

Tanga Resources Limited

Ground Floor

63 Hay Street

Subiaco WA 6008

t: +61 (8) 9 381 5686



15 February 2016

Company Announcements Office

ASX Limited

Dear Sir

NON RENOUNCEABLE ENTITLEMENTS OFFER

NOTIFICATION PURSUANT TO PARAGRAPH 708AA(2)(f) OF THE CORPORATIONS ACT 2001 ("Act")

On 15 February 2016, Tanga Resources Limited ("**Company**") announced 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 (29 February 2016) at an issue price of \$0.05 per New Share, to raise approximately \$1.5 million (before expenses) ("**Offer**").

If the Offer is fully subscribed, and no Option Holders exercise their Options prior to the Record date, up to 30,532,869 fully paid New Shares will be issued ("**New Shares**").

Only Shareholders with a registered address in Australia or New Zealand will be eligible to participate in the Offer.

Eligible Shareholders will be allowed (within the terms of the Offer document) to apply for additional New Shares which have not been taken up ("**Shortfall Shares**"). Directors have discretion on to allot any remaining New Shares within 3 months of the Close of the Offer.

The Company hereby notifies ASX under paragraph 708AA(7) of the Act that:

- 1) the Company will issue the New Shares without disclosure to investors under Part 6D.2 of the Act;
- 2) this notice is given under section 708AA(2)(f) of the Act (as modified by class order CO 08/35);
- 3) as at the date of this notice the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act;
- 4) as at the date of this notice there is no information that is "excluded information" within the meaning of section 708AA(8) or section 708AA(9) of the Act;
- 5) the potential effect the issue of the New Shares will have on the control of the Company and the consequences of that effect will depend on a number of factors including shareholder support for the Offer. An outline of the most likely scenarios is as follows:
 - a. If all Eligible Shareholders take up their full entitlement then there will be negligible effect on the control of the Company;
 - b. If some Eligible Shareholders do not take up their entitlement or only take up a portion of their entitlement, their proportional interest in the Company will be diluted;
 - c. If some Eligible Shareholders take up their full entitlement and apply for additional Shortfall Shares their proportional interest in the Company will be increased, however the Company will not allow any Eligible Shareholders to acquire a proportional interest in the Company greater than 20%.
 - d. The proportional interest of Ineligible Shareholders will be diluted due to their inability to participate in the Offer.

Yours faithfully,

Graeme Smith

Company Secretary