



ABN 41 141 940 230

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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CORPORATE DIRECTORY

DIRECTORS

Nigel Lafferty (Non-exexutive Chairman)
John Stockley (Technical Director)
John Jones (Non- Executive Director)
Matthew Bowles (Alternate for J Stockley)

CEO

Matthew Bowles

COMPANY SECRETARY

Graeme Smith

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Website: www.tangaresources.com.au

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Melbourne VIC 3000

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STOCK EXCHANGE LISTING

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



The Directors present their report on Tanga Resources Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2018.

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:

Nigel Lafferty (appointed 17 December 2018)

John Jones

John Stockley

Ian Stuart (appointed 26 June 2018, resigned 26 November 2018)

Allen Lafferty (retired 17 December 2018)

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

REVIEW OF OPERATIONS

Hagenhof Copper-Cobalt Project, Namibia

The Hagenhof Copper Cobalt Project ("Hagenhof") is a highly prospective copper-cobalt project, hosted within a major structural setting, within the Damaran Metallogenic Belt in central northern Namibia. The recent acquisition of Hagenhof expands Tanga's presence in Namibia, adding to the Joubira Zinc Project and provides shareholders with greater exposure to highly sought after metals, including copper and cobalt, for which strong demand is forecast with the rising uptake in electric vehicles.

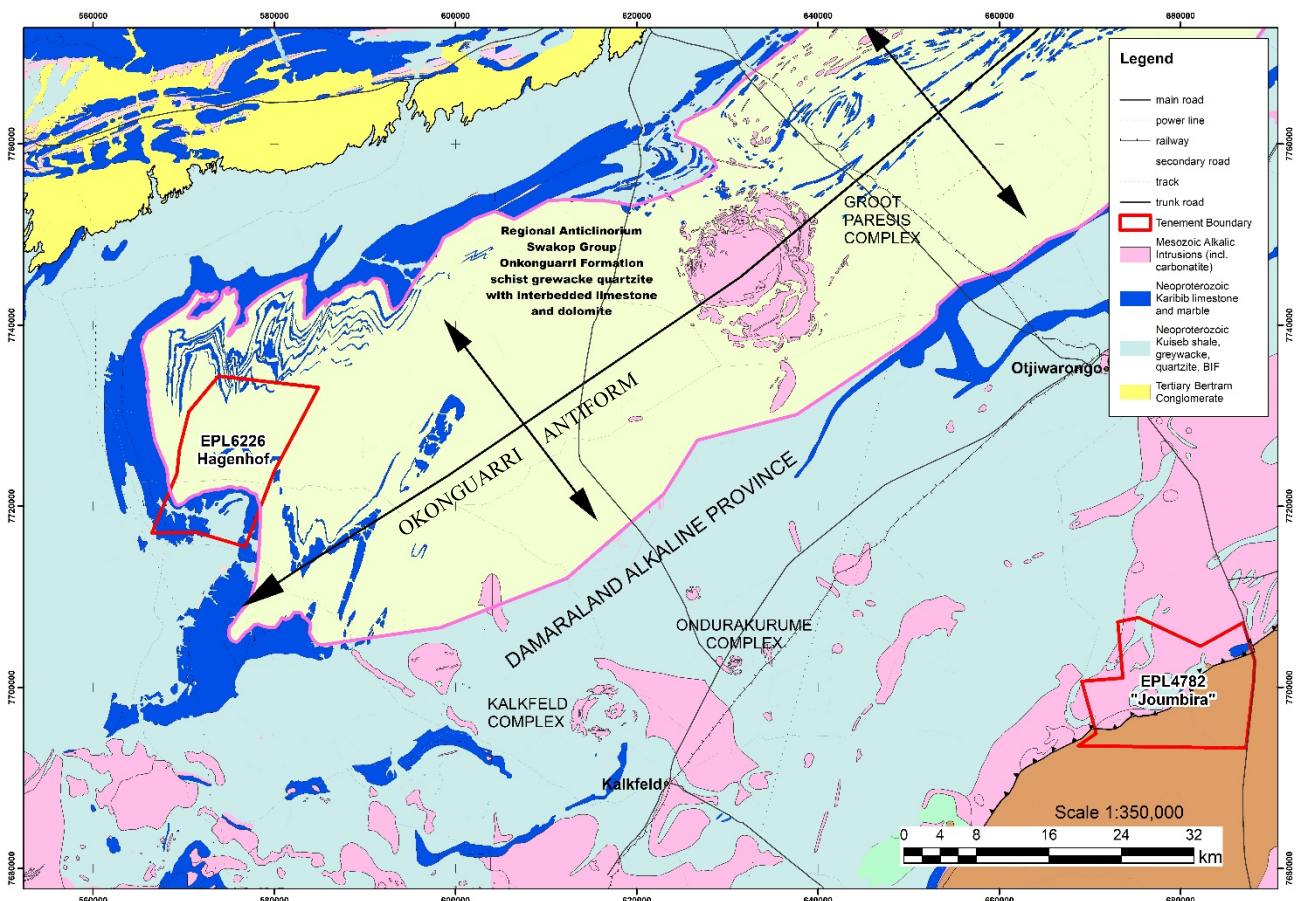


Figure 1. Location of Hagenhof Project (EPL6226), within the Damara Belt and proximity to the Joubira Zinc Project, Namibia.

