

Tawana Resources NL
(Incorporated in Australia)
(Registration number ACN 085 166 721)
Share code on the JSE Limited: TAW
ISIN: AU000000TAW7
Share code on the Australian Stock Exchange Limited: TAW
ISIN: AU000000TAW7
("Tawana" or "the Company")

Tawana Resources NL
ACN 085 166 721

Notice of Annual General Meeting

**Annual General Meeting of Shareholders to be held at 288 Churchill Avenue,
Subiaco, Western Australia at 10.30am on Tuesday, 27 May 2014.**

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

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Tawana Resources NL ACN 085 166 721 (**Company**) will be held at 288 Churchill Avenue, Subiaco, Western Australia commencing at 10.30am (WST) on Tuesday, 27 May 2014.

Business

1. Annual Report for year ended 31 December 2013

To receive and consider the Annual Report of the Company for the year ended 31 December 2013 which includes the Financial Report of the Company, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 31 December 2013 be adopted."

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

Voting exclusion

The Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel;
and
- (c) as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form or by the Chairman pursuant to an express authorisation to exercise the proxy.

3. Resolution 2 – Re-election of Matthew Bowles

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That Matthew Bowles, who retires by rotation in accordance with clause 59 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”

4. Resolution 3 – Re-election of Wayne Richards

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That Wayne Richards, who was appointed as a Director on 15 August 2013 and in accordance with clause 57 of the Constitution holds office until this Annual General Meeting and who is eligible and offers himself for re-election, be re-elected as a Director.”

5. Resolution 4 – Ratification of prior issue of Options to Employee

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the issue of 1,000,000 Class C Incentive Options to Claire O’Brien as set out in the Explanatory Statement is hereby approved and ratified.”

Voting exclusion

The Company will disregard any votes cast on Resolution 4 by Claire O’Brien and any of her associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 of Options to Employee

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the issue of 5,000,000 Class D Incentive Options to Kevin Peter Patrick Connery as set out in the Explanatory Statement is hereby approved and ratified.”

Voting exclusion

The Company will disregard any votes cast on Resolution 5 by Kevin Peter Patrick Connery and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 of Shares under the Placement

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the issue of 200 million Shares to Exempt Investors under the Placement as set out in the Explanatory Statement is hereby approved and ratified.”

Voting exclusion

The Company will disregard any votes cast on Resolution 6 by a person who participated in the issue and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 – Issue of Shares to Wayne Richards

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11, and for all other purposes, approval be given for the issue of 2 million Shares to Wayne Richards (and/or his nominee) at an issue price of \$0.025 each, as set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on Resolution 7 by Wayne Richards and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 – Adoption of New Constitution

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

“That the new Constitution tabled at the Meeting, and signed by the Chairman for the purpose of identification, is approved and adopted as the Constitution of the Company, in place of the current Constitution, with effect from the close of the Meeting.”

10. Resolution 9 – 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 issue of Equity Securities totaling up to 10% of the issued capital, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

By order of the Board

Winton Willesee
Joint Company Secretary
Tawana Resources NL

17 April 2014

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms used in this Notice and Explanatory Statement are defined in the Glossary.

1. Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1 and 7 unless the Shareholder directs them how to vote or, in the case of the Chairman, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairman) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1 and 7.

If a Shareholder intends to appoint the Chairman as its proxy on Resolutions 1 and 7, the Shareholder can direct the Chairman how to vote by marking one of the boxes for each of Resolutions 1 and 7 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairman how to vote, the Shareholder can expressly authorise the Chairman to vote as the Chairman thinks fit on Resolutions 1 and 7 by marking the appropriate box on the Proxy Form even though Resolutions 1 and 7 are connected to the remuneration of members of Key Management Personnel and even if the Chairman has an interest in the outcome of those Resolutions.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- (a) post to the Company's registered office at Suite 25, 145 Stirling Highway, Nedlands, Western Australia 6009;
- (b) facsimile to the Company on (08) 9389 3199; or
- (c) email to the Company Secretary at winton@azc.com.au,

so that it is received by no later than 10.30am (WST) on Sunday, 25 May 2014. Proxy Forms received later than this time will be invalid.

2. Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10.30am (WST) on Sunday, 25 May 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

3. Annual Report for year ended 31 December 2013

The Corporations Act requires the Annual Report of the Company for the year ended 31 December 2013, which includes the Financial Report of the Company, the Directors' Report, the Remuneration Report and the Auditor's Report, to be laid before the Annual General Meeting. The financial statements and reports are contained in the Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

4. Resolution 1 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3) of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind 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 Report.

