

29 January 2021

QUARTERLY ACTIVITIES REPORT

for the Quarter ended 31 December 2020

Highlights

- Confirmation that four permits are now granted across three Projects: Mankono, Bocanda and Bouaflé.
- Data review identifies significant high-grade intercepts from reverse circulation and aircore drilling at the Bouaflé Project not previously released, including¹:
 - 23m at 2.5 g/t gold from 92m in hole BFRC069
 - 9m at 4.3 g/t gold from 132m in hole BFRC060
 - 12m at 5.6 g/t gold from 48m in hole BFAC627
 - 16m at 2.3 g/t gold from 8m in hole BFAC980
 - 8m at 9.4g/t gold from 4m in hole BFAC933
- Data review identifies significant high-grade intercepts from aircore drilling at the Mankono Project not previously released, including²:
 - 8m at 5.11 g/t Au from 12m in hole MKAC198
 - 4m at 9.23 g/t Au from 16m in hole MKAC582
 - 8m at 3.08 g/t Au from 4m in hole MKAC651
- Comprehensive dataset at Bouaflé includes 18,300 soil samples, over 80,000 metres of drilling and airborne and radiometric data.
- Mankono historical dataset includes extensive drilling and soil sampling.

Tanga Resources Limited (ASX: TRL) (**Tanga** or the **Company**) is pleased to provide its Quarterly Activities Report for the Quarter ended 31 December 2020.

Exploration – Côte d'Ivoire

Bouaflé Project

During the Quarter, the Company completed a review of data on its Bouaflé Project located in Côte d'Ivoire (**Bouaflé**).

The data review at Bouaflé, was based on an extensive data set that comprised:

- 18,300 soil samples which outline anomalous gold in soil over a strike length of 17 kilometres;
- 994 aircore holes, 85 reverse circulation holes and nine diamond drill holes, for a total of over 80,000m of drilling; and
- High resolution airborne magnetic and radiometric data over 16,500 line kilometres.

¹ ASX announcement 17 November 2020

² ASX announcement 18 January 2021

The review found a number of high-grade gold intercepts that had not been previously reported¹, including:

- 23m at 2.5 g/t gold from 92m in hole BFRC069
- 9m at 4.3 g/t gold from 132m in hole BFRC060
- 12m at 5.6 g/t gold from 48m in hole BFAC627
- 16m at 2.3 g/t gold from 8m in hole BFAC980
- 8m at 9.4g/t gold from 4m in hole BFAC933

Figure 1 shows the location of the high-grade intercepts not previously reported and other significant intercepts from drilling conducted between 2011 and 2013 by Equigold Limited.

