



Quarterly Report for the period ending 30 June 2017

Tanga Resources is an exploration company exploring for gold in the United Republic of Tanzania and its aim is the discovery and development of economic gold resources

Capital Structure

Market Cap \$6.4m (at \$0.015/share)

Issued Shares 425m

Options 38m (\$0.05-\$0.12)

ASX Code: **TRL**

Company Highlights

- Hanang Gold Project, located on an under explored greenstone belt in Tanzania
- Significant ground position of +1,000 km²
- Regional scale gold project
- Hosts a major mineralised structural corridor
- Multiple high priority regional targets

Board & Management

Matthew Bowles
Chief Executive Officer

Allen Lafferty
Non-Executive Chairman

John Jones
Non-Executive Director

John Stockley
Technical Director

Graeme Smith
Company Secretary

Registered Office

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Highlights

Hanang Gold Project

- Initial Maiden Inferred Mineral Resource estimate at Winston of **120,000 tonnes at 4.5g/t gold for 17,600oz** (based on a 1g/t gold cut off), plus an additional initial exploration target of up to a further **944,000 tonnes at 4.2g/t gold for 126,000oz¹**

The potential quantity and grade of the exploration target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource in these areas and it is uncertain if further exploration will result in an increase in the estimated Mineral Resource.

Subsequent Events:

- Significant high grade gold mineralisation encountered at surface at Winston from pit and trench sampling ², including.
 - **3m @ 36.80g/t gold** from surface (pit)
 - **3m @ 21.54g/t gold** from surface (pit)
 - **2.6m @ 14.65g/t gold** from surface (pit)
 - **0.1m @ 23.88g/t gold** from 2m (pit)
 - **13m @ 0.72g/t gold** incl. **2m @ 2.40g/t gold** (from trench)
 - **2m @ 0.92g/t gold** (from trench)
- Peak grab samples assayed **81.0 g/t gold** and **28.50 g/t gold**

These latest pit and trench results confirm **high grade gold mineralisation continues to surface** above the northern shoot at Winston and indicates **significant additional mineralisation at the Mjuhu Target**, where a strong IP chargeability target exists at depth >150m and has had very limited drilling

- Positive metallurgical test work emphasises **relatively coarse, free, cyanide soluble gold with results >91% gold extraction** under bulk leach extractable gold (BLEG) conditions ²
- Major new exploration target “New York” discovered 15 km west of Winston.
- Ongoing, low cost regional exploration within the 1,000 km² Hanang Gold Project following up on numerous high priority gold targets that remain untested
- Singida Gold Project renamed Hanang Gold Project
- Tanzania Government passed changes to the mining legislation, including a requirement for a 16% free carry in the local mining company, and an increase in the gold royalty to six percent.
- Matthew Bowles was appointed Chief Executive Officer.
- Mark Wilson resigned from the Board

Corporate

As at 30 June 2017 the Company had a cash position of \$302,000.

1. Refer to ASX Announcement 25 May 2017
2. Refer to ASX Announcement 17 July 2017

Overview of the Hanang Gold Project, Tanzania

The Hanang Gold Project is a regional gold project of over 1,000 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 1,000 km² Hanang Gold Project, there are numerous high priority gold targets that remain untested.

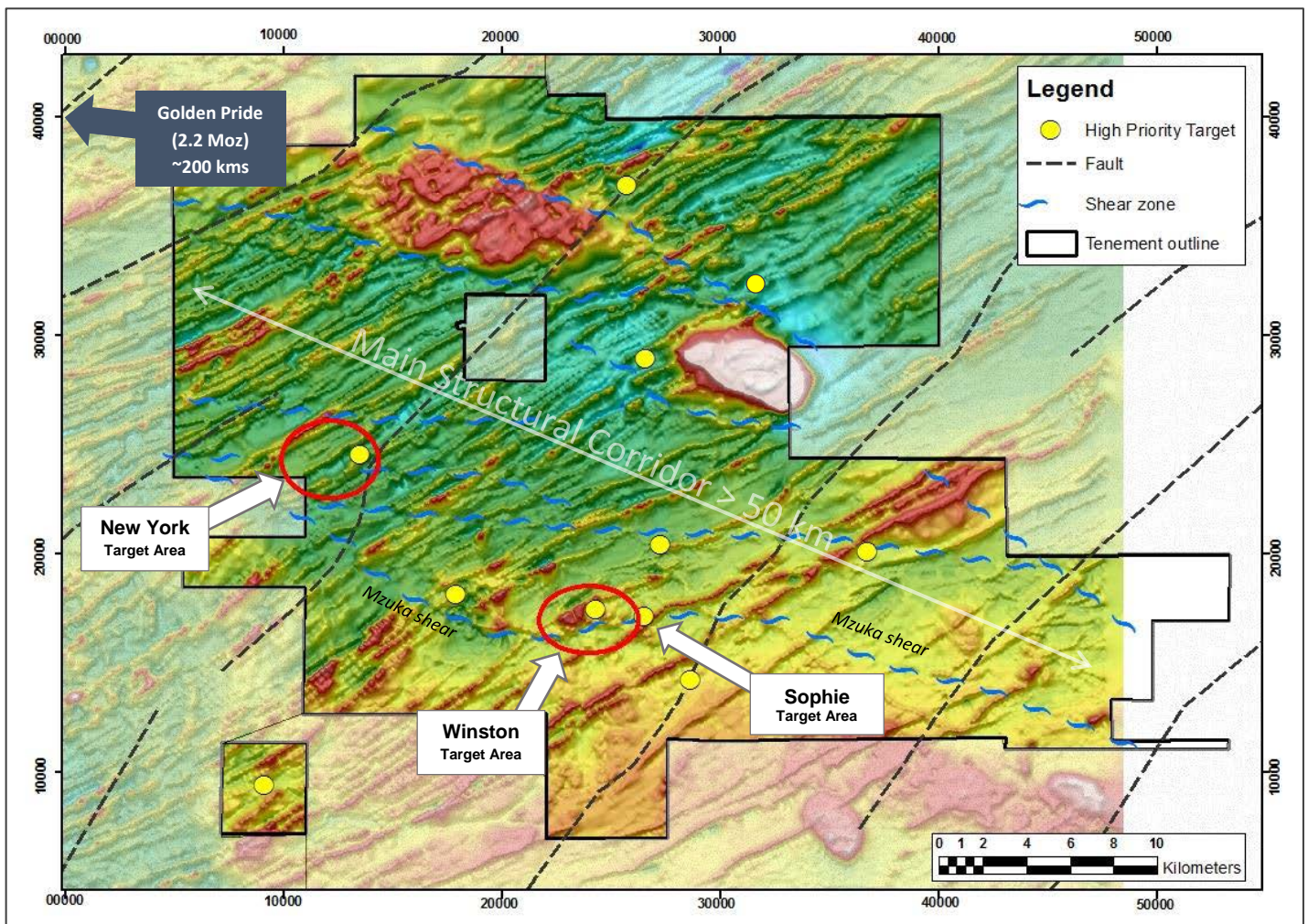


Figure 1. Hanang Gold Project location plan and regional targets.



