

TANGA RESOURCES LIMITED

ABN 41 141 940 230

OFFER DOCUMENT

For a pro rata non-renounceable Offer to Shareholders of one New Share for every eleven Shares held by Shareholders at 5:00pm AWST on the Record Date at an issue price of \$0.05 per New Share on application to raise approximately \$1.5 million (before expenses of the Offer).

This Offer opens on 1 March 2016 and closes at 5:00pm AWST on 15 March 2016.

Valid acceptances must be received before that time.

Important Notice

This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

The securities offered by this Offer Document should be considered speculative.

TANGA RESOURCES LIMITED
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Board of Directors

John Jones – Non-executive Chairman
Mark Wilson – Non-executive Director
John Stockley – Technical Director

Auditors*

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WEST PERTH WA 6005

Company Secretary

Graeme Smith

Registered Office

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Phone: +61 8 9322 7822
Email: info@tangaresources.com.au
www.tangaresources.com.au

Share Registry*

Security Transfer Registrars
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Applecross WA 6953
Phone: +61 8 9315 2333

Banker*

National Australia Bank Limited
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OSBORNE PARK WA 6017

Securities Exchange Listing

Australian Securities Exchange
Tanga Resources Limited
ASX Code: TRL

*These parties are included for information purposes only. They have not been involved in the preparation of this Offer Document.

IMPORTANT NOTICES

1. **Offer Document**

This Offer Document has been prepared by Tanga Resources Limited ACN 141 940 230 (**Tanga Resources** or the **Company**) and is dated 15 February 2016. This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer contained in this Offer Document is being made without disclosure in accordance with section 708AA of the Corporations Act, as modified by ASIC Class Order 08/35.

2. **This is an important document**

The information contained in this Offer Document does not constitute investment advice and has been prepared without taking into account each Eligible Shareholder's investment objectives or financial circumstances. You should seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

3. **Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. To the extent permitted by law, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

4. **Offer Under Section 708AA Corporations Act**

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus and this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision or which would otherwise be required under Australian Law or any other law to be disclosed in a prospectus. The Offer Document is not required to be, and will not be, lodged with ASIC.

5. **Future performance**

Neither the Company nor any other person warrants, represents or guarantees (expressly or by implication) the future performance of the New Shares or any particular rate of return on any investment made pursuant to the Offer, or any particular tax treatment.

An investment in the Company is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Document.

6. **Past performance**

Investors should note that the past share price performance of Shares provides no guarantee or guidance as to future share price performance. Past performance information given in this Offer Document is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

7. **Eligibility**

Applications for New Shares by Eligible Shareholders can only be made on an **original** Entitlement and Acceptance Form sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

8. **Overseas shareholders**

The Company is of the view that it is unreasonable to make the Offer under this Offer Document to Shareholders outside of Australia and New Zealand having regard to:

- the number of Shareholders registered outside of Australia and New Zealand;
- the number and value of the New Shares that would be offered to Shareholders registered outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under this Offer Document to Shareholders registered outside of Australia and New Zealand. Please refer to Section 3.12 for further details.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

9. **Privacy Act**

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

1. Some Key Information

SUMMARY OF OFFER

Issue price per New Share	\$0.05
Entitlement for Eligible Shareholders	1 New Share for every 11 Shares held at the Record Date
Number of new Shares to be issued*	30,532,869
Number of Shares on issue following the Offer	366,394,430
Funds to be raised (before costs of the Offer)	\$1,526,643

* assuming no existing Options are converted prior to the Record Date

PROPOSED TIMETABLE

Lodgment of Offer Document and Section 708AA(2)(f) Notice with ASX (Prior to trading commencing)	15 February 2016
Notice sent to Security holders	15 February 2016
“Ex Date”	25 February 2016
Record Date The Company determines eligible shareholders	29 February 2016
Despatch of Offer Document Offer Document sent to all eligible shareholders.	1 March 2016
Closing Date The date on which the Entitlement Offer closes. Applications must be received by 5:00 pm (WST).	15 March 2016
Notification of shortfall to ASX (shares comprising the Excess Entitlement Offer)	18 March 2016
Issue Date The date upon which the Shares are issued.	22 March 2016
Share Trading Date The date upon which New Shares commence trading on the ASX.	23 March 2016

The above dates are indicative only. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date or to withdraw the Offer at any time without prior notice, in which case all Application Monies will be refunded (without interest) as soon as practicable.