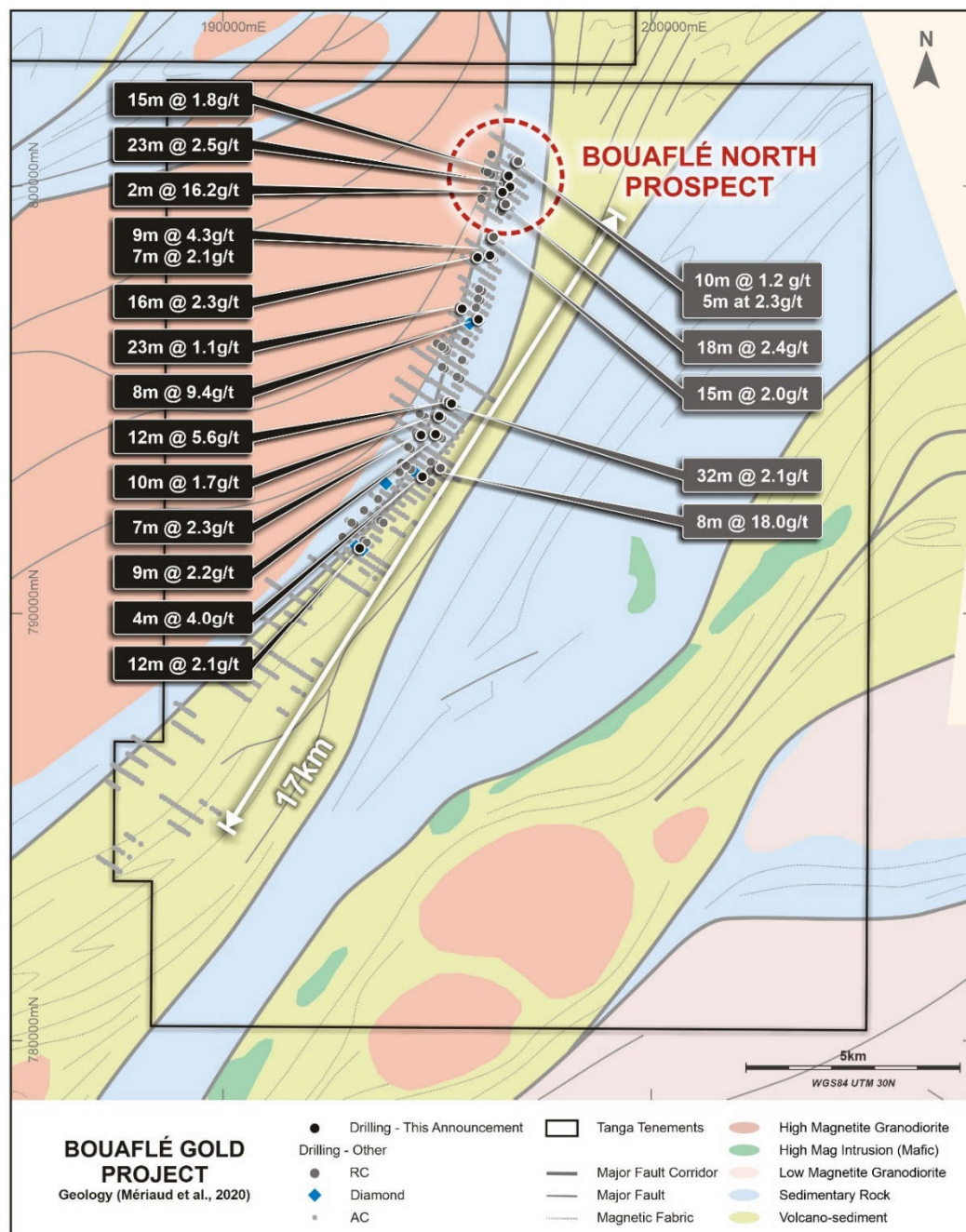


Figure 1 - Bouaflé drilling with selected significant intercepts

The Company believes that these intercepts, together with geochemical and geophysical data, have identified several drill-ready targets for follow up.

Previous work at Bouaflé included the collection of approximately 23,500 soil samples that delineated a 17km long gold in soil anomaly (Figure 2)¹, supported by numerous high-grade aircore and RC drill intersections. Importantly for Tanga, many of these have not been adequately followed up and this presents targets for further exploration and drilling.

