

TANGA RESOURCES LIMITED
ACN 141 940 230

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting
29 November 2016

Time of Meeting
10:00 am

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 2016 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 29 November 2016 at 10:00am 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.

2016 FINANCIAL STATEMENTS

To receive the financial statements of the Company for the year ended 30 June 2016, 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 2016 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 MARK WILSON 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, Mark Wilson, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

3. RESOLUTION 3 - RATIFICATION OF ISSUE OF SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,019,292 Shares and 1,009,646 Options (exercisable at \$0.05 each and expiring 30 April 2017) to the parties, for the purposes and on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or 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).

4. RESOLUTION 4 - RATIFICATION OF ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 40,000,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or 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).

5. RESOLUTION 5 - RATIFICATION OF ISSUE OF SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 5,500,000 Options (exercisable at \$0.12 and expiring on 30 September 2019) to the parties, for the purposes and on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or 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).

6. RESOLUTION 6 – AUTHORITY FOR ISSUE OF SECURITIES PURSUANT TO EMPLOYEE SHARE OPTION PLAN

"That the issue of Securities for the next 3 years under the Tanga Resources Limited Employee Share Option Plan (as amended from time to time), be approved for the purposes of ASX Listing Rule 7.2, exception 9."

Voting Exclusion Statement: The Company will, in accordance with the Corporations Act, disregard any votes cast on this Resolution by a Director of the Company or 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 JOHN JONES

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 5,000,000 Options (exercisable at \$0.12 and expiring on 30 September 2019) to Mr John Jones, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

8. RESOLUTION 8 - ISSUE OF SECURITIES TO MR MARK WILSON

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 (exercisable at \$0.12 and expiring on 30 September 2019) to Mr Mark Wilson, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

9. RESOLUTION 9 - ISSUE OF SECURITIES TO MR JOHN STOCKLEY

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 (exercisable at \$0.12 and expiring on 30 September 2019) 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 7 - 9 by Messrs Jones, Stockley and Wilson 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:

- (c) 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
- (d) 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.

10. **RESOLUTION 10 – 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.

11. **RESOLUTION 11 – CHANGE OF AUDITOR**

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

“That, for the purpose of section 327B of the Corporations Act and for all other purposes, Greenwich & Co Audit Pty Ltd, having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the conclusion of this Annual General Meeting”

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 10:00am (WST) 27 November 2016 at:

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

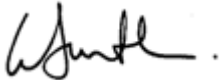
Postal Address PO BOX 535
Applecross WA 6953 AUSTRALIA

Street Address Alexandra House
Suite 1, 770 Canning Highway
Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au



Graeme Smith
Company Secretary
Date: 27 October 2016

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 4:00pm WST time on 27 November 2016 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 29 November 2016 commencing at 10:00am.

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 Mr Mark Wilson as a Director in accordance with the Company's constitution;
- ratifying the issue of Securities;
- approving the company's Employee Share Option Plan;
- approval of the issue of Securities to Messrs Jones, Stockley & Wilson;
- approving the Company's 10% Placement Facility; and
- change of auditor.

FINANCIAL AND OTHER REPORTS

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2016 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.

2. RESOLUTION 2 – RE-ELECTION OF MR MARK WILSON AS A DIRECTOR

2.1 Introduction

Resolution 2 proposes the re-election of Mr Mark Wilson as a Director of the Company with effect from the close of the Meeting. In accordance with ASX Listing Rule 14.5, an election of directors must be held at each AGM of the Company.

The Company's Constitution also requires that one third of the Company's directors must retire at each AGM.

Accordingly, Mr Mark Wilson 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 Wilson is currently Managing Director of Legend Mining Limited and is a Chartered Professional Engineer with an Associateship in Civil Engineering from Curtin University in Western Australia. He has an extensive business background, mainly in corporate management and project engineering. This has included site management of remote construction projects, ten years of commercial construction as a founding proprietor of a Perth based company and the past sixteen years in executive, non-executive, consulting and owner roles in resource focused companies. He served as a Director of Duketon Goldfields NL in 1995/1996 and of Cambrian Resources NL (Servicepoint Ltd) from 1999 to 2003.

