



ABN 41 141 940 230

## INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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## CORPORATE DIRECTORY

### DIRECTORS

Allen Lafferty (Chairman)  
John Stockley (Executive Director)  
John Jones (Non- Executive Director)  
Mark Wilson (Non- Executive Director)

### COMPANY SECRETARY

Graeme Smith

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Ground Floor, 63 Hay Street  
Subiaco, Western Australia 6008

Telephone: +618 9381 5686

Email: [info@tangaresources.com.au](mailto:info@tangaresources.com.au)  
Website: [www.tangaresources.com.au](http://www.tangaresources.com.au)

### AUDITORS

Greenwich & Co Audit Pty Ltd  
Level 2  
35 Outram Street  
West Perth WA 6005

### SHARE REGISTRY

Security Transfer Registrars  
770 Canning Hwy  
Applecross WA 6153

Telephone: +618 9315 2333  
Facsimile: +618 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
Website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

### STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange  
Home Exchange: Perth  
ASX Code: TRL

## DIRECTORS REPORT

The Directors present their report on Tanga Resources Limited and its subsidiaries for the half-year ended 31 December 2016.

### BOARD OF DIRECTORS

#### DIRECTORS

The names of Tanga Resources Limited ("Company") directors in office during the half-year and up to the date of this report are as follows:

Allen Lafferty (appointed 6 February 2017)  
John Jones  
Mark Wilson  
John Stockley

Directors were in office for the entire period unless otherwise stated.

### REVIEW OF OPERATIONS

#### Singida Project:

During the half year work focussed on drilling at the Winston gold prospect (PL9895/2014); the Wedge prospect (PL10971/2016); and regional Induced Polarisation (IP) across several tenements: PL10620/2016, PL10971/2016, PL9293/2013, and PL9895/2014.



Figure 1. Tanga Resources Limited project locations - Tanzania

- Total strike length of high grade gold zone now 120m: from WDH029 (2m @ 56.43g/t Au) in the east to WDH021 (14m @ 3.75g/t Au from 42m to 56m) in the west

- By the end of December 2016 all gold assay results have been received from the Winston drill program.

Looking East

1700RL  
1650RL  
1600RL  
1550RL  
1500RL  
1450RL

7550N  
7500N  
7450N  
7400N  
7350N  
7300N  
7250N  
7200N  
7150N

Surface

WDH018  
WRC020  
WDH014  
WDH060  
WRC003  
WDH012  
WRC001  
WRC004  
WDH010  
WRC005

1m @ 6.19g/t  
3m @ 4.73g/t  
1m @ 3.87g/t  
1m @ 2.69g/t  
5m @ 1.73g/t Au, incl. 1m @ 5.44g/t  
1m @ 2.21g/t  
7m @ 1.87g/t  
3m @ 1.22g/t  
4m @ 10.2g/t  
2m @ 1.09g/t  
1m @ 13.7g/t  
3m @ 1.39g/t  
3m @ 2.57g/t  
2m @ 3.55g/t  
8m @ 8.88g/t  
6m @ 17.99g/t  
5m @ 7.06g/t  
14m @ 12.06g/t  
26m @ 2.58g/t

F

Legend:

- Archean meta-sedimentary rocks (greywacke, sandstone, shale)
- Archean BIF including black skarn alteration
- Fault
- Drill hole and gold intersections (g/t Au)

**WINSTON: SECTION 4260E**  
Author: M. Hawke 09/12/2016

TANGA RESOURCES LIMITED

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Figure 3. Winston drill plan showing all holes drilled.