Hagenhof is a granted exploration permit covering 197.26km² in central northern Namibia, approximately 200km northwest of the capital, Windhoek and approximately 80km west of the Joubira Zinc Project.

The copper-cobalt mineralisation at Hagenhof is hosted within calc-silicate rocks, quartz-biotite schists, black shale and folded dolomite, within the Okonguarri Formation of the NeoProterozoic Swakop Group of the Damaran Metallogenic Belt, which runs through central Namibia.

Structural mapping completed at Hagenhof by Phelps Dodge Exploration Co. Ltd and TG Exploration Ltd shows the copper mineralisation to be hosted within the axial planes of steep, overturned east-north-east striking anticlines, cut by later north-north-east trending cross folds.

The host rock is sheared with tight, asymmetric fold patterns which can be seen from the regional satellite imagery over Hagenhof Copper-Cobalt Project, with the regional aeromagnetic data showing a major north-south trending structure with north-east trending cross faults.

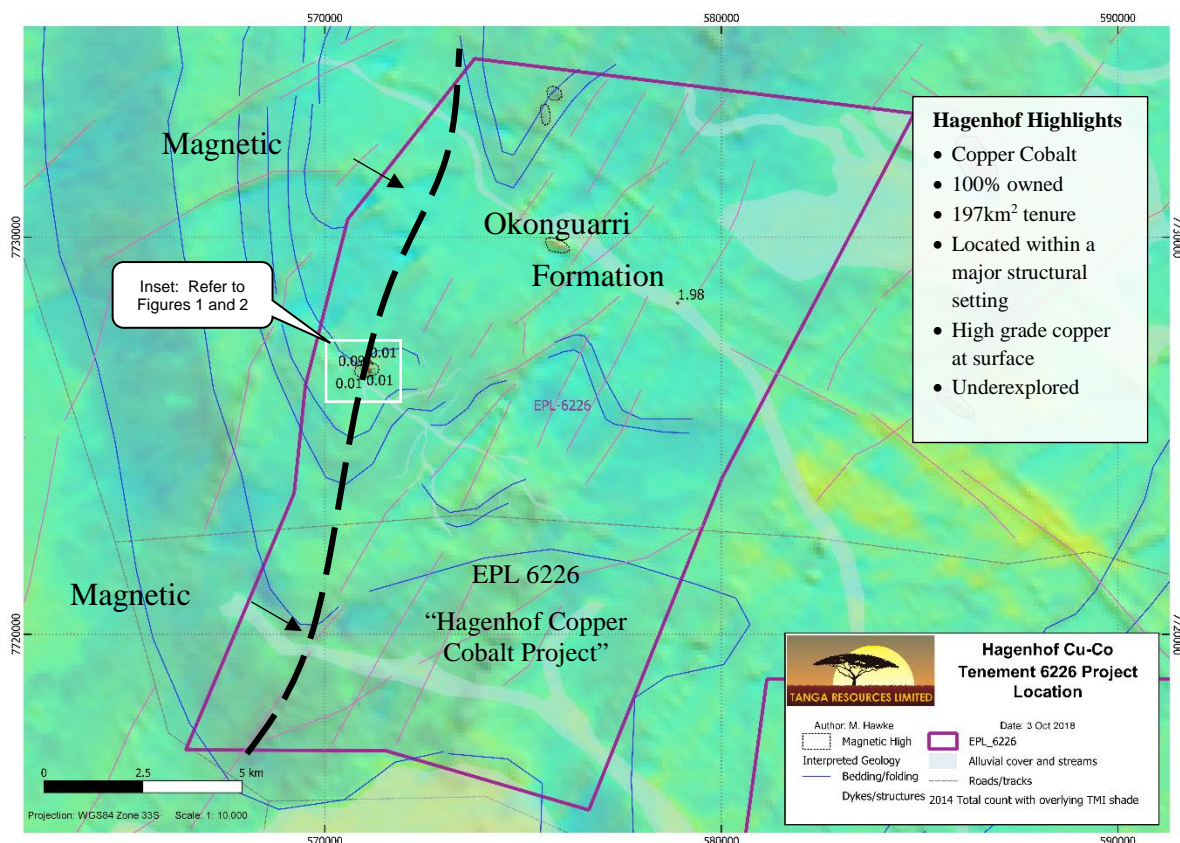


Figure 2: Hagenhof Licence (EPL6226) outlining interpreted geological folding and magnetic trend over the 197km². Inset highlights the limited area where the majority of historical and recent exploration has been undertaken to date.