Activities during the quarter

Maiden Resource at Winston ¹

On the 25 May 2017 the Company announced an initial Inferred Mineral Resource Estimate at Winston, using a cut-off grade 1.0 g/t Au, of **120,000 tonnes at a grade 4.5g/t Au for 17,600 ounces**

The initial Inferred Mineral Resource Estimate work was carried out by independent resource consultants, Ravensgate Mining Industry Consultants (Ravensgate) and:

- is constrained within a 40m by 40m wide block over a vertical distance of 150 m; and
- is only based on drilling of approximately one third of the Winston property with further drilling planned on the western and southern areas of the property.

Domain	Volume (bcm)	Tonnage (t)	Grade Au (g/t)	Metal Au (oz)
1	15,000	48,000	3.1	4,800
2	22,000	72,000	5.5	12,800
Total	37,000	120,000	4.5	17,600

Table 1. Winston Inferred Resource at 1.0g/t Au Cut-off.

Winston Exploration Target ^{1,2}

In addition to the Mineral Resource estimate, an Exploration Target range was estimated in areas where:

1. the up plunge and down plunge extents of the Mineral Resource interpreted lodes which were not closed by drilling; and
2. isolated drill holes which had intersected mineralisation in other BIF units away from the interpreted lodes.

The potential quantity and grade is conceptual in nature, that there has been insufficient exploration in to estimate a Mineral Resource in these areas and that it is uncertain if further exploration will result in an increase in the estimated Mineral Resource.

Case	Volume bcm)	Tonnage (t)	Grade Au (g/t)	Metal Au (ozs)
Low	47,000	153,000	2.2	10,700
High	290,000	944,000	4.2	126,800

Table 2. Winston Exploration Target.

Note: The Exploration Target is additional to the Mineral Resource estimate.

In their report, Ravensgate state that at Winston “gold distribution is highly variable with localised very high grades and visible gold---duplicate samples often have a spread of values, and short ranges in the variogram modelling highlight the highly variable nature of the mineralisation. The geological model was used to constrain an Ordinary Kriging gold grade estimate. A top cut of 90g/t Au was used to limit the impact of the small number of very high grade assays in the estimate”.

Ravensgate has recommended that further drilling (infill & extensional) needs to be carried out:

- in the central part of the Winston gold deposit to firm up the inferred resource estimate: 1200m of Reverse Circulation (RC) drilling; and
- to test the exploration targets by extensional drilling to the west, south and east within a 500m radius of Winston: 2,000m of combined RC and diamond drilling.

1. Refer to ASX Announcement 25 May 2017.

2. Refer to Appendix 2 for further details on the Exploration Target estimate.

The location of the current drill holes at Winston are shown in Figure 2 below.

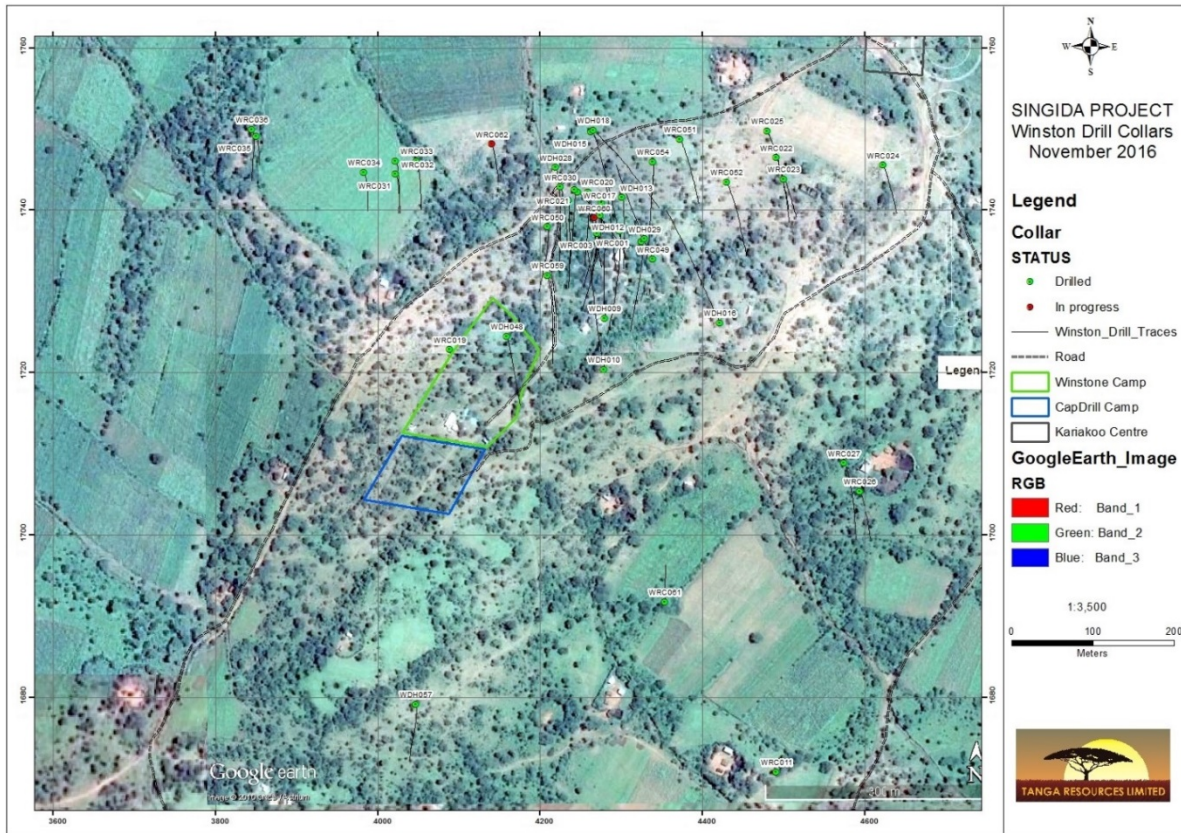


Figure 2. Plan of drilling completed at Winston.

Figure 3 below, shows the extent of IP chargeability anomalies south of Winston that remain to be drill tested.

