



TARUGA

Taruga Minerals Limited

ACN 153 868 789

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

Friday, 14 February 2020

11:00am (WST)

Ascent Capital
Level 1, 33 Ord Street
West Perth WA 6005
Australia

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 (0)8 9486 4036.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Taruga Minerals Limited will be held at the Ascent Capital, Level 1, 33 Ord Street, West Perth WA 6005, on Friday, 14 February 2020 at 11:00 am (WST).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 12 February 2020 at 4:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum can be found in the Definitions section at page 14.

AGENDA

Resolution 1 – Ratification of Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 21,175,000 Shares issued pursuant to ASX Listing Rule 7.1, at an issue price of 1 cent per Share to raise approximately \$211,751, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The entity will disregard any votes cast in favor of the resolution by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Approval for issue of Broker Options

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 35,000,000 Broker Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Ashanti Capital Pty Ltd and Shaw and Partners Limited; or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Approval of Share Placement Facility

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

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the allotment and issue of up to 50,000,000 Shares ("Placement Shares") at an issue price of not less than 80% of the average market price of the the Company's Shares over the last five days over which sales were recorded prior to the date of the issue of the Shares to investors to whom disclosure is not required pursuant to section 708 of the Corporations Act ("Placement Facility"), and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) 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 entity); or

- (b) an associate of person or those persons who is/ are 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 entity)

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Participation of Related Party in the Shortfall – Mr Stefan White

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 5,000,000 Shares to Mr Stefan White (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Mr Stefan White (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of Shares in the entity); or
- (b) an associate of the Mr Stefan White any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 13 January 2020

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "G. Steinepreis".

Gary Steinepreis

Director

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of members of Taruga Minerals Limited (**Taruga**) in connection with the business to be conducted at the General Meeting to be held on Friday, 14 February 2020 commencing at 11:00am (WST) at Ascent Capital, Level 1, 33 Ord Street, West Perth WA 6005.

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

Shareholders should note that all the Directors approved the proposal to put the resolutions to Shareholders as outlined in the Notice of General Meeting and to prepare this Explanatory Memorandum.

The purpose of this Explanatory Memorandum is to provide information for Shareholders in deciding whether or not to pass the Resolutions in the Notice of General Meeting.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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.

2.2 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (www.securitytransfer.com.au).

3. Resolution 1 – Ratification of Placement

3.1 Background

The Company announced on 13 November 2019 that it had raised \$211,750 by way of the placement of 21,175,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of 1 cent per Share to sophisticated and professional investors (**Placement**).

Resolution 1 – Ratification of Placement seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

3.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

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

3.3 Technical information required by ASX Listing Rule 7.4

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to the Ratification:

- (a) number of securities issued: 21,175,000 Shares were issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price of the Shares issued pursuant to the Placement was \$0.01 per Share;
- (c) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing Shares on issue;

- (d) the Shares were issued to professional and sophisticated investors introduced by the Company's brokers, none of whom are related parties of the Company;
- (e) the Shares were issued on 13 November 2019; and
- (f) the Company intends to use funds raised pursuant to the Placement as follows:
 - (i) to continue with exploration activities at the Company's existing Australian projects;
 - (ii) to fund on-going project due diligence in Africa, the evaluation of new projects and exploration activities in Australia; and
 - (iii) for general working capital purposes.

4. Resolution 2 – Approval for issue of Broker Options

4.1 Background

Resolution 2 – Approval for issue of Broker Options seeks Shareholder approval for the issue of 35,000,000 Options (**Broker Options**) to Shaw and Partners Limited and Ashanti Capital Pty Ltd (or their nominees) (together, the **Underwriters**) for ongoing capital raising advice and corporate advisory support, including their role in assisting the Company with the completion of the Placement and as acting as joint-Underwriters to the recent non-renounceable entitlement issue.

The effect of Resolution 2 – Approval for issue of Broker Options will be to allow the Company to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 ASX Listing Rule Requirements

Pursuant to and in accordance with ASX Listing Rule 7.3 the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 35,000,000, being 17,500,000 to each of the Underwriters;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options are being issued at the nominal price of \$0.0001 each, as they are being issued in consideration for the provision of ongoing capital raising advice and support to the Company;
- (d) the Options will be issued to Shaw and Partners Limited and Ashanti Capital Pty Ltd (or their nominee/s);
- (e) the Options will be issued on the terms and conditions set out in a nominal amount of \$350 will be raised from the issue of the Options the subject of this Resolution 2 – Approval for issue of Broker Options.

5. Resolution 3 – Approval of Share Placement Facility

5.1 Background

Resolution 3 seeks Shareholder approval for the allotment and issue of up to 50,000,000 Shares (“Placement Shares”) by way of a placement to sophisticated and/or professional investors.

The purpose of Resolution 3 would be to enable the Company to undertake a placement to provide the Company with additional funding to continue with its planned exploration programs and to meet the Company’s working capital requirements. The Company yet to make any agreement or arrangement to issue the Placement Shares.