2. Chairman's Letter

15 February 2016

Dear Shareholder

On behalf of Tanga Resources Limited, I am pleased to invite you to participate in a pro rata non-renounceable rights issue on the basis of one New Share for every eleven shares held on the Record Date at an issue price of \$0.05 per New Share issued to raise approximately \$1.5 million from the issue of approximately 30,532,869 New Shares (the **Offer**).

The Company intends to apply the funds raised from the Offer to further exploration and development at the Singida Project, as set out in Section 4.2 of this Offer Document.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.

Shareholders who do not take up all or any part of their Entitlements will not receive any payment or value in respect of those Entitlements and their equity interest in the Company will be diluted.

Eligible Shareholders may choose to take up their full Entitlement and apply for any shares which may be available under the Excess Entitlement Offer.

Alternatively you may choose to only take up part of your Entitlement. Details on how you can accept this Offer may be found in Section 5.

This Offer Document contains important information about the Offer, including:

- a) details of the Offer, including key dates;
- b) actions required by Shareholders; and
- c) risk factors associated with the Offer.

A personalised Entitlement and Acceptance Form which details your Entitlement is to be completed in accordance with the instructions provided.

This Offer Document should be read carefully and in its entirety before deciding whether or not to participate in the Offer. In particular, you should consider the key risk factors included in Section 6 of this Offer Document.

Shareholders who have any queries about the Offer should contact the Company at any time from 8:30am to 5:00pm (WST) during the Offer period.

On behalf of the Board, I invite you to consider this investment opportunity and thank you for your ongoing support of our company.

Yours faithfully,

TANGA RESOURCES LIMITED



John Jones
Non-Executive Chairman

3. Details of the Offer

3.1 The Offer

The Company is making a non-renounceable pro rata offer of approximately 30,532,869 New Shares under this Offer Document at an issue price of \$0.05 each to Eligible Shareholders on the basis of 1 New Share for every 11 shares held at 5:00 pm (WST) on the Record Date.

3.2 Your entitlement and acceptance

Your entitlement to participate in the Offer will be determined on the Record Date, being Monday, 29 February 2016. The entitlement of Eligible Shareholders receiving this Offer Document is shown on the original Entitlement and Acceptance Form sent to Eligible Shareholders with this Offer Document.

The Offer may be accepted in whole or in part prior to the Closing Date. Instructions for accepting your Entitlement are set out in Section 4 and on the Entitlement and Acceptance Form which accompanies this Offer Document.

3.3 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from Eligible Shareholders until 5.00 pm WST on the Closing Date, Tuesday 15 March 2016 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

3.4 Non-Renounceable Issue

The offer of New Shares pursuant to this Offer is non-renounceable. This means Shareholders cannot sell or otherwise transfer their Entitlement. Shareholders who do not accept their Entitlement will receive no benefit.

3.5 Shortfall Facility and Excess Entitlement Offer

If you do not wish to take up any part of your Entitlement, you are not required to take any action. The part of your Entitlement not taken up will form part of the Excess Entitlement Offer.

Eligible Shareholders (with the exception of Directors and their related parties) who take up their full Entitlements under the Entitlement Offer may also apply for additional Shares (**Excess Entitlement Offer**). Acceptance of Applications for Shares under the Excess Entitlement Offer will be at the discretion of the Directors. Applications for Shares under the Excess Entitlement Offer which will result in an Eligible Shareholders' voting power exceeding 20% will be rejected.

The Directors also reserve the right pursuant to ASX Listing Rule 7.2 (exception 3) to allot and issue any Shares not taken up under the Offer and the Excess Entitlement Offer to parties selected by them (**Shortfall Offer**). The Shares issued under the Shortfall Offer will be issued to un-related parties selected by the Directors and will be placed within 3 months of the Closing Date.

Shares issued under the Shortfall Offer will be issued on the same terms as are being offered to Shareholders pursuant to this Offer. Shortfall Shares will not be placed to the Directors or any related parties of the Directors, without Shareholder approval.

The Company will not allocate Shortfall Shares to parties applying for Shortfall Shares to the extent that their voting power would exceed 20%.

Directors have the discretion to determine any final allocations under the Excess Entitlement Offer and the Shortfall Offer, having regard to the allocation principles set out above, the requirements of the Corporations Act, the ASX Listing Rules and other applicable laws.

3.6 Entitlement and Acceptance Form

The number of New Shares to which each Shareholder is entitled is shown on the enclosed personalised Acceptance Form. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be the maximum Entitlement.