DIRECTORS REPORT

Winston Reverse Circulation and Diamond  
Drilling Results

Drill Hole	Depth m	East	North	Elev m	Azimuth	Dip	From m	To m	Width m	Grade Au g/t	Geology
WRC 001	180	4299.029	17374.281	1685.61	180	-55	4	6	2	1.185	weathered BIF
WRC 003	157	4271.332	17371.566	1683.22	180	-60	68	80	12	1.987	BIF & felsic porphyry
WRC 004	151	4276.785	17412.568	1679.61	180	-60	incl. 68	69	1	13.7	black skarn
							116	132	16	55.23	black skarn: pyrrhotite-chlorite-garnet altered BIF
							incl. 117	126	9	92.78	black skarn with abundant visible gold throughout
							147	151	4	10.2	pyrrhotite-chlorite-garnet altered, quartz veined BIF
WRC 005	169	4236.078	17412.677	1675.76	180	-60	48	49	1	5.29	black skarn
WDH 006	159.4	4276.50	17409.79	1680.03	180	-60	133*	147*	14*	13.33*	pyrrhotite-chlorite-garnet altered, quartz veined BIF
							incl. 136	139	3	29.35	with zones of visible gold associated with chlorite-
							incl. 141	142	1	15.75	amphibole-garnet-quartz veins.
							incl. 146	147	1	18.45	
*WDH 006	159.4	4276.491	17409.79	1680.034	180	-60	133	147	14	11.90	* 500gm CN leach (bottle roll)
WDH 007	195.0	4277.10	17415.70	1679.29	180	-60	134*	160*	26*	2.58*	banded and replaced BIF-amphibolite
							incl. 134	135	1	25.60	dark grey, sulphidic-silica altered amphibolite
											with visible gold at 134.35m & 135.30m;
							139	140	1	2.29	dark grey, sulphidic-silica altered amphibolite;
							153	154	1	7.13	dark grey silica-sulphide (40% pyrrhotite)
											magnetite-sulphide banded amphibolite with
											visible gold at 153.90m.
							158	160	2	11.90	dark grey, sulphidic (up to 40% pyrrhotite)
											garnet-chlorite-amphibolite, visible gold at
											158.90m.
* WDH 007	195	4277.122	17415.753	1679.293	180	-60	134	160	26	2.20	* 500gm CN leach (bottle roll)
WDH 009	171.6	4282.0	17268.00	1697.00	350	-60	84	85	1	1.65	BIF
(precollar)							97	100	3	5.79	mineralised BIF
WDH 010	300.7	4279	17204	1690	350	-60	256	258	2	1.09	garnet-magnetite-sulphide rock
WRC 012	140.9	4278	17390	1702	180	-55	50	51	1	1.15	BIF
(precollar)											

DIRECTORS REPORT

Drill Hole	Depth m	East	North	Elev m	Azimuth	Dip	From m	To m	Width m	Grade Au g/t	Geology
WDH 012	140.9	4278	17390	1702	180	-55	87	90	3	2.57	altered magnetite BIF, metasedimentary rocks
							93	95	2	3.93	quartz-sulphide altered BIF
							98	99	1	1.28	magnetite-silica altered BIF
							98	110	12	6.51	magnetite-silica-sulphide altered BIF & meta-sedimentary rocks
							incl. 102	110	8	8.38	magnetite-pyrrhotite-silica altered BIF
							incl. 107	110	3	20.13	pyrrhotite-pyrite altered BIF
WRC 014 (precollar)	168.9	4262	17416	1679.38	180	-60	9	12	3	4.73	quartz veined magnetite BIF
							15	16	1	1.23	quartz veined magnetite BIF
							31	32	1	1.025	silicified porphyry on BIF contact
WDH 014	168.9	4262	17416	1679.384	180	-60					sulphide-silica-altered metasedimentary rocks (BIF)
							123	130	7	35.89	quartz-chlorite rock with visible gold from 124.30m to 124.60m
							incl. 123	128	5	49.43	
							129	130	1	3.90	sulphide-silica-altered BIF
							137	138	1	2.40	sulphide-silica-altered BIF
							145	146	1	3.95	sulphide-silica-altered BIF
							148	153	5	2.93	sulphide-silica-altered BIF
WDH 015	309.7	4264	17497	1668	160	-60	145	153	8	2.44	sulphide-silica-altered BIF
							81	82	1	1.01	BIF
WDH 016	300.4	4422	17262	1680	350	-60	198	199	1	1.19	mineralised BIF
WRC 017	200.0	4247	17423	1676	135	-60	55	56	1	1.17	BIF (from 50m to 60m averaged 10m @ 0.53g/t Au)
WRC 018	252.0	4266	1799	1668	135	-60	61	65	4	1.74	BIF (from 55m to 71m averaged 16m @ 0.78g/t Au)
WRC 020	186.0	4260	17423	1679	180	-60	16	17	1	6.10	quartz vein zone
							29	30	1	1.08	quartz vein zone
							36	37	1	3.87	black skarn
							47	48	1	1.01	black skarn
							50	51	1	1.04	black skarn
							113	114	1	2.21	black skarn
							120	127	7	1.67	grunerite-magnetite-pyrrhotite altered BIF
							incl. 124	125	1	2.34	grunerite-magnetite-pyrrhotite altered BIF