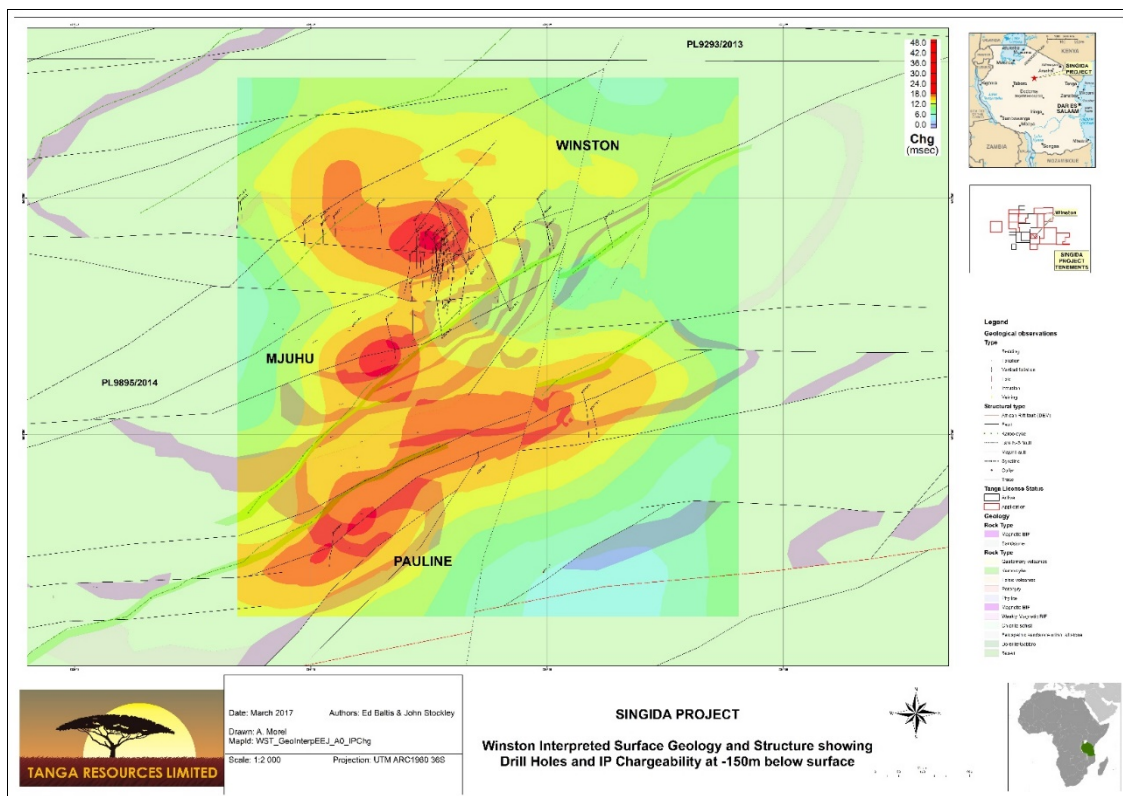


Figure 3. Winston-Mjuhu-Pauline IP chargeability anomalies at the minus 150m level.

Activities subsequent to the quarter

Outstanding Trench and Pit Results at Winston & Mjuhu¹:

On 17 July 2017 the Company was pleased to announce significant high grade gold mineralisation had been encountered at surface at Winston and Mjuhu during recent trenching & pitting work.

Results included:

- Trench 002 **2m at 0.92g/t gold** in amphibolite BIF
- Trench 003 **3m @ 0.25g/t gold** in amphibolite BIF
- Trench 011 **13m @ 0.72g/t gold incl. 2m @ 2.40g/t gold** in amphibolite BIF
- Pit 003 **3.00m @ 36.80g/t gold** gossanous, quartz veined amphibolitic BIF (west wall)
 3.00m @ 21.54g/t gold in clayey, gossanous quartz veined BIF (east wall)
 2.60m @ 14.65g/t gold in quartz veined, gossanous amphibolitic BIF (east wall)
 0.10m @ 23.88g/t gold in quartz veined, gossanous amphibolitic BIF (west wall)
 3.00m @ 1.53g/t gold in gossanous amphibolite (south wall)

Pit floor grab samples assayed **81.00g/t gold and 28.50g/t gold** at depths of 2.6m and 3m respectively, in gossanous, quartz veined BIF.

The above Pit 003 samples were vertical channel samples taken on the wall of the 3m deep pit, except for the last sample which was a pit floor grab sample.

These trench results indicate significant mineralisation at the Mjuhu Target, where a strong IP chargeability target exists at depth >150m and has had very limited drilling to date (one hole) returned 5m @ 1.34g/t gold from 83m (Refer to ASX Announcement 25 May 2017).



Figure 4. Gold crystal in panned concentrate taken from Pit 003 at Winston.

