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QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 September 2020

Highlights

- **Acquisition of an 80% interest in three gold projects located in Côte d'Ivoire**
  - **Bouaflé Project**

    Previous drilling by Newcrest in 2011-13 encountered high-grade mineralisation including:[1]
    - **8m at 18 g/t gold from 116m in hole BFRC041**
    - **18m at 2.4 g/t gold from 107m in hole BFRC067**
    - **15m at 2.0 g/t gold from 136m in hole BFRC061**
    - **10m at 1.2 g/t gold from 42m and 5m at 2.3 g/t gold from 55m in hole BFRC075[iii]**
    - **32m at 1 g/t gold from 140m in hole BFRC032**
  - **Mankono Project**
    - **Aircore drilling consistently intersected mineralisation over 10 km of strike**
  - **Issia and Bocanda Projects**
    - **Identified using Predictive Discovery's in-house targeting system which has been responsible for the discovery of Bongou in Burkina Faso, Nyangboue (Boundiali) in Côte d'Ivoire and the recent discovery at the Bankan Project in Guinea**
- **Two tranche placement to raise $7.0 million, first tranche completed, with second tranche subject to shareholder approval at the 17 November AGM**
- **Low cost gold exploration activities continue in Namibia, including further infill sampling at Katerina, along with ground magnetics to delineate drill targets**
- **Appointment of experienced mining industry professionals, Andrew Pardey and Steven Michael as non-executive directors**

Tanga Resources Ltd (ASX: TRL) (Tanga or the **Company)** provides its Quarterly Activities Report for the Quarter ended 30 September 2020.

Exploration – Côte d'Ivoire

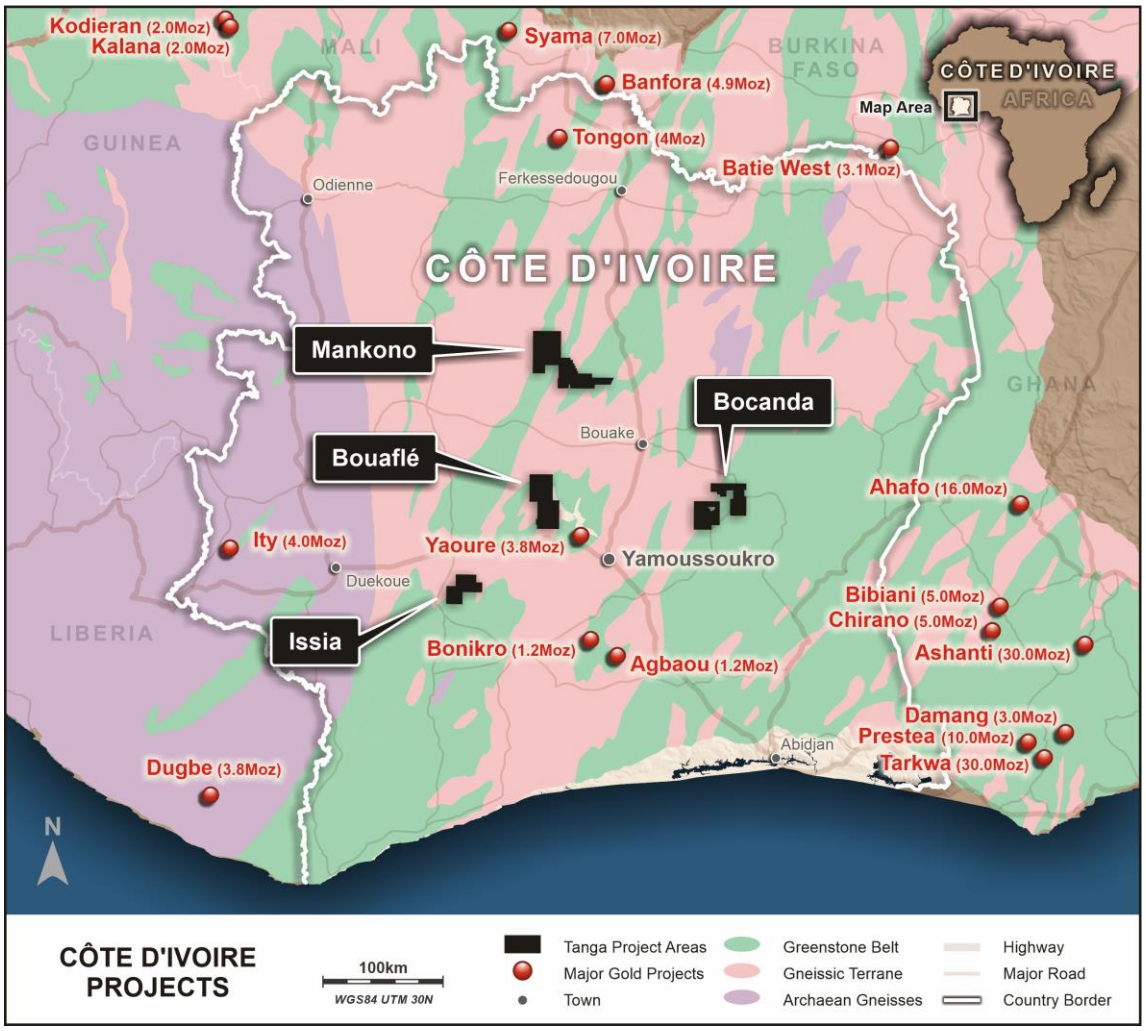
During the Quarter, the Company completed the acquisition of Glomin Services Ltd (**Glomin**). Glomin held an 80% interest in three gold projects located in Côte d'Ivoire (the **Côte d'Ivoire Projects**) via three separate joint venture agreements – one with Predictive Discovery Limited (ASX: PDI) (**Predictive**) and two with private Côte d'Ivoire explorer, West African Venture Investments. The Côte d'Ivoire Projects, which comprise the Bouaflé Project, the Mankono Proect and the Issia and Bocanda Projects, cover 3,038 km^2 of highly prospective Birimian Greenstone terrain in southern Côte d'Ivoire.