Instructions on how to accept your Entitlement may be found in Section 5.2, or on the Entitlement and Acceptance Form accompanying this Offer document.

3.7 Underwriting

This Offer is not underwritten.

3.8 Rounding

Where fractions arise in the calculation of entitlements, they will be rounded down to the nearest whole number.

3.9 Issue and dispatch

All Shares offered by this Offer Document are expected to be issued, and security holder statements dispatched, on or before the date specified in the timetable.

It is the responsibility of Applicants to determine that Shares have been issued to them prior to trading them. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

3.10 ASX quotation

The Company has made an application for official quotation by ASX of the New Shares offered under this Offer Document. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies received (without interest) will be refunded in full to the Applicants. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

3.11 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Offer Document, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares. If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Security Transfer Registrars Pty Ltd and will contain the number of Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

3.12 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Company is of the view that it is unreasonable to make the Offer to Shareholders without registered addresses in Australia or New Zealand (**Ineligible Shareholders**) having regard to the:

- number of Ineligible Shareholders;
- number and value of New Shares that would be offered to Ineligible Shareholders; and
- cost of complying with regulatory requirements in each jurisdiction.

Accordingly, the Offer is not being extended to Shareholders with a registered address which is outside of Australia or New Zealand.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.13 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are summarised in Section 6.

3.14 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

4. Effect of the Offer

4.1 Capital Structure on completion of the Offer

On completion of the Offer, the capital structure will be as follows:

Shares

(Assuming no Options are exercised prior to the Record date)

	Number of shares
Balance at the date of this Offer Document	335,861,561
To be issued under the Offer*	30,532,869
Balance after the Offer	366,394,430

The New Shares issued under this Offer Document will be on the same terms and conditions as the ordinary fully paid Shares in the Company currently on issue.

*This number may vary slightly due to rounding of Entitlements

Options

Type	Number of options	Exercise price	Expiry date
Listed Options - TRLOA	20,717,696	\$0.05	24/12/2016
Unlisted Options - TRLAA	6,112,500	\$0.05	31/12/2016
Unlisted Options - TRLAB	13,797,146	\$0.05	30/04/2017

4.2 Purpose of the Offer

The purpose of the Offer is to raise additional funds in order to further exploration and development at the Singida Project with initial focus on the Winston Prospect, and for working capital purposes. Completion of the issue of New Shares offered by this Offer Document will result in an increase in the cash on hand of up to approximately \$1.5 million. The funds raised under the Offer are proposed to be expended as follows:

Description of Cash Outflows	Offer A\$
1. Ongoing review, evaluation and exploration programs on existing projects	800,000
2. Working Capital	461,643
3. Capital Expenditure	250,000
4. Costs of Offer	15,000
Total funds raised under the Offer	1,526,643

Notes

1. Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from the staged approach to exploration, appraisal and development activities and other factors.
2. The above use of funds table assumes that all New Shares under the Offer are issued.
3. General working capital includes corporate administration and ongoing operating costs and may be applied to directors' fees, ASX and share registry fees, legal and tax, audit and corporate advisory fees, insurance and travel costs.

4.3 Potential Effect on Control of the Company

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, among other things, the effect of the Offer on the control of the Company. This notice may be viewed on the websites of the Company and ASX.

The potential effect of the Offer on the control of the Company is as follows (assuming that no Options are exercised prior to the Record Date):

- (a) If all Eligible Shareholders take up their Entitlements under the Offer, then the Offer will have minimal effect on the control of the Company.
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Offer, then their percentage shareholding and voting power in the Company will be diluted.
- (c) The percentage shareholding and voting power of non-resident Shareholders not eligible to participate in the Offer will also be diluted by New Shares issued under the Offer.
- (d) Ineligible Shareholders will have their percentage shareholding and voting power in the Company diluted.

4.4 Directors' Participation

The relevant interest of each of the Directors in the Securities of the Company as at the date of the Offer Document together with their respective Entitlement is set out in the table below:

Director	Existing Shares	Existing Options*	Entitlement to New Shares	Total Shares after Offer
John Jones	4,600,000	1,425,000	418,181	5,018,181
Mark Wilson	3,350,000	1,425,000	305,545	3,655,545
John Stockley	13,711,251	1,525,000	1,246,477	14,957,728

* Exercisable at \$0.05 each and expiring on 30 April 2017.