During the period the Company announced further rock chip samples **confirming very high surface copper values, anomalous gold, cobalt, in a substantial siliceous gossan body outcropping over a +200m strike.**

These samples returned **peak values of 3.54% copper, gold assayed up to 0.6 g/t and malachite-azurite stained gossan has cobalt levels of up to 303ppm at surface.** A selection of these results include

- 3.54%Cu and 324ppm Co
- 3.24% Cu and 303ppm Co
- 2.97% Cu and 221ppm Co
- 2.4% Cu and 230ppm Co
- 1.98% Cu, 244ppm Co and 0.6 g/t Au



Preparations have commenced to undertake a 1,200m reverse circulation (RC) drilling programme and down-hole electro-magnetic (EM) geophysics to target high grade copper-cobalt mineralisation and to test the grade and tenor of the historical copper mineralisation reported. The Company is also preparing to undertake a tenement wide surface sampling and mapping programme over Hagenhof, to identify additional target areas.

The environmental impact assessment at Hagenhof, a pre-requisite for the submission to Ministry of Mines and Energy of the Notification of Intention to Drill, has been completed and agreements have been signed with the local private land holder at Hagenhof 91, granting the Company permission to access the area to conduct exploration.

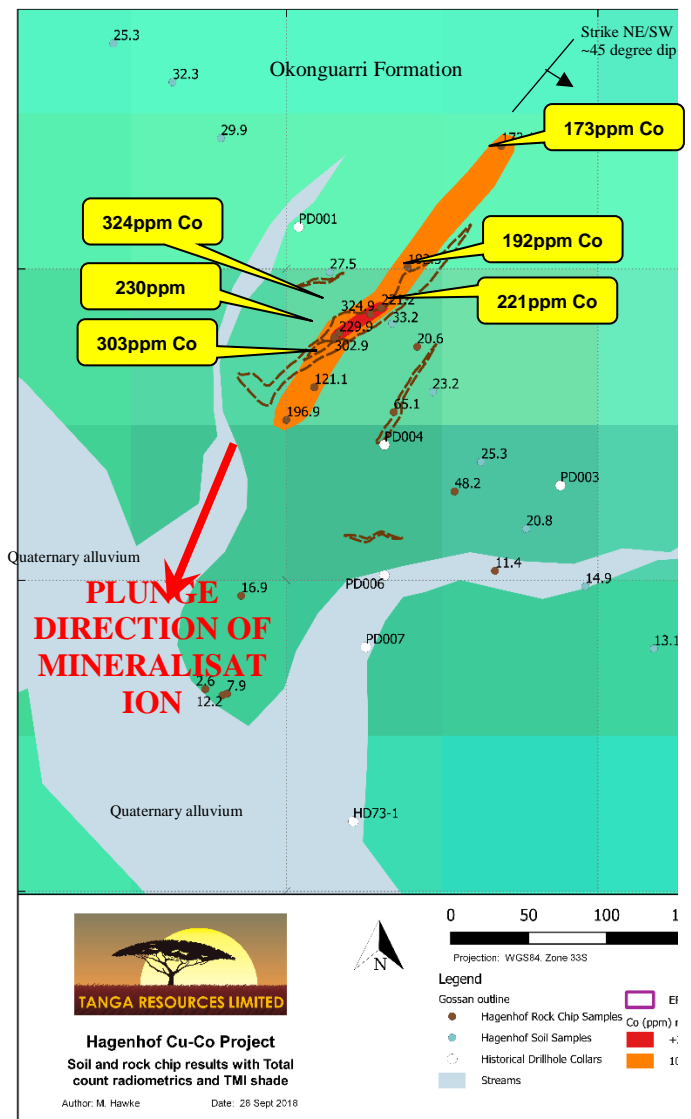
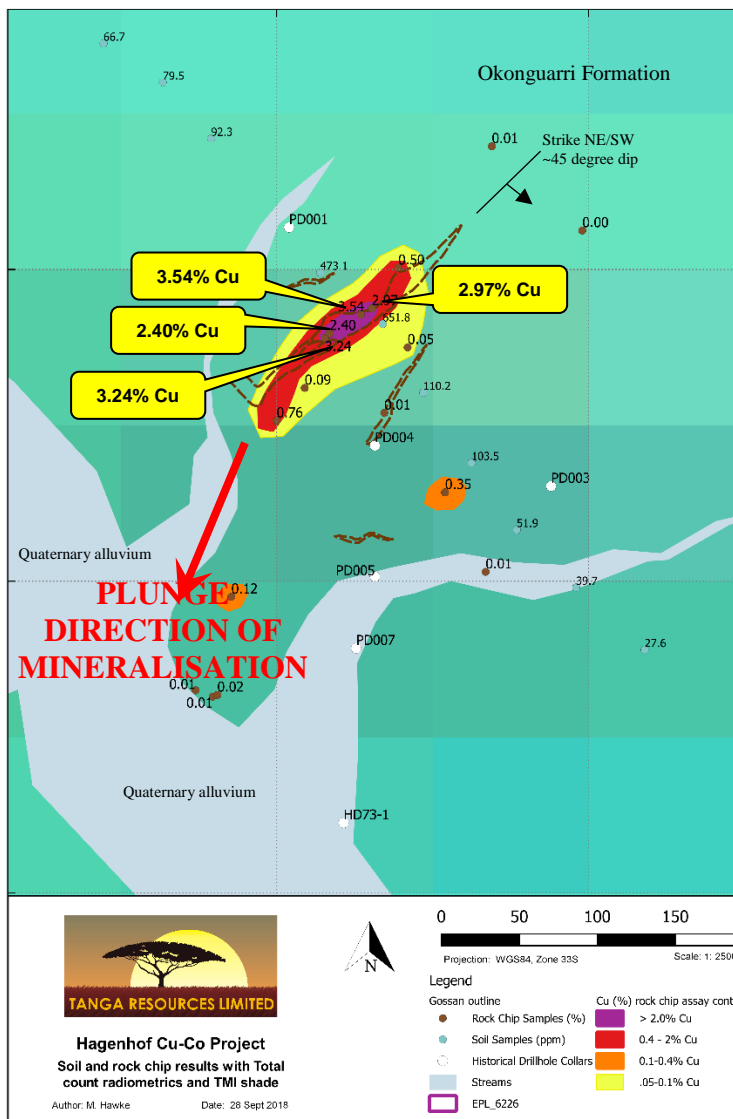


