

TAWANA RESOURCES NL

ACN 085 166 721

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30am

DATE: 23 May 2017

PLACE: Quest West Perth, 54 Kings Park Road, West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.30am on 21 May 2017.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2016."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ROBERT BENUSSI

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

"That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Robert Benussi, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MARK CALDERWOOD

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

"That, for the purpose of clause 11.6 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mark Calderwood, a Director who was

appointed casually on 11 July 2016, retires, and being eligible, is elected as a Director."

5. **RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: 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. However, the Company will 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.

6. **RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – ACQUISITION 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 ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,092,198 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and 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.

7. **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – LEAD MANAGER 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 ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,500,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and 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.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – PLACEMENT OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and 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.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – CANACCORD OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and 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.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY – MICHAEL NAYLOR

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Michael Naylor (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Michael Naylor (or his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 10 – ISSUE OF OPTIONS TO RELATED PARTY – ROBERT BENUSSI

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Options to Robert Benussi (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Robert Benussi (or his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (iii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 21 April 2017

By order of the Board



Michael Naylor
Executive Director and Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9489 2600.

For personal use only

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.tawana.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ROBERT BENUSSI

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Benussi, who has served as a director since 4 December 2015 and was last re-elected on 24 May 2016, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Benussi was the founding shareholder and director of Bligh Resources Limited (ASX: BGH) holding the positions of Managing Director / Chief Financial Officer from 1 July 2011 to 8 October 2015. Prior to this role he held various positions at Jupiter Mines Limited as Chief Financial Officer, Company Secretary and General Manager, Corporate from July 2006 to June 2011 and was a Non-Executive Director of Resource Star Limited (ASX: RSL) from July 2009 to March 2013.

Mr Benussi does not hold other directorships in listed companies.

3.3 Independence

If elected the board considers Mr Benussi will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Benussi and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MARK CALDERWOOD

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Calderwood, having been appointed by other Directors on 11 July 2016 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr Calderwood has extensive experience in mineral exploration and production management, is an authority on pegmatites and was a co-author of the 'Pegmatites of Western Australia'. Mr Calderwood was CEO of Perseus Mining Limited for 9 years and is currently non-executive director of three junior gold explorers.

4.3 Independence

Mr Calderwood is the Managing Director of Tawana and hence if elected the board does not consider Mr Calderwood will be an independent director.

4.4 Board recommendation

The Board supports the re-election of Mr Calderwood and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$106,992,956 (based on the number of Shares on issue and the closing price of Shares on the ASX on 11 April 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: TAW).

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded 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 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 11 April 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic

dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.14 50% decrease in Issue Price	\$0.28 Issue Price	\$0.42 50% increase in Issue Price
382,117,700 (Current Variable A)	Shares issued - 10% voting dilution	38,211,770 Shares	38,211,770 Shares	38,211,770 Shares
	Funds raised	\$5,349,648	\$10,699,296	\$16,048,944
573,176,550 (50% increase in Variable A)	Shares issued - 10% voting dilution	57,317,655 Shares	57,317,655 Shares	57,317,655 Shares
	Funds raised	\$8,024,471	\$16,048,943	\$24,073,415
764,235,400 (100% increase in Variable A)	Shares issued - 10% voting dilution	76,423,540 Shares	76,423,540 Shares	76,423,540 Shares
	Funds raised	\$10,699,295	\$21,398,591	\$32,097,886

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 382,117,700 Shares on issue;
2. The issue price set out above is the closing price of the Shares on the ASX on 11 April 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure, development and/or construction on the Company's current assets and Project (funds would then be used for project, feasibility studies and ongoing project administration), general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, 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.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company did not previously obtain approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 24 May 2016 (**Previous Approval**). As such, the Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 23 May 2016, the Company otherwise issued a total of 308,354,950 Shares and 23,375,000 Options which represents approximately 443% of the total diluted number of Equity Securities on issue in the Company on 23 May 2016, which was 74,887,751.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – ACQUISITION SHARES

6.1 General

On 27 March 2017, the Company issued 7,092,198 Shares (**Acquisition Shares**) at a deemed issue price of \$0.141 per Share in consideration for the acquisition of the Cowan and Yallari Lithium Projects as announced on 6 March 2017.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Acquisition Shares (**First Ratification**).