As at the date of this Offer Document, Directors John Jones and Mark Wilson intend to take up their full Entitlement under the Offer. Director John Stockley intends to take up approximately one third of his Entitlement under the Offer.

5. Action required by Shareholders

5.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled (your Entitlement) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted if the Offer is completed.

As an Eligible Shareholder you may:

- (a) take up all or part of your Entitlement (refer to Section 5.2 below);
- (b) if you take up all of your Entitlement, apply for Shares under the Excess Entitlement Offer in accordance with this Offer Document; or
- (c) allow all of your Entitlement to lapse.

5.2 How to Apply for New Shares

Instructions as to how to apply for New Shares and complete the Entitlement and Acceptance Form are included on the reverse of the Entitlement and Acceptance Form. There is no requirement to return the Entitlement and Acceptance Form if you are paying by electronic means. Your payment will not be accepted after 5.00pm (WST) on the Closing Date and no Shares will be issued to you in respect of that application. In determining Entitlements, any fractional entitlement will be rounded down to the nearest whole number.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer document.

By making your payment using either BPAY or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Offer.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full and apply for additional Shares which may be available under the Excess Entitlement Offer:
 - (i) pay the amount determined by multiplying the number of Shares you wish to apply for (including your Entitlement) by the issue price of \$0.05 via BPAY using the BPAY code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance Form, including the section regarding applying for additional Shares in excess of your Entitlement and attach your cheque for the appropriate application monies (at \$0.05 per Share) so that it is received before 5.00pm (WST) on the Closing Date.
- (b) if you wish to accept your Entitlement in full:
 - (i) pay the amount indicated on your Entitlement and Acceptance Form via BPAY using the BPAY code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or

TANGA RESOURCES LIMITED
ACTION REQUIRED BY SHAREHOLDERS

- (ii) complete the Entitlement and Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Entitlement and Acceptance Form so that it is received before 5.00pm (WST) on the Closing Date.
- (c) if you only wish to accept part of your Entitlement:
 - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY using the BPAY code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or
 - (ii) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.05 per Share) so that it is received before 5.00pm (WST) on the Closing Date.
- (d) if you do not wish to accept any of your Entitlement, you are not obliged to do anything.

5.3 Enquiries concerning your Entitlement

Enquiries relating to this Offer Document should be directed to the Company Secretary by telephone on

+61 8 9382 8822

6. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. The Shares offered under this Offer Document are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to carefully consider the following risk factors in addition to the other information presented in this Offer Document.

6.4 Specific Risks associated with the Company

(a) Future Capital Needs – Material Uncertainty Regarding Continuation as a Going Concern

Further funding of projects may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

(b) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(c) Compliance Risk

The Company has acquired an interest in various mining tenements in Tanzania. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including the minimum annual expenditure commitments. There is a risk that if the Company does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement.

The Company has implemented appropriate policies and practices to mitigate the risk that the terms and conditions attaching to each of the tenements it has acquired an interest in are not complied with.

6.5 General Risks

(a) Economic and Government Risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries including, but not limited to, the following:

- general economic conditions in Australia and its major trading partners;
- changes in Government policies, taxation and other laws both in Australia and Tanzania;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector;
- movement in, or outlook on, interest rates and inflation rates; and
- natural disasters, social upheaval or war in Australia or overseas.

(b) Commercialisation Risks

Even if the Company discovers commercial quantities of commodities, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell the commodities to customers at a rate which would cover its operating and capital costs. The Company has to receive regulatory and environmental approval to convert its exploration permits into production concessions. There is a risk that these approvals may not be obtained.

(c) **Exploration Risk**

The successful exploration and development of mineral properties is speculative. Most exploration projects do not result in the discovery of commercially viable deposits. The mineral tenements of the Company are at various stages of exploration. There can be no assurance that exploration of tenements held or acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited into a producing mine.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) **Share Market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

Share market conditions are affected by many factors including but not limited to the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- mineral price fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

(e) **Commodity Price and Exchange Rate Risk**

As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices of these commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars. Consequently, changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(f) **Insurance Risks**

Insurance coverage of all risks associated with minerals exploration, development and production is not always available and, where available, the cost can be high. The Company will have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, either because of the unavailability of cover or because the Directors believe the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance they have in place is appropriate. The Directors will continue to review the insurance cover in place to ensure that it is adequate.

(g) **Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(h) **Liquidity Risk**

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

6.6 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Offer Document.