If at least 25% of the votes on this Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2015

annual general meeting. All of the Directors who were in office when the Company's 2015 Directors' report 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 is approved will be the directors of the Company.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

5. Resolution 2 – Re-election of Matthew Bowles

In accordance with clause 59 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Matthew Bowles retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Information in respect of Mr Bowles is set out below:

Mr Bowles has extensive commercial and corporate finance experience within the resource sector, formerly being an Executive Director, Mergers and Acquisitions with global advisory firm Ernst & Young. Prior to joining Ernst & Young in 2004, Mr Bowles spent 8 years with Rio Tinto Limited in a number of senior financial roles and 4 years in London in corporate finance and investment banking.

Mr Bowles is currently the Chief Development Officer for Gryphon Minerals Limited. He is a member of the Australian Society of Certified Practising Accountants and the Financial Services Industry of Australasia. Over the past 3 years, Mr Bowles has held a directorship with one other ASX-listed company being Alicanto Minerals Limited (ASX: AQI).

The Board (excluding Mr Bowles) recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Re-election of Wayne Richards

In accordance with clause 57 of the Constitution, a Director appointed to fill a casual vacancy must not hold office without re-election past the next annual general meeting of the Company.

Wayne Richards was appointed as a Director on 15 August 2013. Mr Richards retires at this Annual General Meeting and, being eligible, offers himself for re-election.

Information in respect of Mr Richards is set out below:

Mr Richards has greater than 27 years of mining, mineral processing and corporate financing experience within the Resources' sector, with much of his career spent in senior executive roles. He was formerly the Managing Director of Brockman Resources where he built the Executive and Management Team and transitioned the Company from an \$18 million explorer to a \$960 million Project Developer. The company was the target of a successful takeover in 2011.

Prior to that, he held a senior executive position with BHP Billiton's Iron Ore Division, with responsibility for integrating projects across BHP's three iron ore business sectors – mine, port and rail. Mr Richards was the former Project commissioning operations manager for the Anaconda Nickel Project (Minara Resources) and has extensive early-stage Project development, construction and financing expertise.

The Board (excluding Mr Richards) recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Ratification of prior issue of Options to Employee

7.1 Background

Resolution 4 seeks Shareholder ratification to the prior issue of 1,000,000 Class C Incentive Options to Claire O'Brien on 12 February 2014. The Class C Incentive Options were issued to Ms O'Brien as part of her remuneration package for her employment as Executive Assistant.

7.2 Listing Rule 7.4

Listing Rule 7.1 provides that, subject to certain exceptions (none of which are relevant in the present circumstances), prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company ratifies a prior issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the ratification of the allotment and issue of 1,000,000 Class C Incentive Options for the purpose of satisfying the requirements of Listing Rule 7.4. If Resolution 4 is approved, the Class C Incentive Options will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue pursuant to Resolution 4:

(a) **Date of issue of securities**

12 February 2014.

(b) **Number of securities issued**

1,000,000.

(c) **Price at which securities were issued**

The Class C Incentive Options were not issued for cash consideration, but were issued as part of Ms O'Brien's remuneration package.

(d) **Terms of the securities**

The Class C Incentive Options have an exercise price of \$0.039 and an expiry date of 20 January 2017. The Class C Incentive Options were otherwise issued on the terms and conditions set out in Annexure A.

(e) **Name of the person to whom the securities were issued**

The Class C Incentive Options were issued to Claire O'Brien as part of her remuneration package. Ms O'Brien is not a related party of the Company.

(f) **Intended use of the funds raised**

No funds were raised from the issue of the Class C Incentive Options as they were issued to Ms O'Brien as part of her remuneration package. The proceeds from a future

exercise of the Class C Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Class C Incentive Options at the discretion of the Board.

8. Resolution 5 – Ratification of prior issue of Options to Employee

8.1 Background

Resolution 5 seeks Shareholder ratification to the prior issue of 5,000,000 Class D Incentive Options to Kevin Peter Patrick Connery on 12 February 2014. The Class D Incentive Options were issued to Mr Connery as part of his remuneration package for his employment as In-country Manager. Mr Connery subsequently ceased employment with the Company during his probation, and prior to the vesting of the Class D Incentive Options. Accordingly, these Options were forfeited on 6 March 2014.

Despite the Class D Incentive Options having been forfeited, the prior issue of these Options continue to consume part of the Company's 15% placement capacity pursuant to Listing Rule 7.1. In order to fully replenish the Company's 15% placement capacity, the Company seeks shareholder approval to ratify the prior issue of the Class D Incentive Options.

