

TANGA RESOURCES LIMITED
ACN 141 940 230

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
27 November 2017

Time of Meeting
2:00 pm

Place of Meeting
The Celtic Club
48 Ord St,
West Perth Western Australia 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The 2017 Annual Report may be viewed on the Company's website at www.tangaresources.com.au

TANGA RESOURCES LIMITED

ACN 141 940 230

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Tanga Resources Limited (**Company**) will be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005 on 27 November 2017 at 2:00 pm

for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting.

The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2017 FINANCIAL STATEMENTS

To receive the financial statements of the Company for the year ended 30 June 2017, consisting of the annual financial report, the Directors' report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2017 Annual Report be and is hereby adopted."

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 by a member of the key management personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by a person as a proxy appointed in writing and the proxy specifies how that person is to vote on Resolution 1 and the vote is cast on behalf of that person.

2. RESOLUTION 2 – RE-ELECTION OF MR JOHN STOCKLEY AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, in accordance with Listing Rule 14.5, clause 11.3 of the Company's Constitution and for all other purposes, John Stockley, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF MR ALLEN LAFFERTY AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, in accordance with Listing Rule 14.4 and for all other purposes, Allen Lafferty, who was appointed to the Board since the previous annual general meeting of the Company, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

4. RESOLUTION 4 - ISSUE OF SECURITIES TO MR ALLEN LAFFERTY IN LIEU OF OUTSTANDING AMOUNTS OWED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 4,500,000 Options to Mr Allen Lafferty, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

5. **RESOLUTION 5 - ISSUE OF SECURITIES TO MR JOHN JONES IN LIEU OF OUTSTANDING AMOUNTS OWED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 3,000,000 Options to Mr John Jones, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

6. **RESOLUTION 6 - ISSUE OF SECURITIES TO MR JOHN STOCKLEY IN LIEU OF OUTSTANDING AMOUNTS OWED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 15,000,000 Options to Mr John Stockley, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolutions 4 - 6 by Messrs Lafferty, Jones and Stockley and any of their Associates. However, subject to the voting prohibition below, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on this Resolution by a member of the Key Management Personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy, which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 - ISSUE OF SECURITIES TO MR MATTHEW BOWLES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given to issue 20,000,000 Options to Mr Matthew Bowles, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolutions 7 by Mr Bowles and any of his Associates. However, subject to the voting prohibition below, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on this Resolution by a member of the Key Management Personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person if:

8. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons, unless it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 2:00 pm (WST) 25 November 2017 at:

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

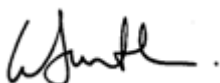
Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au



Graeme Smith
Company Secretary
Date: 25 October 2017

1. PROXIES

- (a) A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- (b) A proxy may, but need not be, a Shareholder of the Company.
- (c) The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.
- (d) The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders, a Proxy Form is enclosed.

2. ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 4:00 pm WST time on 25 November 2017 will be entitled to attend and vote at the AGM.

3. CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Tanga Resources Limited ACN 141 940 230 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005 on 27 November 2017 commencing at 2:00 pm.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- adopting the Remuneration Report;
- re-electing Messrs Lafferty and Stockley as Directors in accordance with the Company's constitution;
- approval of the issue of Securities to Messrs Lafferty, Jones, Stockley & Bowles; and
- approving the Company's 10% Placement Facility;

FINANCIAL AND OTHER REPORTS

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2017 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- (a) information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- (b) a description of the relationship between the Company's remuneration policy and the Company's performance;
- (c) a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- (d) remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's website www.tangaresources.com.au.

1.2 Voting on the Remuneration Report

In accordance with section 250R(4) of the Corporations Act, a vote on the Remuneration Report Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the Key Management Personnel, whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on the Resolution if:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Remuneration Report Resolution; and
- (d) the vote is not cast on behalf of the person described in paragraphs (a) or (b) above.

The Chairman will cast available proxies in favour of Resolution 1.

Shareholders may choose to direct the Chairman to vote for or against Resolution 1 or to abstain from voting.

At the Company's 2016 AGM, voters voted in excess of 90% in favour of the Remuneration Report.

2. RESOLUTION 2 – RE-ELECTION OF MR JOHN STOCKLEY AS A DIRECTOR

2.1 Introduction

Resolution 2 proposes the election of John Stockley as a Director of the Company with effect from close of the Meeting. In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM.

