

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  
("the Company" or "Tawana")

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, 26 May 2015.**

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, 26 May 2015.

### Business

#### 1. Annual Report for year ended 31 December 2014

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To receive and consider the Annual Report of the Company for the year ended 31 December 2014 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

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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 2014 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 Lennard Kolff**

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

*“That Lennard Kolff, who retires by rotation in accordance with clause 11.3 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 Michael Naylor**

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

*“That Michael Naylor, who was appointed as a Director on 1 January 2015 and in accordance with clause 11.6 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 – Change of Auditors**

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

*“To appoint Ernst & Young as the Company’s auditors to replace William Buck, who retire at this meeting. Ernst & Young have been nominated for appointment and have consented to act as auditors.”*

### **6. Resolution 5 – Approval of 10% Placement Capacity**

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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.”*

**Voting exclusion**

The Company will disregard any votes cast on Resolution 5 by any person who may participate in the issue of Equity Securities under this Resolution 5 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 5 is passed and any associates of those persons.

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 the directions on the proxy form; or
- (b) it is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directors on the proxy form to vote as the proxy decides.

## 7. Resolution 6 – Adoption of Employee Incentive Option Plan

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

*“That the Company adopt the Option Incentive Plan for employees and consultants to be known as the Tawana Resources Group – Employee Incentive Option Plan (**Incentive Plan**). A summary of the terms and conditions of which are set out in the attached Explanatory Statement and that for the purposes of Listing Rule 7.1 and 7.2 exception 9, approval is given to issue options in accordance with the Incentive Plan.”*

### **Voting exclusion**

The Company will disregard any votes cast on Resolution 6:

- (a) by or on behalf of a member of Key Management Personnel;
- (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.

A copy of the full terms and conditions of the Incentive Plan will be sent to shareholders of the Company free of charge on request.

## 8. Resolution 7 – Issue of Incentive Options to Lennard Kolff

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

*“Subject to the passing of Resolution 2, that, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue to Mr Lennard Kolff (and/or his nominees) 4,000,000 Class F Incentive Options on the terms and conditions set out in the Explanatory Statement.”*

### **Voting exclusion**

The Company will disregard any votes cast on Resolution 7 by Lennard Kolff 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 – Issue of Incentive Options to Michael Naylor

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

*“Subject to the passing of Resolution 3, that, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue to Mr Michael Naylor (and/or his nominees) 3,000,000 Class F Incentive Options on the terms and conditions set out in the Explanatory Statement.”*

### **Voting exclusion**

*The Company will disregard any votes cast on Resolution 8 by Michael Naylor 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.*

**By order of the Board**

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**Michael Naylor**  
Company Secretary  
Tawana Resources NL

23 April 2015

Sponsor:  
PricewaterhouseCoopers Corporate Finance (Pty) Ltd

## 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

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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, 6, 7 and 8 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, 6, 7 and 8.

If a Shareholder intends to appoint the Chairman as its proxy on Resolutions 1, 6, 7 and 8, the Shareholder can direct the Chairman how to vote by marking one of the boxes for each of Resolutions 1, 6, 7 and 8 (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, 6, 7 and 8 by marking the appropriate box on the Proxy Form

even though Resolutions 1, 6, 7 and 8 are connected to the remuneration of members of Key Management Personnel and even if the Chairman has an interest in the outcome of that Resolution.

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

- (a) post to the Company's registered office at 288 Churchill Avenue, Subiaco, Western Australia 6008; or
- (b) email to the Company Secretary at michael.naylor@tawana.com.au.

so that it is received by no later than 10.30am (WST) on Sunday, 24 May 2015. Proxy Forms received later than this time will be invalid.

## **2. Voting entitlements**

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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, 24 May 2015. 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 2014**

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The Corporations Act requires the Annual Report of the Company for the year ended 31 December 2014, 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**

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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 2016 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 2016 annual general meeting. All of the Directors who were in office when the Company's 2016 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 Lennard Kolff**

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In accordance with clause 11.3 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.