8.2 Listing Rule 7.4

Listing Rule 7.1 provides that, subject to certain exceptions (none of which are relevant in the present circumstances), prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company ratifies a prior issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 5 proposes the ratification of the allotment and issue of 5,000,000 Class D Incentive Options for the purpose of satisfying the requirements of Listing Rule 7.4. If Resolution 5 is approved, the Class D Incentive Options will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue pursuant to Resolution 5:

(a) **Date of issue of securities**

12 February 2014.

(b) **Number of securities issued**

5,000,000.

(c) **Price at which securities were issued**

The Class D Incentive Options were not issued for cash consideration, but were issued as part of Mr Connery's remuneration package.

(d) **Terms of the securities**

The Class D Incentive Options have an exercise price of \$0.042 and an expiry date of 7 February 2017. The Class D Incentive Options were otherwise issued on the terms and conditions set out in Annexure B.

(e) **Name of the person to whom the securities were issued**

The Class D Incentive Options were issued to Kevin Peter Patrick Connery as part of his remuneration package. Mr Connery is not a related party of the Company.

(f) **Intended use of the funds raised**

No funds were raised from the issue of the Class D Incentive Options as they were issued to Mr Connery as part of his remuneration package. Mr Connery subsequently ceased employment with the Company prior to the vesting date of the Class D Incentive Options and, as a consequence, these Options were forfeited. Accordingly, no proceeds can be raised as the Class D Incentive Options can no longer be exercised.

9. Resolution 6 – Ratification of prior issue of Shares under the Placement

9.1 Background

On 8 April 2014, the Company announced that it had agreed to issue 200 million Shares to existing and new Shareholders under a placement at an issue price of \$0.025 each to raise approximately \$5 million (**Placement**). The Company issued the Shares on 14 April 2014 under its placement capacity in accordance with Listing Rules 7.1 and 7.1A.

The Company is seeking Shareholder approval to ratify the prior issue of Shares under the Placement in accordance with Listing Rule 7.4.

9.2 Listing Rule 7.4

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company ratifies a prior issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the company's 15% capacity and enabling it to issue further securities up to that limit. In addition, prior issues of securities under Listing Rule 7.1A can be ratified under Listing Rule 7.4 to replenish a company's additional 10% placement capacity and enable it to issue further securities up to that limit.

Resolution 6 proposes the ratification of the issue of 200 million Shares under the Placement for the purpose of satisfying the requirements of Listing Rule 7.4. If Resolution 6 is approved, the Shares will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1 or its 10% calculation for the purposes of Listing Rule 7.1A.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue pursuant to Resolution 6:

(a) **Date of issue of securities**

14 April 2014.

(b) **Number of securities issued**

200 million Shares.

(c) **Price at which securities were issued**

\$0.025 per Share.

(d) **The terms of the securities**

The Shares issued are fully paid ordinary shares in the capital of the Company which rank equally in all respects with the Company's existing Shares.

(e) **Name of the persons to whom the securities were issued or basis upon which the persons were identified**

The Shares were issued to Exempt Investors who were introduced to the Company by Canaccord Genuity (Australia) Limited in their capacity as lead manager to the Placement. None of these subscribers are related parties of the Company.

(f) **Intended use of the funds raised**

Funds raised will be used primarily to advance the Pre-Feasibility Study and associated engineering/design and resource upgrades for the Company's Mofe Creek Iron Ore project in Liberia, including both an early start-up operational option, and a larger long-term production project.

10. Resolution 7 – Issue of Shares to Wayne Richards

10.1 Background

In conjunction with its announcement of the Placement on 8 April 2014, the Company advised of Executive Chairman, Wayne Richards' intention to seek shareholder approval to participate in the Placement to subscribe for 2 million Shares at an issue price of \$0.025 each to raise a further \$50,000. The issue of Shares to Mr Richards would be on the same terms as the issue of Shares to participants under the Placement.

In addition to raising additional funds, the Company believes that the issue of Shares to Mr Richards will benefit the Company by further aligning the interests of Mr Richards with those of Shareholders.

The Company is seeking Shareholder approval to the issue of the Shares in accordance with Listing Rule 10.11.

10.2 Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As a Director, Mr Richards is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the issue of the Shares constitutes a financial benefit within the meaning of section 229 of the Corporations Act.

The Directors consider that the issue of the Shares to Mr Richards under Resolution 7 falls within the exception to the requirement for Shareholder approval in section 210 of the Corporations Act as they consider that, given the issue is on the same terms as the Placement to non-related

parties, the issue of the Shares is reasonable due to the parties dealing at arm's length. Therefore, the Company is not required, and accordingly is not, seeking approval under section 208 of the Corporations Act to permit the issue of the Shares under Resolution 7 to Mr Richards as a related party of the Company. However, in the interests of ensuring Shareholders have as much detail in relation to the resolution as possible, the Company has elected to include the relevant disclosures that would otherwise be required should an approval under section 208 of the Corporation Act have been sought.