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.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the First Ratification:

- (a) 7,092,198 Acquisition Shares were issued;
- (b) the deemed issue price was \$0.141 per Acquisition Share;
- (c) the Acquisition Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than 3,546,099 Acquisition Shares which are subject to a voluntary 12 month trading restriction;
- (d) the Acquisition Shares were issued to the vendors of the Cowan and Yallari Lithium Projects. None of these parties are related parties of the Company; and
- (e) no funds raised from this issue rather the issue was in consideration for the acquisition of the Cowan and Yallari Lithium Projects.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – LEAD MANAGER SHARES

7.1 General

On 24 August 2016, the Company issued 1,500,000 Shares (**Lead Manager Shares**) to Canaccord Genuity (Australia) Pty Ltd (**Canaccord**) at a deemed issue price of \$0.025 per Share in consideration for lead manager services provided in relation to the capital raising as announced on 11 July 2016 to raise \$1,750,000 (**Capital Raising**).

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Lead Manager Shares (**Second Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 6.1 above.

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.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Second Ratification:

- (a) 1,500,000 Lead Manager Shares were issued;
- (b) the deemed issue price was \$0.025 per Lead Manager Share;

- (c) the Lead Manager Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Lead Manager Shares were issued to Canaccord, who is not a related party of the Company; and
- (e) no funds raised from this issue rather the issue was in consideration for lead manager services provided in relation to the Capital Raising.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – PLACEMENT OPTIONS

8.1 General

On 16 June 2016, the Company issued 2,500,000 Options exercisable at \$0.035 on or before 14 June 2018 (**Placement Options**) to Canaccord in consideration for lead manager services provided in relation to the placement of the shortfall shares as a result of the Company's 1 for 1 non-renounceable rights issue as announced on 4 May 2016 (**Rights Issue**).

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Placement Options (**Third Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 6.1 above.

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.

8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Third Ratification:

- (a) 2,500,000 Placement Options were issued;
- (b) the Placement Options were issued on the terms and conditions set out in Schedule 2;
- (c) the Placement Options were issued to Canaccord, who is not a related party of the Company; and
- (d) no funds raised from this issue rather the issue was in consideration for services provided in relation to the placement of the shortfall pursuant to the Rights Issue.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – CANACCORD OPTIONS

9.1 General

On 12 April 2017, the Company issued 9,000,000 Options to Canaccord in consideration for corporate advisory services, as follows:

- (a) 3,000,000 Options exercisable at \$0.20 on or before 12 April 2020;
- (b) 3,000,000 Options exercisable at \$0.25 on or before 12 April 2020; and
- (c) 3,000,000 Options exercisable at \$0.30 on or before 12 April 2020,

and otherwise on the terms and conditions set out in Schedule 3 (together, the **Canaccord Options**).

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Canaccord Options (**Fourth Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 6.1 above.

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.

9.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Fourth Ratification:

- (a) 9,000,000 Canaccord Options were issued;
- (b) the Canaccord Options were issued on the terms and conditions set out in Schedule 3;
- (c) the Canaccord Options were issued to Canaccord, who is not a related party of the Company; and
- (d) no funds raised from this issue rather the issue was in consideration for services provided in relation to corporate advisory services.

10. RESOLUTIONS 9 AND 10 – ISSUE OF OPTIONS TO RELATED PARTIES

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 1,500,000 Options (**Related Party Options**) to Michael Naylor and Robert Benussi (or their nominees) (**Related Parties**) on the terms and conditions set out below.

Resolutions 9 and 10 seeks Shareholder approval for the grant of the Related Party Options to the Related Parties.