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

Information in respect of Mr Kolff is set out below:

Mr Kolff joined Tawana initially as Chief Executive Officer in July 2010, having worked at Rio Tinto over the past decade, where he was involved in a range of high profile projects including the Simandou iron ore project and the Northparkes Cu-Au mine. His responsibilities have encompassed a broad range of disciplines, including the design, implementation and supervision of multi-commodity exploration and pre-feasibility study resource drilling programs, management of geological teams and collaboration with the mine planning and development functions of major project teams.

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

## **6. Resolution 3 – Re-election of Michael Naylor**

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In accordance with clause 11.6 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.

Michael Naylor was appointed as a Director on 1 January 2015. Mr Naylor retires at this Annual General Meeting and, being eligible, offers himself for re-election.

Information in respect of Mr Naylor is set out below:

Mr Naylor has 19 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Mr Naylor has been involved in the financial management of mineral and resource focused public company's serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development. He has previously worked as the Financial Controller of ASX listed Resolute Mining Limited, Finance Director and Company Secretary of ASX listed Dragon Mining Limited and as the Chief Executive Officer and Managing Director of dual ASX/TSX-V listed Coventry Resources Inc where he oversaw the completion of the

Preliminary Economic Assessment of the Cameron Gold Project and the listing on the TSX-V.

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

## **7. Resolution 4 – Change of Auditor**

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Given the Company's expanding international operations, the Directors consider it prudent to change the Company's auditors to an organisation which can provide additional international support coupled with a combined audit of the Company's activities. The Directors recommend that the Company appoints Ernst & Young to replace the Company's current auditors. Ernst & Young have proven international expertise to provide the company with the services it will require.

The Company has received a nomination from a shareholder nominating Ernst & Young as the Company's auditors.

The Board of the Company unanimously recommends that shareholders vote to change auditors.

## **8. Resolution 5 – Approval of 10% Placement Facility**

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### **8.1 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 8.2(c) below).

The Directors believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **8.2 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.

Resolution 5 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 5 for it to be passed.



(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) 1,475,250,387 Shares; and
- (ii) 100,250,000 Options.

(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:

$$(A \times D) - E$$

**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 8.2(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 8.2(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**).

### **8.3 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 8.3(a)(i), the date on which the Equity Securities are issued.
- (b) If Resolution 5 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 below 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		
		\$0.003 50% decrease in market price	\$0.006 current market price	\$0.009 50% increase in market price
Current variable "A" 1,475,250,387	10% voting Dilution	147,525,038	147,525,038	147,525,038
	Funds raised	\$442,575	\$885,150	\$1,327,725
50% increase in current variable "A" 2,212,875,580	10% voting Dilution	221,287,558	221,287,558	221,287,558
	Funds raised	\$663,862	\$1,327,725	\$1,991,588
100% increase in current variable "A" 2,950,500,774	10% voting Dilution	295,050,077	295,050,077	295,050,077
	Funds raised	\$885,150	\$1,770,300	\$2,655,450

**Notes and assumptions:**

1. Variable "A" in the above table is calculated with reference to the total shares on issue at the date of this Notice.
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
3. No Options are exercised into Shares before the date of the issue of the Equity Securities.
4. 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%.
5. 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.
6. 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.

7. 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.
8. The issue price is \$0.006, being the closing price of the Shares on ASX on 9 April 2015.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 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 26 May 2014. In accordance with Listing Rule 7.3A.6, since 13 May 2014, the Company has issued 23,871,344 Shares and 35,000,000 Options which represents 4% of the total number of Equity Securities on issue on 13 May 2014. Note that this includes Shares that were issued under the

Company's Share Purchase Plan, details of which were not known at the date of the notice of meeting in 2014 as announced to ASX on 8 April 2014. Equity Securities issued during this time were as follows:

Date	Quantity & Class <sup>1,2</sup>	Recipients	Details of consideration <sup>3,4</sup>
13/05/2014	13,871,344 Shares	Shares were issued pursuant to the Share Purchase Plan offer to existing shareholders which was announced on 8 April 2014 and closed on 6 May 2014.	A total cash consideration of \$346,784 was received pursuant to the Share Purchase Plan offer to existing shareholders at \$0.025 per share which was announced on 8 April 2014 and closed on 6 May 2014.
31/7/2014	10,000,000 Shares	Nominee of Wayne Richards	<p>Shares issued upon the exercise of 10,000,000 Class A Performance Options which were approved by Shareholders at the General Meeting held on 12 December 2013 and which vested on 22 July 2014.</p> <p>A total consideration of \$1,000 was received on the exercise of these options.</p>
31/7/2014	Incentive Options: 5,000,000 Class E	Company employee	<p>Class E options were issued for non-cash consideration in connection with the remuneration package offered to a Company employee.</p> <p>These options were cancelled on 30 September 2014 due to employee ceasing and hence there is no current value.</p>
26/2/2015	Performance Options: 10,000,000 Class D 10,000,000 Class E 10,000,000 Class F	Nominee of Wayne Richards	<p>Class D, E and F Performance Options were issued for non-cash consideration to provide a performance linked incentive component to the remuneration of the Company's Executive Chairman and Chief Executive Officer which were approved by Shareholders at the General Meeting held on 18 February 2015.</p> <p>The Current Value of Class A, B and C Performance Options is approximately \$0.0059 per option.</p>

**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 D Performance	0.01 cents	30 Aug 2015	Refer to the Notice of Meeting dated 14 January 2015 and announced to the ASX on 15 January 2015.
Class E Performance	0.01 cents	30 Aug 2016	
Class F Performance	0.01 cents	30 Aug 2017	
Class E Incentive	3.2 cents	2 Jun 2017	Refer to Annexure A.

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:
    - (i) A share price of 0.006 cents, being the closing share price at 9 April 2015.
    - (ii) A risk free interest rate of 2.25%.
    - (iii) A volatility rate of 100%.
    - (iv) No discount for non-transferability.
    - (v) No discount to reflect the requirement to meet any applicable vesting criteria.
    - (vi) 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 \$347,784 from the issue of Equity Securities. This amount 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.

## **9. Resolution 6 – Adoption of Employee Incentive Plan**

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Resolution 6 seeks shareholder approval to the adoption of an Incentive Plan for eligible persons associated with the Company. A summary of the Incentive Plan follows.

The Incentive Plan is intended to:

- (a) increase the range of potential incentives available to directors, employees, consultants and contractors and to recognise their contribution to the Company's success; and
- (b) strengthen the links between the Company and its directors, employees, consultants and contractors.

The Incentive Plan allows the Company to issue up to a maximum 5% of the total number of ordinary shares on issue in the capital of the Company, as options to Eligible Persons. As at 9 April 2015, the issued capital of the Company comprised 1,475,250,387 ordinary fully paid shares on issue in the Company.

The essential features of the Incentive Plan include:

- the options are to be issued to selected Eligible Persons for free;
- Eligible Persons are any full-time or part-time employees or consultants of any Group Company, their spouses, companies in which they hold a beneficial entitlement of not less than 50% of the issued voting share capital, the trustee of a trust of which they are a beneficiary, or the trustee of a superannuation fund of which they are a member;
- the allotment of options to Eligible Persons is at the discretion of the Board of Directors;
- the exercise price of an option shall be the price determined by the Board in its absolute discretion prior to or on grant of the option;
- The exercise period of option shall be determined by the Board in its absolute discretion;
- the options will be unlisted and not transferable unless the Directors in their absolute discretion agree to a transfer;
- any adjustments to the entitlement of Eligible Persons will be made in accordance with the Listing Rules; and,
- the Incentive Plan may only be amended with the prior approval of the shareholders of the Company and in accordance with the Listing Rules.

The Board of the Company recommends shareholders vote to adopt the Incentive Plan.