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which, when aggregated with the equity securities issued by the company during the previous 12 months, will exceed 15% of the total number of fully paid ordinary shares on issue in the company at the beginning of the 12 month period, except with the prior approval of shareholders.

Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 50,000,000 Shares.

The effect of Resolution 3 will be to allow the Company to issue up to 50,000,000 Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company’s 15% annual placement capacity under Listing Rule 7.1.

5.3 ASX Listing Rule Disclosure Requirements

The following information is provided in accordance with ASX Listing Rule 7.3:

- (a) The maximum number of equity securities the entity is to issue: 50,000,000.
- (b) The date by which the entity will issue the equity securities: it is anticipated that, subject to Shareholder approval, the Shares will be allotted and progressively issued no later than three months after the date of the General Meeting. the allotment or a statement that allotment will occur progressively.
- (c) The issue price of the Equity Securities: the Shares will be issued at a price that is at least 80% of the volume weighted average market price for Shares, where the average is calculated, in accordance with ASX Listing Rule 7.3.3, over the last five days on which sales in Shares were recorded before the day on which the issue will be made.
- (d) The names of the allottees (if known) or the basis upon which the allottees will be identified or selected: the allottees of the Shares are not currently known but, will be institutional and sophisticated investors and will be selected on the basis of their ability to provide funding to the Company pursuant to the placement, if undertaken. None of these parties will be related parties of the Company.
- (e) The terms of the equity securities: the Shares will rank equally in all respects with existing Shares on issue.

- (f) The intended use of the funds raised: if undertaken, the funds to be raised by the Company in any placement would be intended to be used for the following purposes:
 - (i) exploration expenditure in relation to the Company's projects; and
 - (ii) general working capital requirements of the Company.
- (g) A voting exclusion statement is included in the Notice.

5.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 as it will allow the Company to issue Shares to raise necessary funds to continue with its exploration programme and to meet the Company's working capital requirements whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

6. Resolution 4 – Participation of Related Party in the Shortfall – Mr Stefan White

6.1 Background

On 25 November 2019, the Company lodged a prospectus with the ASIC relating to a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Share to raise up to \$1,623,423 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Issue**) (**Prospectus**). The Entitlement Issue was fully underwritten and managed by Shaw and Partners Limited and Ashanti Capital Pty Ltd (together, the **Underwriters**).

Any Entitlement not taken up pursuant to the Entitlement Offer formed the shortfall (**Shortfall**). The Shortfall is a separate offer (**Shortfall Offer**) made pursuant to the Prospectus and the Underwriters, in consultation with the Directors, were responsible for placing the Shortfall Securities.

As set out in the Prospectus, the Underwriters agreed, subject to Shareholder approval, to allocate up to \$50,000 of the Shortfall (subject to availability) to Mr Stefan White. Mr White, a proposed director of the Company, who, as announced on 7 November 2019 is to be appointed as a director with effect on and from completion of the Placement and Entitlement Offer.

Resolution 4 seeks Shareholder approval for Mr Stefan White (or his nominee) to participate in the Shortfall (**Participation**).

6.2 Corporations Act Requirements

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

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

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

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr White is a related party of the Company by virtue of being a proposed director.

It is the view of the Company that the issue of the Shortfall Shares to Mr Stefan White (or his nominee) by virtue of Mr White's participation in the Shortfall Offer, falls under the arm's length exception in section 210 of the Corporations Act because the Shortfall Shares will be issued to Mr White on the same terms as the Shares issued to non-related party participants in the Entitlements Issue, and as such the giving of the financial benefit is on arm's length terms. Accordingly, the Company considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shortfall Shares.

6.3 ASX Listing Rule 10.11

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

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

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shortfall Shares pursuant to this Resolution 3 – Approval of Share Placement Facility

6.4 Background

Resolution 3 seeks Shareholder approval for the allotment and issue of up to 50,000,000 Shares ("Placement Shares") by way of a placement to sophisticated and/or professional investors.

The purpose of Resolution 3 would be to enable the Company to undertake a placement to provide the Company with additional funding to continue with its planned exploration programs and to meet the Company's working capital requirements. The Company yet to make any agreement or arrangement to issue the Placement Shares.

6.5 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which, when aggregated with the equity securities issued by the company during the previous 12 months, will exceed 15% of the total number of fully paid ordinary shares on issue in the company at the beginning of the 12 month period, except with the prior approval of shareholders.

Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 50,000,000 Shares.