1. Refer to ASX announcement 17 July 2017 for further details.

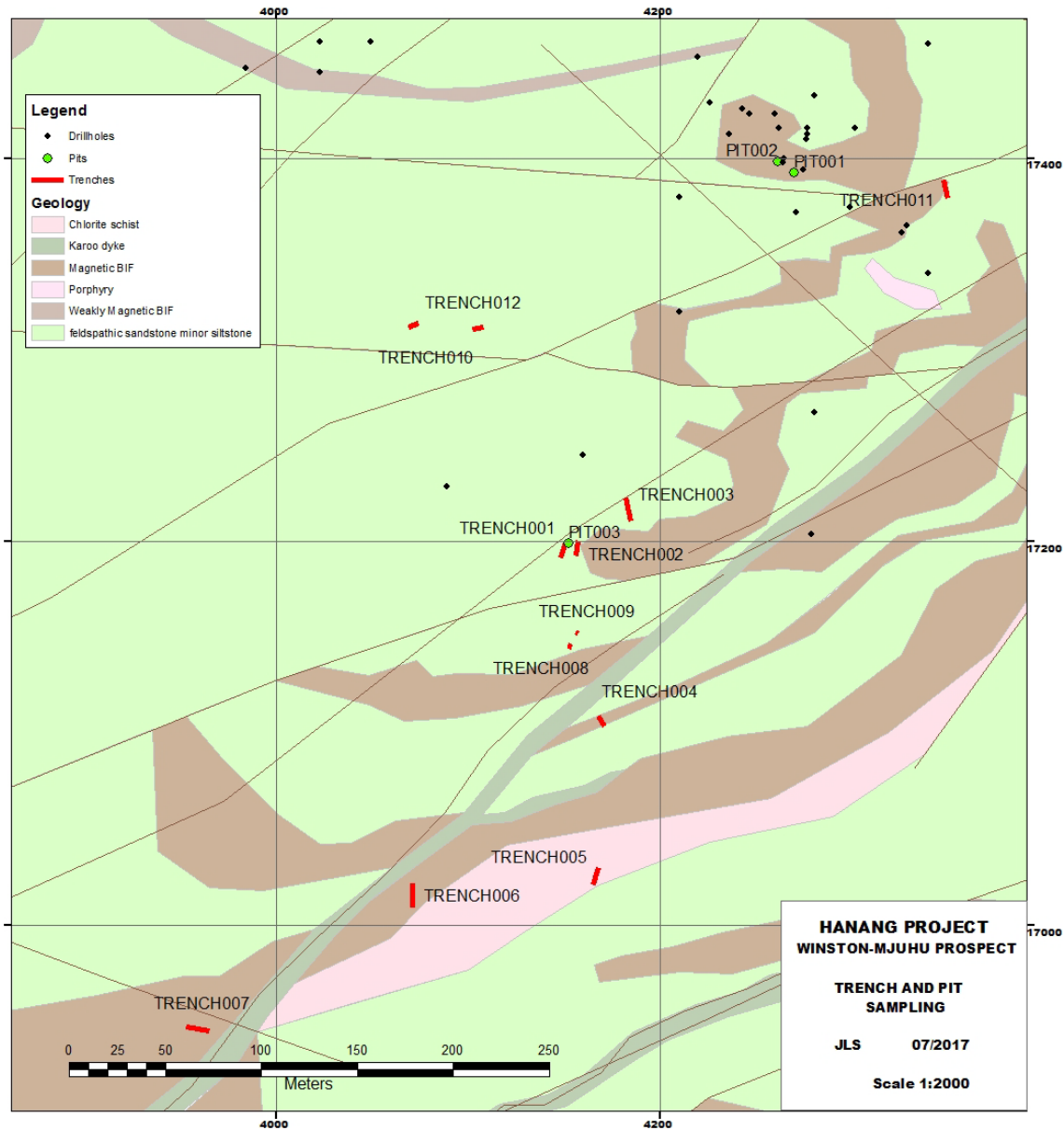


Figure 5. Trench & Pit Location Plan.

These latest pit results confirm that high grade gold mineralisation continues to surface above the northern shoot at Winston, where previous drilling returned significant ore grade intercepts including:

- 16m @ 55.23g/t Gold from 116m;
- 14m @ 13.33g/t Gold from 133m; and
- 7m @ 35.89g/t Gold from 123m.

Refer to ASX Announcement 25 May 2017 for further details.

The Company is encouraged by these latest trench and pitting results around the Winston area as it has shown very high gold grades at shallow depths in folded and faulted quartz veined amphibolitic BIF and **confirms that gold mineralisation outcrops at surface at the Winston Target with further significant mineralisation occurring to the south at Mjuhu.**

Metallurgical Test Work ¹

On 17 July 2017 the Company released the results of a series metallurgical tests developed by METS (a division of Midas Engineering Group Pty Ltd) for the Reverse Circulation (RC) drill chips, quantity of the sample (70kg) and adequate for the desired test outcomes.

The test work was carried out at Bureau Veritas, Canning Vale, Western Australia and was categorised into the following areas:

- a) Diagnostic testing;
- b) Direct cyanidation; and
- c) Gravity concentration

The diagnostic results indicated that the gold is predominantly free, cyanide soluble gold with a 91.4% extraction under BLEG conditions with a **significant portion being gravity recoverable gold**.

The direct cyanidation results showed consistently low, unsatisfactory extractions ranging from 10.3% to 27.4%. It was determined by METS that the cause for this was reactive pyrrhotite in the ore together with the high gold content (occurring as coarse gold – refer to Figure 4 above) rendering the cyanide dosage insufficient. METS have recommended more detailed test work to determine the operating parameters and methods of mitigating the reactive pyrrhotite content of the ore.

Gravity concentration was trialled across two tests giving an average recovery of approximately 70%. High intensity leaching of the second gravity concentrate yielded a recovery of 80% while leaching of the gravity tails yielded an overall recovery of approximately 90%. The total gold recovered across this test was 82.5%.

The results indicate that the gold occurs as relatively coarse, free, cyanide soluble gold.

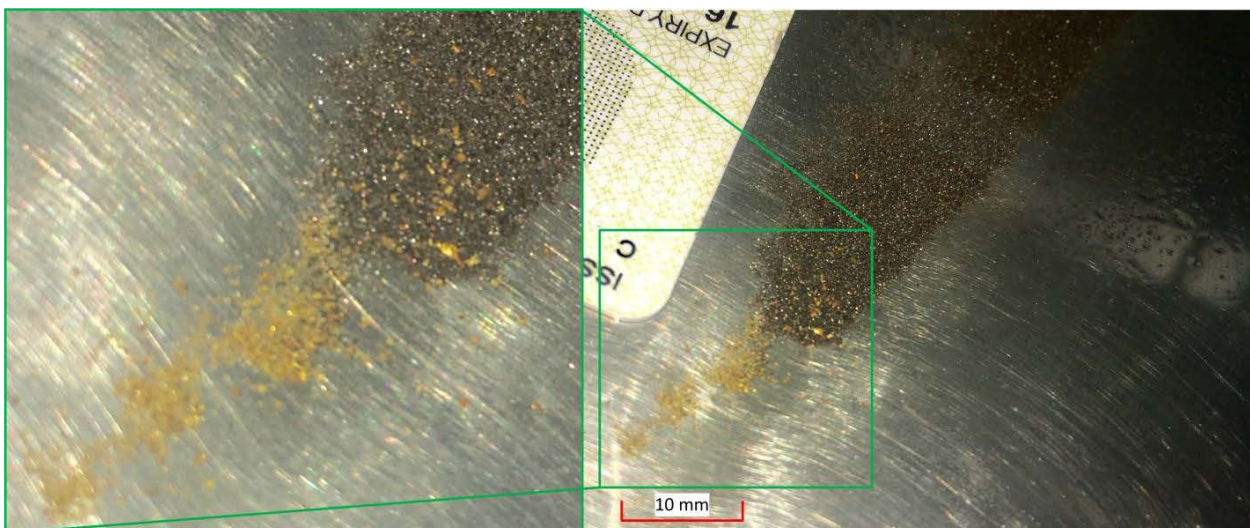


Figure 6. Gravity recoverable gold tail with scale shown in red.

1. Refer to ASX announcement 17 July 2017 for further details.

Major new target discovered – New York ¹

On the 24 July 2017 the Company was announced the discovery of a major new exploration target ‘New York’, located in the western area of the Hanang Gold Project.

The new ‘New York’ target is located approximately 15 km to the west of, and along strike from, the high grade Winston gold discovery. New York is a **large, 16 km² area of intense alteration and quartz veining in banded iron formation and mafic schist, with sulphide development and strong structural deformation** in Archaean rocks, which is a similar geological setting to Winston.

New York is located on the **same major mineralised structural corridor that hosted the Golden Pride Gold Deposit (2.2 Moz of gold produced)**, 200 kms to the north west of the Hanang Gold Project.

Soil geochemical sampling is a low cost exploration tool, which on the Hanang Gold Project is considered to be much more effective to the west of the project area where there is little or no younger volcanic cover.

More than 900 soil samples have already been collected over the New York target area and sent for assaying. These results are pending and will be announced when available.