## 10. Resolutions 7 and 8 – Issue of Incentive Options to Directors

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### 10.1 Background

The Company is seeking Shareholder approval to issue a total of 7,000,000 Incentive Options to Lennard Kolff and Michael Naylor in accordance with section 208 of the Corporations Act and Listing Rule 10.11. The Company proposes to issue the Incentive Options to Mr Kolff and Mr Naylor as follows:

Recipient	Number and Class	Expiry Date	Exercise Price
Lennard Kolff	4,000,000 Class F Incentive Options	26 May 2018	Exercisable at 135% of the 30 day VWAP on 26 May 2015.
Michael Naylor	3,000,000 Class F Incentive Options	26 May 2018	Exercisable at 135% of the 30 day VWAP on 26 May 2015.

The Company believes that the Incentive Options provide a means by which the Company can reward Mr Kolff and Mr Naylor for their continued contribution to the Company's progress to date and to further incentivise their ongoing performance and commitment to the Company. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The benefit from the Incentive Options will only be received if the Company's Share Price exceeds the exercise price of the Options at the time of exercise.

The Company is seeking Shareholder approval to issue the Incentive Options in accordance with section 208 of the Corporations Act and 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 Directors, Lennard Kolff and Michael Naylor are related parties of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Options under Resolutions 7 and 8 to Mr Kolff and Mr Naylor, respectively, as related parties of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 7 and 8:

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

Lennard Kolff (and/or his nominee) and Michael Naylor (and/or his nominee).



(b) **The nature of the financial benefit**

The issue of a total of 7,000,000 Incentive Options to Mr Kolff and Mr Naylor as follows:

<b>Recipient</b>	<b>Number and Class</b>
Lennard Kolff	4,000,000 Class F Incentive Options
Michael Naylor	3,000,000 Class F Incentive Options
Total	7,000,000 Incentive Options

The Incentive Options will be issued on the terms set out in Annexure B.

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

The Company has engaged Stantons International to prepare independent valuations of the Incentive Options.

The Black-Scholes option pricing model has been applied in providing valuation information in respect to the Incentive Options to be issued to Mr Kolff and Mr Naylor. Stantons International has determined that the Incentive Options has an implied value of \$0.004665 per Incentive Option. Accordingly, the aggregate implied value of the Incentive Options to be issued to Mr Kolff and Mr Naylor is as follows:

<b>Recipient</b>	<b>Implied value each</b>	<b>Number</b>	<b>Value</b>
Lennard Kolff	\$0.004665	4,000,000	\$18,660
Michael Naylor	\$0.004665	3,000,000	\$13,995
Total		7,000,000	\$32,655

The following variables and assumptions were used in the valuation:

- (i) A Share price of \$0.006 (assumed closing price on the day of the Annual General Meeting being the market price on ASX on 8 April 2015).
- (ii) A risk free interest rate of 1.74% (assumed on the day of the General Meeting).
- (iii) An expiry date of 26 May 2018.
- (iv) An exercise price of \$0.0089 (being 135% of the assumed 30 day VWAP as at 26 May 2015).
- (v) Volatility of 130%.
- (vi) No discount for non-transferability.
- (vii) The underlying Shares do not currently pay a dividend.

(d) **Current remuneration and security interests**

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

<b>Director</b>	<b>Salary/fees</b>	<b>Security interests</b>
Lennard Kolff	\$220,000 per annum <sup>1</sup> (including superannuation)	<ul style="list-style-type: none"><li>• Nil Shares</li><li>• 20,000,000 Options<sup>2</sup></li></ul>
Michael Naylor	\$130,000 per annum <sup>3</sup> (including superannuation)	<ul style="list-style-type: none"><li>• 800,000 Shares</li></ul>

**Notes:**

1. On 10 December 2014, the Company entered into an agreement with Mr Kolff for an indefinite term with an annual salary of \$220,000 (inclusive of director fees and superannuation) effective 1 January 2015.
2. Lennard Kolff holds an interest in 10,000,000 unlisted Options exercisable at \$0.046 each and expiring on 12 December 2016 and 10,000,000 unlisted Options exercisable at \$0.036 each and expiring on 30 April 2015.
3. Includes superannuation and director fees.

(e) **Dilution**

If all of the Incentive Options issued under Resolutions 7 and 8 were converted into Shares, and no other Shares were issued by the Company, the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 0.47%.

(f) **Accounting**

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that, under AASB2 Share-based Payment, equity-based compensation (such as the Incentive Options under Resolutions 7 and 8) will be recognised as an expense in respect of the services received.

(g) **Trading history**

As at the date of the Notice, the Company had 1,475,250,387 Shares on issue. 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 \$0.035 on 29 July 2014 and \$0.005 on 23 March 2015. The closing market sale price of the Company's Shares on the ASX on 9 April 2014 was \$0.006.

As at the date of the Notice, the Company had the following unlisted Options on issue:

Grant date	Expiry date	Exercise price	Number
10 Nov 2011	10 Nov 2015	\$0.05	1,250,000
28 May and 27 June 2012	30 April 2015	\$0.036	21,500,000
18 Dec 2013	12 Dec 2016	\$0.046	10,000,000
18 Dec 2013	12 Dec 2016	\$0.018	10,000,000
18 Dec 2013	12 Dec 2016	\$0.015	26,500,000
12 Feb 2014	20 Jan 2017	\$0.039	1,000,000
18 Jan 2015	30 Aug 2015	\$0.0001	10,000,000
18 Jan 2015	30 Aug 2016	\$0.0001	10,000,000
18 Jan 2015	30 Aug 2017	\$0.0001	10,000,000
			<b>100,250,000</b>

(h) **Terms of securities**

The terms of the Incentive Options are set out in Annexure B.

(i) **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 Incentive Options.

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

There will be no funds raised in connection with the issue of the Incentive Options under Resolutions 7 and 8 as the Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the 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 Incentive Options at the discretion of the Board.

(k) **Directors' interests**

Mr Kolff has a material personal interest in the outcome of Resolution 7 as the recipient of the Incentive Options. No other Director has a material personal interest in the outcome of Resolution 7.

Mr Naylor has a material personal interest in the outcome of Resolution 8 as the recipient of the Incentive Options. No other Director has a material personal interest in the outcome of Resolution 8.

(l) **Directors' recommendations**

Each Director has a conflict of interest in relation to the Resolution which, if passed, will authorise the issue of Incentive Options to that Director. Accordingly, no Director expresses an opinion or makes a recommendation in respect of the Resolution which involves the issue of Incentive Options to himself and from which he is abstained from voting.

The recommendation of the Directors and the reasons for that recommendation are as follows:

- (i) each Director (other than the relevant abstaining Director) recommends that Shareholders vote in favour of Resolutions 7 and 8; and
- (ii) each of the Directors making the recommendation to vote in favour of Resolutions 7 and 8 considers that those Resolutions are in the best interests of the Company as recognition of the relevant Director's continued contribution to the Company's progress to date and to further incentivise their ongoing performance and commitment to the Company.

(m) **Other information**

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 Resolutions 7 and 8.

### **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 Directors, Mr Kolff and Mr Naylor are related parties 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 Incentive Options under Resolutions 7 and 8 to Mr Kolff and Mr Naylor as related parties of the Company.

The issue of the Incentive Options under Resolutions 7 and 8 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those Incentive Options (once issued) will be excluded from the calculations under Listing Rule 7.1.

As required by Listing Rule 10.13, the following information is provided in relation to Resolutions 7 and 8:

(n) **Name of the persons**

Lennard Kolff (and/or his nominee) and Michael Naylor (and/or his nominee).

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

A total of 7,000,000 Incentive Options as follows:

<b>Recipient</b>	<b>Number and Class</b>
Lennard Kolff	4,000,000 Class F Incentive Options
Michael Naylor	3,000,000 Class F Incentive Options
<b>Total</b>	<b>7,000,000 Incentive Options</b>

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

The Incentive Options will be issued as soon as practicable after the Annual General Meeting 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).

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

Mr Kolff and Mr Naylor are related parties of the Company by virtue of being directors of the Company.

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

The Incentive Options will be issued without payment of cash consideration.

(s) **Terms of the issue**

The terms of the Incentive Options are set out in Annexure B.

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

There will be no funds raised in connection with the issue of the Incentive Options under Resolutions 7 and 8 as the Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the 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 Incentive Options at the discretion of the Board.

