

6 FEBRUARY 2020



SHARE CONSOLIDATION

Tanga Resources Ltd (ASX: TRL) (“Tanga” or the “Company”) advises that it will seek shareholder approval to consolidate the issued capital of the Company, at a General Meeting to be held on 6 March 2020, on the basis of one (1) share for every twenty (20) shares currently held, thereby reducing the number of shares on issue. The number of Options on issue will also be consolidated on a 1 for 20 basis, with the exercise price of the Options increasing in inverse proportion to the consolidation ratio.

The consolidation has been proposed to reduce the number of shares on issue to approximately 93.4 million, creating a more efficient capital structure. Further details of the proposed consolidation are provided in the attached notice of meeting.

For and on behalf of the Board

TANGA RESOURCES LIMITED
ACN 141 940 230

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
6 March 2020

Time of Meeting
10:00am (WST)

Place of Meeting
Ground Floor, 35 Ventnor Avenue,
West Perth, Western Australia 6005

This Notice of 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.

TANGA RESOURCES LIMITED
ACN 141 940 230
NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Tanga Resources Limited (**Company**) will be held at Ground Floor, 35 Ventnor Avenue, West Perth Western Australia 6005 on 6 March 2020 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 – CONSOLIDATION OF SHARE CAPITAL

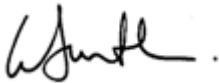
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Section 254H(1) of the Corporations Act and for all other purposes, the Shares of the Company be consolidated through the conversion of every twenty (20) Shares held by a Shareholder into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction down to the nearest whole Share or zero, as applicable, with consolidation to take effect in accordance with the timetable set out in the Explanatory Memorandum.”

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 10:00 am (WST) 4 March 2020 at:

Automic Group Online	https://investor.automic.com.au/#/loginsah
By Mail	GPO BOX 5193 Sydney NSW 2001
In Person	Automic Level 15, 126 Phillip Street Sydney NSW 2000
Telephone	1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)
Email	meetings@automicgroup.com.au



Graeme Smith
Company Secretary
Date: 3 February 2020

1. PROXIES

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

2. ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 4:00 pm WST time on 4 March 2020 will be entitled to attend and vote at the GM.

2. 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 Ground Floor, 35 Ventnor Avenue, West Perth, Western Australia 6005 on 6 March 2020 commencing at 10:00am (WST).

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 GM, Shareholders will be asked to consider the following Resolution:

- Share Consolidation.

1. RESOLUTION 1 – CONSOLIDATION OF SHARE CAPITAL

1.1 Background

Resolution 1 seeks Shareholder approval for the Company to consolidate its issued share capital through the conversion of every twenty (20) fully paid ordinary shares into one (1) fully paid ordinary share (**Share Consolidation**).

Pursuant to Section 254H(1) of the Corporations Act, the Company may convert all or any of its Shares into a larger or smaller number of Shares by ordinary resolution passed at a general meeting.

This section of the Explanatory Memorandum provides the information required by Listing Rule 7.20 to be provided to Shareholders in relation to the Share Consolidation.

1.2 Purpose of Proposed Resolution

The Directors propose the Share Consolidation for the following reasons:

- (a) the Company currently has approximately 1,868,027,463 Shares on issue which represents a relatively large number when compared to its peer group listed on the ASX; and
- (b) the Share Consolidation will result in a more appropriate and effective capital structure for the Company and a share price more appealing to a wider range of investors, particularly institutional, globally.

1.3 Effect of the Share Consolidation

(a) Shares

If the Resolution is approved, every twenty (20) Shares on issue will be consolidated into one (1) Share (subject to rounding). Overall, this will result in the number of Shares on issue reducing from 1,868,027,463 to approximately 93,401,373 (subject to rounding).

As the Share Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Share Consolidation will have no effect on the percentage interest in the Company of each Shareholder.

The Share Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

(b) Options

As at the date of this Notice of Meeting, the Company has both listed and unlisted Options on issue (**Options**). If the Share Consolidation is approved, the Options will also be reorganised in accordance with the terms and conditions of the Options and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the Share Consolidation and the exercise price is amended in inverse proportion to that ratio.

For example, a holding of one hundred thousand (100,000) Options with an exercise price of \$0.03 each prior to the Share Consolidation would result in a holding of ten thousand (5,000) Options with an exercise price of \$0.60 each after the Share Consolidation.

After the Share Consolidation, there will be:

Listed Options

- 14,167,778 listed Options exercisable at \$0.20 each on or before 24 October 2020

Unlisted Options

- 2,525,000 unlisted Options exercisable at \$0.25 each on or before 26 November 2020
- 500,000 unlisted Options exercisable at \$0.80 each on or before 7 June 2021;
- 500,000 unlisted Options exercisable at \$1.00 each on or before 7 June 2021.

The Share Consolidation will not result in any change to the substantive rights and obligations of existing holders of Options.

(c) Fractional entitlements

Where the Share Consolidation (and associated consolidation of the Company's Options) results in an entitlement to a fraction of a Share or Option (as applicable), that fraction will be rounded down to the nearest whole number of Shares or zero, as applicable.

(d) Holding statements

Taking effect from the date of the Share Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-Share Consolidation basis. New holding statements will be issued to security holders, who are encouraged to check their holdings after the Share Consolidation.

(e) Taxation

The Share Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Share Consolidation will be the sum of the cost bases of the original Shares pre-Share Consolidation. The acquisition date of Shares held after the Share Consolidation will be the same as the date on which the original Shares were acquired.

This Explanatory Memorandum does not however consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Share Consolidation.

(f) Indicative timetable

If approved by Shareholders, the proposed Share Consolidation will take effect in accordance with the following indicative timetable (subject to change) of the key events:

Key Event	Indicative Date
General Meeting	6 Mar 2020
Notification to ASX that Share Consolidation is approved & Effective date	6 Mar 2020
Last day for trading in pre-consolidated securities	9 Mar 2020
Trading in the consolidated securities on a deferred settlement basis commences	10 Mar 2020

Record Date - Last day to register transfers on a pre-consolidation basis	11 Mar 2020
First day for Company to update register and send new holding statements.	12 Mar 2020
Completion of despatch of new holding statements. Deferred settlement trading ends	18 Mar 2020
Normal trading starts	19 Mar 2020

1.4 Board Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 for the reasons outlined in section 1.2 of this Explanatory Memorandum.

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:

GM	means a General Meeting
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.
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 4 March 2020** 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.



TANGA RESOURCES LIMITED | ACN 141 940 230

GM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: TRL

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 4th March 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