The following information is provided enable Shareholders to assess the merits of Resolution 7:

(a) **Related party to whom the financial benefit is to be given**

Wayne Richards (and/or his nominee).

(b) **Nature of the financial benefit**

The issue of 2 million Shares to Mr Richards at an issue price of \$0.025 each.

(c) **Valuation of the financial benefit**

The Shares will have a value of \$50,000 based on the issue price of the Shares (being \$0.025 each) and the amount to be paid by Mr Richards. However, the Shares will have a value of \$48,000 based on the market price of Shares on the ASX at the close of trading on 16 April 2014 (being \$0.024 each).

(d) **Current remuneration and interests**

Details of Mr Richards' current annualised pro-rata remuneration, as well as his security interests (both direct and indirect) in the Company as at the date of the Notice are outlined below:

Director	Salary/fees p.a. (incl. superannuation)	Share interests	Option interests
Wayne Richards	\$310,000	5,000,000	55,000,000

(e) **Dilution**

If Shares are issued to Mr Richards then the shareholding of existing Shareholders would, based on the current issued capital of the Company as at the date of this Notice, be diluted by approximately 0.14%.

(f) **Trading history**

As at the date of the Notice, the Company has 1,451,379,043 Shares on issue (excluding any Shares to be issued under the Company's recently announced Share Purchase Plan, the outcome of which was not known at the date of this Notice). The highest and lowest market sale price of the Shares in the Company during the twelve months immediately preceding the date of the Notice was \$0.041 on 19 November 2013 and \$0.005 on 13,14,17 and 28 May 2013.

(g) **Terms of the securities**

The Shares to be issued to Mr Richards will rank equally in all respects with other Shares on issue.

(h) **Opportunity costs to the Company**

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Shares to Mr Richards.

(i) **Intended use of funds raised**

The Company intends to use the funds in conjunction with the Placement funds to advance the Pre-Feasibility Study and associated engineering/design and resource upgrades for the Company's Mofe Creek Iron Ore project in Liberia, including both an early start-up operational option, and a larger long-term production project.

(j) **Directors' interests**

Wayne Richards has a direct material interest in the outcome of Resolution 7 as the recipient of the Shares. No other Director has a material interest in the outcome of Resolution 7.

(k) **Directors' recommendations or reasons for declining to make recommendations**

Mr Richards expresses no opinion and makes no recommendation in respect of the issue of the Shares to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 7.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Shares to Mr Richards (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Shares:

- (i) will raise an additional \$50,000 for the Company which can be used to advance its Mofe Creek project;
- (ii) is fair and reasonable in the circumstances as it is on the same terms as the issue of Shares to non-related parties under the Placement; and
- (iii) will further align the interests of Mr Richards with those of Shareholders.

(l) **Other information that is reasonably required by the members**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 7.

10.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue Equity Securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, Listing Rule 7.2 (Exception 14) states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As a Director, Mr Richards is a related party of the Company within the definition specified in Listing Rule 19.12. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Shares to Mr Richards (and/or his nominee) as a related party of the Company.

The issue of the Shares under Resolution 7 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those securities (once issued) will be excluded from the calculations under Listing Rule 7.1.

Listing Rule 10.13 requires that the following information be provided to Shareholders in relation to obtaining approval of Resolution 7:

(a) **The name of the person**

Wayne Richards (and/or his nominee).

(b) **Maximum number of securities to be issued**

2 million Shares.

(c) **Date by which the entity will issue the securities**

The Shares will be issued upon receipt of the subscription amount of \$50,000 from Mr Richards and, in any event, no later than 1 month after the Annual General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Relationship that requires Shareholder approval**

Mr Richards is a related party of the Company by virtue of being a Director of the Company.

(e) **Issue price of the securities**

The issue price of the Shares will be \$0.025 each.

(f) **Terms of the issue**

The Shares will be issued to Mr Richards upon receipt of the subscription amount of \$50,000. The Shares to be issued to Mr Richards will rank equally in all respects with other Shares on issue.

(g) **Intended use of the funds**

The Company intends to use the funds in conjunction with the Placement funds to advance the Pre-Feasibility Study and associated engineering/design and resource upgrades for the Company's Mofe Creek Iron Ore project in Liberia, including both an early start-up operational option, and a larger long-term production project.