The location of the Côte D'Ivoire Projects is shown in Figure 1.

[1] ASX announcement 8 September 2020

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Figure 1. Location of Côte D'Ivoire Projects



Bouaflé Project

The Bouaflé Project comprises two licences – Bouaflé North and Bouaflé South (**Bouaflé Project Licences**) – covering an area of 742km^2. The Bouaflé Project Licences are located on the Bouaflé greenstone belt which hosts the Yaouré deposit, owned by Perseus Mining and currently under construction, and contains measured and indicated resources of 2.1Moz at 1.37g/t Au including an underground resource of 595koz at 6.2g/t Au.[2]

Applications for the Bouaflé Project Licences with the Direction Générale des Mines et de la Géologie (**DGM**) are pending. The Bouaflé Project Licences were previously held by Newcrest Limited (**Newcrest**), and explored by Newcrest between 2010 and 2014.

The Bouaflé belt is divided into two domains; an eastern mafic domain and a western volcano-sedimentary domain on which the Bouaflé Project Licences are situated.

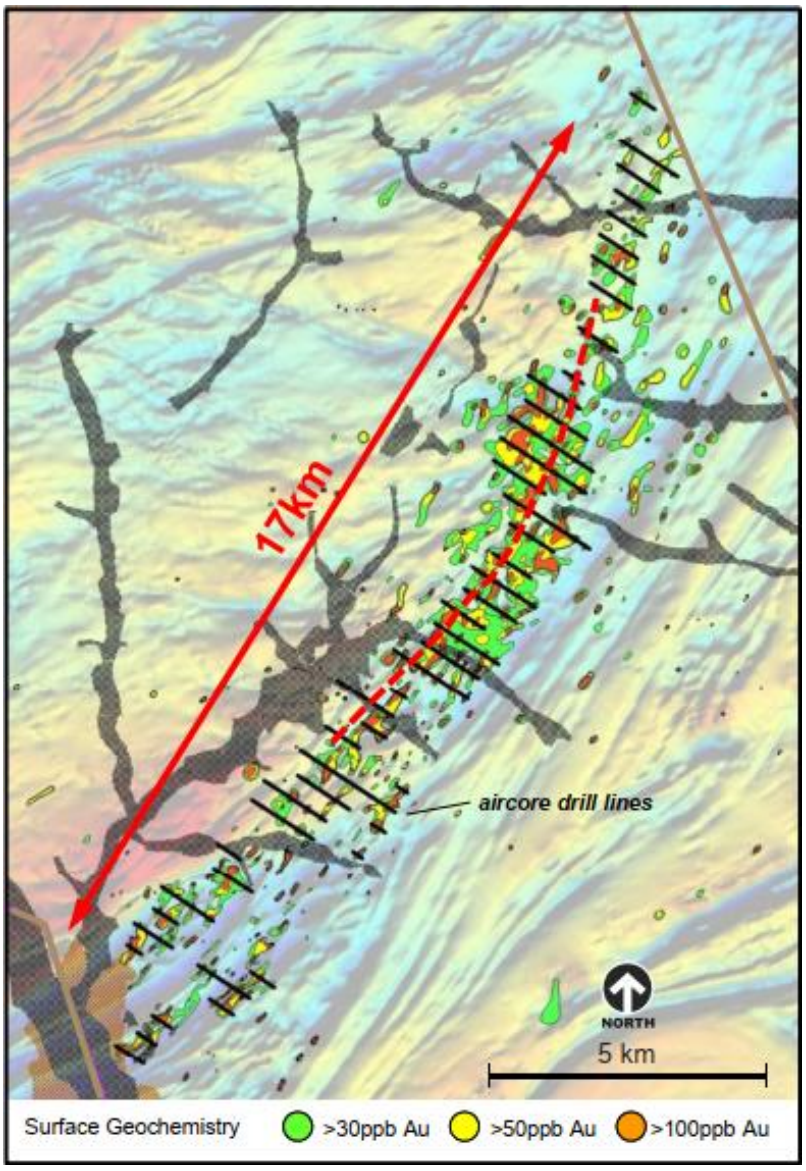
Historically, the Bouaflé Project was divided into three project areas, Bouaflé North, Central and South targeting shear hosted mineralisation along a 17km mineralised trend as outlined by more than 600 aircore holes totalling

[2] ASX announcement 28 August 2019 (Perseus)

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some 25,000m of drilling completed by Newcrest between 2010 and 2012. This drilling outlined a coherent geochemical anomaly with gold in soil of over 30ppb (See Figure 2).[3]

Figure 3. Mineralised trend at the Bouaflé Licences[3]