Further mapping and soil geochemical sampling over the the majority of the untested project area continues.

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.



Figure 7: Mineralised outcrop at New York.

1. Refer to ASX announcement 24 July 2017 for further details.

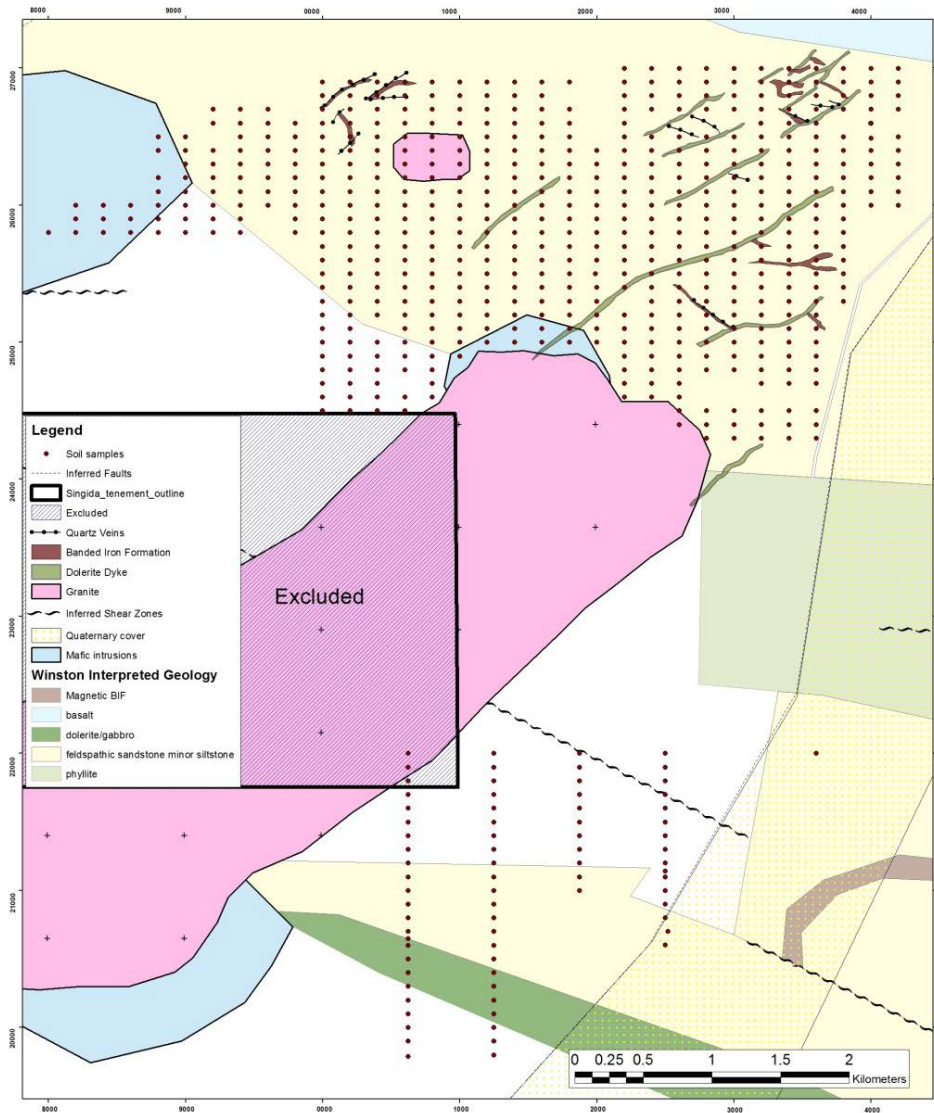


Figure 8: New York geology and soil sampling location plan.

Renaming of the Singida Project to Hanang Gold Project

The Singida Project has been renamed the Hanang Project as the majority of the tenement area is located within the Hanang District of the Manyara region, while the Singida region is further to the south and off the tenement area.



Tanzanian Legislative Changes

On 29 June 2017, the Government of Tanzania submitted three Special Bill Supplements in the National Assembly proposing amendments to the Mining Act 2010 (Mining Act), being *Special Bill Supplement No. 2 – The Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, 2017* and *Special Bill Supplement No. 3 – The Natural Wealth and Resources (Permanent Sovereignty) Act, 2017* and *Special Bill Supplement No. 4 – The Written laws (Miscellaneous Amendments) Act, 2017*.

All three Special Bills were passed by the National Assembly (NA) on 3 and 4 July 2017. In addition, the NA recently has approved the new Finance Act, which will impose a 1% clearing fee on the value of all minerals exported from the country from 1 July 2017.

Tanga has obtained professional advice from our legal counsel in Tanzania, in relation to these legislative changes and their impact on the Company's assets.

Based on the legal advice received, the legislative changes have no immediate effect on Tanga, given the exploration nature of the Company's activities on its granted Prospecting Licences in Tanzania.

In the event Tanga makes a future decision to move into development, the amendments will have an impact on operations. The Board considers the key aspects of which include the right of the Government to have a 16% free carry in the shares of any local Tanzanian mining company and the increased royalties payable on any future production.

Discussion

Special Bill Supplement No. 2 - The Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, 2017

Based on the advice received, Tanga understands Special Bill Supplement No. 2 mainly relates to previously negotiated stability agreements that provided development concessions outside of the existing regulatory framework and agreements relating to "extraction, exploitation or acquisition and use of natural wealth and resources".

The Company does not have any such agreements in place and therefore this Special Bill has no impact on Tanga's activities in Tanzania.

Special Bill Supplement No. 3 The Natural Wealth and Resources (Permanent Sovereignty) Act, 2017 and Special Bill Supplement No. 4 The Written laws (Miscellaneous Amendments) Act, 2017

From the legal advice Tanga has received in relation to the amendments contained in Special Bills No's 3 and 4, the key matters the Board recommends shareholders consider as potentially having a future impact on the Company's interests in Tanzania are:

A. Tanzanian Government's right to a free carried interest.

The granting of at least a 16% free carried interest in the shares of the local Tanzanian mining company, may have an impact on the future financial returns to Tanga shareholders. The Company is seeking clarification, through our legal counsel on the specific mechanics and implementation of this amendment.

Legal advice regarding the entitlement of the Tanzanian Government to acquire additional shares above the free carried interest shares, up to a total of 50% of the local Tanzanian mining company shares, is that it



does not apply to the Hanang Gold Project or any of the Company's other assets in Tanzania, as no tax incentives have been granted.

B. An increase of the gold royalty.

The gold royalty has increased from four percent to six percent.

C. Requirement to beneficiate all mined minerals in Tanzania.

Metallurgical test work to date confirms excellent metallurgy at Singida with overall recoveries of 93%, from simple gravity and conventional leach. Therefore, the Board does not consider further beneficiation will be required.