11. Resolution 8 – Adoption of New Constitution

11.1 Background

The Company's Constitution has remained unchanged since 2001. There have been a number of developments in corporate governance principles and general corporate and commercial practice for ASX companies since that time. The Board wishes to ensure that the Company's Constitution reflects best market practice.

Resolution 8 seeks shareholder approval for the adoption of a new Constitution. It is proposed that the current Company constitution be updated to reflect compliance with current law and to contain sufficient flexibility as relevant practices change. The proposed Constitution has been approved by ASX as required under ASX Listing Rules.

Resolution 8 seeks shareholder approval for the adoption of a new Constitution in accordance with section 136 of the Corporations Act. Resolution 8 is a special resolution.

A copy of the proposed Constitution will be sent to any shareholder upon request and will also be available for inspection at the Company's registered office during normal business hours prior to the Annual General Meeting and available for inspection at the Annual General Meeting. A copy

of the proposed Constitution will be available for review on the Company's website during the notice period.

The Board recommends that shareholders vote in favour of Resolution 8.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 8.

12. Resolution 9 – Approval of 10% Placement Facility

12.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 12.2(c) below).

The Directors believe that Resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

12.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

As at the date of the Notice, the Company has the following Equity Securities on issue:

- (i) 1,451,379,043 Shares; and
- (ii) 116,500,000 Options.

The total Equity Securities on issue as quoted above does not include any Shares to be issued under the Company's recently announced Share Purchase Plan, the outcome of which was not known as at the date of this Notice.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 12.21.1(c) above).

(e) Minimum issue price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 trading days 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 trading days of the date in Section 12.21.1(e)(i), the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

(i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

12.3 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities over the 15 trading days 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 trading days of the date in Section 12.3(a)(i), the date on which the Equity Securities are issued.
- (b) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table overleaf shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meetings of Shareholders; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.012 50% decrease in market price	\$0.024 current market price	\$0.048 100% increase in market price
Current variable "A" 1,453,379,043	10% voting Dilution	145,337,904	145,337,904	145,337,904
	Funds raised	\$1,744,055	\$3,488,110	\$6,976,219
50% increase in current variable "A" 2,180,068,565	10% voting Dilution	218,006,856	218,006,856	218,006,856
	Funds raised	\$2,616,082	\$5,232,165	\$10,464,329
100% increase in current variable "A" 2,906,758,086	10% voting Dilution	290,675,809	290,675,809	290,675,809
	Funds raised	\$3,488,110	\$6,976,219	\$13,952,439

Notes and assumptions:

- Variable "A" in the above table is calculated with reference to the total shares on issue at the date of this Notice, plus the shares to be issued under Resolution 7 (assuming shareholder approval is granted). It does not, however include Shares to be issued under the Share Purchase Plan Offer announced to the ASX on 8 April 2014, the outcome of which was not known as at the date of this Notice.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- 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%.
- 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 Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is \$0.024, being the closing price of the Shares on ASX on 16 April 2014.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 9 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

The Company may seek to issue the Equity Securities under the 10% Placement Facility for the development of its Mofe Creek iron ore project in Liberia, including resource upgrade work, further prospect identification and feasibility studies as well as general working capital. The Company may also issue Equity Securities for non-cash

consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release on valuation of the non-cash consideration that demonstrates that the deemed issue price of the Equity Securities complies with Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities.

- (d) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors which include the following:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but are likely to be Exempt Investors.

If the Company is successful in acquiring new resource assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resource assets or investments.

- (e) The Company obtained approval under ASX Listing Rule 7.1A at its previous annual general meeting on 31 May 2013. In accordance with Listing Rule 7.3A.6, since 31 May 2013, the Company has issued 524,750,000 Shares and 87,500,000 Options which represents 66% of the total number of Equity Securities on issue on 31 May 2013. Note that this excludes any Shares to be issued under the Company's recently announced Share Purchase Plan, the outcome of which was not known as at the date of this Notice. The Equity Securities issued during this time were as follows:

Date	Quantity & Class^{1,2}	Recipients	Details of consideration^{3,4}
13/08/2013	50,000,000 Shares	Sophisticated and institutional investors who were introduced to the Company by Canaccord Genuity (Australia) Ltd in their capacity as underwriter to the option exercise.	A total cash consideration of \$500,000 was received upon the exercise of 50,000,000 Options (1c, 30 July 2013), each with an exercise price of 1 cent, representing a discount of 20% to the Market Price of 1.2c on 12 August 2013.
18/10/2013	244,000,000 Shares	Sophisticated and institutional investors who were introduced to the Company by Canaccord Genuity (Australia) Ltd in their capacity as lead manager to the Placement.	A total cash consideration of \$2,928,000 was received (before costs) under a placement to sophisticated and institutional investors. The Shares were issued at 1.2 cents per Share, which represented a 37% discount to the Market Price of 1.9 cents per Share on 17 October 2013.
18/12/2013	Incentive Options: 31,500,000 Class A 10,000,000 Class B	Directors, Officers and Key Management Personnel of the Company	Class A and Class B Incentive Options were issued for non-cash consideration in connection with the remuneration of the Company's directors, officers and key management personnel. The Current Value of Class A Incentive Options is approximately 2.2 cents each. The Current Value of Class B Incentive Options is approximately 2.0 cents each.
18/12/2013	Performance Options: 10,000,000 Class A 10,000,000 Class B 10,000,000 Class C	Nominee of Wayne Richards	Class A, B and C Performance Options were issued for non-cash consideration to provide a performance linked incentive component to the remuneration of the Company's Executive Chairman. The Current Value of Class A, B and C Performance Options is approximately 2.5 cents each.
18/12/2013	5,000,000 Shares	Nominee of Wayne Richards	A total cash consideration of \$60,000 was received following shareholder approval allowing Mr Richards to participate in the Placement that was completed on 18 October 2013. The Shares were issued at 1.2 cents per Share, which represented a 61% discount to the Market Price of 3.1 cents per Share on 17 December 2013.

18/12/2013	10,000,000 Placement Options	CG Nominees (Australia) Pty Ltd	<p>The Options were issued for non-cash consideration as part payment for services provided by Canaccord Genuity (Australia) Ltd in the management of the placement of Shares issued on 18 October 2013 (Refer to above).</p> <p>The Current Value of the Placement Options is approximately 2.2 cents each.</p>
12/02/2014	1,000,000 Class C Incentive Options 5,000,000 Class D Incentive Options	Claire O'Brien (Employee) Kevin Peter Patrick Connery (Former Employee)	<p>Class C and Class D Incentive Options were issued for non-cash consideration in connection with the remuneration of the Company's executive assistant (Ms O'Brien) and in-country manager (Mr Connery).</p> <p>The Current Value of the Class C Incentive Options is approximately 2.1 cents each.</p> <p>The Class D Incentive Options were forfeited and are no longer on issue.</p>
6/03/2014	25,000,000 Shares	CG Nominees (Australia) Pty Ltd	A total cash consideration of \$250,000 was received upon the exercise of 25,000,000 Options (1c, 8 Mar 2014), each with an exercise price of 1 cent, representing a 63% discount to the Market Price of 2.7 cents per Share on 5 March 2014.
6/03/2014	750,000 Shares	Azalea Family Holdings Pty Ltd <No 2 A/C>	A total cash consideration of \$11,250 was received upon the exercise of 750,000 Class A Incentive Options (1.5c, 12 Dec 2016), each with an exercise price of 1.5 cent, representing a 44% discount to the Market Price of 2.7 cents per Share on 5 March 2014.
14/04/2014	200,000,000 Shares	Sophisticated and institutional investors who were introduced to the Company by Canaccord Genuity (Australia) Ltd in their capacity as lead manager to the Placement	A total cash consideration of \$5 million was received (before costs) pursuant to a placement to sophisticated and institutional investors. The Shares were issued at 2.5 cents per Share, which represented a nil discount to the Market Price of 2.5 cents per Share on 11 April 2014.

Notes and assumptions:

1. All Shares issued during the 12 months preceding the date of this Meeting were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

2. A summary of the terms and conditions of all Options issued during the 12 months preceding the date of this Meeting are as follows:

Option Class	Exercise Price	Expiry Date	Further Details
Class Performance A	0.01 cents	31 Aug 2014	Refer to the Notice of Meeting dated 4 November 2013 and announced to the ASX on 7 November 2013.
Class Performance B	0.01 cents	31 Aug 2015	
Class Performance C	0.01 cents	31 Aug 2016	
Placement Options	1.8 cents	12 Dec 2016	
Class A Incentive	1.5 cents	12 Dec 2016	
Class B Incentive	4.6 cents	12 Dec 2016	
Class C Incentive	3.9 cents	20 Jan 2017	Refer to Annexure A.
Class D Incentive	4.2 cents	7 Feb 2017	Refer to Annexure B. Note, however that these options were forfeited and are no longer on issue.