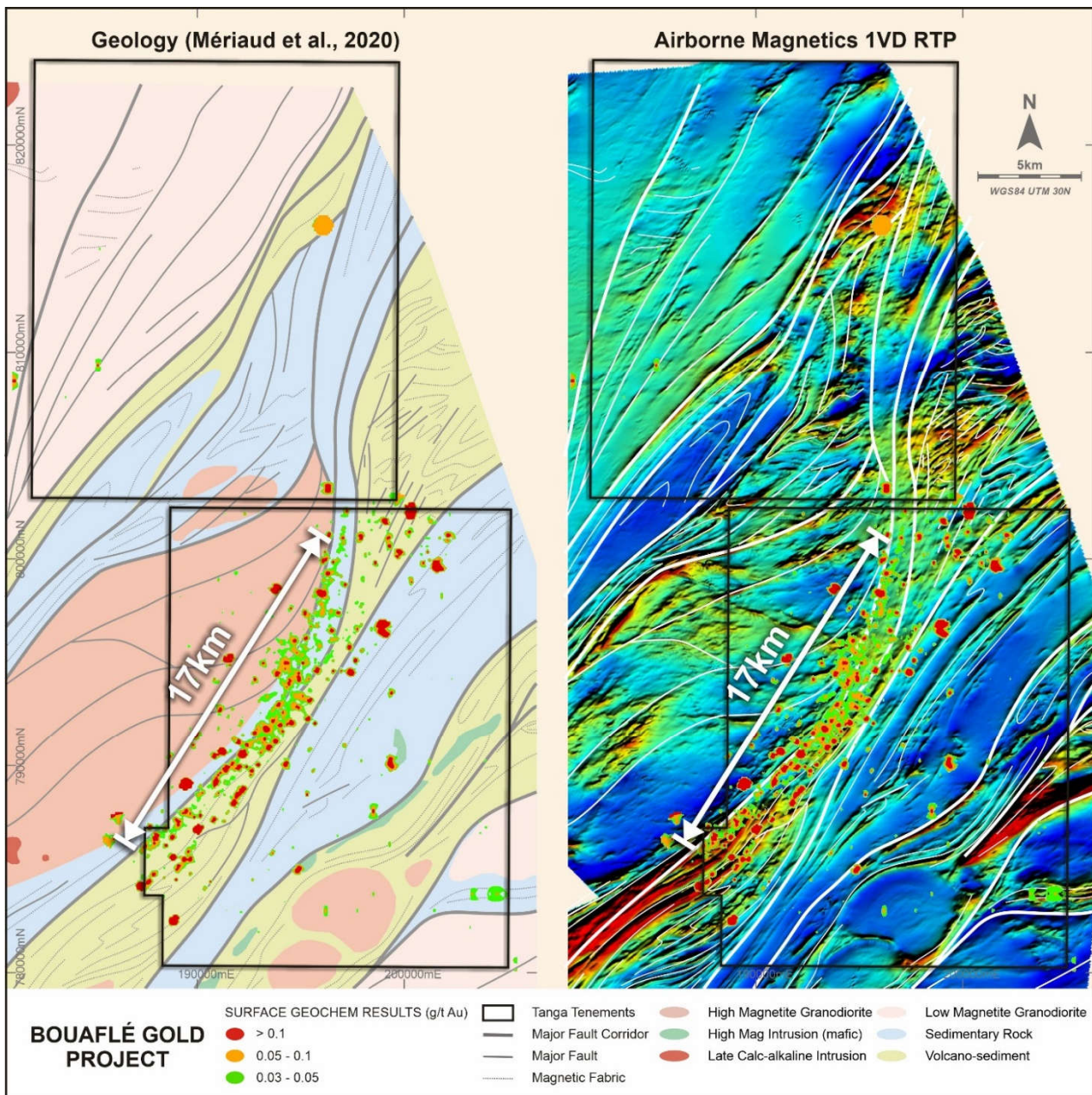


Figure 2 - Geology (Mériaud, 2020) and Magnetism over licence areas

Mankono Project

Post Quarter end, the Company completed a review of data on its Mankono Project located in Côte d'Ivoire (**Mankono**), which resulted in the identification of high-grade intercepts from aircore drilling not previously released, including²:

- 8m at 5.11 g/t Au from 12m in hole MKAC198
- 4m at 9.23 g/t Au from 16m in hole MKAC582
- 8m at 3.08 g/t Au from 4m in hole MKAC651
- 8m at 2.73 g/t Au from 16m in hole MKAC636
- 12m at 1.43 g/t Au from 12m in hole MKAC214

The extensive dataset at Mankono comprises:

- Results from 724 aircore holes and 8 diamond drill holes for a total of 23,370m of drilling; and
- 11,700 soil samples which outline significant gold in soil anomalism.

A soil sampling program at the Mankono Project carried out by Newcrest in 2009 collected a total of 11,737 samples, initially on an 800m x 100m reconnaissance grid spacing before infilling over the main coherent gold anomaly to a final spacing of 200m x 50m (Figure 3). The survey was particularly effective in highlighting a zone of anomalous gold in soil, with seven samples running over 1 g/t Au in soils, with a peak value of 7.08 g/t gold in soil which further highlights the prospectivity of the target².

