
TAWANA RESOURCES NL

ACN 085 166 721

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2018 Annual General Meeting will be held at:

TIME: 2.30pm WST

DATE: 31 May 2018

PLACE: BDO Australia, 38 Station Street, Subiaco Western Australia

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to attend and vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 29 May 2017.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2017."

Note: the vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement for Resolution 1:

The Company will disregard any votes cast on this Resolution 1:

- (a) by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member (regardless of the capacity in which the vote is cast); or
- (b) as a proxy by a person who is a member of the Key Management Personnel at the date of the Meeting or their Closely Related Parties.

However, a person (the **voter**) described above may cast a vote on this Resolution 1 as a proxy on behalf of a person who is entitled to vote on this Resolution 1 and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution 1; or
- (b) the voter is the Chair and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even though this Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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

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

"That Mr Robert Benussi is re-elected as a Director of the Company."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – BOB VASSIE

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

"That Mr Robert (Bob) Vassie is elected as a Director."

5. **RESOLUTION 4 – ELECTION OF DIRECTOR – MARK TURNER**

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

“That Mr Mark Turner is elected as a Director.”

6. **RESOLUTION 5 – ELECTION OF DIRECTOR – WEI (VICKI) XIE**

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

“That Ms Wei (Vicki) Xie is elected as a Director.”

7. **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – SHARE PLACEMENT**

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 48,780,488 shares pursuant to a placement as set out in the ASX announcement on 9th April 2018, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement for Resolution 6:

The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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 – APPROVAL OF ISSUE OF SHARES – CONDITIONAL PLACEMENT**

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,195,122 new shares to selected professional and sophisticated investors, on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion Statement for Resolution 7:

The Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

Dated: 30 April 2018
By order of the Board



Alexei Fedotov
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

Please follow the instructions on the Proxy Form if you wish to appoint a proxy.

Where the name of the proxy is not specified, the Chair will be appointed as the Shareholder's proxy.

A Shareholder may direct their proxy how to vote by marking the relevant box next to each Resolution in the Proxy Form (that is, 'for', 'against' or 'abstain'). Shareholders are encouraged to direct their proxy how to vote. If a Shareholder does not mark a voting box in respect of a Resolution, their proxy can vote or abstain as they choose, subject to any voting exclusions that apply to the proxy.

Proxy Forms must be received by no later than 2:30pm (WST) on Tuesday 29 May 2018. Proxy Forms received after this time will not be effective.

Please follow the instructions on the Proxy Form for lodgement.

Holders of shares dematerialised into Strate should return their Proxy Forms directly to their Central Securities Depository Participant or stockbroker.

Jointly held shares

Where shares are held jointly and more than one joint holder votes (either personally or by proxy, attorney or representative) in respect of a Resolution, the vote of the holder named first in the Register of Members will be accepted to the exclusion of the votes of other joint holders.

Appointing an attorney

A Shareholder may appoint an attorney to act on their behalf at the Meeting. If you wish to appoint an attorney, such appointment must be made by a duly executed power of attorney. If the power of attorney has not previously been provided to the Company or its share registry, Computershare, a copy must be provided before the Meeting.

Body corporates

Where a Shareholder is a body corporate or a body corporate is appointed as proxy, the body corporate will need to ensure that:

- it appoints an individual as its corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) to exercise its powers at the Meeting. A "Certificate of Appointment of Corporate Representative" signed in accordance with section 127 of the Corporations Act 2001 (Cth) or by a duly appointed attorney can be used for this purpose. A copy of the certificate is available from the Share Registry
- the instrument appointing the corporate representative must be provided to the Company or its share registry, Computershare, before the Meeting

Proxy voting by members of the Key Management Personnel

If you appoint a member of the Key Management Personnel or one of their closely related parties as your proxy, they will not be able to cast your votes on Resolution 1, unless you direct them how to vote, or the Chair is your proxy.

If you appoint the Chair as your proxy, or the Chair becomes your proxy by default, and you do not mark a voting box for Resolution 1, then by completing and returning the Proxy Form you will be expressly authorising the Chair to vote in respect of Resolution 1 even though it is connected with the remuneration of the Company's Key Management Personnel. The Chair intends to vote all available proxies in favour of Resolution 1.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

During this item of business, Shareholders will have a reasonable opportunity to ask questions and make comments about the reports, as well as the business and management of the Company.

