



ASX Announcement

29 July 2016

SINGIDA PROJECT UPDATE

HIGHLIGHTS:

- **Detailed ground magnetic survey completed over western and eastern strike extensions of the Winston Prospect: Total of 1,346 line km surveyed.**
- **Significant gold and structural targets identified along 6km of strike to the west of Winston.**
- **Circa 2,500 metres of drilling planned to commence on these targets in early August 2016.**
- **RC and diamond drilling continuing at Winston.**
- **Petrophysical analysis of core has shown that strong pyrrhotite alteration associated with gold mineralisation at Winston has a significant IP chargeability response.**
- **Detailed 3DIP electrical survey testing 1km x 1km area underway at Winston.**
- **Gradient array IP geophysical surveys will commence on the western regional targets when 3DIP survey at Winston is completed.**
- **Geophysical results will increase geological understanding at Winston and improve drill targeting along the regional belt.**

Gold mineralisation at Winston is associated with quartz veined, sulphide-amphibole-garnet-altered Banded iron Formation (BIF) intersected over 100m vertical extent and up to 20m horizontal width (north-south) and over 15m strike (east-west); open along strike to the west, and down plunge to the northwest. Regional mapping west of Winston has revealed two anomalous zones associated with magnetite-BIF and porphyry intrusives within a 10km east-west structure as defined by the ultra-detailed ground magnetic survey.

The large size of the Winston gold-in-soil anomaly, the association of gold with magnetic BIF host rock and pyrrhotite-rich alteration has been recognised in Tanga's drilling to date. These observations indicate that detailed ground magnetics and IP surveys can be cost-effective methods for mapping bedrock geology and extents to alteration associated with gold mineralisation respectively, and to greatly assist in identifying and prioritising bedrock gold targets.

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Geophysics Programme Results

In May 2016, Tanga Resources commissioned Mr Barry Bourne from Terra Resources Pty Ltd to assist with targeting mineralisation at the Winston Project. Petrophysical analysis was completed on 23 core samples that indicated strong pyrrhotite alteration closely associated with gold mineralisation at Winston has an extremely high IP response (+200 mV/V). In addition, the petrophysics suggest the resistivity data (collected with the IP) also can assist target the pyrrhotite-rich zones.

The 3DIP and resistivity aims to define the pyrrhotite alteration in 3D. The survey covers an area 1km x 1km on 100m spaced lines with 50m station separation (Figure 1). Once complete the survey will assist in targeting mineralisation proximal to that defined by previous drilling. Gradient array IP geophysical surveys will commence on regional targets once the 3DIP survey is completed.

The ground magnetic survey, shown below in Figure 1 and Figure 2, has covered 1,346 line km at 20m spacing, westwards from the previously reported Winston-Pauline ground magnetic survey. The imagery shows a major east-west trending shear zone, the Wandela-Basotu structure, containing areas of structural disturbance affecting the Banded Iron Formation (BIF) stratigraphy that contain the Winston gold mineralisation (see update to the ASX on 27 June 2016).