Figure 3. Copper rock chip and soil results, with assay contours overlain with Total Count Radiometrics and TMI Shade.

Figure 4. Cobalt rock chip and soil results, with assay contours overlain with Total Count Radiometrics and TMI Shade.

Joumbira Zinc Project, Namibia

Joumbira Zinc Project (“Joumbira”) is an advanced, zinc-lead-silver project covering approximately 210km² and located in the highly prospective Damaran Belt, Namibia.

Joumbira is located in central Namibia, approximately 190km by sealed road from the capital, Windhoek and 400km from the port of Walvis Bay. Joumbira has excellent infrastructure with the major service town Otjiwarongo located 50km to the north with existing grid power and the national railway line is in close proximity.

The zinc-lead-silver mineralisation at Joumbira is thought to be carbonate replacement within Neoproterozoic Damaran calc-silicate sedimentary rocks intruded by Cambrian aged felsic rocks. Massive sulphide replacement mineralisation occurs distal to the felsic intrusives, and the Project has had little modern exploration carried out since 2002.

Joumbira occurs within a major metallogenic belt (defined by regional magnetic data) stretching for over 300km southwest to Navachab (27Mt @ 2g/t Au) and northeast to Otjikoto (29Mt @ 1.5g/t Au) and the Kombat district (16Mt @ 2.6% Cu & 1.5% Pb) near Tsumeb (74Mt @ 4% Cu & 10% Pb).

No field work was completed during the period. The Company continues to review historical exploration data on Joumbira in conjunction with the more recent results, to determine the follow up exploration programme for 2019.

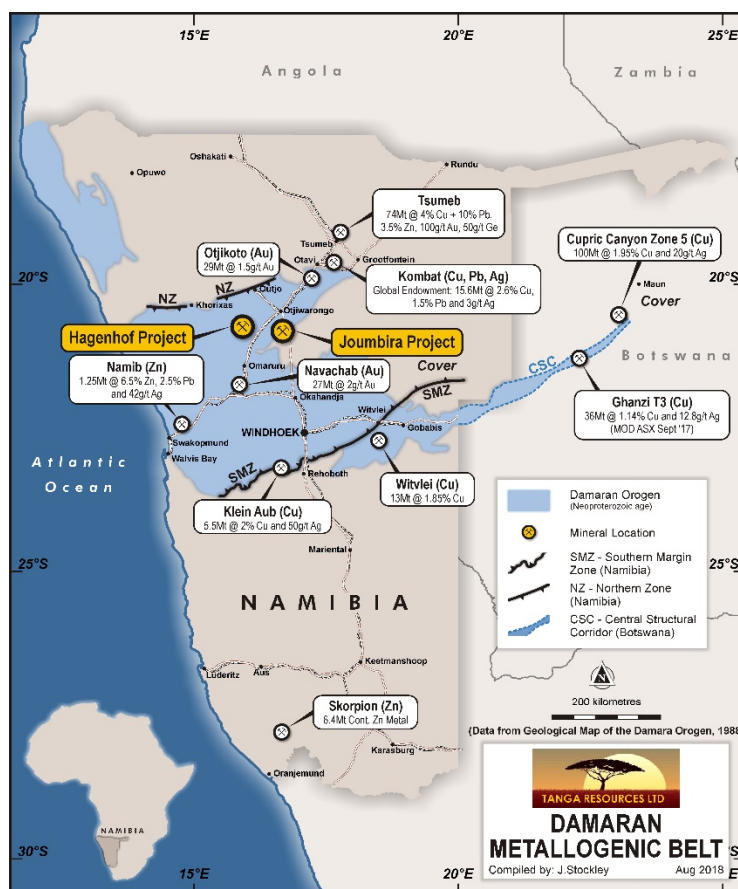


Figure 5: Location of the Hagenhof and Joumbira Projects, Namibia.

Epangelo Regional Joint Venture Project

In February 2019, Tanga signed a binding agreement with Epangelo Mining (Pty) Ltd (“**Epangelo**”) to earn an initial equity interest of 80% in a portfolio of exploration Licences located in Namibia, (the “**Earn-In Agreement**”).