Shareholders will also have a reasonable opportunity to ask a representative of the Company's auditor, Ernst & Young, questions in relation to the:

- conduct of the audit
- preparation and content of the Auditor's Report
- accounting policies adopted by the Company in relation to the preparation of its financial statements
- independence of the auditor in relation to the conduct of the audit

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. In line with these requirements, such a resolution is advisory only and does not bind the Company or the Directors. However, the Board will take the outcome of this vote and the discussion at the Meeting into consideration when determining the Company's approach to remuneration going forward.

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

A reasonable opportunity will be provided at the Meeting to ask questions about, or make comments.

2.2 Voting consequences

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

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

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

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

2.3 Previous voting results

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

2.4 Board recommendation

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report for the financial year ended 31 December 2017.

2.5 Voting Exclusions

A voting exclusion applies to this Resolution 1, which is set out in the Notice of Meeting under Resolution 1.

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

3.1 General

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

Mr Benussi, who has served as a director since 4 December 2015 and was last re-elected on 23 May 2017, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Benussi has been a Non-Executive Chairman of the Board since December 2015.

Mr Benussi is a Member of Tawana's Audit and Risk Management Committee and Tawana's Nomination and Remuneration Committee.

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

Mr Benussi is a Non-Executive Director for ASX Listed Silver Heritage Group Limited (since August 2017).

3.3 Independence

The Board considers Mr Benussi an independent Director.

3.4 Board recommendation

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

4. RESOLUTIONS 3, 4 AND 5 – ELECTION OF DIRECTORS

4.1 General

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

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

Mr Vassie, Mr Turner and Ms Xie having been appointed by other Directors (Messrs Vassie and Turner on 1 August 2017 and Ms Xie on 22 November 2017), will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, offer themselves for election at the Meeting.

4.2 Resolution 3 – election of Robert (Bob) Vassie

(a) Qualifications and other material directorships

Mr Vassie is a Mining Engineer with 30 years' international mining industry experience and 18 years' experience in a range of senior management roles with Rio Tinto. He has particular experience in operations management, resource development strategy, mine planning, feasibility studies, business improvement, corporate restructuring and strategic procurement.

Mr Vassie is currently Managing Director of listed St Barbara Limited (since July 2014) and Board Member of the Minerals Council of Australia.

Mr Vassie is Chairman of Tawana's Audit and Risk Management Committee and member of Tawana's Nomination and Remuneration Committee.

(b) Independence

The Board considers Mr Vassie an independent Director.

(c) Board recommendation

The Board (with Mr Vassie abstaining) supports the election of Mr Vassie and recommends that Shareholders vote in favour of Resolution 3.

4.3 Resolution 4 – election of Mark Turner

(a) Qualifications and other material directorships

Mr Turner is a Mining Engineer with more than 30 years of experience in the resources sector. He has been responsible for the start-up and operation of mines in Australia, Africa and Asia. He was previously General Manager Operations of Resolute Mining Ltd, one of Australia's largest gold producers and Chief Operating Officer of CGA Mining, before its takeover by B2 Gold for C\$1.1 billion in 2013.

Mr Turner is Chairman of Tawana's Nomination and Remuneration Committee and member of Tawana's Audit and Risk Management Committee.

(b) Independence

The Board considers Mr Turner an independent Director.

(c) Board recommendation

The Board (with Mr Turner abstaining) supports the election of Mr Turner and recommends that Shareholders vote in favour of Resolution 4.

4.4 Resolution 5 – election of Wei (Vicki) Xie

(a) Qualifications and other material directorships

Ms Xie is a representative of Weier Antriebe und Energietechnik GmbH (**Weier**) - a substantial shareholder of the Company - and was appointed to the Board in November 2017 as part of an equity funding agreement between Tawana and Weier, completed in October 2017. Ms Xie is an accountant with over 16 years' experience in Accounting and Finance, as well as in fund raising, acquisition and private equity investment. Ms Xie has held Chief Financial Officer, accounting and Company Secretary roles in both China and Australia.

Ms Xie does not hold other directorships in listed companies.

(b) Independence

Ms Xie is not an independent Director due to her relationship with Weier.

(c) Board recommendation

The Board (with Ms Xie abstaining) supports the election of Ms Xie and recommends that Shareholders vote in favour of Resolution 5.

5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – SHARE PLACEMENT

5.1 General

On 17 April 2018 the Company completed a fully underwritten placement of Shares to sophisticated and institutional investors to raise gross proceeds of A\$20 million (**Placement**). The Placement was underwritten by Canaccord.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares pursuant to the Placement.