D. Export of core, cuttings, rock samples, fluid samples or other data.

Tanga does not anticipate the new legislative requirement for approvals for the export of core or samples to have an impact on the Company.

E. Protection of Permanent Sovereignty.

The amendment prohibits matters relating to natural resources being subject to proceedings in foreign courts. Any disputes relating to the extraction, exploitation or acquisition of natural resources are to be adjudicated in accordance with the laws of Tanzania.

The Board considers this amendment may have potential implications to the cost of funding of any future project development.

F. Tanzanian reinvestment, local content, corporate social responsibility and environmental

Tanga has an established, collaborative relationship with the local community and continues to make a positive contribution to the local economy.

The Company is already a significant local employer in the region and has worked in collaborations with the community and regional commissions to develop local services and infrastructure including a school, health clinic, community water supplies and roadworks. Tanga continues to work with the local community on the development of a sustainable local economy.

The Tanzanian reinvestment, local content, corporate social responsibility, local employment, training and environmental provisions of the new legislation are all consistent with how Tanga currently conducts itself as a responsible entity. Therefore it is not expected that these legislative changes will adversely impact the future potential development of the Hanang Gold Project.

Additional information on the legislative changes

Further information can be found on the legislative changes at the Tanzania Parliament website: www.parliament.go.tz/bills-list



GEITA PROJECT

No field work was carried out on the Geita Project tenements during the June quarter.

A strategic review of the Geita Project was undertaken during the quarter, with certain tenements being relinquished. The review is continuing and is expected to be completed during the September quarter.

CORPORATE

During the quarter the Company appointed Matthew Bowles as Chief Executive Officer, commencing 1 July 2017.

Mr Bowles is a senior corporate finance executive with extensive public corporate advisory, private equity and capital markets experience in the resources sector. Mr Bowles has successfully negotiated domestic and cross border corporate funding, joint venture and M&A transactions for a number of ASX listed companies in Africa, the Americas and Australia.

Mr Bowles was previously Chief Development Officer for a West African focused ASX listed company. He commenced his career with Rio Tinto where he worked in a number of corporate and commercial roles for nine years, before moving to London to work in finance and banking. Since his return to Australia he has held senior roles with global advisory firms, with a focus on the resources sector.

Subsequent to the quarter Mark Wilson stepped down from the Board of Tanga to focus on his full time executive commitment with Legend Mining, given their increased level of exploration activity.

Cash and working capital

As at 30 June 2017 the Company had a cash position of \$302,000.



Proposed Future Work

The Company's main focus is the exploration and advancement of the Hanang Gold Project.

Winston, Pauling, Mjuhu and Sophie Targeting

The Company is continuing with further resource modelling work on the Winston Gold Deposit.

Further exploration work, evaluating additional drilling required at Winston, following the pit and trenching results released during the June quarter the Sophie target 2 km to the east of Winston, and broader step out drilling along the east west trending Mzuka Shear, is planned.

New York Target

Results of the soil sampling program completed on the New York target are expected to be received and released to the market during the September quarter. The Company is preparing to reconnaissance drilling program over the target area, which is expected to commence during the September quarter.

Regional Targeting

The Company intends to continue its evaluation of several high priority target identified from on going regional mapping and soil geochemical sampling over the majority of the untested 1,000 km² project area.

Other

The strategic review of the Geita Project tenement area will be completed during the September quarter.

In addition to the exploration of its current Tanzanian projects, the Company continues to evaluate additional projects in Tanzania, elsewhere in Africa and overseas for potential joint venture or acquisition.

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

Contact details

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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 (km ²)
Hanang	PL10570/2015	Singa Kubwa	99.95%	65.53
Hanang	PL10572/2015	Mpipiti West	99.95%	16.17
Hanang	PL10620/2015	Wandela Central	99.95%	23.74
Hanang	PL10843/2016	Mpipiti East	99.95%	25.32
Hanang	PL10865/2016	Iramba West	99.95%	47.49
Hanang	PL10876/2016	Kiboroda	99.95%	67.86
Hanang	PL10889/2016	Gairo	99.95%	143.95
Hanang	PL10939/2016	Wandela East	99.95%	23.74
Hanang	PL10940/2016	Getanyambu	99.95%	61.20
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	PL11073/2017	Haidom West	99.95%	26.49
Hanang	PL11414/2016	Haidom Northwest	99.95%	application
Hanang	PL7246/2011	Wandela West	99.95%	12.79
Hanang	PL7296/2011	Harare	99.95%	14.39
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%	46.14

Tenements surrendered (including applications withdrawn) during the June 17 quarter:

Geita Project	PL8293/2013	PL11033/2016
	PL10675/2015	PL11504/2016
	PL11582/2016	PL11313/2016



Appendix 2 – Exploration Targets

In addition to the above Inferred Mineral Resource, Ravensgate arrived at a range of Exploration Targets (the “low case” and the “high case”).

The tonnage range estimate for the Exploration Target interpretation assumed a steeply plunging lode of 35m x 10m in plan dimension and an SG of 3.25 giving 1137.5 tonnes per vertical metre. This is similar to the lode geometry observed in the interpretation of the Mineral Resource. For the low case the lode was extended vertically 15m from the existing Mineral Resource, or 15m from the drill intercept. For the high case the lode was extended to surface and to a maximum depth of 250 below surface.

The grade range for Exploration Target was based on either Ordinary Kriged grade in the well drilled portion of the lode or the average sample grade intersected in the lode.

Drilling completed to date had not closed off the vertical plunge of the modelled Mineral Resource extents. In addition there were three drill holes which intersected separate zones of mineralised BIF which could represent additional mineralised shoots similar to the modelled steeply plunging lodes. An Exploration Target range was estimated for this mineralisation due to insufficient data to estimate a Mineral Resource in these areas.

The Exploration Target was based on previous exploration and drilling undertaken during 2015 & 2016 as previously advised to the ASX on the following dates:

16/12/16	High Grade Gold Intersections at Singida Project
25/10/16	Exploration Update
25/08/16	Mining 2016 Resources Convention Presentation
17/08/16	Singida Project Winston Drilling Update
1/08/16	Singida Project Update
27/06/16	Singida Project Update
12/05/16	Presentation RIU Conference Sydney
20/04/16	Drilling commences at Winston Target - Singida Project
3/03/16	Singida Project Update
2/02/16	Investor Presentation
19/01/16	High Grade Gold Assays from Winston Drill Program

Table A shows the significant intersections used to determine the lower case grade (based on a 0.5 g/t cut-off).

The exploration target ranges from a low case of 150kT at 2.2g/t Au to a high case of 950kT at 4.2g/t Au. This large range in the two cases is a reflection of the high level of uncertainty in the Exploration Target cases.