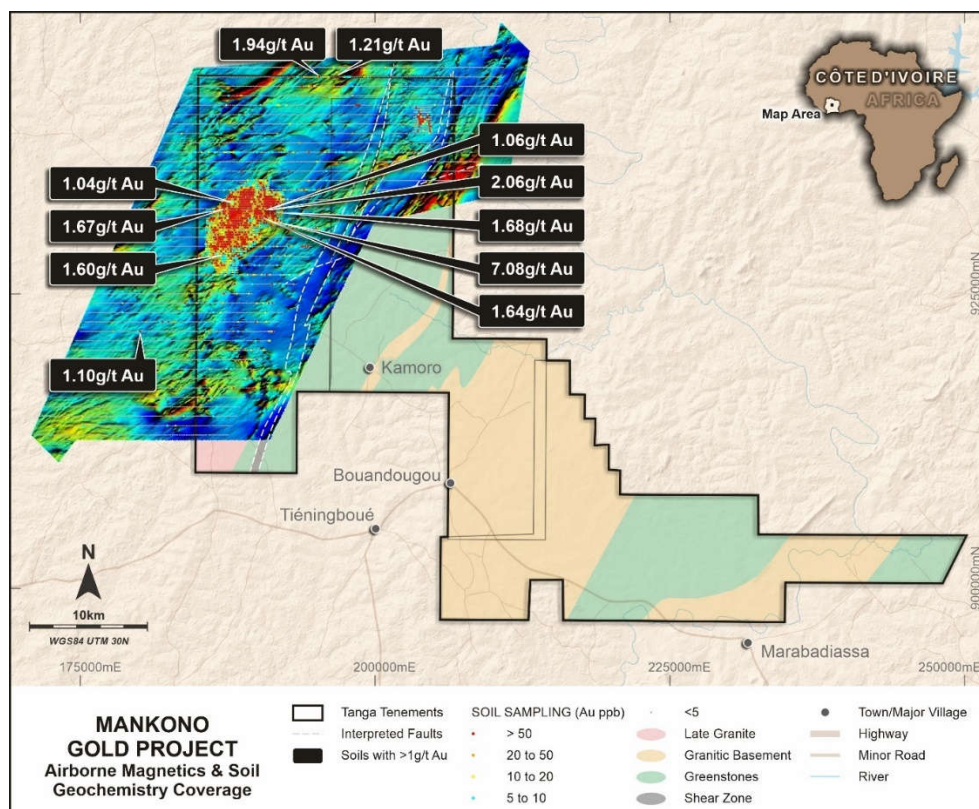


Figure 3 - Soil geochemistry showing samples with >1g/t Au in soil over magnetics and geology at Mankono

Following the 2009 soil sampling program, Equigold undertook a high-resolution airborne magnetic and radiometric survey in 2010 which covered over 8,500 line kilometres, flown with a line spacing of 100m and a sensor height of 50m which produces a very high definition magnetic image and allows for direct interpretation of the geology and the structural features of interest.

Follow up aircore drilling delivered a number of significant intercepts (Figure 4), including²:

- 8m at 5.11 g/t from 12m in hole MKAC198;
- 4m at 9.23 g/t from 16m in hole MKAC582;
- 8m at 3.08 g/t from 4m in hole MKAC651;
- 8m at 2.73 g/t from 16m in hole MKAC636; and
- 12m at 1.43 g/t from 12m in hole MKAC214.