DIRECTORS REPORT

Drill Hole	Depth m	East	North	Elev m	Azimuth	Dip	From m	To m	Width m	Grade Au g/t	Geology	
WRC 021	150.0	4243	17426	1676	180	-55	incl. 126	127	1	2.50	grunerite-magnetite-pyrrhotite altered BIF	
							132	133	1	1.23	black skarn	
							134	135	1	1.06	black skarn	
							145	148	3	1.22	black skarn	
							42	56	14	3.75	garnet-amphibole-pyrrhotite black skarn	
							incl. 44	47	3	10.99	banded pyrrhotite-garnet-silica rock	
							incl. 49	50	1	8.32	quartz veined, pyrrhotite rich black skarn	
							63	64	1	1.72	amphibolite-BIF	
							78	81	3	11.27	garnet-pyrrhotite black skarn	
							incl. 79	80	1	23.10	garnet-pyrrhotite black skarn	
WRC 022	126.0	4492	17465	1668	160	-60	57	61	4	2.54	black skarn	
							incl.59	61	2	3.65	fine vg in dish	
							9	11	2	1.93	mineralised BIF	
WRC 023	94.0	4501	17439	1668	160	-60	122	125	3	1.00	BIF	
WDH028	182.8	4220	17453	1660	170	-55	16	18	2	56.43	oxide amphibolite-silica BIF (45% core recovery)	
WDH029	161.8	4329	17365	1684	330	-55	77	78	1	1.965	BIF	
WRC030	144.0	4226	17429	1677	170	-60	83	88	5	1.34	black skarn	
WDH048	174.1	4160	17245	1685	170	-60	0	4	4	36.49	saprolite and oxide BIF	
WDH060	149.7	4267	17391	1690	170	-60	incl	2	3	1	103.75	
							14	17	3	1.4	oxide BIF & skarn	
							29	30	1	4.35	black skarn	
							86	89	3	1.88	magnetite BIF	
							104	110	6	17.99	sulphidic black skarn	
							130	135	5	7.06	quartz veined black skarn	
WDH065	75.0	4265	17394	1690	170	-60	33	34	1	2.69	black skarn	
							54	59	5	1.73	black skarn	
						incl	54	55	1	5.44	black skarn	

Projection: ARC 1960 UTM Datum

All assays by ALS Johannesburg: Au <10g/t by AA24 (50gm Fire Assay); >10g/t Au by Au-GRA22 (gravimetric)

All holes surveyed by down hole Reflex tool; collars picked up by DGPS

All intercepts calculated using a 0.5g/t Au cutoff, no upper cut, maximum of 5m internal dilution.

### Geita Project:

During the period a total of 1,602m of RC drilling, comprising 22 drill holes, was completed at the Mimbili gold prospect (PL8293/2013), located 24km southeast of the Bulyanhulu gold mine (Acacia Mines Ltd).

Final gold results from this first drill program at Mimbili were announced to the ASX on 12 January 2017.