Mineralisation at the Winston deposit is confined to zones of alteration, sulphides and quartz veining within a highly deformed BIF rock unit. Where the mineralisation was well drill tested, the mineralisation is confined to two steeply west plunging shoots with a variable sigmoidal shape.

Over a depth of about 90 vertical metres they average about 1,100 tonnes per vertical metre which corresponds to an average strike length of 35m, width of 10m and an SG of 3.25. This lode geometry from the Mineral Resource estimate forms the basis for modelling of the exploration target above and below the modelled lodes and in the other mineralised drill intercepts outside the Mineral Resource estimate.

Hole Name	From	To	length	Grade
WRC018	59	66	7	1.17
WRC022	57	61	4	2.54
WRC023	8	12	4	1.29
WRC048	83	88	5	1.34

Table A Significant Intersections Used to Determine the Low Case Grade

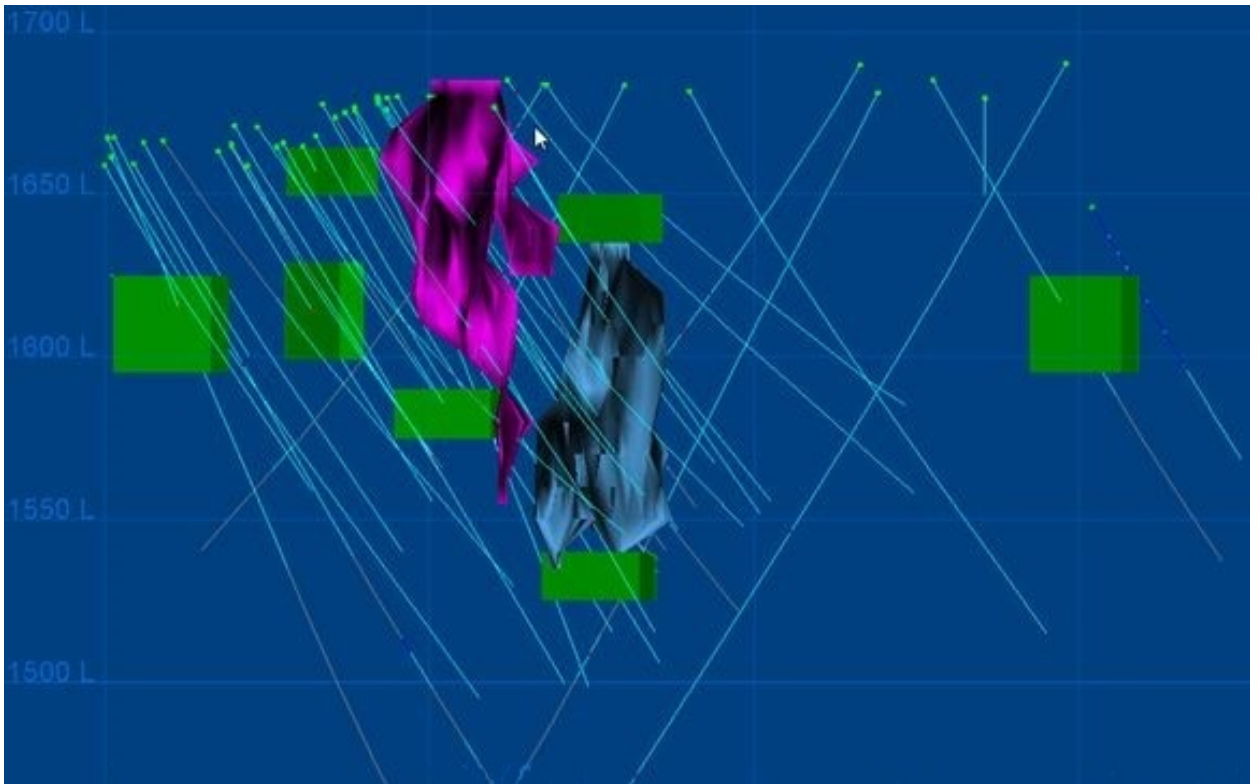


Figure 1. Exploration Target low case shown in green. Mineral Resource in pink & light blue.