The effect of Resolution 3 will be to allow the Company to issue up to 50,000,000 Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.6 ASX Listing Rule Disclosure Requirements

The following information is provided in accordance with ASX Listing Rule 7.3:

- (a) The maximum number of equity securities the entity is to issue: 50,000,000.
- (b) The date by which the entity will issue the equity securities: it is anticipated that, subject to Shareholder approval, the Shares will be allotted and progressively issued no later than three months after the date of the General Meeting. the allotment or a statement that allotment will occur progressively.
- (c) The issue price of the Equity Securities: the Shares will be issued at a price that is at least 80% of the volume weighted average market price for Shares, where the average is calculated, in accordance with ASX Listing Rule 7.3.3, over the last five days on which sales in Shares were recorded before the day on which the issue will be made.
- (d) The names of the allottees (if known) or the basis upon which the allottees will be identified or selected: the allottees of the Shares are not currently known but, will be institutional and sophisticated investors and will be selected on the basis of their ability to provide funding to the Company pursuant to the placement, if undertaken. None of these parties will be related parties of the Company.
- (e) The terms of the equity securities: the Shares will rank equally in all respects with existing Shares on issue.
- (f) The intended use of the funds raised: if undertaken, the funds to be raised by the Company in any placement would be intended to be used for the following purposes:
 - (i) exploration expenditure in relation to the Company's projects; and
 - (ii) general working capital requirements of the Company.
- (g) A voting exclusion statement is included in the Notice.

6.7 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 as it will allow the Company to issue Shares to raise necessary funds to continue with its exploration programme and to meet the Company's working capital requirements whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

Resolution 4 – Participation of Related Party in the Shortfall – Mr Stefan Whiteas approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shortfall Shares to Mr White (or his nominee/s) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6.8 Technical information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Shares will be issued to non-executive director, Stefan White (or his nominee/s);

- (b) the maximum number of Shares to be issued to Mr White (or his nominee/s) is 5,000,000;
- (c) the Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); the Shares will be issued for \$0.01 per Share, being the same as the issue price of Shares issued pursuant to the Entitlement Offer;
- (d) the issue price will be \$0.01 per Share, being the same as all other Shares issued under the Entitlement Offer;
- (e) the funds are intended to be used for the purposes set out in Section 3.3(f); and
- (f) the Shares are ordinary fully paid shares and will rank equally in all respects with the existing Shares on issue.

Schedule 1: Terms and Conditions of Broker Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to (g)(i) the amount payable upon exercise of each Broker Option will be \$0.025 (**Exercise Price**)

(c) **Expiry Date**

Each Broker Option will expire at 5:00 pm (WST) on the date that is four (4) years from the date of issue (**Expiry Date**). A Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a

prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

(m) **Quotation**

The Company will not apply for quotation of the Broker Options on ASX.

Definitions

In this Notice and the Explanatory Memorandum:

10% Placement Facility has the meaning given in Section 7.

\$ means Australian Dollars.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Broker Options means the 35,000,000 Options the subject of Resolution 2 – Approval for issue of Broker Options, to be issued to the Underwriters (or their nominees) in consideration for the provision corporate advisory services in relation to the Placement and ongoing advice in relation to capital raisings.

Business Day has the meaning contained in the Listing Rules.

Chair or **Chairman** means the person appointed to chair the Meeting conveyed by this Notice.

Company means Taruga Minerals Limited (ACN 153 868 789).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement Offer means the non-renounceable entitlement issue the subject of the Prospectus.

Equity Security has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Listing Rules means the listing rules of ASX.

Meeting or General Meeting means the meeting convened by this Notice (as adjourned from time to time).

Notice or **Notice of General Meeting** means this notice of general meeting.

Option means an option to acquire a Share.

Prospectus means the prospectus lodged by the Company with the ASIC on 25 November 2019.

Proxy Form means the proxy form attached to the Notice.

Record Date means the date specified in the timetable set out at the commencement of the Prospectus.

Related Party has the meaning given in the Listing Rules 7.2.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Shortfall means the Shares not applied for under the Entitlement Offer.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Underwriters or **Underwriter** means Ashanti Capital Pty Ltd (ABN 61 614 939 981) (AFSL 493204) and Shaw and Partners Limited (ABN 24 003 221 583) (AFSL 236048).

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

PROXY FORM

The Secretary
Taruga Minerals Limited

By delivery:
Level 8, 99 St Georges Terrace,
Perth WA 6000

By post:
PO Box 5638, St Georges Tce, Perth
WA 6831

By facsimile:

+61 8 9486 4799

**Name of
Shareholder ¹:**

**Address of
Shareholder:**

**Number of Shares
entitled to vote:**

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

**The Chairman of
the Meeting (mark
box)**

☐

OR if you are **NOT** appointing the
Chairman of the meeting as your proxy,
please write the name of the person or
body corporate (excluding the registered
shareholder) you are appointing as your
proxy ²

or failing the person/body corporate named, or if no person/body is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at Ascent Capital, Level 1, 33 Ord Street, West Perth WA 6005 on Friday 14 February 2020 at 11.00am WST.

Please note the Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

Step 2 – Instruction as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval for issue of Broker options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of Share Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Participation of Related Party in the Shortfall – Mr Stefan White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

Authorised signature/s

This section must be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div></div>	<div></div>	<div></div>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
<div></div>	<div></div>	<div></div>
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder ²Insert name and address of proxy

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate or Appointment of Representative prior admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy, of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicated the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company at PO Box 5638, St Georges Terrace, Perth WA 6831 or Facsimile +61 8 9486 4799 not less than 48 hours prior to the time of commencement of the Meeting.