The Placement was completed within the placement capacity under ASX Listing Rule 7.1. Pursuant to ASX Listing Rule 7.1 a company may during any 12-month period issue or agree to issue equity securities which represent up to 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities (provided that it did not breach ASX Listing Rule 7.1 on issue) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the Shares under the Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1. without the requirement to obtain prior Shareholder approval.

5.2 Additional information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of Shares issued was 48,780,488 (**Placement Shares**);
- (b) the Placement Shares were issued at a price of A\$0.41 each;
- (c) the Placement Shares issued rank equally with the existing Shares;
- (d) the Placement Shares were issued to professional and sophisticated investors, none of whom are related parties of the Company; and
- (e) the funds raised from the issue of the Placement Shares are to be primarily used for additional working capital, to enable continued commissioning of the Bald Hill Mine, resource drilling, capital expenditure including feasibility studies on expansion projects, and other initiatives at the Bald Hill Mine.

A voting exclusion applies to this Resolution 6, which is set out in the Notice of Meeting under Resolution 6.

6. RESOLUTION 7 – APPROVAL OF ISSUE OF SHARES - CONDITIONAL PLACEMENT

6.1 General

On 5 April 2018 the Company announced an intention to place up to A\$5 million worth of Shares (gross proceeds) to sophisticated and institutional investors (**Conditional Placement**) in addition to the Placement described in Section 5 above. Consistent with the Placement, the issue price will be \$0.41 per Share and the funds raised from the Conditional Placement are to be primarily used for additional working capital, to enable continued commissioning of the Bald Hill Mine, resource drilling, capital expenditure including feasibility studies on expansion projects, and other initiatives at the Bald Hill Mine.

The Conditional Placement is non-underwritten.

As part of the proposed merger between the Company and Alliance Mineral Assets Limited (**Alliance**) announced on 5 April 2018, the Conditional Placement is conditional on completion of a non-underwritten placement by Alliance Mineral Assets Limited (**Alliance**) to Burwill Holdings Ltd, Alliance's substantial shareholder, to raise gross proceeds of up to A\$7.8 million (**Alliance Conditional Placement**) which is itself subject to Alliance shareholders approval. The outcome of the Alliance Conditional Placement is expected to be known within 2 month of the date of the Notice. The Alliance Conditional Placement is further described in the announcement by Alliance on 5 April 2018 and referred to in the Company's announcement on 5 April 2018.

Further, as announced on 5 April 2018, the Company Board reserves the right to waive this condition to the Conditional Placement, so the Company may issue the Conditional Placement Shares before the Alliance Conditional Placement completes or even if does not complete.

The Company has sufficient annual placement capacity under ASX Listing Rule 7.1 to issue the Conditional Placement Shares without Shareholder approval (including together with the Placement Shares). Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Conditional Placement Shares so that they can be issued without using up the Company's 15% annual placement capacity. . If Resolution 7 is not approved, the Conditional Placement Shares may still be issued, but will reduce the existing ASX Listing Rule 7.1 placement capacity.

6.2 **Additional information required by ASX Listing Rule 7.3**

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) the maximum number of Shares proposed to be issued under the Conditional Placement is 12,195,122 (**Conditional Placement Shares**);
- (b) the Conditional Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price will be \$0.41 per Share;
- (d) the Conditional Placement Shares will be issued to professional and sophisticated investors to be determined by the Company and the manager appointed by the Company to manage the Conditional Placement. The persons will not be related parties of the Company;
- (e) the Conditional Placement Shares when issued will rank equally with existing Shares;
- (f) the funds raised from the Conditional Placement are to be primarily used for additional working capital, to enable continued commissioning of the Bald Hill Mine, resource drilling, capital expenditure including feasibility studies on expansion projects, and other initiatives at the Bald Hill Mine; and
- (g) the Conditional Placement Shares are not being issued under, or to fund, a reverse takeover.

A voting exclusion applies to this Resolution 7, which is set out in the Notice of Meeting under Resolution 7.

GLOSSARY

\$ means Australian dollars.

Alliance Conditional Placement has the meaning given in Section 6.

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

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

ASX Listing Rules means the Listing Rules of ASX.

Bald Hill Mine means the Bald Hill Lithium and Tantalum Mine in Western Australia (Tawana's interest : 50%).

Board means the current board of directors of the Company.

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

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

Chair means the chair of the Meeting.

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

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

Conditional Placement means the proposed placement of Conditional Placement Shares to professional and sophisticated investors to raise gross proceeds of up to A\$5 million, conditional on completion of the Alliance Conditional Placement. Refer Explanatory Statement Section 6.

Conditional Placement Shares has the meaning given to it in Section 6.2(a).

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2017.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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