10.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Naylor and Benussi are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Naylor who has a material personal interest in the Resolution 9 and Mr Benussi who has a material personal interest in Resolution 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

10.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

10.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 9 and 10:

- (a) the Related Party Options will be granted to Messrs Naylor and Benussi (or their nominees);
- (b) the number of Related Party Options to be issued is 1,500,000, as follows:
 - (i) 1,000,000 Related Party Options to Mr Naylor (or his nominee) and
 - (ii) 500,000 Related Party Options to Mr Benussi (or his nominee);
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 4.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.1.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Canaccord means Canaccord Genuity (Australia) Pty Ltd (ACN 075 071 466).

Canaccord Option means an Option granted pursuant to Resolution 8 with the terms and conditions set out in Schedule 3.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or Tawana means Tawana Resources NL (ACN 085 166 721).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Placement Option means an Option granted pursuant to Resolution 7 with the terms and conditions set out in Schedule 2.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 9 and 10 with the terms and conditions set out in Schedule 4.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2016.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 23 MAY 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 12 April 2017 Appendix 3B – 13 April 2017	3,000,000	Unquoted Options ¹¹	Canaccord	No issue price (non cash consideration)	Consideration: issued to Canaccord as consideration for corporate advisory services Current value ¹⁵ = \$746,286
Issue – 12 April 2017 Appendix 3B – 13 April 2017	3,000,000	Unquoted Options ¹²	Canaccord	No issue price (non cash consideration)	Consideration: issued to Canaccord as consideration for corporate advisory services Current value ¹⁵ = \$734,743
Issue – 12 April 2017 Appendix 3B – 13 April 2017	3,000,000	Unquoted Options ¹³	Canaccord	No issue price (non cash consideration)	Consideration: issued to Canaccord as consideration for corporate advisory services Current value ¹⁵ = \$724,579
Issue – 27 March 2017 Appendix 3B – 27 March 2017	7,092,198	Shares ²	The vendors of the Cowan and Yallari Lithium Projects	No issue price (non cash consideration)	Consideration: consideration for the acquisition of the Cowan and Yallari Lithium Projects Current value ¹⁵ = \$1,985,815
Issue – 27 March 2017 Appendix 3B – 27 March 2017	500,000	Unquoted Options ³	Employees and consultants in accordance with the Company's Employee Option Incentive Plan	No issue price (non cash consideration)	Consideration: issued to employees pursuant to the Plan Current value ¹⁵ = \$115,673
Issue – 27 March 2017 Appendix 3B – 27 March 2017	1,500,000	Unquoted Options ⁴	Employees and consultants in accordance with the Plan	No issue price (non cash consideration)	Consideration: issued to employees pursuant to the Plan Current value ¹⁵ = \$376,854
Issue – 27 March 2017 Appendix 3B – 27 March 2017	750,000	Unquoted Options ⁵	Employees and consultants in accordance with the Plan	No issue price (non cash consideration)	Consideration: issued to employees pursuant to the Plan Current value ¹⁵ = \$188,603
Issue – 27 March 2017 Appendix 3B – 27 March 2017	500,000	Unquoted Options ⁶	Employees and consultants in accordance with the Plan	No issue price (non cash consideration)	Consideration: issued to employees pursuant to the Plan Current value ¹⁵ = \$122,831
Issue – 6 January 2017 Appendix 3B – 6 January 2017	2,625,000	Unquoted Options ⁷	Employees and consultants in accordance with the Plan	No issue price (non cash consideration)	Consideration: issued to employees pursuant to the Plan Current value ¹⁵ = \$661,302
Issue – 5 January 2017 Appendix 3B – 5	3,171,000	Shares ²	Sophisticated and professional investors	\$0.12 per Share (discount of 14.3%)	Amount raised = \$380,520 Amount spent = \$0 Use of funds: N/A – no funds spent to date