Accordingly, Mr John Stockley will retire by rotation at this Meeting and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography

Mr Stockley is an Honours graduate in Geology of the University of Tasmania and has over 40 years' experience in gold-base metal exploration and mining throughout the world. He has been involved in the exploration and development of gold projects in Africa, Australia, the Pacific Islands, North Asia, South America and Europe.

Mr Stockley has been involved in mining and mineral exploration in Africa since 1975 where in 2005-2006 he was directly responsible for the identification of +950,000oz of gold (measured resource) at the New Luika discovery near Chunya and over 850,000oz of gold (indicated and measured resources) at Londoni near Singida in Tanzania (both discoveries are held by Shanta Gold plc). He has worked for a number of major mining companies including Anglo American, Peko Wallsend, Renison Goldfields, Freeport Macmoran, Dominion Mining Ltd, and Troy Resources. Mr Stockley is a Member of the Australian Institute of Geoscientists.

2.3 Directors' Recommendation

All the Directors, with the exception of Mr Stockley, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RE-ELECTION OF MR ALLEN LAFFERTY AS A DIRECTOR

3.1 Introduction

Mr Allen Lafferty was appointed as a Non-Executive Director on 6 February 2017.

In accordance with ASX Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. The Company's Constitution also requires that any director appointed during the year to fill a casual vacancy automatically retires at the next AGM, but is eligible for re-election at that meeting.

Accordingly, Mr Allen Lafferty who was appointed by the Directors to fill a casual vacancy now retires, and, being eligible, offers himself for election as a director.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's Biography

Mr Lafferty is a chartered accountant with over 35 years of experience in public practice, covering all aspects of the profession. He retired from SLS Accounting in 2015 and is currently consulting to that group.

He was a founding Director of Simba Minerals Ltd, which merged with Tanga Resources Ltd (then named Argentina Mining Ltd) in 2013 and was a director of Argentina Mining Ltd between 2013 and 2014.

3.3 Directors' Recommendation

All the Directors, with the exception of Mr Lafferty recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTIONS 4 - 6 - APPROVAL OF ISSUE OF SECURITIES TO DIRECTORS - MESSRS ALLEN LAFFERTY, JOHN JONES & JOHN STOCKLEY

4.1 General

The Company proposes to grant 22,500,000 Options to Directors, or their nominees, for nil consideration. The Options are exercisable at an exercise price of the lower of \$0.0125 or 125% of the market price of Shares on the day of issue. Directors are receiving the Options in lieu of outstanding directors and other fees.

Chairman Mr Allen Lafferty is owed an amount of \$30,000 for directors' fees to the Company and, subject to shareholder approval, has elected to receive this amount in the form of Options, to conserve the cash position of the Company.

Non-Executive Director Mr John Jones is owed an amount of \$18,000 for directors fees to the Company and, subject to shareholder approval, has elected to receive this amount in the form of Options, to conserve the cash position of the Company.

Executive Director Mr John Stockley is owed an amount of \$100,000 for services and directors fees to the Company and, subject to shareholder approval, has elected to receive this amount in the form of Options, to conserve the cash position of the Company.

All Options will vest immediately.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

In the event all the Options are exercised, the Directors (or their nominees) would need to pay, at \$0.0125 per Option, a total of \$281,250 to the Company. The funds raised from the exercise of the Options will be applied to general working capital and towards the Company's existing projects.

Under Section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company (such as a director of the company), the public company or entity must:

- i. obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- ii. give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act. Section 210 of the Corporations Act provides that shareholder approval for the purposes of Section 208 of the Corporations Act is not needed to give a financial benefit on the terms that would be unreasonable in the circumstances if the public company and the related party were dealing at arms' length.

It is the view of the Directors that the issue of Options to Directors under Resolutions 4 - 6 fall under the arms' length exception in Section 210 of the Corporations Act as the exercise price of the Options is 125% of the market price as of 19 October 2017.

Accordingly, Shareholder approval is only being sought under Listing Rule 10.11 and approval is not required under Listing Rule 7.1.

4.2 Listing Rule Notice Requirements

Listing Rule 10.13 contains certain requirements as to the contents of a Notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the Options will be granted to Directors, or their nominees, as noted in Table 1 below;
- (b) the maximum number of Options to be granted pursuant to Resolutions 4 - 6 is 22,500,000;
- (c) the deemed issue price of the Options is \$0.006 per Option;
- (d) the exercise price of the Options is the lower of 125% of the market price of Shares on the day of issue, or \$0.0125 per Option;
- (e) the Options will be allotted and granted on a date which will be no later than 1 month after the date of the meeting;

- (f) the Options will not rank equally with other fully paid Shares until they are exercised;
- (g) the exercise price and other terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum;
- (h) the Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options; and
- (i) a voting exclusion statement is included in this Notice.