The Licences are located on the Damara Orogenic Belt in central northern Namibia, immediately south of the Company’s Hagenhof Copper-Cobalt Project and significantly expand Tanga’s total regional land position to over 1,700km². The Licences have had very little modern exploration however, regional aeromagnetic data shows a major north-south trending structure running through one of the Licences, EPL 4833, and continuing up into Hagenhof.

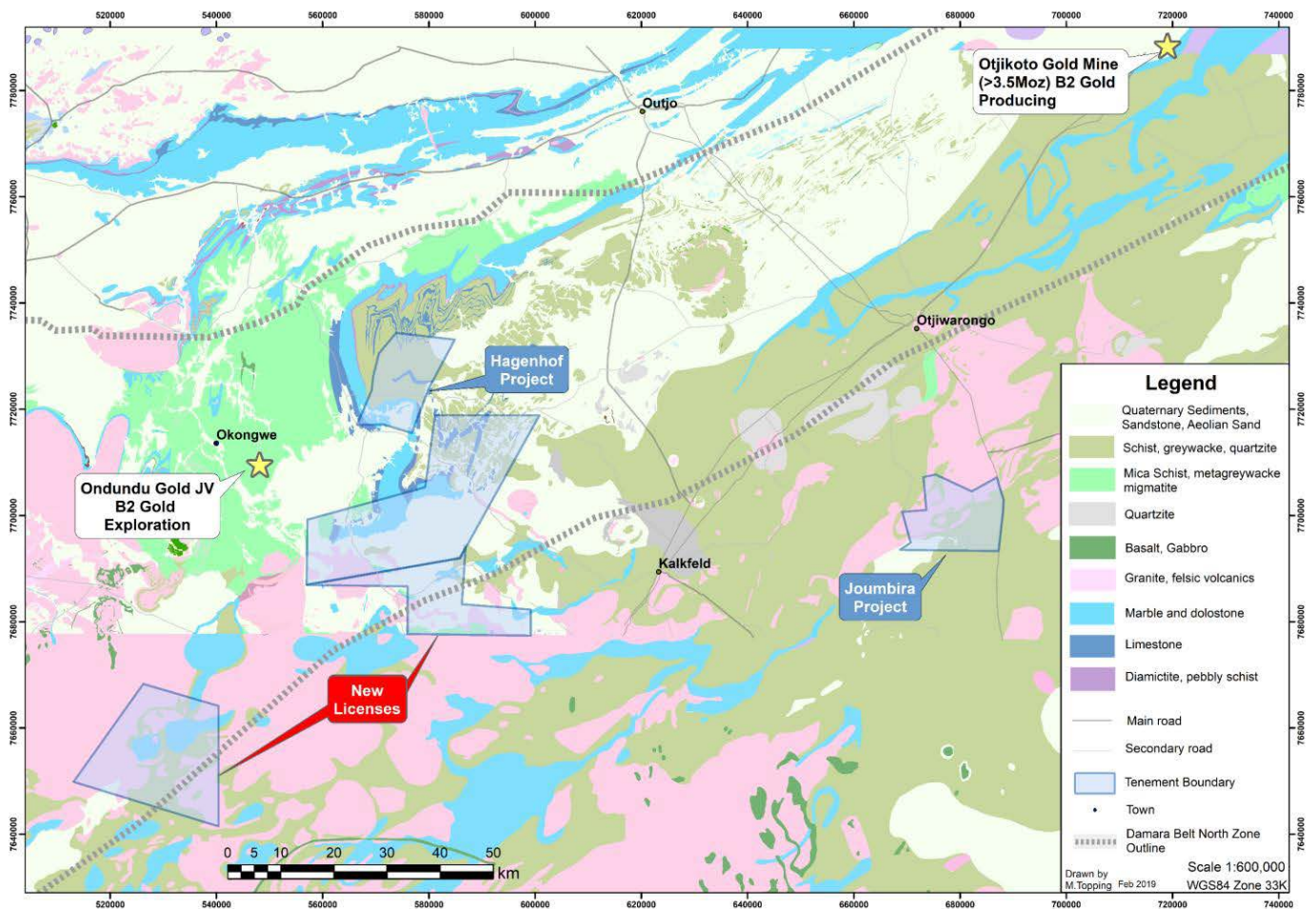


Figure 1. Location of the Licences (EPL 4818, EPL 4833 and EPL 7246) within the Damara Belt and proximity to the Hagenhof Project (EPL6226) and Joubira Zinc Project (EPL4782), Namibia. Totalling over 1,700km²

Hanang Gold Project, Tanzania

The Hanang Gold Project ("Hanang") is a regional gold project of over 800 km², located in Tanzania. The project is owned 99.95% by a Tanzanian subsidiary of Tanga and is located on a highly prospective and unexplored Archaean greenstone belt on the eastern margin of the +70 Moz gold endowed Lake Victoria Gold Field, host to world class deposits such as Geita (30 Moz) and Bulyanhulu (10.5 Moz). Further to the west of the project, on the same structural corridor, was Resolute's Golden Pride Mine which produced over 2.2 Moz of gold.