January 2017					Amount remaining = \$380,520 Proposed use of remaining funds ⁵ to advance the Bald Hill Project and Cowan Lithium Project including further drilling, metallurgical test work, engineering studies and potential development scenarios
Issue – 30 December 2016 Appendix 3B – 30 December 2016	27,200,175	Shares ²	Sophisticated and professional investors as announced on 26 October 2016	\$0.12 per Share (discount of 20.2%)	Amount raised = \$3,264,021 Amount spent = \$644,541 Use of funds: to advance the Bald Hill Project and Cowan Lithium Project including further drilling, metallurgical test work, engineering studies and potential development scenarios Amount remaining = \$2,619,480 Proposed use of remaining funds ¹⁴ to advance the Bald Hill Project and Cowan Lithium Project including further drilling, metallurgical test work, engineering studies and potential development scenarios.
Issue – 30 December 2016 Appendix 3B – 30 December 2016	50,000,000	Shares ²	Vendors of Lithco No 2 Pty Ltd (Lithco)	No issue price (non cash consideration)	Consideration: consideration for the vendors of Lithco Current value ¹⁵ = \$14,000,000
Issue – 24 November 2016 Appendix 3B – 25 November 2016	1,000,000	Shares ²	Issued upon exercise of Options	\$0.06 per Share (discount of 29.4%)	Amount raised = \$60,000 Amount spent = \$60,000 Use of funds: working capital Amount remaining = \$0
Issue – 1 November 2016 Appendix 3B – 1 November 2016	29,628,826	Shares ²	Sophisticated and professional investors as announced on 26 October 2016	\$0.12 per Share (discount of 17.24%)	Amount raised = \$3,555,459 Amount spent = \$3,555,459 Use of funds: to advance the Bald Hill Project and Cowan Lithium Project including further drilling, metallurgical test work, engineering studies and potential development scenarios Amount remaining = \$0
Issue – 29 September 2016 Appendix 3B – 30 September 2016	5,000,000	Shares ²	Vendors of Lithium Africa No 1 Pty Ltd as announced on 23 September 2016	No issue price (non cash consideration)	Consideration: consideration for the vendors of Lithium Africa No 1 Pty Ltd Current value ¹⁵ = \$1,400,000
Issue – 24	50,380,000	Shares ²	Professional and	\$0.025 per Share	Amount raised = \$1,259,500

August 2016 Appendix 3B – 24 August 2016			sophisticated investors pursuant to tranche 2 of the Company's capital raising of \$1,750,000 as approved on 23 August 2016	(discount of 73.7%)	Amount spent = \$1,259,500 Use of funds: exploration programs on the Mount Belches Projects and General working Capital Amount remaining = \$0
Issue – 24 August 2016 Appendix 3B – 24 August 2016	40,000,000	Shares ²	Vendors of Mt Belches Pty Ltd	No issue price (non cash consideration)	Consideration: consideration for the vendors of Mt Belches Pty Ltd Current value ¹⁵ = \$11,200,000
Issue – 24 August 2016 Appendix 3B – 24 August 2016	1,500,000	Shares ²	Lead Manager to the Company's capital raising of \$1,750,000 as approved on 23 August 2016 (Placement)	No issue price (non cash consideration)	Consideration: consideration for lead manager services in relation to the Placement Current value ¹⁵ = \$420,000
Issue – 24 August 2016 Appendix 3B – 24 August 2016	3,000,000	Unquoted Options ⁸	Issued to Directors in accordance with the Plan	No issue price (non cash consideration)	Consideration: issued to Directors pursuant to the Plan Current value ¹⁵ = \$789,024
Issue – 22 July 2016 Appendix 3B – 22 July 2016	19,620,000	Shares ²	Issued to professional and sophisticated investors pursuant to the Placement	\$0.025 per Share (discount of 74.2%)	Amount raised = \$490,500 Amount spent = \$490,500 Use of funds: advance exploration at the Mt Belches Lithium Projects Amount remaining = \$0
Issue – 18 July 2016 Appendix 3B – 19 July 2016	3,000,000	Unquoted Options ⁹	Issued to the Company's newly appointed CEO, Mark Calderwood, in accordance with the Plan	No issue price (non cash consideration)	Consideration: issued to the CEO pursuant to the Plan Current value ¹⁵ = \$789,024
Issue – 16 June 2016 Appendix 3B – 16 June 2016	39,356,093	Shares ²	Issued to investors pursuant to the shortfall from the Company's 1 for 1 non-renounceable rights issue as announced on 4 May 2016 (Rights Issue)	\$0.015 per Share (discount of 42.3%)	Amount raised = \$590,341 Amount spent = \$590,341 Use of funds: Mofe Creek Project maintenance and associated Liberian administration costs, working capital, expenses of the Rights Issue, potential acquisition opportunities and Company and admin expenses. Amount remaining = \$0
Issue – 16 June 2016 Appendix 3B – 16 June 2016	2,500,000	Unquoted Options ¹⁰	Issued to the lead manager in relation to the Rights Issue	No issue price (non cash consideration)	Consideration: consideration for lead manager services in relation to the Rights Issue Current value ¹⁵ = \$706,135