Table 1 - Details of options to be issued to Related Parties

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Estimated Value as determined by Black-Scholes valuation
Allen Lafferty	Chairman	4,500,000	\$0.0125	26 November 2020	Immediately	\$30,000
John Jones	Director	3,000,000	\$0.0125	26 November 2020	Immediately	\$18,000
John Stockley	Director	15,000,000	\$0.0125	26 November 2020	Immediately	\$100,000

4.3 Directors' Recommendation

The Directors of the Company abstain from making a recommendation in relation to these Resolutions.

5. RESOLUTIONS 7 - APPROVAL OF ISSUE OF SECURITIES TO CEO - MR MATTHEW BOWLES

5.1 General

The Company proposes to grant 20,000,000 Options to CEO, Matthew Bowles, or his nominees, for nil consideration. The Options are exercisable at an exercise price of the lower of \$0.0125 or 125% of the market price of Shares on the day of issue.

All options will vest immediately.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

CEO's of public companies face considerable ongoing responsibilities and challenges in their roles within the Company. The grant of these Options will provide a long term incentive for outstanding performance and promote opportunities for Share ownership in the Company. The Directors consider that the incentive represented by the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

In the event all the Options are exercised, Mr Bowles (or his nominees) would need to pay, at \$0.0125 per Option, a total of \$250,000 to the Company. The funds raised from the exercise of the Options will be applied to general working capital and towards the Company's existing projects.

5.2 Listing Rule Notice Requirements

The effect of Resolution 7 will be to allow the Directors to issue the Options without using the Company's annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) The Options will be granted to Matthew Bowles (or his nominees);
- (b) the maximum number of Options to be issued is 20,000,000;
- (c) the deemed issue price of the Options is \$0.006 per Option;
- (d) the Options will be allotted and granted on a date which will be no later than 1 month after the date of the meeting;
- (e) the Options will not rank equally with other fully paid Shares until they are exercised;

- (f) the exercise price and other terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum;
- (g) the Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options; and
- (h) a voting exclusion statement is included in this Notice.

5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 7.

6. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

- (i) Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.
- (ii) The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being listed Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

A is the number of Shares on issue 12 months before the date of issue or agreement;
plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
plus the number of partly paid shares that became fully paid in the 12 months;
plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without shareholder approval;
less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

(i) The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

(ii) At the date of this Notice, the Company has on issue 465,791,410 Shares and has the capacity to issue:

A. 69,868,712 Equity Securities under Listing Rule 7.1; and

B. 46,579,141 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

(i) the date that is 12 months after the date of the AGM at which the approval is obtained; or

(ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

6.3 Listing Rule 7.1A

(a) The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

(b) Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). There is a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities

- (c) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.005 50% decrease in Issue Price	\$0.010 Issue Price	\$0.020 100% increase in Issue Price
Current Variable A 465,791,410 Shares	10% voting dilution (Shares)	46,579,141	46,579,141	46,579,141
	Funds raised	\$232,896	\$465,791	\$931,583
50% increase in current Variable A 698,687,115 Shares	10% voting dilution (Shares)	69,868,711	69,868,711	69,868,711
	Funds raised	\$349,344	\$698,687	\$1,397,374
100% increase in current Variable A 931,582,820 Shares	10% voting dilution (Shares)	93,158,282	93,158,282	93,158,282
	Funds raised	\$465,791	\$931,583	\$1,863,166

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.01 being the closing price of Shares on the ASX on 18 October 2017.