Regionally, within the 415 km² Hanang Gold Project, there are numerous high priority gold targets that remain untested.

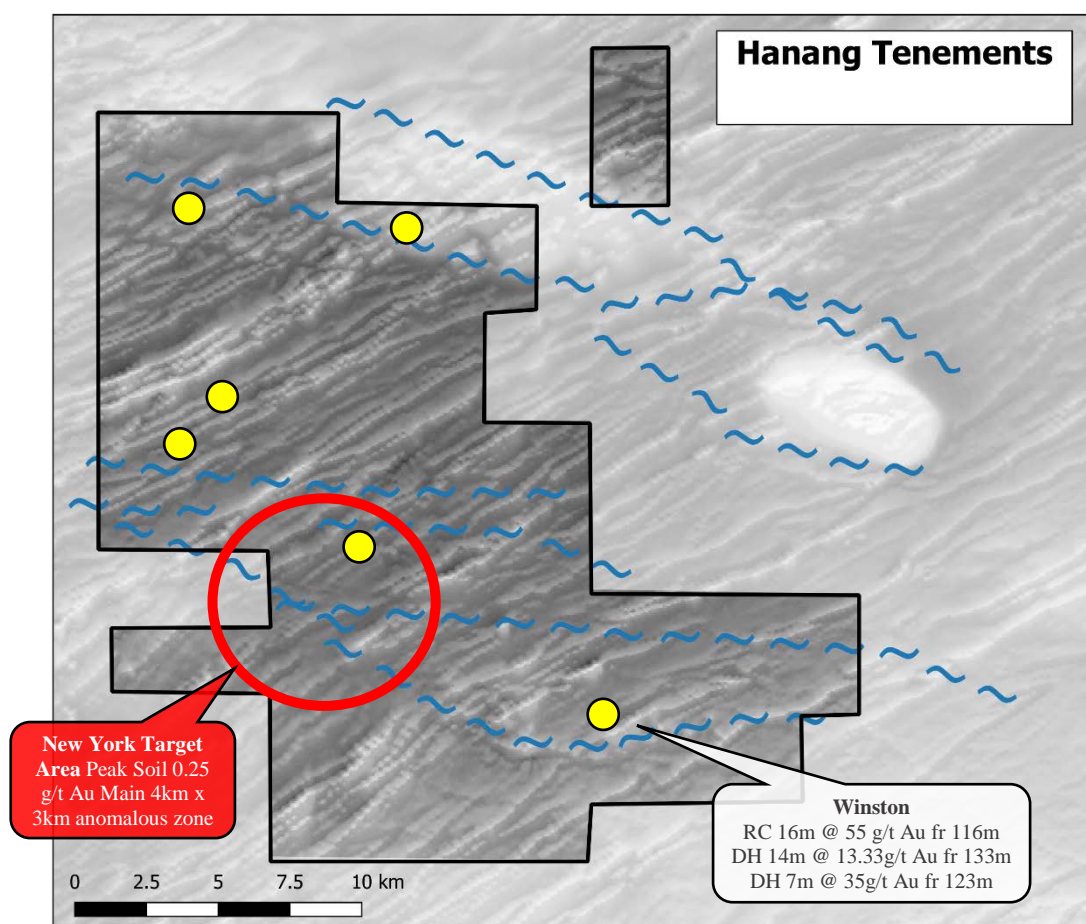


Figure 6. Hanang Gold Project location plan and regional targets.

The Company undertook a review of operational and holding costs in Tanzania which has resulted in a number of costs reductions, including the relinquishment of non core tenements at Hanang Gold Project. The renewal approval fees and annual rents have been paid on core licenses, including PL9293 and the Company is continuing to monitor the progress renewal process.

The Company has also commenced a strategic review of the Hanang Gold Project to assess various alternatives available to advance the asset



CORPORATE

Financial and corporate

The Company completed a renounceable entitlements issue, together with the Shortfall Offer, and a Placement, raising a total of \$2.19 million (before costs). Total costs, including broker and legal costs, associated with the issue, shortfall and placement were \$0.21m.

The Company received a 249D notice requisitioning a meeting for the removal of Directors Mr John Stockley and Mr John Jones and the appointment Mr Leslie Ingraham. These resolutions were voted against by an overwhelming majority of shareholders.

As at 31 December 2018 the Company had a cash position of \$1.53m. Key expenses incurred during the period related to the entitlement issue, shortfall and placement (\$0.23m), Tanzanian tenement renewals/relinquishments and camp demobilisation (\$0.10m) and legal and other expenses associated with the 249D requisition (\$0.2m).

Mr Nigel Lafferty was appointed as Non Executive Chairman following the retirement of Mr Allen Lafferty.

During the period Non Executive Director, Mr Ian Stuart resigned from the Board.

New project generation

In addition to the acquisition of Joubira and the more recently acquired Hagenhof Copper-Cobalt Project, the Company continues to evaluate several other precious and base metal project opportunities for joint venture, earn-in and/or acquisition. The assessment of these projects is ongoing and confidential in nature. Further information shall be released as appropriate.