Issue – 3 June 2016 Appendix 3B – 3 June 2016	34,406,658	Shares ²	Issued to investors pursuant to the Rights Issue	\$0.015 per Share (discount of 34.8%)	Amount raised = \$516,100 Amount spent = \$516,100 Use of funds: Mofe Creek Project maintenance and associated Liberian administration costs, working capital, expenses of the Rights Issue, potential acquisition opportunities and Company and admin expenses. Amount remaining = \$0
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Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: TAW (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.16 each, on or before 1 March 2019.
4. Unquoted Options, exercisable at \$0.16 each, on or before 15 March 2020.
5. Unquoted Options, exercisable at \$0.18 each, on or before 8 May 2020.
6. Unquoted Options, exercisable at \$0.23 each, on or before 27 March 2020.
7. Unquoted Options, exercisable at \$0.13 each, on or before 7 January 2020.
8. Unquoted Options, exercisable at \$0.06 each, on or before 30 June 2019.
9. Unquoted Options, exercisable at \$0.06 each, on or before 30 June 2019, vesting on 6 January 2017.
10. Unquoted Options, exercisable at \$0.035 each, on or before 14 June 2018.
11. Unquoted Options, exercisable at \$0.20 each, on or before 12 April 2020.
12. Unquoted Options, exercisable at \$0.25 each, on or before 12 April 2020.
13. Unquoted Options, exercisable at \$0.30 each, on or before 12 April 2020.
14. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
15. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.28) on the ASX on 11 April 2017. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

The terms and conditions of the Placement Options are set out below:

- (a) Each Placement Option entitles the holder to subscribe for a Share in Tawana Resources NL at the exercise price.
- (b) The Placement Options shall expire at 5pm EST on 14 June 2018 (**Expiry Date**).
- (c) The Placement Options have an exercise price \$0.035 (**Exercise Price**).
- (d) The Placement Options are exercisable on and from the date of issue and expire at 5pm EST on or before the Expiry Date. Any Placement Options not exercised on or before the Expiry Date will automatically lapse.
- (e) All Shares in Tawana Resources NL allotted on the exercise of Placement Options will rank equally in all respects with the then existing Shares.
- (f) The Placement Options are not transferable and it is not intended that application will be made to ASX for quotation of the Placement Options. Tawana Resources NL must apply for quotation of all Shares in Tawana Resources NL allotted pursuant to the exercise of Placement Options not later than 10 Business Days after the date of allotment.
- (g) Holders may only participate in new issues of securities to holders of Shares in Tawana Resources NL if the Placement Options have been exercised and Shares allotted in respect of the Placement Options before the record date for determining entitlements to the issue. The Company must give to holders at least 7 business days notice of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (h) There will be no change to the exercise price of the Placement Options or the number of Shares over which the Placement Options are exercisable in the event of Tawana Resources NL making a pro rata issue of Shares or other securities to the holders of Shares in Tawana Resources NL (other than a bonus issue).
- (i) If there is a bonus issue (**Bonus Issue**) to the holders of Shares in Tawana Resources NL, the number of Shares over which the Placement Options are exercisable will be increased by the number of Shares which the holder would have received if the Placement Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by Tawana Resources NL out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (j) If prior to the expiry date, there is a reorganisation of the issued capital of Tawana Resources NL, the Placement Options are to be treated in the manner set out in the ASX Listing Rules.

SCHEDULE 4 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

The terms and conditions of the Related Party Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date the Company must:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 4 – TERMS AND CONDITIONS OF CANACCORD OPTIONS

The terms and conditions of the Canaccord Options are set out below:

- (a) Each Canaccord Option entitles the holder to subscribe for a Share in Tawana Resources NL at the exercise price.
- (b) The Canaccord Options shall expire at 5pm EST on 12 April 2020 (**Expiry Date**).
- (c) The Canaccord Options have the following exercise prices:
 - (i) 3,000,000 exercisable at \$0.20;
 - (ii) 3,000,000 exercisable at \$0.25; and
 - (iii) 3,000,000 exercisable at \$0.30,(together, the **Exercise Price**).
- (d) The Canaccord Options are exercisable on and from the date of issue and expire at 5pm EST on or before the Expiry Date. Any Canaccord Options not exercised on or before the Expiry Date will automatically lapse.
- (e) All Shares in Tawana Resources NL allotted on the exercise of Canaccord Options will rank equally in all respects with the then existing Shares.
- (f) The Canaccord Options are not transferable and it is not intended that application will be made to ASX for quotation of the Canaccord Options. Tawana Resources NL must apply for quotation of all Shares in Tawana Resources NL allotted pursuant to the exercise of Canaccord Options not later than 10 Business Days after the date of allotment.
- (g) Holders may only participate in new issues of securities to holders of Shares in Tawana Resources NL if the Canaccord Options have been exercised and Shares allotted in respect of the Canaccord Options before the record date for determining entitlements to the issue. The Company must give to holders at least 7 business days notice of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (h) There will be no change to the exercise price of the Canaccord Options or the number of Shares over which the Canaccord Options are exercisable in the event of Tawana Resources NL making a pro rata issue of Shares or other securities to the holders of Shares in Tawana Resources NL (other than a bonus issue).
- (i) If there is a bonus issue (**Bonus Issue**) to the holders of Shares in Tawana Resources NL, the number of Shares over which the Canaccord Options are exercisable will be increased by the number of Shares which the holder would have received if the Canaccord Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by Tawana Resources NL out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (j) If prior to the expiry date, there is a reorganisation of the issued capital of Tawana Resources NL, the Canaccord Options are to be treated in the manner set out in the ASX Listing Rules.

PROXY FORM

TAWANA RESOURCES NL
ACN 085 166 721

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chairman of the Meeting as my/our proxy.

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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tawana Resources NL to be held at Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 23 May 2017 at 10:30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 9 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 9 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 9 and 10 by marking the appropriate box below.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Robert Benussi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mark Calderwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue – Acquisition Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue – Lead Manager Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue – Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Prior Issue – Canaccord Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options to Related Party – Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Options to Related Party – Robert Benussi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s) *This section must be completed*

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail in relation to this Proxy Form: YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(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 provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy 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.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Tawana Resources NL, 288 Churchill Avenue, Subiaco WA 6008; or
 - (b) email to the Company at admin@tawana.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 189385

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10:30am (WST) Sunday, 21 May 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Tawana Resources NL 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 name(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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tawana Resources NL to be held at Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 23 May 2017 at 10:30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 9 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 9 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 9 and 10 by marking the appropriate box in step 2 below.

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			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Ratification of Prior Issue – Canaccord Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Robert Benussi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Issue of Options to Related Party – Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mark Calderwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Issue of Options to Related Party – Robert Benussi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Ratification of Prior Issue – Acquisition Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Ratification of Prior Issue – Lead Manager Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 7	Ratification of Prior Issue – Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

TAW

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Computershare +