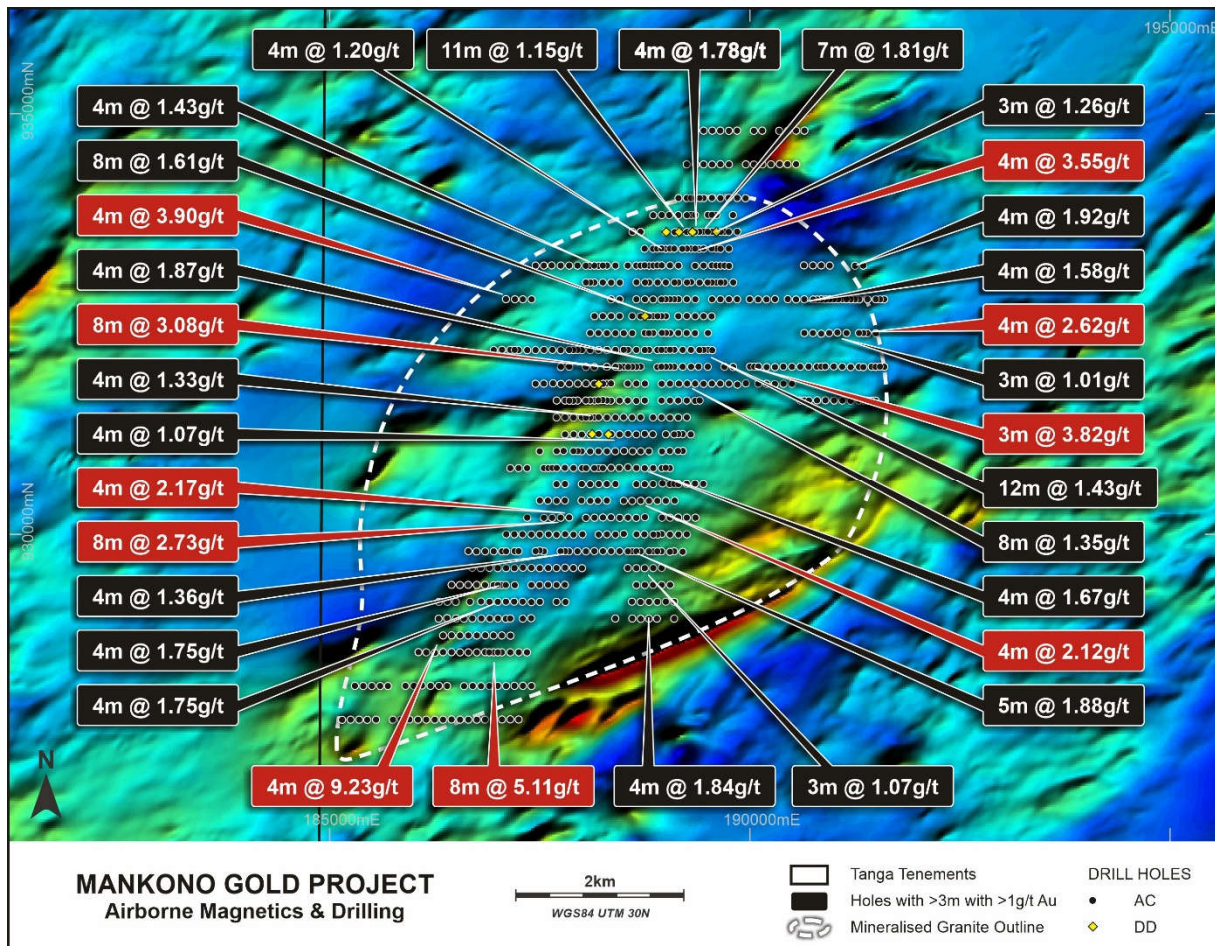


Figure 4 - Significant aircore drilling intercepts at Mankono (>3m length and >1g/t Au)

Concurrently with this aircore program, eight diamond drill holes for a total of 2,520m were drilled, with notable intercepts including:

- 2m at 36 g/t Au from 75m in hole MKDD004

Results from this diamond drilling program were intended to inform a future reverse circulation drilling program which never eventuated and the Company believes that the best targets within this mineralised system have not been tested.

Exploration – Namibia

During the Quarter, the Company completed a program of geochemical sampling, field mapping and ground magnetics, along a major north-north-east mineralised structure which cuts through the

Company's Katerina Exploration Licence at its Damara Gold Project. Results of this program are expected to be available towards the end of the March Quarter.

Corporate

Cash

As at 31 December 2020, the Company had cash of \$6.36 million.

General Meeting

During the Quarter, the Company held its Annual General Meeting, at which all resolutions put to shareholders were approved.

Unmarketable Parcel Sale Facility

The Company established a Share Sale Facility for holders of Unmarketable Parcels of shares in the Company (**Facility**). The Company is providing the Facility to holders of Unmarketable Parcels to sell their shares without incurring any brokerage or handling costs that could otherwise make a sale of their shares uneconomic or difficult. The Company values its shareholders and by making this Facility available, the Company expects to reduce the administrative costs associated with maintaining a number of small holdings. The Facility closes on 8 February 2021.

Tenement interests

The table below shows the Company's tenement interests as at 31 December 2020.