For additional information on Tanga and the Company's project please visit: www.tangaresources.com.au

Competent Person Statement

The information in this report that relates to the exploration results, geology and geophysical interpretation was based on material compiled by John Stockley. Mr Stockley is a Member of the Australian Institute of Geoscientists and is a Director of Tanga Resources Limited. Mr Stockley has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which was being undertaken to qualify as Competent Person as defined in the 2012 Edition of the JORC "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Stockley consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Previously Reported Results

There is information in this report relating to exploration results which were previously announced on 15 August 2018 and 16 October 2018. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Appendix 1 – Exploration Interests

Project	Tenement Number	Name	Status	Beneficial Interest	Area (km²)
Tanzania					
Hanang	PL7246/2011	Wandela West	Current	99.95%	12.79
Hanang	PL7644/2011	Haidom	Current	99.95%	14.95
Hanang	PL8208/2012	Wandela	Current	99.95%	42.21
Hanang	PL9293/2013	Basuto	Current	99.95%	39.59
Hanang	PL9895/2014	Dorirojiki	Under Renewal	99.95%	22.95
Hanang	PL10570/2015	Singa Kubwa	Current	99.95%	65.53
Hanang	PL10620/2015	Wandela Central	Current	99.95%	23.74
Hanang	PL10865/2016	Iramba West	Current	99.95%	47.49
Hanang	PL10939/2016	Wandela East	Current	99.95%	23.74
Hanang	PL11073/2017	Haidom West	Current	99.95%	26.49
Hanang	PL11059/2017	Haidom Farwest	Current	99.95%	46.65
Hanang	PL11060/2017	Singa North	Current	99.95%	48.97
Namibia					
Joumbira	EPL4782	Joumbira	Under Renewal	10% (80% earn in)	210.27
Hagenhof	EPL6226 197.00	Hagenhof	Current	100%	

Total area of current tenements granted and under application = 822.37km²

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2018 was \$6,504,807 (2017: \$4,068,890).

The Company's basic loss per share for the period was 0.70 cents (2017: 0.88 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.

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.

A handwritten signature in black ink, appearing to be 'N. Lafferty', with a long horizontal flourish extending to the right.

Nigel Lafferty
Chairman

Perth, 15 March 2019

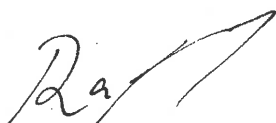
Auditor's Independence Declaration

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 2018, 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



Rafay Nabeel
Audit Director

15 March 2019
Perth

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME**
For the Half-Year Ended 31 December 2018

	Note	31 Dec 2018	31 Dec 2017
		\$	\$
Finance income		1,495	740
Foreign currency exchange gains		(1,541)	(1,391)
Corporate expense		(363,349)	(130,234)
Employee expense		(242,166)	(232,627)
Impairment of exploration assets		(5,637,068)	(3,250,000)
Administration expense		(225,125)	(111,176)
Depreciation expense		(37,053)	(34,602)
Share based payment expenses	7	-	(309,600)
Loss before income tax expense		(6,504,807)	(4,068,890)
Income tax expense		-	-
Loss for the half year		(6,504,807)	(4,068,890)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement in currency translation of foreign operations		241,569	27,470
Other comprehensive income for the period, net of tax		241,569	27,470
Total comprehensive loss for the period		(6,263,238)	(4,041,420)
Basic loss per share (cents per share)		(0.70)	(0.88)
Diluted loss per share (cents per share)		(0.56)	(0.88)

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 2018

		31 Dec 2018	30 June 2018
	Note	\$	\$
Current Assets			
Cash and cash equivalents	5	1,524,601	731,987
Trade and other receivables		76,777	25,178
Total Current Assets		1,601,378	757,165
Non-Current Assets			
Exploration and evaluation expenditure	6	2,339,227	7,290,889
Financial assets		2,250	2,250
Property, plant and equipment		50,834	84,981
Total Non-Current Assets		2,392,311	7,378,120
TOTAL ASSETS		3,993,689	8,135,285
Current Liabilities			
Trade and other payables		252,806	140,041
Financial liabilities		-	-
Total Current Liabilities		252,806	140,041
TOTAL LIABILITIES		252,806	140,041
NET ASSETS		3,740,883	7,995,244
Equity			
Contributed equity	7	24,034,173	22,056,296
Reserves		1,617,878	1,345,309
Accumulated losses		(21,911,168)	(15,406,361)
TOTAL EQUITY		3,740,883	7,995,244