- MRC003 24m @ 1.33g/t Au from 39m to 63m  
Incl. 9m @ 2.59g/t Au from 54m to 63m
- MRC004 17m @ 2.05g/t Au from 32m to 49m  
Incl. 4m @ 10.35g/t Au from 33m to 37m
- MRC008 23m @ 1.25g/t Au from 18m to 41m  
Incl. 5m @ 3.34g/t Au from 30m to 35m
- MRC013 10m @ 6.83g/t Au from 29m to 39m  
Incl. 1m @ 12.80g/t Au from 30m to 31m &  
1m @ 13.60g/t Au from 37m to 38m.
- MRC016 4m @ 4.42g/t Au from 47m to 51m  
Incl. 1m @ 12.85g/t Au from 49m to 50m
- MRC017 15m @ 1.92 g/t Au from 32m to 47m  
Incl. 3m @ 4.79g/t Au from 37m to 40m

The drilling covered about 800m of strike of Banded Iron Formation (BIF)-felsic schist-siltstone Archaean stratigraphy from hole MRC014 in the north-west to hole MRC010 in the south-east.

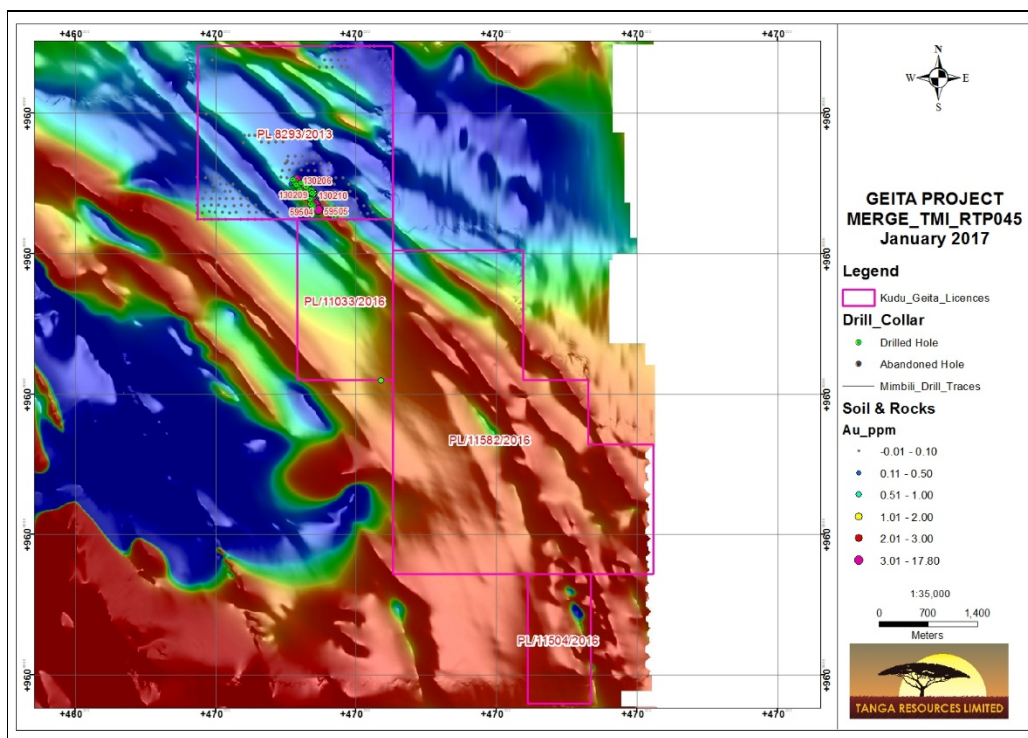


Figure 4. Mimbili PL8293/2013 & PL11033/2016 Tenement Location Plan

Mimbili RC Drill Results											
Drill Hole	Depth m	Easting	Northing	Elev m	Azimuth	Dip	From m	To m	Interval m	Grade Au g/t	Comments
MRC002	107	7294	38791	1150	50	-60	98	100	2	1.87	magnetite BIF
MRC003	136	7181	38957	1152	50	-60	39	63	24	1.33	oxide BIF & felsic schist
						incl.	40	44	4	1.05	oxide BIF
						incl.	46	47	1	1.53	oxide BIF
						incl.	54	63	9	2.59	BIF felsic schist contact
MRC004	100	7142	39005	1156	50	-60	32	49	17	2.05	saprolite & oxide BIF
						incl.	33	37	4	10.35	saprolite & oxide BIF
						incl.	33	34	1	28.7	gossanous vein quartz in BIF
MRC005	108	7396	38687	1145	50	-60	29	34	5	1.75	oxidized fine grained magnetite BIF
							45	47	2	4.66	felsic schist contact with magnetite BIF
MRC007	128	7277	38812	1170	50	-60	119	121	2	3.00	silica-magnetite BIF with sulphides
MRC008	110	7358	38891	1161	230	-60	18	41	23	1.25	gossanous magnetite BIF
						incl.	30	35	5	3.34	gossanous silica-magnetite BIF
MRC010	71	7703	38516	1153	50	-60	50	51	1	1.54	tuffaceous siltstone
MRC011	100	7590	38592	1154	50	-60					no significant assays
MRC012	118	7386	38675	1155	50	-60	77	79	2	1.22	cherty BIF with pyrrhotite
							87	91	4	1.12	cherty BIF with pyrrhotite
							100	101	1	8.46	cherty BIF with up to 30% pyrrhotite
						overall	77	101	25	0.84	magnetite BIF with up to 30% sulphides
MRC013	126	7161	38982	1159	50	-60	29	39	10	6.83	gossanous cherty BIF