Tenement interests as at 31 December 2020

Tenement	Ownership	Project	Location
PL8208/2012 Wandela	99.95%	Hanang	Tanzania
PL9293/2013 Basuto	99.95%	Hanang	Tanzania
PL9895/2014 Dorirojiki	99.95%	Hanang	Tanzania
PL10570/2015 Singa Kubwa	99.95%	Hanang	Tanzania
PL10620/2015 Wandela Central	99.95%	Hanang	Tanzania
PL10865/2016 Iramba West	99.95%	Hanang	Tanzania
PL10939/2016 Wandela East	99.95%	Hanang	Tanzania
PL11060/2017 Singa North	99.95%	Hanang	Tanzania
EPL4782	10% (80% earn in)	Joumbira	Namibia
EPL6226	100%	Hagenhof	Namibia
EPL4833	0% (80% earn in)	Katerina	Namibia
EPL8039	100%	Katerina	Namibia
EPL7246	0% (80% earn in)	Katerina	Namibia
EPL4818	0% (80% earn in)	Okombahe	Namibia
EPL7890	100%	Okombahe	Namibia
EPL6534	90%	Gazina	Namibia
EPL6535	90%	Gazina	Namibia
EPL6536	90%	Gazina	Namibia
EPL4953	90%	Gazina	Namibia
0183DMICM11/08/2017 Bocanda	0% (80% Stage 1 earn in)	Bocanda	Côte d'Ivoire
0181DMICM11/08/2017 Tieningboue	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
0178DMICM11/08/2017 Mankono	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
PR0861 Bouaflé South	0% (80% Stage 1 earn in)	Bouaflé	Côte d'Ivoire

Tenement	Ownership	Project	Location
PR0822 Bouaflé North	0% (80% Stage 1 earn in)	Bouaflé	Côte d'Ivoire
PR-APP 165 Mankono East	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
PR-APP 164 Issia	0% (80% Stage 1 earn in)	Issia	Côte d'Ivoire
PR-0844 Bocanda	0% (80% Stage 1 earn in)	Bocanda	Côte d'Ivoire

About Tanga's Côte d'Ivoire Projects

The Bouaflé Project comprises two licences – Bouaflé North and Bouaflé South (**Bouaflé Project Licences**) – covering an area of 742km². The Application for the Bouaflé South licence (PR0861) has recently been granted and the Company is awaiting final documentation while the application for the Bouaflé North Licence is with the Direction Générale des Mines et de la Géologie (**DGMG**) and is pending approval.

The Mankono Project covers three exploration licences – Mankono West, Mankono East and Tieningboue (**Mankono Project Licences**) – over an area of 1,170 km². The Mankono West licence (PR0871) has been granted and the Company is awaiting final documentation. Applications for the remaining Mankono Project Licences are with the DGMG and are pending approval.

The Bocanda Project, comprises two tenements: Bocanda North and Bocanda, covering an area of 750 km². The Bocanda North and Issia Project licences were selected by Predictive Discovery Limited using its in-house targeting system known as Predictore™. The Bocanda North licence (PR-844) was granted on the 18th of September 2019 and the Bocanda permit (PR-0872) has recently been granted and the Company is awaiting final documentation.

Further information on the Company's Côte d'Ivoire Projects is available in ASX announcement dated 8 September 2020.

The location of the Côte d'Ivoire Projects is shown in Figure 5.