3. **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 trading day prior to the date of issue of the relevant Equity Securities.
4. The **Current Value** of unlisted options issued for non-cash consideration in the 12 months preceding this Meeting is calculated with reference to the Black-Scholes Model, under the following assumptions:
- A share price of 2.5 cents, being the closing share price at 8 April 2014.
 - A risk free interest rate of 2.50%.
 - A volatility rate of 175%.
 - No discount for non-transferability.
 - No discount to reflect the requirement to meet any applicable vesting criteria.
 - The underlying shares do not currently pay a dividend.
5. **Use of Funds:** During the 12 months preceding the date of this Meeting, the Company received a total cash consideration of \$8,749,250 from the issue of Equity Securities, of which 5% was used to fund the costs of the various capital raisings undertaken by the Company during the period, 20% was used to fund the development of the Mofe Creek project, including resource drilling and the initiation of a pre-feasibility scoping study, 22% was used to fund the corporate costs of the Company and for general working capital purposes. The remaining 53% remains unspent as at the date of the Notice and will be used to advance the Pre-Feasibility Study and associated engineering/design and resource upgrades for the Company's Mofe Creek Iron Ore project in Liberia, including both an early start-up operational option, and a larger long-term production project, as well as to fund the administration and general working capital of the Company.

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity

Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Glossary

In this Notice and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility	has the meaning given in Section 12.1.
10% Placement Period	has the meaning given in Section 12.2(f).
Annual Report	the annual report of the Company for the financial year ended 31 December 2013.
Annexure	an annexure to the Explanatory Statement.
Annual General Meeting	the annual general meeting convened by this Notice.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
Board	the board of Directors.
Chairman	the chairman of the Annual General Meeting.
Class C Incentive Options	options previously issued to parties on the terms set out in Annexure A.
Class D Incentive Options	options previously issued to parties on the terms set out in Annexure B.
Closely Related Party	a closely related party of a member of Key Management Personnel as defined in the Corporations Act, being: (a) a spouse or child of the member; (b) a child of that member's spouse; (c) a dependent of that member or of that member's spouse; (d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company; (e) a company that is controlled by that member; or (f) any other person prescribed by the regulations.
Company Secretary	a company secretary of the Company.
Constitution	the constitution of the Company.
Company	Tawana Resources NL ACN 085 166 721.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Equity Securities	has the meaning given in the Listing Rules.

Exempt Investor	an investor to whom securities may be offered by the Company without disclosure under sections 708(8), 708(10) (sophisticated investors) or 708(11) (professional investors) of the Corporations Act.
Explanatory Statement	the explanatory statement incorporated in the Notice.
Key Management Personnel	the key management personnel of the Company as defined in the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the ASX Listing Rules published and distributed by ASX.
Notice	the notice of annual general meeting incorporating the Explanatory Statement.
Proxy Form	the proxy form attached to the Notice.
Option	an option to acquire a Share.
Optionholder	a holder of Options.
Remuneration Report	the section of the Annual Report titled "Remuneration Report".
Resolution	a resolution contained in the Notice.
Section	a section contained in the Explanatory Statement.
Share	a fully paid ordinary share in the capital of the Company.
Share Purchase Plan	the share purchase plan proposed to be issued by the Company on or about 13 May 2014 in accordance with ASIC Regulatory Guide 125.
Shareholder	a holder of Shares.
WST	Western Standard Time, being the time in Perth, Western Australia.

Annexure A – Class C Incentive Options

1. General

- 1.2 No monies will be payable for the issue of the Incentive Options.
- 1.3 Each Incentive Option shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (Share).
- 1.4 Subject to these terms, the Incentive Options will automatically vest upon the completion of one consecutive year of full time employment with the Company (Vesting Date) and are exercisable at any time after the Vesting Date until 20 January 2017 (Expiry Date).
- 1.5 The Options are forfeited if the Incentive Optionholder's employment with the Company ceases prior to the Options vesting.
- 1.6 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Optionholder**) to the balance of the Incentive Options held by the Incentive Optionholder.
- 1.7 The exercise price of each Class C Incentive Option is AU\$0.039, being the 5 day VWAP of Shares traded on the ASX as at 20 January 2014 (**Exercise Price**).
- 1.8 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.
- 1.9 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:
 - (a) the option certificate for those Incentive Options for cancellation by the Company; and
 - (a) payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.
- 1.10 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.
- 1.11 Incentive Options may be exercised into Shares to be held in the name of the Incentive Optionholder's nominee.
- 1.12 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.
- 1.13 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.14 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.
- 1.15 The Incentive Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Optionholder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities

and participates as a result of being a holder of Shares. The Company must give the Incentive Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 1.16 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company 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 pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 1.17 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.
- 1.18 If, prior to the expiry of any Incentive Options, there is a reorganisation of the issued capital of the Company, then the rights of the Incentive Optionholder (including the number of Incentive Options to which each Incentive Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 1.19 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

2. Lapse of Incentive Options

- 2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Incentive Optionholder dies, the deceased Incentive Optionholder's legal personal representative may:
 - (a) elect to be registered as the new holder of the deceased Incentive Optionholder's Incentive Options;
 - (b) whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Optionholder of them; and
 - (c) if the deceased Incentive Optionholder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.
- 2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Optionholder resigns as an employee of the Company, or is terminated by the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or removal.
- 2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company:
 - (a) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
 - (b) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or

- (c) a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Optionholder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply.