Follow-up drilling at the Bouaflé Project Licences defined two main mineralised areas referred to as the Main Mineralised Shear Zone and the East Mineralised Zone. Drillholes indicate that the mineralisation in this zone consists of steeply west dipping gold bearing quartz veins and sub-vertical pyritised sediments.

Historical drilling included intercepts of:

- 8m at 18g/t Au from 116m in hole BFRC041[3]
- 18m at 2.4g/t Au from 107m in Hole BFRC067 [4]

[3] ASX announcement 24 April 2012 (Newcrest)
[4] ASX announcement 24 January 2013 (Newcrest)

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- 15m at 2.0g/t Au from 136m in hole BFRC061[5]
- 10m at 1.2g/t from 42m and 5m at 2.3g/t from 55m in hole BFRC075[6]
- 32m at 1g/t Au from 140m in hole BFRC032[1]

Gold mineralisation remains open and untested both along strike and down dip and multiple drill-ready targets exist on the Bouaflé Project Licences.

Mankono Project

The Mankono Project covers three exploration licences – Mankono West, Mankono East and Tieningboue – over an area of 1,170 km^2.

The regional geology consists of metasedimentary rocks of the Bandama basin including conglomerates, volcaniclastic sediments, sandstones and shales which have been intruded by later granitic bodies.

The Mankono West and Mankono East licenses have also seen a large amount of historical work carried out by Newcrest. This included over 11,000 soil samples, initially on an 800m x 100m reconnaissance grid and then infilled to a detailed 200m x 50m soil grid over a central gold-bearing granitic intrusion, which was the later focus of drilling. The dimensions of this intrusion total approximately 10km by 5km with anomalous gold in soils.

