

TANGA RESOURCES LTD
ACN 141 940 230
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 27 September 2018 (**Prospectus**) issued by Tanga Resources Ltd (ACN 141 940 230) (**Company**).

This Supplementary Prospectus is dated 23 October 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.tangaresources.com.au

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 2 by making an additional offer under the Prospectus of up to 62,500,000 Shares at an issue price of \$0.004 per Share to raise up to \$250,000 together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued (**Additional Offer**). The Additional Offer is being made due to the significant number of applications and interest received for the Shortfall Offer.

The amendments to the Prospectus outlined in Section 2 below should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 General

The Company has resolved to seek to raise an additional \$250,000 by way of an offer of Shares (at the same price) and New Options (on the same ratio) as those securities offered under the Prospectus.

The Additional Offer is being made pursuant to this Supplementary Prospectus to remove any trading restrictions on the sale of the Shares and New Options to be issued under the Additional Offer.

2.2 The Additional Offer

Section 4.1 of the Prospectus is amended to include the following:

The Additional Offer is being made by way of a placement to third parties of up to 62,500,000 Shares at an issue price of \$0.004 per Share to raise up to \$250,000 together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued.

A maximum of 62,500,000 Shares and 31,250,000 New Options will be issued pursuant to the Additional Offer to raise up to \$250,000. No funds will be raised from the issue of the New Options.

2.3 Use of funds

Section 5.1 of the Prospectus is amended to include the following:

The Company intends to apply the \$250,000 raised pursuant to the Additional Offer towards working capital.

2.4 Effect of the Offer and the Additional Offer

Section 5.2 of the Prospectus is amended as follows:

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, and the Additional Offer will be to:

- (a) *increase the cash reserves by \$2,056,036 (after deducting the estimated expenses of the Offer and the Additional Offer) immediately after completion of the Offer;*
- (b) *increase the number of Shares on issue from 726,316,410 as at the date of this Prospectus to 1,273,040,658 Shares; and*
- (c) *increase the number of Options on issue from 136,562,000 as at the date of this Prospectus to 409,917,970 Options following completion of the Offer.*

2.5 Pro-forma balance sheet

Section 5.3 of the Prospectus is amended to include the following:

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, the Additional Offer is fully-subscribed, no Options are exercised prior to the Record Date and including expenses of the Offer and the Additional Offer.

	AUDITED 30 June 2018	PROFORMA 30 June 2018
CURRENT ASSETS		
Cash and cash equivalents	731,987	2,789,631
Trade and other receivables	25,178	25,178
TOTAL CURRENT ASSETS	757,165	2,814,809
NON-CURRENT ASSETS		
Financial assets	2,250	2,250
Property, plant and equipment	84,981	84,981
Exploration and evaluation expenditure	7,290,889	7,290,889
TOTAL NON-CURRENT ASSETS	7,378,120	7,378,120

	AUDITED 30 June 2018	PROFORMA 30 June 2018
TOTAL ASSETS	8,135,285	10,192,929
CURRENT LIABILITIES		
Trade and other payables	140,041	140,041
Short-term provisions		
TOTAL CURRENT LIABILITIES	140,041	140,041
TOTAL LIABILITIES	140,041	140,041
NET ASSETS	7,995,244	10,052,888
EQUITY		
Share capital	22,056,296	24,082,940
Reserves ²	1,345,309	1,376,309
Retained loss	(15,406,361)	(15,406,361)
TOTAL EQUITY	7,995,244	10,052,888

Notes:

1. The pro-forma Reserves at 30 June 2018 includes a Black-Scholes valuation of Options to be issued to the Underwriter as detailed in Sections 9.4 and 9.8 of the Prospectus.

2.6 Capital Structure

Section 5.4 of the Prospectus is amended to include the following:

The effect of the Offer and the Additional Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	726,316,410
Shares offered pursuant to the Offer	484,210,940
Shares offered pursuant to the Additional Offer	62,500,000
Total Shares on issue after completion of the Offer and the Additional Offer	1,273,027,350

Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.015 on or before 30 June 2019	50,062,000
Unquoted exercisable at \$0.05 on or before 30 June 2019	1,500,000
Unquoted exercisable at \$0.12 on or before 30 Sept 2019	14,500,000
Unquoted exercisable at \$0.04 on or before 7 June 2021	10,000,000
Unquoted exercisable at \$0.05 on or before 7 June 2021	10,000,000
Unquoted exercisable at \$0.0125 on or before 26 Nov 2020	50,500,000
New Options to be issued pursuant to the Offer:	
Quoted exercisable at \$0.01 on or before two (2) years from the date of issue	242,105,470
New Options to be issued pursuant to the Additional Offer	31,250,000
Quoted exercisable at \$0.01 on or before two (2) years from the date of issue	
New Options to be issued to the Underwriter pursuant to the Underwriting Agreement:¹	10,000,000
Quoted exercisable at \$0.01 on or before two (2) years from the date of issue	
Total Options on issue after completion of the Offer	419,917,970

Notes:

1. Refer to Section 9.4 for further details of the fees to be paid to the Underwriter.

2.7 Payments to Underwriter

Section 9.4 of the Prospectus is amended as follows:

CPS Capital Group Pty Ltd will be paid a fee of 5% of the total amount raised under the Additional Offer (equating to \$12,500).

2.8 Expenses of the Offer and the Additional Offer

Section 9.8 of the Prospectus is amended as follows:

In the event that all Entitlements are accepted, the total expenses of the Offer and the Additional Offer are estimated to be approximately \$130,808 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
<i>ASIC fees</i>	4,008
<i>ASX fees</i>	9,300
<i>Underwriting fees</i>	42,500
<i>Manager to the Offer fees</i>	50,000
<i>Legal fees</i>	15,000
<i>Printing and distribution</i>	10,000
Total	130,808

3. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Allen Lafferty
Non-Executive Chairman
For and on behalf of
TANGA RESOURCES LIMITED