	(854)
(b) development		
(c) production		
(d) staff costs	(60)	(174)
(e) administration and corporate costs	(123)	(337)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(455)	(1,364)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		(3)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		(10)
2.6	Net cash from / (used in) investing activities		(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		1,692
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(34)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		1,658

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,043	307
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(455)	(1,364)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(13)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		1,658
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	588	588

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	18	28
5.2 Call deposits	550	1,015
5.3 Bank overdrafts		
5.4 Other – Term deposit	20	
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	588	1,043

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	66
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees and salary for executive director

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

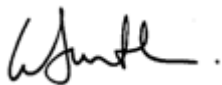
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	120
9.2 Development	
9.3 Production	
9.4 Staff costs	60
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	260

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: ...30 April 2018.....

Print name:Graeme Smith.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.