						incl.	30	31	1	12.80	gossanous cherty BIF
							37	38	1	13.60	gossanous cherty BIF
MRC016	160	7209	38902	1160	50	-60	47	51	4	4.42	sheared tuffaceous siltstone
						incl.	49	50	1	12.85	sulphidic BIF
							76	78	2	1.03	BIF
MRC017	120	7333	38914	1159	230	-60	32	47	15	1.92	banded cherty BIF
						incl.	37	40	3	4.79	gossanous BIF
						incl.	39	40	1	9.31	gossanous BIF
						incl.	44	47	3	2.59	gossanous BIF
							95	96	1	2.27	gossanous BIF
MRC018	120	7298	38948	1159	230	-60	71	77	6	1.18	quartz veined BIF
						incl.	72	73	1	3.28	gossanous BIF
MRC021	68	7387	38859	1156	230	-60	3	22	19	0.53	oxide BIF
						incl.	6	7	1	1.02	oxide BIF
						incl.	10	11	1	1.11	oxide BIF
						incl.	21	22	1	1.77	oxide BIF

Projection: ARC 1960 UTM Datum

All assays by ALS Johannesburg: Au <10g/t by AA24 (50gm Fire Assay); >10g/t Au by Au-GRA22 (gravimetric)

All holes surveyed by down hole Reflex tool; collars picked up by DGPS

All intercepts calculated using a 0.5g/t Au cutoff, no upper cut, maximum of 3m internal dilution

**Tenement Directory**

<b>Project Interest</b>	<b>Tenement Number</b>	<b>Name</b>	<b>Beneficial</b>
Singida	PL10971/2016	Wandela	99.95%
Singida	PL7246/2011	Wandela West	99.95%
Singida	PL7296/2011	Harare	99.95%
Singida	PL7344/2011	South Garauja	99.95%
Singida	PL7389/2011	North Garauja	99.95%
Singida	PL7405/2011	West Garauja	99.95%
Singida	PL7644/2011	Mbulu	99.95%
Singida	PL8208/2012	Wandela Renewal	99.95%
Geita	PL8293/2013	Mimbili	99.95%
Singida	PL9293/2013	Basuto	99.95%
Singida	PL9895/2014	Dorirojiki	99.95%
Singida	PL10570/2015	Singa Kubwa	99.95%
Singida	PL10572/2015	Mpipiti West	99.95%
Singida	PL10620/2015	Wandela Central	99.95%
Kahama	PL10675/2015	Bukombe	99.95%
Singida	PL10843/2016	Mpipiti East	99.95%
Singida	PL10863/2016	Mwando	99.95%
Singida	PL10864/2016	Haidom West	99.95%
Singida	PL10865/2016	Iramba West	99.95%
Hanang	PL10876/2016	Kiboroda	99.95%
Hanang	PL10889/2016	Gairo	99.95%
Hanang	PL10940/2016	Getanyambu	99.95%
Singida	PL10971/2016	Wandela East	99.95%
Geita	PL11033/2016	Mimbili South	99.95%

**Capital Raising**

During the reporting period, \$308,850 was raised through the exercise of 6.2 million Options by shareholders.