2.3 Directors' Recommendation

All the Directors, with the exception of Mr Wilson who is abstaining from the vote, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SECURITIES

3.1 General

The Company issued 2,019,292 Shares at an issue price of \$0.02 per Share and 1,009,646 Options under its 15% placement capacity under Listing Rule 7.1.

It now seeks, pursuant to Resolution 3 of the Notice, to ratify the allotment and issue of those Shares and Options.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Securities under its 15% capacity under Listing Rule 7.1 and its 10% capacity under Listing Rule 7.1A without requiring Shareholder approval.

The Company proposes Resolution 3 to ratify the previous issue of Shares and Options in accordance with ASX Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares and Options, the subject of Resolution 3 did not breach ASX Listing Rule 7.1 or Listing Rule 7.1A.

3.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 2,019,292 Shares were allotted and issued by the Company on 18 January 2016;
- (b) 1,009,646 Options with an exercise price of \$0.05 and an expiry date of 30 April 2017 were also allotted and issued by the Company on 18 January 2016. The full terms and conditions of the Options are included in Annexure A to this Explanatory Memorandum;
- (c) the deemed issue price per Share was \$0.02;
- (d) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- (e) the Shares were issued to E. Baltis & Capital Drilling (Mauritius) Limited, who are not related parties of the Company;
- (f) No funds were raised from these issues. The Shares and Options were issued in lieu of geological work carried out by E. Baltis and exploration drilling carried out by Capital Drilling (Mauritius) Limited on the Company's Tanzanian projects. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and
- (g) a voting exclusion statement is included in the Notice.

3.3 Directors' Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SECURITIES

4.1 General

The Company issued 40,000,000 Shares under its 15% placement capacity under Listing Rule 7.1 in a private placement to sophisticated investors.

It now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Shares under its 15% capacity under Listing Rule 7.1 and its 10% capacity under Listing Rule 7.1A without requiring Shareholder approval.

The Company proposes Resolution 4 to ratify a previous issue of Shares in accordance with ASX Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares, the subject of Resolution 4 did not breach ASX Listing Rule 7.1 or Listing Rule 7.1A.

4.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 40,000,000 Shares were allotted and issued by the Company on 8 February 2016;
- (b) the issue price was \$0.05 per Share;
- (c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- (d) the Shares were issued to sophisticated investor clients of Bell Potter Securities Limited, none of which are related parties of the Company;

- (e) \$2,000,000 was raised from the issue of Shares pursuant to Resolution 4. Approximately 80% of these funds will be used for exploration on the Company's Singida Project in Tanzania, with the remainder being used for working capital purposes; and
- (f) a voting exclusion statement is included in the Notice.

4.3 Directors' Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SECURITIES

5.1 General

The Company issued 5,500,000 Options under its 15% placement capacity under Listing Rule 7.1.

It now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Options.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Securities under its 15% capacity under Listing Rule 7.1 and its 10% capacity under Listing Rule 7.1A without requiring Shareholder approval.

The Company proposes Resolution 5 to ratify the previous issue of Options in accordance with ASX Listing Rule 7.4. The Company confirms that the issue and allotment of the Options, the subject of Resolution 5 did not breach ASX Listing Rule 7.1 or Listing Rule 7.1A.

5.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 5,500,000 Options with an exercise price of \$0.12 and an expiry date of 30 September 2019 were allotted and issued by the Company on 17 October 2016. The full terms and conditions of the Options are included in Annexure B to this Explanatory Memorandum;
- (b) One third of the Options vest immediately (Tranche A), one third of the Options vest on 30 September 2017 (Tranche B) and one third of the Options vest on 30 September 2018 (Tranche C);
- (c) the deemed issue price, as calculated using a Black Scholes Option pricing model, per Option was:

Tranche A	\$0.066
Tranche B	\$0.057
Tranche C	\$0.041

- (d) the Options were issued to:

Edward Baltis	1,500,000
Barry Bourne	1,000,000
Graeme Smith	2,000,000
Vikki West	500,000
Anneke Morel	500,000

who are not related parties of the Company;

- (e) No funds were raised from these issues. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and

- (f) a voting exclusion statement is included in the Notice.

5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – AUTHORITY FOR ISSUE OF SECURITIES PURSUANT TO EMPLOYEE SHARE OPTION PLAN

6.1 General

The Tanga Resources Limited Employee Share Option Plan (**Plan**) was established in 2016 to assist in the recruitment and retention of key personnel. As at the date of this Notice, no securities have been issued under the Plan.

ASX Listing Rule 7.1 prohibits a company from issuing new securities representing more than 15% of its issued share capital during the following 12 month period without Shareholder approval. ASX Listing Rule 7.2 (Exception 9) provides that securities issued under an employee incentive scheme are excluded from this restriction, provided that, within 3 years before the date of issue, the issue of securities under the scheme have been approved by Shareholders in general meeting.

Resolution 6 seeks the approval of Shareholders for the potential issue of securities under the Plan for 3 years after the date of the general meeting, without those securities being subject to the 15% limit contained in ASX Listing Rule 7.1. If Resolution 6 is not passed, any securities issued under the Plan will count towards the 15% limit in Listing Rule 7.1. No Securities have been issued under the Plan as at the date of this Notice.

It should be noted that directors of the Company will not be issued securities under the Plan without first obtaining Shareholder approval under Listing Rule 10.11.

6.2 Summary of key features

The key features of the Plan are as follows:

- (a) Options may be issued under the Plan to employees, directors or consultants (together called "Employees") of the Company (or any associated companies) as nominated by directors;
- (b) the Options will be issued for no consideration and are not transferable;
- (c) the exercise price of the Options shall be determined by the Board but will be not less than the weighted average sale price of the Company's Shares on ASX over the five trading days immediately preceding the date of the offer;
- (d) the expiry date of the Options will be determined by the directors at the time of issue of the Options;
- (e) the Directors may elect to issue the Options with vesting conditions or performance hurdles whereby the Options will vest to the Employee progressively over a period of time;
- (f) Options that have not vested may be exercised in the event of a takeover offer or a change of control of the Company;
- (g) the maximum number of Options on issue under the Plan cannot be more than 5% of the number of shares on issue in the Company from time to time, subject to certain exceptions;
- (h) the Company will not apply for official quotation of the Options; and
- (i) all Shares issued upon exercise of the Options will rank pari passu with existing Shares on issue.

The Board also has the authority to vary the terms of the Plan (other than in respect of the maximum number of Options that may be issued under the Plan).

A full copy of the terms and conditions of the Plan is available upon request.

6.3 Purpose of the Plan

The Plan is designed to assist in attracting and retaining key personnel required for the ongoing management and continued growth and development of the Company in the future. Options issued under the Plan are expected to increase the motivation of Employees of the Company, promote retention of employees, align employee interests with those of the Company and its shareholders and to reward employees who contribute to the growth of the Company.

The future success of the Company is in part dependent on the skills and commitment of the Company's employees. It is therefore important that the Company is able to attract and retain people of the highest calibre.

6.4 Voting exclusion

The Company will disregard any votes cast on Resolution 6 by the Directors and any of their Associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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 person appointed as proxy must not vote on this Resolution on the basis of that appointment if:

- (a) that person is either a member of Key Management Personnel or a Closely Related Party; and
- (b) the appointment does not specify how the proxy is to vote on the proposed resolution;

unless the person appointed is the Chairman of the meeting and that appointment expressly authorises the Chairman to exercise the proxy even if the proposed resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

7. RESOLUTIONS 7 - 9 - APPROVAL OF ISSUE OF SECURITIES TO DIRECTORS - JOHN JONES, MARK WILSON & JOHN STOCKLEY

7.1 General

The Company proposes to grant 11,000,000 Options to Directors, or their nominees, for nil consideration. The Options, are exercisable over a period of 2 years from the date of issue at an exercise price of \$0.12 each.

One third of the Options will be exercisable immediately (Tranche A), one third will be exercisable after 12 months (Tranche B) and one third will be exercisable after 24 months (Tranche C). The Option expiry date is 30 September 2019.

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

Directors 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, the Directors (or their nominees) would need to pay \$0.12 per Option, being a total of \$1,320,000 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 Tanzanian projects.

7.2 Chapter 2E of the Corporations Act – Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the prohibition in section 208 of the Corporations Act; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, the Directors are a related party of the Company by virtue of Section 228(2) of the Corporations Act and the granting of Options would constitute the giving of a financial benefit. As none of the exceptions set out in the Corporations Act apply, the grant of Options to Directors requires Shareholder approval. Shareholder approval is now sought pursuant to section 195(4) of the Corporations Act for the grant of Options for the purposes of Chapter 2E of the Corporations Act.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular Section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the Options to Directors under Resolution 7 - 9.

7.3 Identity of the related party

The related parties of the Company to which a financial benefit may be given under Resolutions 7 - 9, are Mr John Jones, Mr Mark Wilson and Mr John Stockley, Directors' of the Company, as per Table 1.

7.4 The nature of, reasons for and basis for the financial benefit

The financial benefit to be provided to Directors under Resolutions 7 to 9 are Options. A copy of the terms and conditions of the Options is annexed as Annexure B. The Directors will not be required to make any payment for the grant of the Options. The maximum number of Options that could vest, and hence be exercised by the Directors under Resolutions 7 - 9, are set out in Table 1.

The Options are proposed to be given by the Company to the Directors in order to reward and incentivise the Directors for their respective continuing and future efforts.

In summary Shareholders may consider that the issue of the Options proposed in Resolutions 7 – 9 could be beneficial to the Company for the following reasons:

- (a) the grant of the Options may incentivise the Directors to grow the value of the Company and assist the Company in retaining the services of the current Directors;
- (b) the payment of monetary fees alone may not be an adequate incentive to retain the Directors;
- (c) the issue of the Options, and the subsequent potential for the acquisition of Shares, could be the most cost effective and efficient means to align the interests of the Company and its Directors, providing them with reward and incentive whilst preserving the Company's cash reserves in order to incentivise the Directors; and
- (d) if the Options are exercised and Shares issued to the Directors, the Company will receive significant funds for working capital purposes without any fund raising or compliance costs.

Shareholders may consider that the issue of the Options proposed in Resolutions 7 - 9 could be adverse to the Company for the following reasons:

- (a) the issue of the Shares following any exercise of the Options will be dilutive to Shareholders;
- (b) it may be perceived that the Directors receive adequate reasonable remuneration already under their respective executive and non-executive contracts with the Company commensurate with the time commitment and responsibilities of the role; and
- (c) the Options are transferable at any time, hence dilution to the Shareholders could still occur without the benefit of incentivising a Director, should a Director decide to transfer the Options.

The number and terms of the Options offered to Mr Jones, Mr Wilson and Mr Stockley has been determined based upon a consideration of:

- (a) their total remuneration;
- (b) a review of peer companies' equity based remuneration to executive and non-executive directors, which was conducted by the Company Secretary for the remuneration committee (a function performed by the whole Board); and
- (c) as a result of that review, the incentives which are generally perceived to be required to attract and ensure continuity of service of directors who have appropriate knowledge and expertise for an exploration entity's activities.

Having regard to the above factors, the Options are now proposed to Shareholders for approval as an appropriate number on appropriate terms to retain and incentivise the Directors, having regard to their respective skills and experience.

7.5 Directors' recommendation to members and reasons

None of the Directors make any recommendation in relation to Resolutions 7 - 9 because they may all have a conflict of interest, in line with best practice identified by ASIC Regulatory Guide 76. All of the Directors have therefore declared a material personal interest in Resolutions 7 - 9 at Board meetings, including meetings of the Remuneration Committee, resolving only to put the resolutions to Shareholders under section 195(4) of the Corporations Act.

7.6 Directors' interests in the outcome of the Resolutions 7 - 9

The Directors have noted their interest in the approval of Resolutions 7 - 9 in relation to the Options.

7.7 Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolutions would have the effect of giving approval to the Directors to grant 5,000,000 Options to Mr John Jones, or his nominees, 3,000,000 Options to Mr Mark Wilson, or his nominees and 3,000,000 Options to Mr John Stockley, or his nominees;
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure B to this Explanatory Memorandum and as otherwise mentioned above;
- (c) If there is takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 50AA of the Corporations Act 2001 (Cth) gains such control over the Company), any options which are not eligible to be exercised will immediately be eligible to be exercised;
- (d) If a Director resigned their position before a Tranche was eligible to be exercised, any Options not eligible to be exercised, would lapse immediately;
- (e) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method. The valuation cannot be finalised until the grant date of the Options;
- (f) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Directors, or their nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders;
- (g) As at the date of this Notice, the issued capital of the Company comprised 380,538,515 Shares and 30,438,578 Options. If all Options granted as proposed above are exercised, and no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the following table:

	Existing Securities
Shares and Options	410,977,093
Resolution 7 - 9, – Options to be granted	11,000,000
New Total	421,977,093
Dilutionary Effect (approx.)	2.6%

- (h) Messrs Jones, Wilson and Stockley's current interests in Securities of the Company are set out in Table 2;
- (i) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options;
- (j) The Options will not be quoted on the ASX and, as such, have no actual market value. In the previous 3 months, the Shares have traded in the range of \$0.07cents to \$0.10 cents and the most recent closing price prior to the date of this Notice was \$0.085. The Options are capable of being converted to Shares by payment of the exercise price;
- (k) Mr Jones is currently entitled to director fees of \$90,000, plus superannuation, Mr Wilson is currently entitled to director fees of \$60,000, plus superannuation and Mr Stockley is currently entitled to director fees of \$60,000, plus superannuation;
- (l) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company in granting the Options to Directors or their nominees pursuant to Resolutions 7 - 9; and
- (m) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

7.8 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 above;
- (b) the maximum number of Options to be granted pursuant to Resolutions 7 - 9 is 11,000,000;
- (c) the Options will be allotted and granted on a date which will be no later than 1 month after the date of the meeting;
- (d) the exercise price and other terms and conditions of the Options are set out in Annexure B to this Explanatory Memorandum;
- (e) the Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options; and
- (f) 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
John Jones	Chairman	5,000,000	\$0.12	30 September 2019	1/3 – Immediately 1/3 – 30/9/17 1/3 – 30/9/18	\$273,000
Mark Wilson	Director	3,000,000	\$0.12	30 September 2019	As above	\$164,000
John Stockley	Director	3,000,000	\$0.12	30 September 2019	As above	\$164,000

Table 2 - Details of current holdings of securities in the Company

Director	Share Holding	Options
John Jones	6,609,344	-
John Stockley	14,873,627	100,000 exercise \$0.05, expiry 24/12/16 1,425,000 exercise \$0.05, expiry 30/04/17
Mark Wilson	3,654,545	1,425,000 exercise \$0.05, expiry 30/04/17

Table 3 - Option Valuation details

Details			
Share price	\$0.08	\$0.08	\$0.08
Exercise Price	\$0.12	\$0.12	\$0.12
Risk Free Rate (RBA Cash Rate)	1.5%	1.5%	1.5%
Volatility (Annualised)	152%	152%	152%
Start Date	30 Sept 2016	30 Sept 2017	30 Sept 2018
Expiry Date	30 Sept 2019	30 Sept 2019	30 Sept 2019
Value per Option	\$0.066	\$0.057	\$0.041

7.9 Voting on the Resolution

In accordance with the Corporations Act, a vote on Resolutions 7 - 9 must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the key management personnel; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolutions 7 - 9 as a proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that directs how the proxy is to vote on Resolutions 7 - 9; or
- (d) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolutions 7 - 9; and

expressly authorises the Chairman to exercise the proxy even if Resolutions 7 - 9 is connected directly or indirectly with the remuneration of the key management personnel.

8. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT FACILITY

8.1 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 5.2(c) below).

8.2 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:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) 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;
- (iv) 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 380,538,515 Shares. Assuming Resolutions 3-5 are approved the Company will have a capacity to issue:
 - A. 57,080,777 Equity Securities under Listing Rule 7.1; and
 - B. 38,053,852 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 3.2(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**).

8.3 Listing Rule 7.1A

- (a) The effect of Resolution 10 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 10 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).

8.4 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 10 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 10 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		
		\$0.043 50% decrease in Issue Price	\$0.085 Issue Price	\$0.170 100% increase in Issue Price
Current Variable A 380,538,515 Shares	10% voting dilution (Shares)	38,053,851	38,053,851	38,053,851
	Funds raised	\$3,234,577	\$6,469,155	\$6,562,655
50% increase in current Variable A 570,877,773 Shares	10% voting dilution (Shares)	57,080,777	57,080,777	57,080,777
	Funds raised	\$4,851,866	\$9,703,732	\$9,843,982
100% increase in current Variable A 761,077,030 Shares	10% voting dilution (Shares)	76,107,703	76,107,703	76,107,703
	Funds raised	\$6,469,155	\$12,938,310	\$13,125,310

The table has been prepared on the following assumptions:

- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (iv) 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.
 - (v) 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%.
 - (vi) 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.
 - (vii) 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.
 - (viii) 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.
 - (ix) The issue price is \$0.085, being the closing price of Shares on the ASX on 14 October 2016.
 - (x) Ratification of the securities, the subject of Resolution 10, is assumed to have occurred.
- (d) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 10 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 2015 Annual General Meeting on 29 November 2015.

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 90,342,128 representing 32% 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	Value of consideration	Allottee
30 Nov 2015	8,550,000 4,275,000 ¹	ORD Option	\$0.02 (deemed)	Nil	\$171,000	Directors of Tanga Resources Ltd
18 Jan 2016	1,869,292 934,646 ¹	ORD Option	\$0.02 (deemed)	Nil	\$37,386	Capital Drilling (Mauritius) Limited
18 Jan 2016	150,000 75,000 ¹	ORD Option	\$0.02 (deemed)	Nil	\$3,000	E Baltis
8 Feb 2016	40,000,000	ORD	\$0.05	9%	\$2,000,000	Sophisticated investors
22 Mar 2016	28,988,190	ORD	\$0.05	44%	\$1,449,410	Shareholders (Rights issue)

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Value of consideration	Allottee
25 Oct 2016	500,000	Option ²	\$0.066	Nil	\$33,247	E Baltis
	500,000		\$0.057		\$28,520	
	500,000		\$0.040		\$20,286	
25 Oct 2016	333,334	Option ²	\$0.066	Nil	\$22,165	B Bourne
	333,333		\$0.057		\$19,013	
	333,333		\$0.040		\$13,524	
25 Oct 2016	666,666	Option ²	\$0.066	Nil	\$44,330	G Smith
	666,667		\$0.057		\$38,026	
	666,666		\$0.040		\$27,048	
25 Oct 2016	166,666	Option ²	\$0.066	Nil	\$11,082	V West
	166,667		\$0.057		\$9,507	
	166,666		\$0.040		\$9,507	
25 Oct 2016	166,666	Option ²	\$0.066	Nil	\$11,082	A Morel
	166,667		\$0.057		\$9,507	
	166,666		\$0.040		\$9,507	

1. Unlisted options exercisable at \$0.05 each on or before 30 April 2017.
2. Unlisted options exercisable at \$0.12 each on or before 30 September 2019

The Directors intend to use the working capital existing at the date of this Notice of ~\$1,200,000 towards exploration in Tanzania and general working capital.

Of the \$3,449,410 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.

The balance of ~\$1,200,000 will be spent on additional exploration on the Company's projects and for working capital.

- (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.

8.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10.

Resolution 10 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 10.

9. RESOLUTION 11 – CHANGE OF AUDITOR

9.1 General

During the year, the company's auditors *Somes Cooke* ceased trading. Following ASIC's consent to the resignation of *Somes Cooke* as auditors in accordance with s329(5) of the Corporations Act 2001, the Directors appointed *Greenwich & Co Audit Pty Ltd (Greenwich & Co)* to fill the vacancy until the next Annual General Meeting.

Section 327C(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Section 327C(2) of the Corporations Act further provides that any such auditor appointed to fill the vacancy holds office until the company's next annual general meeting. This is consistent with section 327B(1) of the Corporations Act, which provides that a public company must appoint an auditor of the company at its first annual general meeting and thereafter at each subsequent annual general meeting where an auditor is appointed by the company to fill any vacancy in the office of the auditor.

Pursuant to section 327C(1) of the Corporations Act, the directors of the Company appointed *Greenwich & Co* to fill the vacancy in the office of auditor.

9.2 Directors' Recommendation

In accordance with s327B of the Corporations Act 2001, the Directors recommend that the appointment of *Greenwich & Co* as auditors of the Company be approved.

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 2016.
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.

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 10am 27 November 2016** 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.

The Company Secretary
 Tanga Resources Limited
 63 Hay Street
 SUBIACO WA 6008

Name of Shareholder (s)

Address of Shareholder (s)

STEP 1

Appoint Proxy to Vote on Your Behalf

I / We being a member / s of Tanga Resources Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own names (s)

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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 Tanga Resources Limited to be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005 on 29 November 2016 at 10:00 am (WST) and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

STEP 2

Items of Business

PLEASE NOTE: if you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mark Wilson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Authority for Issue of Securities Pursuant to Employee Share Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Securities to Mr John Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Securities to Mr Mark Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Securities to Mr John Stockley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ Shares.

SIGN

Signature of Security holder – Please sign here

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director / Company Secretary

Director

Dated this _____ day of _____ 2016

ANNEXURE A

TERMS AND CONDITIONS \$0.05 OPTIONS EXPIRING 30 APRIL 2017

The Options were issued on the following terms:

1. The exercise price of each Option will be \$0.05 ("**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. The Options will lapse at 5:00 pm, Western Standard Time on 30 April 2017 ("**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. 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.

ANNEXURE B

TERMS AND CONDITIONS \$0.12 OPTIONS – TRANCHE A, TRANCHE B, TRANCHE C EXPIRING 30 SEPTEMBER 2019

The Options were issued on the following terms:

1. The exercise price of each Option will be \$0.12 ("**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. Tranche A Options will vest on the date of issue.
4. Tranche B Options will vest on 30 September 2017;
5. Tranche C options will vest on 30 September 2018;
6. All Options will lapse at 5:00 pm, Western Standard Time on 30 September 2019 ("**Expiry Date**").
7. If there is takeover of the Company, or following a change of control of the Company (being a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of Section 50AA of the Corporations Act 2001 (Cth) gains such control over the Company), any Options which are not eligible to be exercised will immediately be eligible to be exercised.
8. If an Option Holder is no longer an Employee, Director or Consultant to the Company before a Tranche was eligible to be exercised, any Options not eligible to be exercised, will lapse immediately
9. 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.
10. 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.
11. 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;
12. 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.
13. 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.
14. 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.
15. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
16. The Options are fully transferrable.