



1 October 2018

Dear Shareholder

Notice to Ineligible Shareholders of Renounceable Entitlements Issue

We write to you as the registered holder of Tanga Resources Limited (ASX: TRL) (**Tanga** or the **Company**) shares 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 Rights Issue is available to all Tanga shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or subject to certain offer restrictions, New Zealand (**Eligible Shareholders**).

Ineligible Shareholders

The Company has determined, that it would be unreasonable to make offers under the Prospectus to ineligible foreign shareholders, being those foreign holders with registered addresses outside of Australia and New Zealand (**Ineligible Foreign Shareholders**). Accordingly, the Company wishes to advise that you it will not be extending the Rights Issue to you.

CPS Capital has been appointed to sell the rights that would otherwise be held by Ineligible Foreign Shareholders. The Company advises these Ineligible Foreign Shareholders that CPS Capital will arrange for the sale of the rights to subscribe for the new securities under the Rights Issue that would have been given to these Ineligible Foreign Shareholders, and if they are sold, for the net proceeds to be sent to the Ineligible Foreign Shareholders. CPS Capital will have an absolute and sole discretion (subject to market conditions) to determine the timing and the price at which the rights may be sold and the manner of any such sale. CPS Capital will be paid for its services on standard industry terms and conditions.

Any interest earned on the proceeds of the sale of these rights will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the Ineligible Foreign Shareholders.

The net proceeds of the sale of these rights will then be forwarded by the Company as soon as practicable to the Ineligible Foreign Shareholders, in proportion to their share of such rights (after deducting brokerage commission and other expenses). Please note it is possible that no net proceeds will be available for distribution to Ineligible Foreign Shareholders, after the costs of the sale have been paid to CPS Capital. We will inform you in due course of the outcome of the sale of your rights..

There is no guarantee that CPS Capital will be able to sell the rights of Ineligible Foreign Shareholders on ASX and Ineligible Foreign Shareholders may receive no value for the rights. Both the Company and CPS Capital take no responsibility for the outcome of the sale of such rights or the failure to sell such rights.

For all enquiries concerning the Rights Issue, please contact the Company by telephone on +61 9 382 8822.

Yours faithfully,

TANGA RESOURCES LIMITED

Graeme Smith

Company Secretary