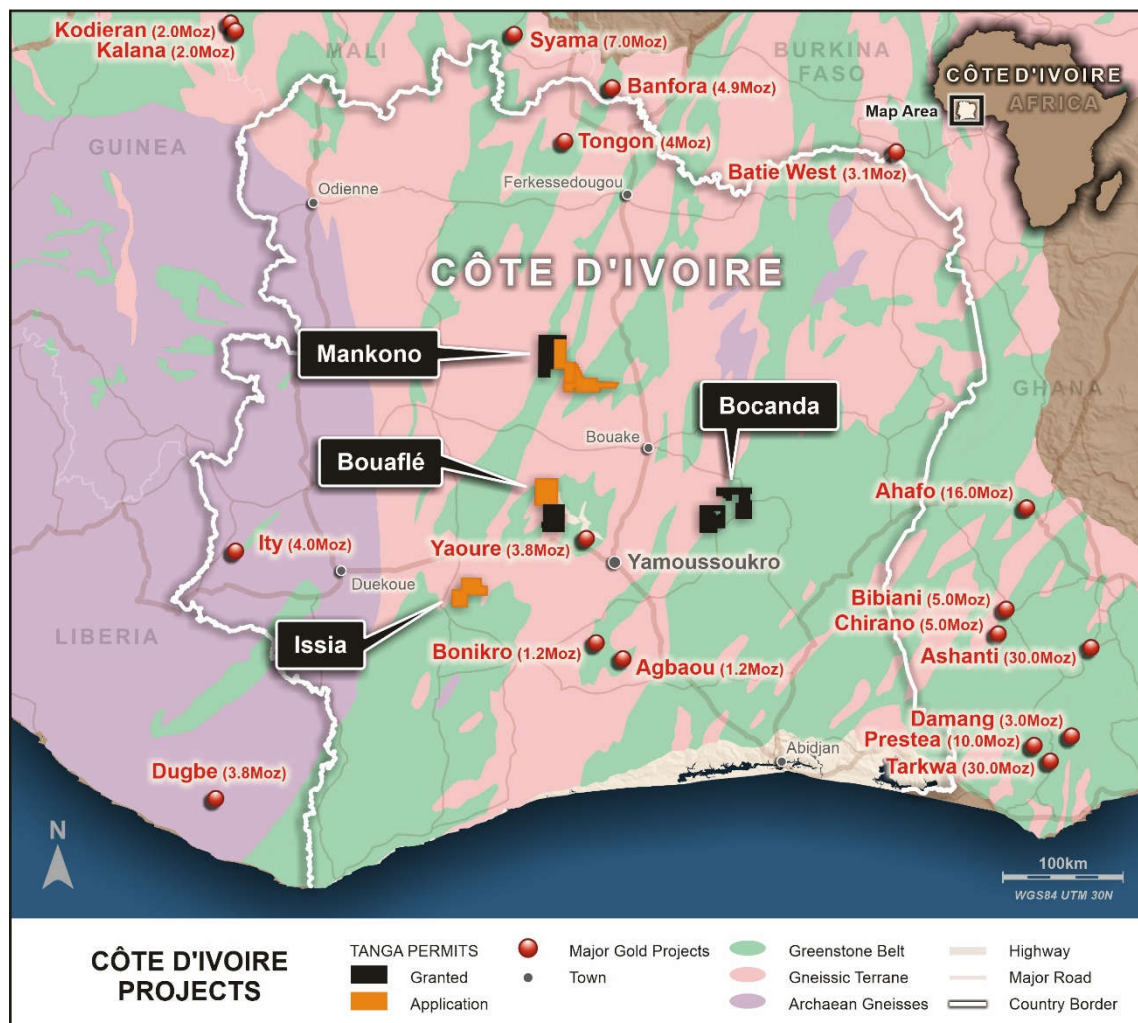


Figure 5 - Location of the Côte d'Ivoire Projects

This announcement has been authorised for release by the Board of Tanga Resources Limited.

Contact details

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Tanga Resources Limited

ABN

41 141 940 230

Quarter ended ("current quarter")

31 December 2020

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 (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(55)	(101)
	(e) administration and corporate costs	(217)	(316)
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	Government grants and tax incentives	7	30
1.8	Other (Business development activities)	-	-
1.9	Net cash from / (used in) operating activities	(265)	(387)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(381)	(738)
	(e) investments	-	-
	(f) 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) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(381)	(738)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	6,721	7,220
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(247)	(254)
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	6,474	6,966

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	639	627
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(265)	(387)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(381)	(738)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,474	6,966

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,467	6,467

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	108	33
5.2 Call deposits	6,339	585
5.3 Bank overdrafts	-	-
5.4 Other (term deposits)	20	20
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,467	638

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Payments to all directors for directors' fees (December quarter: \$47k).

Current quarter \$A'000
47
-

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	-
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

	8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(265)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(381)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(646)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,467
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	6,467
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

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.

Date: 29 January 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.