Drilling was comprised of 724 aircore holes for a total of 20,800m and 8 diamond drillholes for a total of 2,520m. All of the aircore holes were vertical holes which is sub-optimal for the anticipated steeply dipping mineralisation expected. The diamond drill holes were drilled on 4 sections approximately a kilometre apart within the central granite, however no other aircore or soil anomalies were ever followed up.

The Company considers that there are a number of drill ready targets at Mankono East and Mankono West.

The extensive database on both the Bouafflé Project and the Mankono Project is a significant asset and provides a strong base of work that was conducted to a high standard. The Company is in the process of reviewing all of the historical data relating to these two projects in anticipation of commencing field work following the end of the rainy season in October 2020.

Bocanda and Issia Projects

The Bocanda Project covers an area of 750 km^2. The project straddles a major geological contact separating greenstone from granite and representing the western edge of the largest greenstone belt in Côte d'Ivoire, which is also the southern extension of Burkina Faso's Hounde belt. The Hounde Belt contains several large gold deposits in Burkina Faso including the Mana Mine (Semafo Inc.) and the Hounde Mine (Endeavour Mining). The Bocanda Project also lies in the same structural setting as Predictive's Wendene projects in Côte d'Ivoire, where there have been a number of high-grade intersections.

The Bocanda and Issia Project licences were selected by Predictive using its in-house targeting system known as Predictore^{TM}. Predictive is currently focused on its Bankan Gold Project located in Guinea with best intercepts of 26m at 21.9g/t and 73m at 3.2g/t gold in RC drilling.[7]

[5] ASX announcement 23 April 2013 (Newcrest)
[6] ASX announcement 24 January 2013 (Newcrest)
[7] ASX announcement 19 August 2020 (Predictive)

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Much less is known about the geology of the Issia project. The geology consists of Birimian age sediments belonging to the Hana-Lobo-Bandama series, proximal to the Sassandra fault system. Very little historical work is thought to have been done in this area.

Predictive elected to farm out the exploration effort on the Bocanda and Issia Projects in order to focus its attention on its Bankan Project located in Guinea. The Company views Predictive's consent to Tanga's acquisition of Glomin's interest as a major endorsement of Tanga's existing assets, the quality of the refreshed Board and its commitment to gold exploration in Côte d'Ivoire.

Key terms of Joint Ventures

Under the terms of each JV, Tanga is responsible for managing and funding exploration activities in two stages:

- Stage 1: earn an 80% equity interest by meeting the minimum expenditure required on any granted licences in the 12 month period under the Mining Code of Côte d'Ivoire[8] to maintain the licences in good standing.
- Stage 2: exploration activities including, in the event that a successful discovery is made, Mineral Resource estimation and completion of a Pre-Feasibility Study together with grant of a Mining Lease, while maintaining the tenements in good standing through completion of statutory expenditure and reporting.

In the event that a discovery is made, and Stage 2 is therefore successfully completed, the minority shareholder has the option of contributing to 20% of all subsequent costs or diluting (Stage 3). If the Company's JV partner opts to dilute and its interest falls below 10%, its interest will convert to a 2% Net Smelter Return Royalty (**NSR Royalty**) on future gold production from mining operations on any of the Côte D'Ivoire Project's tenements. Tanga may, at any time, purchase from the minority shareholder half of the NSR Royalty, reducing the NSR Royalty to 1%, for a purchase price of US$10 million.

The Company will make additional payments totalling AUD150,000 to the joint venture partners upon the first grant of an exploration licence under two of the three JVs.

Exploration – Namibia

The Company continued to carry out low cost gold exploration activities at its Damara Gold Project, with work focused on infill geochemical sampling, field mapping and ground magnetics, along a major north-north-east mineralised structure which cuts through the Company's Katerina Exploration Licence.

Corporate

Cash and share placement

As at 30 September 2020, the Company had cash of $0.6 million, including $0.2 million received in connection with a share placement described below.

During the Quarter, the Company received binding commitments for a two-tranche placement of 233.3 million shares at 3.0 cents per share to sophisticated and professional investors to raise $7 million (before costs) (**Placement**).

[8] Under the Côte d'Ivoire Mining Code, minimum expenditure required to maintain a tenement in good standing is equal to 250,000 CFCA (Approximately US$455) per km^2 per year.