Annexure B – Class D Incentive Options

1. General

- 1.1 No monies will be payable for the issue of the Incentive Options.
- 1.2 Each Incentive Option shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 1.3 Subject to these terms, the Incentive Options will automatically vest upon the completion of two consecutive years of full time employment with the Company (**Vesting Date**) and are exercisable at any time after the Vesting Date until 7 February 2017 (**Expiry Date**).
- 1.4 The Options are forfeited if the Incentive Optionholder's employment with the Company ceases prior to the Options vesting.
- 1.5 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Optionholder**) to the balance of the Incentive Options held by the Incentive Optionholder.
- 1.6 The exercise price of each Class D Incentive Option is AU\$0.042, being 135% of the 5 day VWAP of Shares traded on the ASX as at 7 February 2014 (**Exercise Price**).
- 1.7 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.
- 1.8 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:
 - (a) the option certificate for those Incentive Options for cancellation by the Company; and
 - (b) payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.

- 1.9 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.
- 1.10 Incentive Options may be exercised into Shares to be held in the name of the Incentive Optionholder's nominee.
- 1.11 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.

- 1.12 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.13 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.
- 1.14 The Incentive Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Optionholder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares. The Company must give the Incentive Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.
- 1.15 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company 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 pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 1.16 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.
- 1.17 If, prior to the expiry of any Incentive Options, there is a reorganisation of the issued capital of the Company, then the rights of the Incentive Optionholder (including the number of Incentive Options to which each Incentive Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 1.18 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

2. Lapse of Incentive Options

- 2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Incentive Optionholder dies, the deceased Incentive Optionholder's legal personal representative may:
- (a) elect to be registered as the new holder of the deceased Incentive Optionholder's Incentive Options;
 - (b) whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Optionholder of them; and
 - (c) if the deceased Incentive Optionholder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.
- 2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Optionholder resigns as an employee of the Company, or is terminated by the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or removal.
- 2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company:

- (a) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
- (c) a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Optionholder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply.

Tawana Resources NL

ACN 085 166 721

Proxy Form

I/We

Of

being a member of Tawana Resources NL ACN 085 166 721 entitled to attend and vote at the Annual

General Meeting, hereby

Appoint

Name of Proxy

OR

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10.30am (WST) on Tuesday, 27 May 2014 at 288 Churchill Avenue, Subiaco, Western Australia, and at any adjournment thereof.

Important for Resolutions 1 and 7 if the Chairman is your proxy or is appointed as your proxy by default.

By marking the box in this section, you are expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 7. If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 1 and 7, the Chairman will not cast your votes on Resolutions 1 and 7 and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions. If the Chairman is your proxy you can direct the Chairman how to vote by either marking the boxes in the section below (for example, if you wish to vote 'against' or 'abstain' from voting) or by marking this box (in which case the Chairman will vote in favour of Resolutions 1 and 7).

We acknowledge that the Chairman may exercise my/our proxy even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of Key Management Personnel or their Closely Related Parties and even if the Chairman has an interest in the outcome of Resolutions 1 and 7 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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

OR

Voting on Business of the Annual General Meeting		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Matthew Bowles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Wayne Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of Options to Claire O'Brien	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Options to Kevin Peter Patrick Connery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares to Wayne Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

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

Signature of Member(s): **Date:**

Individual or Member 1 Member 2 Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: Contact Ph (daytime):

Instructions for Proxy Form

1 Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2 Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chairman of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chairman will be your proxy. A proxy need not be a Shareholder.

3 Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4 Signing instructions

You must sign this form as follows in the spaces provided:

- (a) **(Individual)** Where the holding is in one name, the holder must sign.
- (b) **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- (c) **(Power of Attorney)** If you have not already lodged the Power of Attorney with the Company's share registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- (d) **(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) does not have a company secretary, as 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5 Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- (a) mail to the Company's registered office at Suite 25, 145 Stirling Highway, Nedlands, Western Australia 6009;
- (b) facsimile to the Company on facsimile number +61 8 9389 3199; or
- (c) email to the Company Secretary at winton@azc.com.au.

so that it is received by no later than 10.30pm (WST) on Sunday, 25 May 2014. **Proxy Forms received later than this time will be invalid.**

25 April 2014

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd