



27 September 2018

Notice to Optionholders of Renounceable Entitlements Issue

We write to you as the registered holder of Tanga Resources Limited (ASX: TRL) (**Tanga** or the **Company**) options as at today's date. As advised in the Company's ASX announcement dated 27 September 2018, Tanga is undertaking a renounceable pro-rata Entitlements Issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.004 per share and on the basis of 2 shares for every 3 shares held at the record date on Wednesday, 3 October 2018 (**Record Date**), together with one free New Option (**New Option**) for every two shares issued pursuant to this offer (**Entitlements Issue**). The New Options are intended to be quoted and will be exercisable at \$0.01 each on or before 24 October 2020.

Pursuant to the Entitlements Issue, the Company will issue up to approximately 484,210,940 Shares and 242,105,470 New Options to raise approximately \$1.9 million before costs.

The Entitlements Issue will be available to all Tanga shareholders registered on the Record Date whose registered address is in Australia or, subject to certain offer restrictions, New Zealand (**Eligible Shareholders**).

A prospectus in relation to the Entitlements Issue was lodged with ASIC on Thursday, 27 September 2018 and will be sent to Eligible Shareholders in due course.

The Entitlements Issue is partially underwritten to \$500,000 by CPS Capital Group Pty Ltd.

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlements Issue unless you exercise your options, and are entered onto the register as a shareholder of the Company by 7pm (AEDT) on the Record Date.

If you wish to participate in the Entitlements Issue, a notice of options exercise and payment of the options exercise price should be lodged with the Company's share registry, Security Transfer Registrars Pty Ltd, with sufficient time to ensure that you are registered as a shareholder of the Company by the Record Date. As at the date of this letter, all options on issue in the Company are out-of-the-money.

If you do not wish to participate in the Entitlements Issue, no action is required.

If you require clarification on any of the above matters, please contact the Company, by telephone on +61 8 9 382 8822.

Yours faithfully,

TANGA RESOURCES LIMITED

Graeme Smith
Company Secretary