

TANGA RESOURCES LIMITED
ACN 141 940 230

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
29 January 2018

Time of Meeting
10:00 am

Place of Meeting
63 Hay Street
Subiaco WA 6008

TANGA RESOURCES LIMITED
ACN 141 940 230
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Tanga Resources Limited (**Company**) will be held at 63 Hay Street, Subiaco WA 6008 Australia on 29 January 2018 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.

1. RESOLUTION 1 - 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 116,400,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if 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.

2. RESOLUTION 2 - APPROVAL OF ISSUE OF SHARES TO ADVINO RESOURCES PTY LTD

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

"That, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 44,000,000 Consideration Shares and \$750,000 worth of Deferred Consideration Shares to be calculated based on the volume weighed average price for the 10 days prior to satisfaction of the relevant milestone up to a maximum of 75,000,000 Deferred Consideration Shares to Advino Resources Pty Ltd, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if 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 10:00am (WST) 27 January 2018 at:

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

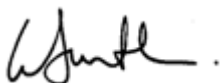
Postal Address PO BOX 52
Collins Street West VIC 8007

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



Graeme Smith
Company Secretary
Date: 28 December 2017

PROXIES

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.

A proxy may, but need not be, a Shareholder of the Company.

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.

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.

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 January 2018 be entitled to attend and vote at the General Meeting.

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 General Meeting of the Company to be held at 63 Hay Street on 29 January 2018 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 General Meeting, Shareholders will be asked to consider the following Resolutions:

- ratifying the issue of Securities under Listing Rule 7.4;
- approve a placement authority to issue up to 119 million shares.

1. RESOLUTION 1 – RATIFICATION OF PREVIOUS ISSUE OF SHARES

1.1 General

On 7 December 2017, the Company issued 116,400,000 Shares at an issue price of \$0.01 per Share to raise \$1,164,000. 46,540,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 27 November 2017 and 69,860,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 (**Ratification**).

1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.3 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 1, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

1.4 Information required by Listing Rule 7.5

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

- (a) 116,400,000 Shares were allotted and issued by the Company on 7 December 2017 on the following basis:
 - (i) 69,860,000 Shares were issued pursuant to ASX Listing Rule 7.1;
 - (ii) 46,540,000 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price per Share was \$0.01 under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (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 and professional investors, none of which are related parties of the Company;
- (e) \$1,164,000 was raised from the issue of these Shares. The funds raised will be used for exploration expenditure and working capital expenses; and
- (f) a voting exclusion statement is included in the Notice.

1.5 Directors' Recommendation

The Directors of the Company believe that Resolution 1 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 - APPROVAL OF ISSUE OF SHARES TO ADVINO RESOURCES PTY LTD

2.1 Background to Resolution 2

On 5 December 2017, the Company entered into a binding option agreement to acquire 100% of the issues shares of Coldstone Investments (Pty) Ltd ("**Coldstone**"), a Namibian registered company, which has a joint venture agreement with Namibian government owned, Epangelo Mining Company (Pty) Ltd ("**Epangelo**") to earn in up to 80% (with the ability to increase to 90%) of the highly prospective Joubira Zinc Project ("**Joubira**" or "**the Project**") in Namibia.

Coldstone is owned 100% by an Australian proprietary company, Advino Resources Pty Ltd ("**Advino**").

The acquisition of Joubira represents an opportunity to secure an advanced, high grade zinc-lead-silver project, located in the highly prospective and well endowed Damaran Belt.

2.2 Key Terms of the Acquisition Agreement

Upon exercise of the Option and satisfaction of all other conditions precedent under the relevant agreement, the Company shall provide the following consideration to Advino:

- (a) 44 million fully paid ordinary shares in the Company at a deemed issue price of \$0.011 per share (Company Shares) (**Consideration Shares**); plus
- (b) \$750,000 cash or, at the discretion of Company, \$750,000 worth of Company Shares in three separate tranches (outlined below) based on the volume weighted average price for the 10 days prior to satisfaction of the relevant milestones outlined below (**Deferred Consideration**):
 - i. \$250,000 cash or at the discretion of the Company, \$250,000 worth of Company Shares shall be issued on the definition of a Maiden Indicated Resource at the Joubira Project (**Milestone 1**) (**Tranche 1 Deferred Consideration Shares**);
 - ii. \$150,000 cash or at the discretion of the Company, \$150,000 worth of Company Shares shall be issued upon granting of a valid Mining Licence at the Joubira Project (**Milestone 2**) (**Tranche 2 Deferred Consideration Shares**); and
 - iii. \$350,000 cash or at the discretion of the Company, \$350,000 worth of Company Shares of the Deferred Consideration shall be issued upon completion and release to the ASX of a decision to mine at the Joubira Project (**Milestone 3**) (**Tranche 3 Deferred Consideration Shares**),
(together the **Milestones**).

None of the shareholders of Coldstone are related parties of the Company.

2.3 Conditions Precedent

Completion of the Acquisition is conditional upon the satisfaction (or waiver by the relevant party) of the following conditions precedent:

- (a) Due Diligence: The Company completing to its satisfaction all necessary due diligence enquiries, including a work programme (estimated at \$100,000), to the Company's satisfaction within three months. The due diligence period may be extended for a further month, or other such period that shall not be unreasonably withheld, if the Company is unable to complete its due diligence and work programme within the initial period.
- (b) Shareholder Approvals: The Company obtaining all necessary shareholder approvals required by the ASX Listing Rules and the Corporations Act 2001 (Cth) (Corporations Act) in relation to the transaction contemplated by the Heads of Agreement in a general meeting, including without limitation:
 - i. a resolution authorising the issue of the Consideration Shares and Deferred Consideration to Advino; and
 - ii. such other approvals as may be identified as necessary as a result of due diligence;
- (c) Company Regulatory Approvals: the Company obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Company to lawfully complete the matters set out in the Heads of Agreement;;
- (d) Coldstone Regulatory Approvals: Coldstone obtaining all necessary regulatory approvals as are required to allow them to lawfully complete the matters set out in this Heads of Agreement;
- (e) Exercise of Option: the Company exercising the Option;
- (f) Epangelo Pre-emptive rights: Coldstone obtaining a waiver from Epangelo waiving all rights conferred by the shareholders agreement in relation to a control transaction;
- (g) Pre-emptive rights: if required, Advino waiving all pre-emptive and other rights over any of the Coldstone Shares conferred by the constituent documents of Coldstone, any shareholders agreement relating to Coldstone or in any other way (if any); and
- (h) Capital raising: the Company securing irrevocable commitments to raise at least \$1.1 million through the issue of new shares

(together the **Conditions**).

- (i) If the Conditions set out above are not satisfied (or waived by the relevant party) on or before the end of the Option Period, or become incapable of satisfaction, any party may terminate this agreement by notice in writing to the other parties, in which case, the agreement will be at end and the parties will be released from their obligations under the agreement (other than in respect of any breaches that occurred prior to termination).
- (j) Subject to the fact that exercise of the Option is at the complete discretion of the Company, the parties will use their best efforts to ensure that the Conditions are satisfied.

2.4 Requirement for shareholder approval

Resolution 2 seeks Shareholder approval for the issue of the Consideration Shares and if the Company elects to issue Shares in lieu of cash under the Acquisition Agreement Resolution 2 also seeks Shareholder approval for the issue of the Deferred Consideration Shares.

A summary of ASX Listing Rule is set out in section 1.2 above.

The effect of Resolution 2 will be to allow the Company to issue the Consideration Shares and if the Company elects to issue Shares in lieu of cash under the Acquisition Agreement, the issue of the Deferred Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.5 Required information

Pursuant to listing rule 7.3, the following information is provided in respect of Resolution 2:

- (a) the maximum number of consideration shares to be issued to Advino is as follows;
 - i. 44,000,000 Consideration Shares upon exercise of the Option;
 - ii. \$250,000 worth of Deferred Consideration Shares based on the volume weighed average price for the 10 days prior to satisfaction of Milestone 1 up to a maximum of 25,000,000 Deferred Consideration Shares;
 - iii. \$150,000 worth of Deferred Consideration Shares based on the volume weighted average price for the 10 days prior to satisfaction of Milestone 2 up to a maximum of 15,000,000 Deferred Consideration Shares; and
 - iv. \$350,000 worth of Deferred Consideration Shares based on the volume weighted average price for the 10 days prior to satisfaction of Milestone 3 up to a maximum of 35,000,000 Deferred Consideration Shares;
- (b) the Consideration Shares will be issued no more than 3 months after the date of the meeting; (or such later date permitted by any ASX waiver or modification of the listing rules) and it is intended to issue all Consideration Shares on the same date;
- (c) the Deferred Consideration Shares will be issued not more than 36 months after the date of the meeting and it is intended to issue the Deferred Consideration Shares on three separate dates being as soon as is practicable after each Milestone is met. The Company has been granted a waiver from ASX's requirement that securities issued in accordance with shareholder approval be issued within 3 months of that approval being given.
- (d) The Shares to be issued to Advino will be issued for the following;
 - i. Consideration Shares to be issued will be issued for a deemed issue price of \$0.011 per share;
 - ii. Tranche 1 Deferred Consideration Shares will be issued based on the volume weighed average price for the 10 days prior to satisfaction of Milestone 1 at no less than \$0.01 per share;
 - iii. Tranche 2 Deferred Consideration Shares will be issued based on the volume weighted average price for the 10 days prior to the satisfaction of Milestone 2 at no less than \$0.01 per share; and
 - iv. Tranche 3 Deferred Consideration Shares will be issued based on the volume weighted average price for the 10 days prior to the satisfaction of Milestone 3 at no less than \$0.01 per share;
- (e) the Consideration Shares and Deferred Consideration Shares to be issued under Resolution 2 will be issued to Advino, which is not a related party of the Company;
- (f) the Consideration Shares and Deferred Consideration Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised by the issue of the Consideration Shares and Deferred Consideration Shares as the Shares are being issued for Consideration pursuant to the Acquisition Agreement.

2.6 Directors' recommendation

The Directors of the Company believe that Resolution 2 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 2.

GLOSSARY

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

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 General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the Proxy Form attached to this Notice.
Resolution	means a resolution contained in the Notice.
Securities	has the meaning described in Chapter 19 of the Listing Rules.
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 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 10:00am 27 January 2018** 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 General Meeting of Tanga Resources Limited to be held at the Company's office, 63 Hay Street, Subiaco Western Australia on 29 January 2018 at 10:00am (WST) and at any adjournment of that meeting.

Important for All Resolutions – if the Chairman of the meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the meeting to vote in accordance with the Chairman's voting intentions on the Resolutions as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on the Resolutions in Step 2 below, the Chairman of the meeting will not cast your votes on the Resolutions and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the meeting will vote in favour of the Resolutions .

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

I / We (except where I /we have indicated a different voting intention below):

1. direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on the Resolutions to vote in favour of this item; and
2. acknowledge that the Chairman of the Meeting may exercise my / our proxy in respect of the Resolutions as he sees fit even if the Chairman has an interest in the outcome of The Resolutions and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

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	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of shares to Advino Resources Pty Ltd	<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 _____ 2017