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Tranche 1 of the Placement, which was completed on 6 October 2020, raised approximately $1.03 million from the issue of 34.2 million shares at a price of 3.0 cents per share (**Tranche One Placement**). The Tranche One Placement utilised the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A, with 20,510,180 shares issued under Listing Rule 7.1 and 13,673,453 shares issued under Listing Rule 7.1A.

Tranche 2 of the Placement will raise approximately $5.97 million from the issue of 199.1 million shares at a price of 3.0 cents per share, subject to shareholder approval to be sought at Tanga's Annual General Meeting which will be held on 17 November 2020.

The Placement issue price of 3.0 cents represents a discount of 18.8% to the 15 day VWAP of 3.69 cents and an 18.9% discount to Tanga's last close price of 3.7 cents on 23 September 2020.

Board changes

During the Quarter, Mr Steven Michael and Mr Andrew Pardey joined the Board as Non-Executive Directors, replacing Mr Matthew Bowles and Mr Nigel Lafferty respectively, both of whom stepped down from the Board.

Mr Andrew Pardey's career in the mining industry spans over 30 years, with experience in exploration, project development, construction and operations, having held senior positions in Africa, Australia and other parts of the world, including Guinor Gold Corporation and Ashanti Goldfields, now AngloGold Ashanti. Between February 2015 and December 2019, he was Chief Executive Officer of Centamin Plc which holds the Tier 1 Sukari Gold Mine. Mr Pardey also served as General Manager Operations at Sukari before his previous appointment as Chief Operating Officer in May 2012. He was a major driving force in bringing Sukari into production, having joined during the mine's construction phase, and was instrumental in the successful transition of the operation through construction and into production. During his time with Centamin, Mr Pardey gained considerable experience in Côte d'Ivoire.

Mr Steven Michael has over 25 years' experience in the global resources sector, specialising in corporate finance and equity capital markets. He is currently a Managing Director at FTI Consulting, an independent global business advisory firm. He has previously worked in the natural resources division of Macquarie Bank, Rothschild and Royal Bank of Canada. Mr Michael is also a Non-Executive Director of Predictive, prior to which he was Managing Director of ASX-listed Arrow Minerals Limited (ASX: AMD) for eight years, which held several gold exploration projects in Burkina Faso.

Tenement Interests

The table below shows the Company's tenement interests as at 30 September 2020.

Tenement interests as at 30 September

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

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Tenement	Ownership	Project	Location
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 West	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
PR0861 Bouaflé South	0% (80% Stage 1 earn in)	Bouaflé	Côte d'Ivoire
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

References to previous ASX announcements

In relation to the exploration results reported in this announcement and referenced above and reported by Newcrest and PDI, Tanga confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

In relation to the mineral resource announcement for the Yaouré Project reported by Perseus Mining Limited, Tanga confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions underpinning that estimate in that market release continue to apply and have not materially changed.

Appendix 5B

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

Name of entity

Tanga Resources Limited

ABN	Quarter ended ("current quarter")
41 141 940 230	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	(45)	(45)
	(e) administration and corporate costs	(100)	(100)
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	23	23
1.8	Other (Business development activities)	-	-
1.9	**Net cash from / (used in) operating activities**	**(122)**	**(122)**

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)	(358)	(358)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(358)**	**(358)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	499	499
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	(7)	(7)
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**	**492**	**492**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	626	626
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(122)	(122)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(358)	(358)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	492	492

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**638[1]**	**638**

[1] On 28 September 2020, the Company announced it had received binding commitments for a two-tranche placement of 233.3 million shares at 3.0 cents per share to sophisticated and professional investors to raise $7 million (before costs). In the September quarter $234k was receipted as part of the two-tranche placement.

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	33	42
5.2	Call deposits	585	564
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)**	**638**	**626**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	45
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Payments to all directors for directors' fees (September quarter: $45k).

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**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**	-
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)	(122)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(122)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	638[1]
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	638[1]
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	5.2

[1] On 28 September 2020, the Company announced it had received binding commitments for a two-tranche placement of 233.3 million shares at 3.0 cents per share to sophisticated and professional investors to raise $7 million (before costs). In the September quarter $234k was receipted as part of the two-tranche placement.

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

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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: 30 October 2020.....

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.

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