## Glossary

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

<b>10% Placement Facility</b>	has the meaning given in Section 8.1.
<b>10% Placement Period</b>	has the meaning given in Section 8.2(f).
<b>Annual Report</b>	the annual report of the Company for the financial year ended 31 December 2014.
<b>Annexure</b>	an annexure to the Explanatory Statement.
<b>Annual General Meeting</b>	the annual general meeting convened by this Notice.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>Board</b>	the board of Directors.
<b>Chairman</b>	the chairman of the Annual General Meeting.
<b>Closely Related Party</b>	a closely related party of a member of Key Management Personnel as defined in the Corporations Act, being: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of that member's spouse;</li><li>(c) a dependent of that member or of that member's spouse;</li><li>(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;</li><li>(e) a company that is controlled by that member; or</li><li>(f) any other person prescribed by the regulations.</li></ul>
<b>Company Secretary</b>	the company secretary of the Company.
<b>Constitution</b>	the constitution of the Company.
<b>Company</b>	Tawana Resources NL ACN 085 166 721.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.
<b>Eligible Employee</b>	means a person who is full time, part time employee, contractor or executive of any Group Company at the Board's discretion.

<b>Eligible Persons</b>	Eligible Persons are any full-time or part-time employees or consultants of any Group Company, their spouses, companies in which they hold a beneficial entitlement of not less than 50% of the issued voting share capital, the trustee of a trust of which they are a beneficiary, or the trustee of a superannuation fund of which they are a member.
<b>Equity Securities</b>	has the meaning given in the Listing Rules.
<b>Exempt Investor</b>	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.
<b>Explanatory Statement</b>	the explanatory statement incorporated in the Notice.
<b>Incentive Plan</b>	The Tawana Resources NL Employee Incentive Option Plan.
<b>Incentive Option</b>	an Option on the terms set out in Annexure B.
<b>Key Management Personnel</b>	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).
<b>Listing Rules</b>	the ASX Listing Rules published and distributed by ASX.
<b>Notice</b>	the notice of annual general meeting incorporating the Explanatory Statement.
<b>Proxy Form</b>	the proxy form attached to the Notice.
<b>Option</b>	an option to acquire a Share.
<b>Optionholder</b>	a holder of Options.
<b>Remuneration Report</b>	the section of the Annual Report titled "Remuneration Report".
<b>Resolution</b>	a resolution contained in the Notice.
<b>Section</b>	a section contained in the Explanatory Statement.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Share Purchase Plan</b>	the share purchase plan announced to ASX by the Company on 8 April 2014 in accordance with ASIC Regulatory Guide 125.
<b>Shareholder</b>	a holder of Shares.
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.

## Annexure A – Class E 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 2 June 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 E Incentive Option will be 135% of the 5 day VWAP of Shares traded on the ASX as at 2 June 2014, being 3.2 cents (**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 termination.
- 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 F 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 (**Vesting Date**) and are exercisable at any time after the Vesting Date until 26 May 2018 (**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 F Incentive Option will be 135% of the 30 day VWAP of Shares traded on the ASX as at 26 May 2015. (**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 termination.

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, 26 May 2015 at 288 Churchill Avenue, Subiaco, Western Australia, and at any adjournment thereof.

Please mark "X" in the box to indicate your voting directions to your proxy. The Chairman of the Annual General Meeting intends to vote undirected proxies in FAVOUR of the resolutions. In exceptional circumstances, the Chairman of the Annual General Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Lennard Kolff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Change of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Incentive Options to Lennard Kolff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Incentive Options to Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:** If you have appointed or are deemed to have appointed the Chairman as your proxy and you do not specify the way the proxy is to vote on any resolution, by your signature of this proxy form, you will expressly authorise the Chairman to exercise the proxy. 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 to 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**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**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 288 Churchill Avenue, Subiaco, 6008, Western Australia;
- (b) email to the Company Secretary at michael.naylor@tawana.com.au.

so that it is received by no later than 10.30pm (WST) on Sunday, 24 May 2015. **Proxy Forms received later than this time will be invalid.**