On 1 March 2017, the Company announced a share placement of 14.3 million shares to raise \$0.5 million had been made.

Pursuant to shareholder approval at the 2016 AGM, directors were issued a total of 11 million options exercisable at \$0.12 each and expiring on 30 September 2019.

**RESULTS OF OPERATIONS**

The operating loss after income tax of the Company for the half-year ended 31 December 2016 was \$1,219,134 (2015: \$322,659).

The Company's basic loss per share for the period was 0.32 cents (2015: 0.12 cents).

**SUBSEQUENT EVENTS**

Other than noted elsewhere in this report, no matters or circumstances have arisen since the end of the half year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

***Competent Person Statement***

The information in this report relates to Exploration Results 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 Ltd.

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.

**AUDITOR'S INDEPENDENCE DECLARATION**

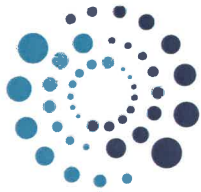
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 immediately follows the Directors' Report.

This report has been made in accordance with a resolution of the Board of Directors.



**Allen Lafferty**  
**Chairman**

Perth, 16 March 2017



Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458

Level 2, 35 Outram Street, West Perth WA 6005

PO Box 983, West Perth WA 6872

T 08 6555 9500 | F 08 6555 9555

[www.greenwichco.com](http://www.greenwichco.com)

## Auditor's Independence Declaration

To those charged with the governance of Tanga Resources Limited

As auditor for the review of Tanga Resources Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

**Nicholas Hollens**  
Managing Director

16 March 2017  
Perth

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
COMPREHENSIVE INCOME**  
**For the Half-Year Ended 31 December 2016**

	Note	31 Dec 2016	31 Dec 2015
		\$	\$
Finance income		14,916	820
Foreign currency exchange gains		20	-
Corporate expense		(128,074)	(68,999)
Employee expense		(248,454)	(29,627)
Administration expense		(333,139)	(116,853)
Depreciation expense		(34,000)	-
Share based payment expenses	7	(490,403)	(108,000)
<b>Loss before income tax expense</b>		<b>(1,219,134)</b>	<b>(322,659)</b>
Income tax expense		-	-
<b>Loss for the half year</b>		<b>(1,219,134)</b>	<b>(322,659)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement in currency translation of foreign operations		102,724	91,326
<b>Other comprehensive income for the period, net of tax</b>		<b>(1,116,410)</b>	<b>(231,333)</b>
<b>Total comprehensive loss for the period</b>		<b>(1,116,410)</b>	<b>(231,333)</b>
Basic loss per share (cents per share)		(0.32)	(0.12)
Diluted loss per share (cents per share)		(0.32)	(0.12)

*The above condensed consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### As at 31 December 2016

		31 Dec 2016	30 June 2016
	Note	\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	5	407,413	2,922,801
Trade and other receivables		21,954	23,899
Total Current Assets		429,367	2,946,700
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	6	5,948,071	3,514,468
Financial assets		1,845	1,845
Property, plant and equipment		164,094	180,003
Total Non-Current Assets		6,114,010	3,696,316
<b>TOTAL ASSETS</b>		6,543,377	6,643,016
<b>Current Liabilities</b>			
Trade and other payables		56,735	89,217
Total Current Liabilities		56,735	89,217
<b>TOTAL LIABILITIES</b>		56,735	89,217
<b>NET ASSETS</b>		6,486,642	6,553,799
<b>Equity</b>			
Contributed equity	7	17,938,575	17,379,725
Reserves		903,245	310,118
Accumulated losses		(12,355,178)	(11,136,044)
<b>TOTAL EQUITY</b>		6,486,642	6,553,799

*The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.*



# **CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** **For the Half-Year Ended 31 December 2016**

	Issued Capital	Accumulated losses	Foreign currency translation reserve	Share base payment reserve	Total equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>12,687,220</b>	<b>(10,465,848)</b>	<b>112,212</b>	<b>163,176</b>	<b>2,496,760</b>
Loss for the period	-	(322,659)	-	-	(322,659)
Other comprehensive profit for the period	-	-	91,326	-	91,326
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(322,659)</b>	<b>91,326</b>	<b>-</b>	<b>(231,333)</b>
Transactions with owners in their capacity as owners:					
Share based payment	171,000	-	-	-	171,000
Issue of shares	342,500	-	-	-	342,500
<b>Balance at 31 December 2015</b>	<b>13,200,720</b>	<b>(10,788,507)</b>	<b>203,538</b>	<b>163,176</b>	<b>2,778,927</b>
<b>Balance at 1 July 2016</b>	<b>17,379,725</b>	<b>(11,136,044)</b>	<b>146,942</b>	<b>163,176</b>	<b>6,553,799</b>
Loss for the period	-	(1,219,134)	-	-	(1,219,134)
Other comprehensive profit for the period	-	-	102,724	-	102,724
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(1,219,134)</b>	<b>102,724</b>	<b>-</b>	<b>(1,116,410)</b>
Transactions with owners in their capacity as owners:					
Share based payment	-	-	-	490,403	490,403
Issue of shares	558,850	-	-	-	558,850
<b>Balance at 31 December 2016</b>	<b>17,938,575</b>	<b>(12,355,178)</b>	<b>249,666</b>	<b>653,579</b>	<b>6,486,642</b>

*The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

### For the Half-Year Ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers, contractors and employees	(700,219)	(175,859)
Interest received	14,916	518
Net cash used in operating activities	(685,303)	(175,341)
<b>Cash Flows from Investing Activities</b>		
Payments for purchase of property, plant and equipment	(12,670)	-
Payments for exploration and evaluation expenditure	(2,126,285)	(303,809)
Net cash used in investing activities	(2,138,955)	(303,809)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	308,850	342,500
Net cash flows from financing activities	308,850	342,500
Net decrease in cash and cash equivalents	(2,515,408)	(136,650)
Effect of foreign currency translation	20	29,785
Cash and cash equivalents at the beginning of the half-year	2,922,801	228,305
<b>Cash and cash equivalents at the end of the half-year</b>	<b>407,413</b>	<b>121,440</b>

*The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.*

# NOTES TO THE FINANCIAL STATEMENTS

## For The Half-Year Ended 31 December 2016

### 1. CORPORATE INFORMATION

Tanga Resources Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The financial report of Tanga Resources Limited for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 16 March 2017.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Tanga Resources Limited for the year ended 30 June 2016.

It is also recommended that the half-year financial report be considered together with any public announcements made by Tanga Resources Limited and its controlled entities during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

#### (a) Statement of Compliance

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 "Interim Financial Reporting", and other mandatory professional reporting requirements.

#### (b) Basis of Preparation

The half-year financial report has been prepared on a historical cost basis, except where stated. The accounting policies and method of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2016 annual financial report for the year ended 30 June 2016, except for the impact of the Standard and Interpretation described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### (c) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity has incurred net losses after tax of \$1,219,134 (31 December 2015: \$322,659) and experienced net cash outflows from operating and investing activities of \$2,824,258 (31 December 2015: \$479,150) for the half-year ended 31 December 2016. As at 31 December 2016 the Consolidated Entity had cash assets of \$407,413 and net current assets of \$372,632.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity be unable to continue as a going concern.

The directors recognise that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due for the next 12 months is dependent on the ability of the Group to secure additional funding through either the issue of further shares and / or options.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve the matters set out above. The directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

## NOTES TO THE FINANCIAL STATEMENTS

### For The Half-Year Ended 31 December 2016

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

#### (d) Changes in Accounting Policies and Disclosures

In the half year ended 31 December 2016, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016.

As a result of this review the Directors have determined that there is no impact material, or otherwise, of the new and revised standards and interpretations on its business and therefore, no change is necessary to Group accounting policies.

#### (e) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Tanga Resources Limited and its controlled subsidiary ('the Group').

### 3. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements for the year ended 30 June 2016.

### 4. SEGMENT INFORMATION

The Company has one operating segment that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

The Company operates in one operating and geographic segment being mineral exploration, and evaluation in Tanzania for the half-year periods ended 31 December 2016 and 31 December 2015.

### 5. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents are comprised of the following:

	31 Dec 2016	30 June 2016
	\$	\$
Cash at bank and in hand	407,413	907,174
Short term deposits	-	2,015,627
	<u>407,413</u>	<u>2,922,801</u>

The material non-cash investment and financing activity during the half year were:

(a) Share based remuneration granted during the year for \$490,403.

### 6. EXPLORATION AND EVALUATION EXPENDITURE

	Half year ended	Year ended
	31 Dec 2016	30 June 2016
	\$	\$
Balance at beginning of the period	3,514,468	2,344,382
Exploration expenditure capitalised during the period	2,367,310	1,155,734
Exploration transferred	-	(21,683)
Effect of exchange rate movements	66,293	36,035
Balance at end of the period	<u>5,948,071</u>	<u>3,514,468</u>

# NOTES TO THE FINANCIAL STATEMENTS

## For The Half-Year Ended 31 December 2016

### 7. CONTRIBUTED EQUITY

	31 Dec 2016	30 June 2016
	\$	\$
a) Issued and fully paid ordinary shares 390,503,387 (June 2016: 380,538,515)	<b>17,938,575</b>	<b>17,379,725</b>
b) Movement in issue and fully paid shares		
	<b>Number of shares</b>	<b>\$</b>
Balance at 1 July 2016	<b>380,538,515</b>	17,379,725
Conversion of Options @ \$0.05	<b>6,176,993</b>	308,850
Issued in lieu of services at deemed \$0.066	<b>3,787,879</b>	250,000
Balance at 31 December 2016	<b>390,503,387</b>	17,938,575
	<b>Number of options</b>	
c) Unexpired options at reporting date:		
\$0.05 cent options expiring 30 April 2017	<b>7,409,646</b>	
\$0.12 cent options expiring 30 Sept 2019	<b>16,500,000</b>	
	<b>23,909,646</b>	

### 8. COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted under the Minerals Act of the United Republic of Tanzania.

At the date of this report, the Company's only commitment to the tenements is to make annual rental payments of USD97,000 per annum.

### 9. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2016.

### 10. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 1 March 2017, the Company announced a share placement of 14.3 million shares to raise \$0.5 million had been made.

Other than the above, no matters or circumstances have arisen since the end of the half year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## DIRECTORS' DECLARATION

The Directors of the company declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

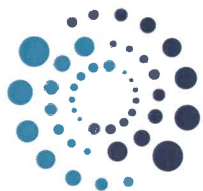
Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Allen Lafferty', with a long horizontal stroke extending to the right.

**Allen Lafferty**  
**Chairman**

Perth, 16 March 2017



## Independent Auditor's Review Report

To the members of Tanga Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tanga Resources Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Tanga Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tanga Resources Limited is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
- and complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

### *Emphasis of matter - Inherent uncertainty regarding continuation as a going concern*

Without modifying our opinion, we draw attention to Note 2(c) to the financial statements which outlines that the ability of the Group to continue as a going concern is dependent on the Group securing additional funding through either the issue of further shares and/or options.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Greenwich & Co Audit Pty Ltd

**Greenwich & Co Audit Pty Ltd**

Nicholas Hollens

**Nicholas Hollens**  
Managing Director

16 March 2017