7. Rights Attaching to Securities

7.1 Terms and Conditions of Ordinary Shares

The rights attaching to the Ordinary Shares are derived through a combination of statute, the Company's Constitution, common law, the Listing Rules and other applicable legislation. The following is a broad summary (though not an exhaustive or definitive statement) of the current rights that attach to Ordinary Shares in the Company.

(a) **Voting Rights**

Subject to any rights or restrictions attached to any class of shares, whether by their issue, the Constitution, the Listing Rules or the Corporations Act, at a general meeting each Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote for each fully paid Ordinary Share that the Shareholder holds.

(b) **General Meetings**

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution of the Company, the Listing Rules or the Corporations Act.

(c) **Dividend Rights**

The Company may in general meeting declare a dividend which shall not exceed the amount recommended by Directors. The Company does not expect to pay dividends in the short to medium term.

(d) **Transfer of Shares**

Subject to the Constitution of the Company, the Corporations Act, the ASTC Settlement Rules and the Listing Rules, Ordinary Shares are freely transferable. Ordinary Shares may only be transferred by a proper instrument in writing delivered to the Company, and the transferor is deemed to remain the holder of the Ordinary Shares until the name of the transferee is entered into the Company's register of members. The Company may decline to register a transfer where permitted by law, the Listing Rules or the ASTC Settlement Rules.

(e) **Changes in Capital**

Subject to the Corporations Act, the Constitution of the Company and the Listing Rules, the Directors may consolidate, or divide the Ordinary Shares, allot, issue or otherwise dispose of new Ordinary Shares on such terms and conditions as they determine.

(f) **Variation of Rights**

The Company may only modify or vary the rights attaching to any class of Ordinary Shares by a special resolution of the Company and a special resolution passed at a meeting of the holders of the issued Ordinary Shares of that class.

(g) **Rights on Winding Up**

Subject to the rights of holders of Ordinary Shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Ordinary Shares held by them, irrespective of the amount paid up.

8. Additional information

8.1 Reliance on Offer Document

The Offer is made pursuant to section 708AA of the Corporations Act without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. This Offer Document is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been lodged with ASIC.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company lodged a cleansing notice in respect of the Offer and in accordance with section 708AA of the Corporations Act with ASX on 15 February 2016.

8.2 Announcements

Eligible Shareholders intending to participate in the Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: TRL), and the Company's website, www.tangaresources.com.au. Copies of the announcements will also be available from the Company's Secretary.

TANGA RESOURCES LIMITED
GLOSSARY

9. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Offer Document.

Acceptance Form	the personalised Acceptance Form accompanying this Offer Document.
Applicant	an applicant for New Shares who duly completes an Acceptance Form and pays the applicable Application Money.
Application	a valid application for New Shares under this Offer Document.
Application Money	the aggregate amount of money payable for New Shares applied for in the Acceptance Form
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691).
Business Day	any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules
CHESS	Clearing House Electronic Sub-register System of ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532)
Closing Date	5:00 pm (WST) on Tuesday, 15 March 2016 or such other date as may be determined by the Directors consistent with this Offer Document.
Company	Tanga Resources Limited (ABN 41 141 940 230).
Corporations Act	the Corporations Act 2001 (Cth).
Constitution	the Constitution of the Company.
Cth	the Commonwealth of Australia.
Directors	directors of the Company.
Dollars or \$	dollars in Australian currency.
Excess Entitlement Offer	the offer of Shares to Eligible Shareholders comprising the Shares not taken up by Shareholders under their Entitlement.
Entitlement	the entitlement of a Shareholder who is eligible to participate in the Offer.
Listing Rules	the Listing Rules of the ASX.
Offer	the offer of approximately 30,532,869 New Shares under this Offer Document.
Option	an option to acquire an Ordinary Share in the capital of the Company.
Optionholder	the holder of an Option as recorded in the register of the Company.
Ordinary Share	a fully paid ordinary share in the Company.
Record Date	the date to determine who is eligible to be offered New Shares in accordance with this Offer which is 5:00pm (WST) on Monday, 29 February 2016.
Share	a fully paid Ordinary Share in the Company.
Shareholder	the holder of an Ordinary Share or a Partly Paid Share as recorded in the register of the Company.
Share Registry or Share Registrar	the Company's share registry, Security Transfer Registrars Limited
Shortfall	those New Shares not taken up under the Excess Entitlement Offer.
WST	Western Standard Time in Perth, Western Australia.