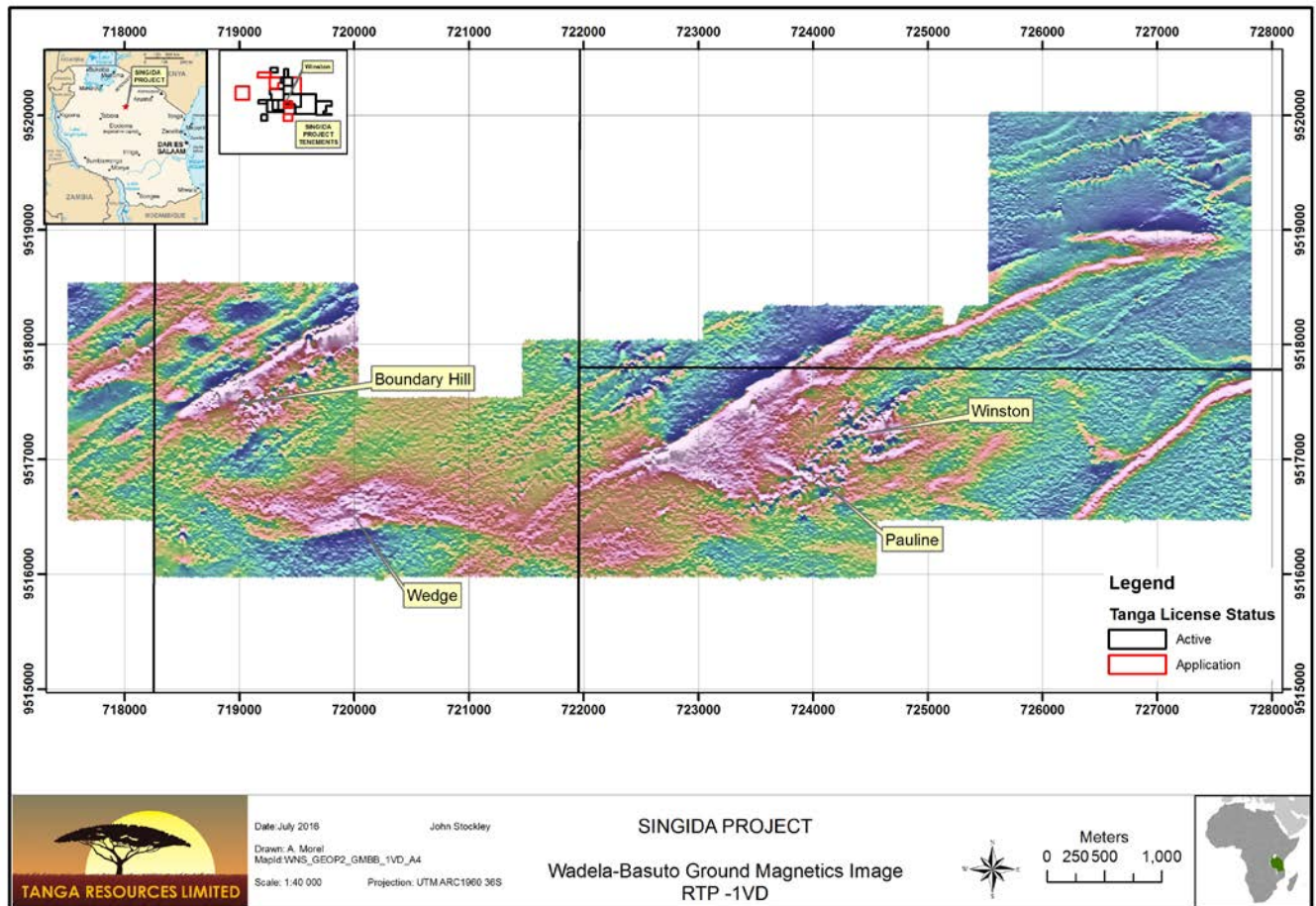


Figure 1. Wandela-Dorirojiki Ground Magnetic survey showing prospect locations at Boundary Hill, Wedge, and Pauline.

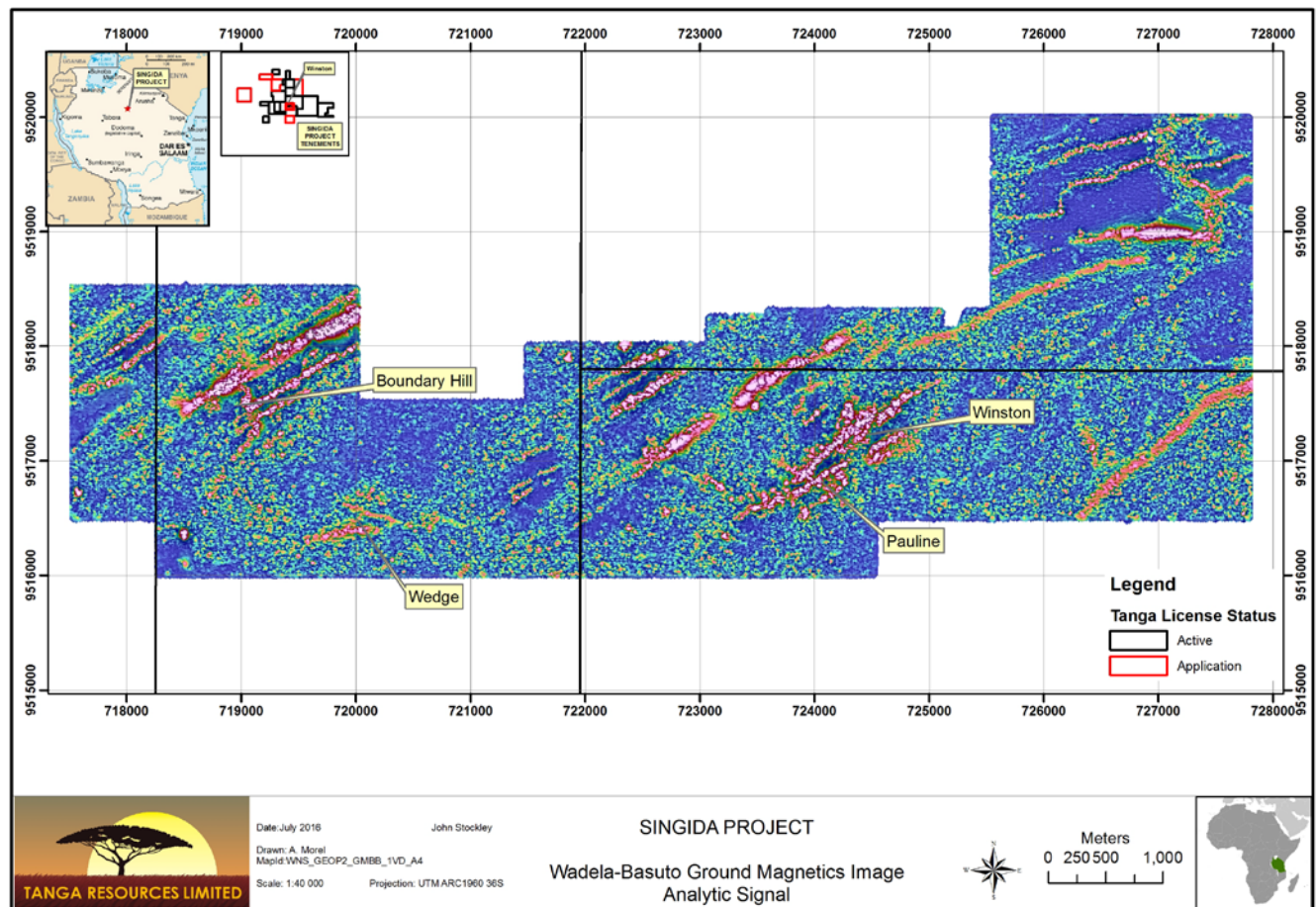


Figure 2. Ground Magnetic Analytic Signal data showing the major fold structures west of Winston. The prominent northeast-southwest striking anomalies are Karoo Dolerite dykes.

Boundary Hill Prospect

Gold anomalies of up to 2,340 ppb occur at the Boundary Hill ground magnetic target (location on Figure 1), associated with magnetite rich BIF and garnet-amphibole skarn alteration. Rock chip sampling on the western side of the Boundary Hill target, the Babadede zone, has shown gold values >2g/t Au.

Recent work at Boundary Hill has consisted of rock chip sampling, geological mapping, and follow-up detailed soil geochemistry on 25m centres (Figure 3).

The magnetic feature “Wedge” appears to be a thrust structure along a major fold limb of the east-west striking Archaean greenstone belt. This target is under deep laterite and black soil cover and will be a focus of up-coming angled Reverse Circulation drilling planned to commence in August. Results of this work will be released as received.