- (d) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration expenditure and/or general working capital; or
 - (ii) non-cash consideration for the acquisition of new resources, assets, investments and the provision of services. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2016 Annual General Meeting on 29 November 2016.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting is 117,752,895 representing 29% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this Notice of Meeting:

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Current Value of consideration	Allottees
25 Nov 2016	306,250	ORD	\$0.05	Nil	\$15,312	Holder of listed option
5 Dec 2016	11,000,000	Option ¹	Nil	Nil	\$16,500 (non cash)	Directors
22 Dec 2016	3,787,879	ORD	\$0.066 (deemed)	Nil	\$250,000 (non cash)	Capital Drilling for prov'n of drilling services
22 Dec 2016	5,358,243	ORD	\$0.05	1.9%	\$267,912	Holder of listed option
28 Dec 2016	512,500	ORD	\$0.05	Nil	\$25,625	Holder of unlisted option
6 Jan 2017	1,268,126	ORD	\$0.05	Nil	\$63,406	Holder of listed option

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Current Value of consideration	Allottees
6 Mar 2017	14,285,714	ORD	\$0.035	Nil	\$500,000	Sophisticated investors
6 Mar 2017	8,684,183	ORD	\$0.035 (deemed)	Nil	\$303,946 (non cash)	Capital Drilling for prov'n of drilling services
22 Mar 2017	1,500,000	Option ¹	Nil	Nil	\$3,150 (non cash)	TRL Exploration Manager
11 Apr 2017	10,000,000	ORD	\$0.035	Nil	\$500,000	Great Golden Investment Limited
28 Apr 2017	650,000	ORD	\$0.05	Nil	\$32,500	Holder of unlisted option
7 Jun 2017	10,000,000	Option ²	Nil	Nil	\$45,000 (non cash)	CEO – M Bowles
7 Jun 2017	10,000,000	Option ³	Nil	Nil	\$41,000 (non cash)	CEO – M Bowles
25 Aug 2017	40,400,000	ORD	\$0.014	Nil	\$565,600	Sophisticated investors

1. Unlisted options exercisable at \$0.05 each on or before 30 June 2019
2. Unlisted options exercisable at \$0.04 each on or before 7 June 2021
3. Unlisted options exercisable at \$0.05 each on or before 7 June 2021

The Directors intend to use the working capital existing at the date of this Notice of \$200,000 towards exploration and general working capital.

Of the \$2.4 million raised during the year, the Company has spent approximately \$2,000,000 on exploration activities in Tanzania. Office administrative & corporate expenses of \$200,000 were also paid.

- (g) A voting exclusion statement is included in the Notice.
- (h) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 8.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the Proxy Form to vote the Shares represented thereby in accordance with their best judgement on such matter.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM	means an Annual General Meeting
Annual Report	means the Directors' report, the annual financial report and auditors' report in respect of the financial year ended 30 June 2017.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company	means Tanga Resources Limited ACN 141 940 230
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the Proxy Form attached to this Notice.
Remuneration Report	means the remuneration report of the Company outlined in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.
VWAP	means the volume weighted average price of the Company's Shares as traded on the ASX.

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The Proxy Form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the Proxy Form.
5. To be effective, forms to appoint proxies **must be received by the Company by 2:00 pm 25 November 2017** by post, facsimile or email to the respective addresses stipulated in this Proxy Form.
6. The Chairman will cast all available proxies in favour of the Resolutions.
7. If the Proxy Form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
8. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.

ANNEXURE A
TERMS AND CONDITIONS
OPTIONS
EXPIRING 26 NOVEMBER 2020

The Options were issued on the following terms:

1. The exercise price of each Option will be the lower of \$0.0125 or 125% of the market price of Shares on the date of issue ("**Exercise Price**").
2. Each Option entitles the holder to subscribe for one Share in Tanga Resources Limited ACN 141 940 230 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
3. The Options will vest on the date of issue.
4. All Options will lapse at 5:00 pm, Western Standard Time on 26 November 2020 ("**Expiry Date**").
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in the ASX Listing Rules;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Once vested, the Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. The Options are fully transferrable.

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TANGA RESOURCES LIMITED

ACN: 141 940 230

REGISTERED OFFICE:

GROUND FLOOR
63 HAY STREET
SUBIACO WA 6008



«EFT_REFERENCE_NUMBER»



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

TRL

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 2:00pm WST on Monday 27 November 2017 at Celtic Club 48 Ord St, West Perth Western Australia, Western Australia 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies **in FAVOUR** of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Adoption of Remuneration Report
2. Re-election of John Stockley as a Director
3. Re-election of Allen Lafferty as a Director
4. Issue of Securities to Mr Allen Lafferty
5. Issue of Securities to Mr John Jones
6. Issue of Securities to Mr John Stockley
7. Issue of Securities to Mr Matthew Bowles
8. Approval of 10% Placement Facility

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2:00pm WST on Saturday 25 November 2017.



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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