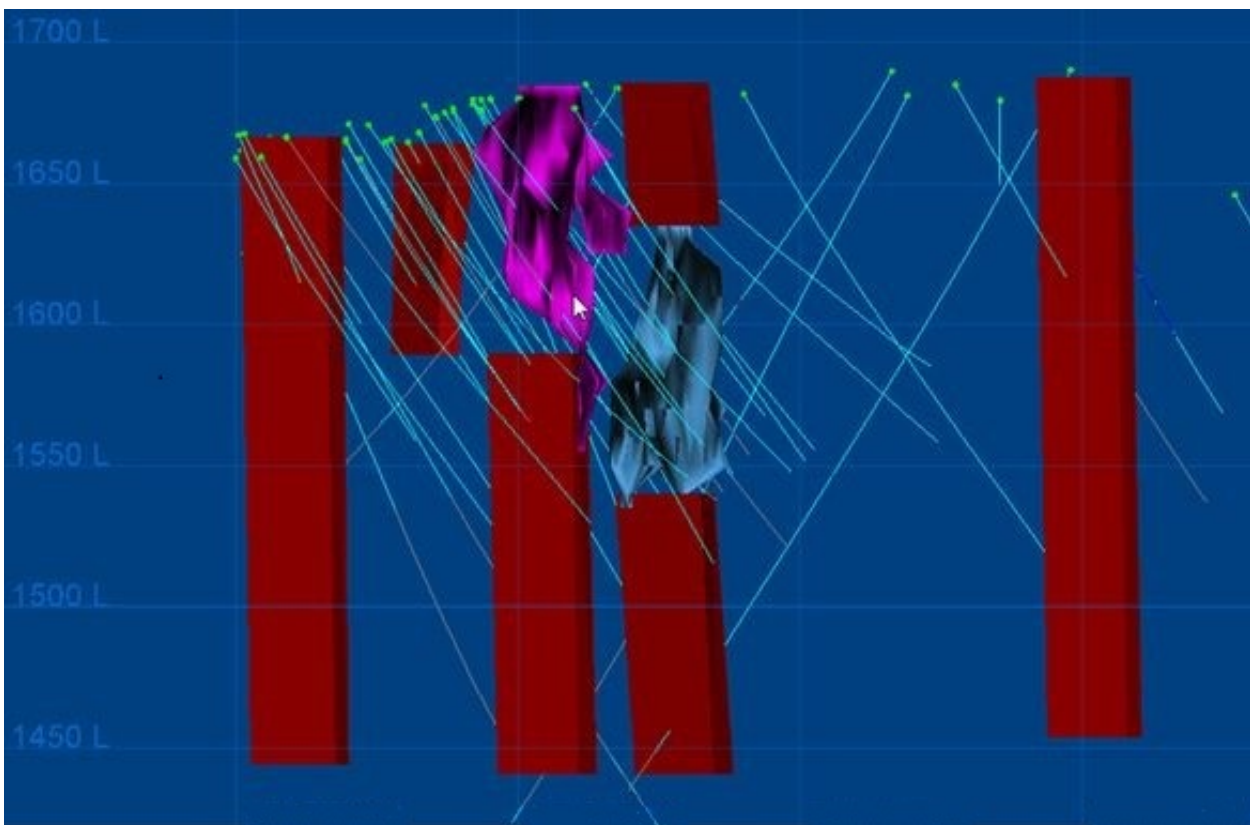
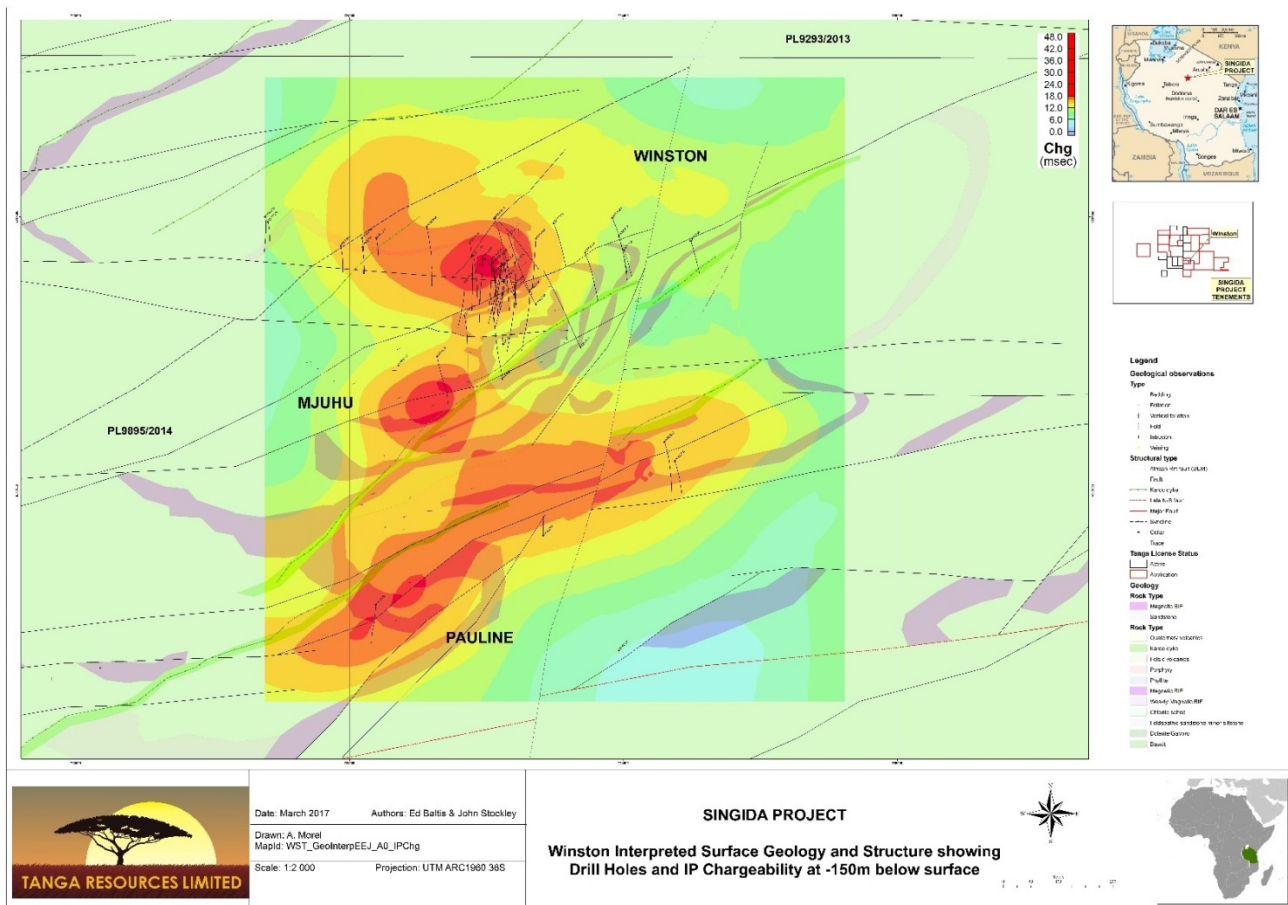


Figure 2. Exploration Target high case shown in red. Mineral Resource in pink & blue.



Background

Tanga discovered the Winston gold deposit in December 2015, and has completed the initial detailed exploration and resource definition drilling program: 46 RC drill holes of which 15 had Diamond Drilling tails, have been completed. Surface mapping, ground magnetic surveys, ground electrical geophysical surveys (IP) and drilling have been used to compile a geological model of the local area. High grade gold mineralisation is hosted in strongly deformed and faulted Archaean Banded Iron Formation (BIF) rocks within a sequence of un-mineralised deep rift fill greywacke, siltstone, arkosic sandstone intruded by late orogenic felsic porphyries and younger Karoo-aged dolerite dyke swarms. Gold mineralisation is associated with strong, iron-rich amphibole-garnet-chlorite-pyrrhotite alteration, together with quartz veining and silica replacement.

Drilling at Winston commenced in November 2015 and was completed in November 2016. A total of 46 holes for 7,558m of drilling has been completed in the vicinity of the Winston deposit. Gold mineralisation was intersected in 15 of the 46 holes drilled and these holes have been used in the Mineral Resource estimation. A total of 239m of RC drilling and 203.2m of diamond drilling were used in the Mineral Resource estimation.

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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(324)	(2,759)
(b) development		
(c) production		
(d) staff costs	(35)	(69)
(e) administration and corporate costs	(223)	(989)
1.3 Dividends received (see note 3)		
1.4 Interest received		
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	(582)	(3,817)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(22)	(32)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)		
2.6	Net cash from / (used in) investing activities	(22)	(32)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	382	849
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		369
3.4	Transaction costs related to issues of shares, convertible notes or options		
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	382	1,218

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	524	2,923
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(582)	(3,817)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(32)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	382	1,218
4.5	Effect of movement in exchange rates on cash held		10
4.6	Cash and cash equivalents at end of period	302	302

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	2	174
5.2 Call deposits	300	350
5.3 Bank overdrafts		
5.4 Other – Term deposit		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	302	524

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	95
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

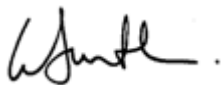
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of 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	50
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	250

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	PL8293/2013 PL10675/2015 PL11582/2016 PL11033/2016 PL11504/2016 PL11313/2016	Held by Kudu Resources (TZ) Ltd (subsidiary)	99.95%	-
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: ...31 July 2017.....

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.