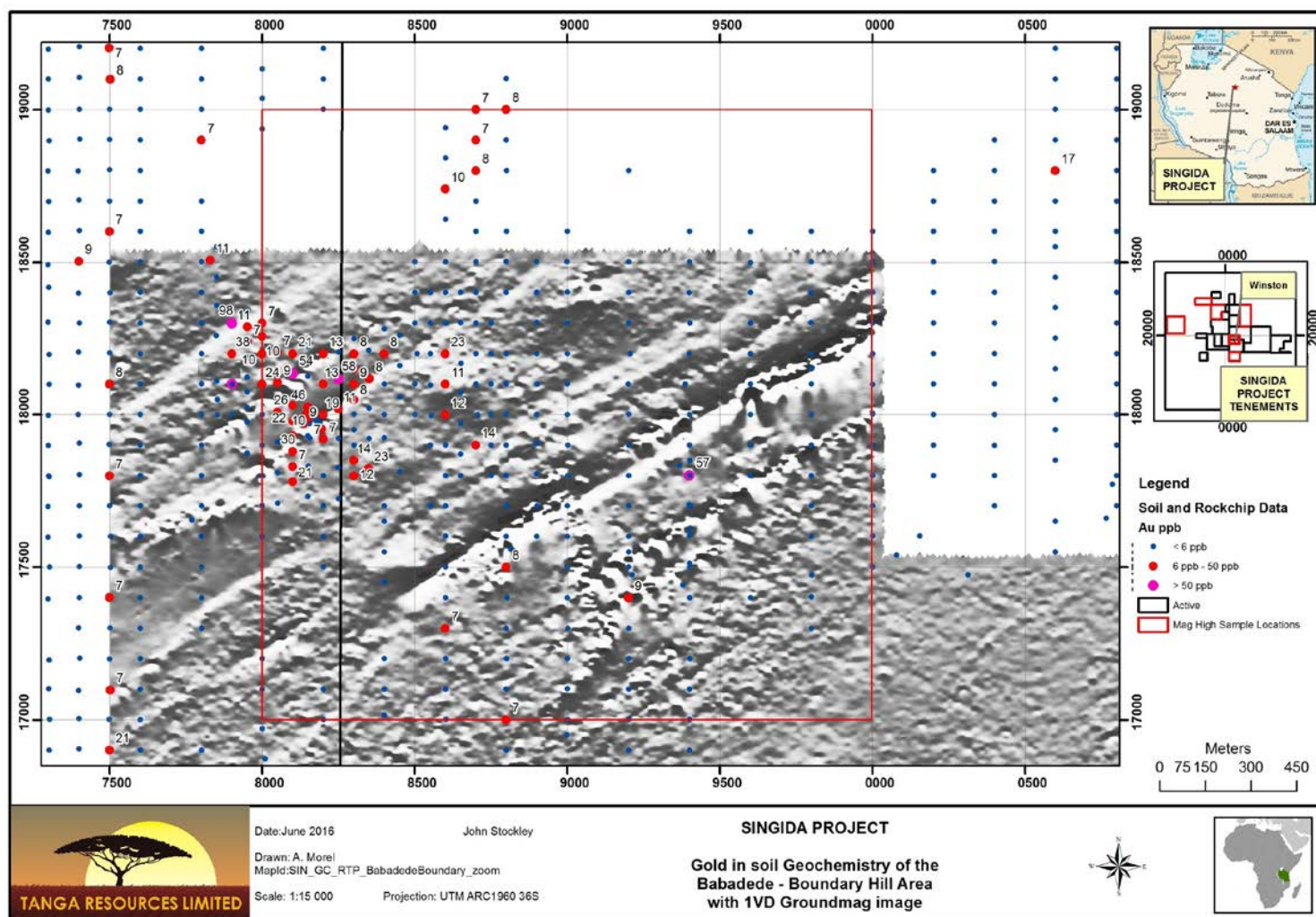


Figure 3. Detailed gold-in soil geochemical sampling at Boundary Hill. The eastern part of this area has been followed up with the recent sampling

Previous wide spaced soil geochemistry (200m line spaced soil sampling) in 2013 discovered scattered gold-in soil anomalies of up to 57ppb in the Boundary Hill area, and up to 2,340ppb (2.34g/t Au) to the west at Babadede. These values are associated with garnet skarn, magnetite BIF and altered felsic porphyry. The soil anomaly is open to the north under black soil cover.

This work defined a strong gold-in soil anomaly covering 500m by 400m in area, with anomalous values associated with altered porphyry 1km to the north.



Future Work - Drilling

RC and diamond drilling is continuing at Winston, focussed on the western and northern extensions of the gold zone intersected in WDH 014 (ASX announcement 27 June 2016).

Drill hole WDH 014 intersected 5m @ 49.43g/t Au from 123m to 128m, including 1m @ 99.2g/t Au from 124m to 125m. This drill hole is down dip of, and 15m west of the high grade intersections in WRC 004, WDH 006, WDH 007, and WDH 012 reported previously. (ASX Announcement 19 Jan & 27 June 2016)

When this drilling is completed in August 2016, and after the ground magnetic survey data has been modelled and interpreted by the company's consultants, the rig will shift westwards to the Wedge and Boundary Hill targets. It is anticipated that in excess of 2,500m of angled RC drilling will be carried out at Wedge and Boundary Hill.

The RC drilling on the Wedge and Boundary Hill targets is planned to commence in August and be completed by the end of September 2016. Community negotiations with the local landholders in the two areas effected (Dangeda and Wandela) are on-going.

Results of the upcoming drilling will be made available to the market when the results are received.

The Chairman of Tanga Resources Limited, Mr John Jones said: *"The results from this large ground magnetic survey west of the Winston discovery justify the decision to expand the current drill program westwards along the Wandela-Basotu Shear Zone. Previous soil sampling showed significant gold anomalies over the 10km strike extension to Wandela and this will be a major focus of the continuing drill program at Singida"*

Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by John Stockley who is a Competent Person and member of the Australian Institute of Geoscientists (AIG). John Stockley is a Director of Tanga Resources Limited. John Stockley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves". John Stockley consents to the inclusion in the report of the matters based on his information in the form and context which it appears.

The geophysical information in this report is based on information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.