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 2018

	Issued Capital	Share base payment reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2017	19,158,427	794,276	26,962	(13,635,021)	6,344,644
Loss for the period	-	-	-	(4,068,890)	(4,068,890)
Other comprehensive profit for the period	-	-	27,470	-	27,470
Total comprehensive loss for the period	-	-	27,470	(4,068,890)	(4,041,420)
Transactions with owners in their capacity as owners:					
Share based payment	-	363,600	-	-	363,600
Issue of shares, net of costs	1,656,869	-	-	-	1,656,869
Balance at 31 December 2017	20,815,296	1,157,876	54,432	(17,703,912)	4,323,692
Balance at 1 July 2018	22,056,296	1,157,876	187,433	(15,406,361)	7,995,245
Loss for the period	-	-	-	(6,504,807)	(6,504,807)
Other comprehensive profit for the period	-	-	241,569	-	241,569
Total comprehensive loss for the period	-	-	241,569	(6,504,807)	(6,263,238)
Transactions with owners in their capacity as owners:					
Share based payment	(31,000)	31,000	-	-	-
Issue of shares, net of costs	2,008,877	-	-	-	2,008,877
Balance at 31 December 2018	24,034,173	1,188,876	429,002	(21,911,168)	3,740,883

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 2018

	31 Dec 2018	31 Dec 2017
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(778,623)	(434,845)
Interest received	1,495	740
Net cash used in operating activities	<u>(777,128)</u>	<u>(434,105)</u>
Cash Flows from Investing Activities		
Payments for purchase of property, plant and equipment	-	(18,558)
Payments for exploration and evaluation expenditure	<u>(440,956)</u>	<u>(466,614)</u>
Net cash used in investing activities	<u>(440,956)</u>	<u>(485,172)</u>
Cash Flows from Financing Activities		
Proceeds from issue of shares	<u>2,008,877</u>	<u>1,656,869</u>
Net cash flows from financing activities	<u>2,008,877</u>	<u>1,656,869</u>
Net increase / (decrease) in cash and cash equivalents	790,793	737,592
Effect of foreign currency translation	<u>1,821</u>	<u>(1,391)</u>
Cash and cash equivalents at the beginning of the half-year	<u>731,987</u>	<u>306,545</u>
Cash and cash equivalents at the end of the half-year	<u><u>1,524,601</u></u>	<u><u>1,042,746</u></u>

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 2018

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 2018 was authorised for issue in accordance with a resolution of the directors on 15 March 2019.

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 2018.

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 2018 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 2018 annual financial report for the year ended 30 June 2018, 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 \$6,504,807 (31 December 2017: \$4,068,890) and experienced net cash outflows from operating and investing activities of \$1,218,084 (31 December 2017: \$919,277) for the half-year ended 31 December 2018. As at 31 December 2018 the Consolidated Entity had cash assets of \$1,524,601 and net current assets of \$1,348,571.

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 Company 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 Company 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 Company 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.

Should the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2018

(d) Changes in Accounting Policies and Disclosures

In the half year ended 31 December 2018, 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 2018.

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.

The following Accounting Standard is most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(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 2018.

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 two geographic segment being mineral exploration, and evaluation in Tanzania and Namibia for the half-year periods ended 31 December 2018.

5. CASH AND CASH EQUIVALENTS

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

	31 Dec 2018	30 June 2018
	\$	\$
Cash at bank and in hand	56,310	10,427
Short term deposits	1,468,291	721,560
	<u>1,524,601</u>	<u>731,987</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2018

6. EXPLORATION AND EVALUATION EXPENDITURE

	Half year ended 31 Dec 2018	Year ended 30 June 2018
	\$	\$
Opening balance	7,290,889	6,088,271
Expenditure incurred during the year	427,194	1,051,787
Acquisition of Coldstone Investments (Joumbira Project)	-	440,000
Exploration write off	(5,612,886)	(448,548)
Effect of exchange rate movements	234,030	159,379
Closing balance	<u>2,339,227</u>	<u>7,290,889</u>

7. CONTRIBUTED EQUITY

	31 Dec 2017	30 June 2018
	\$	\$
a) Issued and fully paid ordinary shares 582,191,410 (June 2018: 726,316,410)	<u>17,938,575</u>	<u>22,056,296</u>
b) Movement in issue and fully paid shares		
	Number of shares	\$
Balance at 1 July 2018	726,316,410	22,056,296
Entitlements Issue 24 October 2018	484,211,053	1,936,844
Placement 24 October 2018	62,500,000	250,000
Costs of issue		(208,967)
Balance at 31 December 2018	<u>1,273,027,463</u>	<u>24,034,173</u>
c) Unexpired options at reporting date:	Number of options	
\$0.05 options expiring 30 Jun 2019	1,500,000	
\$0.12 options expiring 30 Sept 2019	14,500,000	
\$0.0125 options expiring 26 Nov 2020	50,500,000	
\$0.04 options expiring 7 Jun 2021	10,000,000	
\$0.05 options expiring 7 Jun 2021	10,000,000	
\$0.015 options expiring 30 Jun 2019	50,062,500	
\$0.01 listed options expiring 24 Oct 2020	<u>283,355,561</u>	
	<u>419,918,061</u>	

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 USD64,000 per annum.

9. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2018.

10. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Other than noted previously 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.

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 be 'N. Lafferty', with a stylized flourish extending to the right.

Nigel Lafferty
Chairman

Perth, 15 March 2019

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 ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated condensed statement of financial position as at 31 December 2018, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and the consolidated 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 gives a true and fair view and 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 2018 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the Directors as at the time of this auditor's review report.

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 2018 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 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



Rafay Nabeel
Audit Director

15 March 2019