AUSTRAL AFRICA RESOURCES LIMITED

ACN 060 774 227

NOTICE OF GENERAL MEETING

TIME: 11.30 am (WST)

DATE: 23 February 2010

PLACE: 129 Edward Street
Perth, Western Australia

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9227 8404.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.30 am (WST) on 23 February 2010 at:

129 Edward Street
Perth, Western Australia

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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

(a) post to Austral Africa Resources Limited, PO Box 8475, Perth Business Centre, WA 6849; or

(b) facsimile to the Company on facsimile number (+61 8) 9227 8178,

so that it is received not later than 11.30 am (WST) on 21 February 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 11.30 am (WST) on 23 February 2010 at 129 Edward Street, Perth, Western Australia.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7.00pm (EST) on 21 February 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ISSUE OF SHARES TO ACQUIRE TANGANYIKA URANIUM CORP

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

> *"That, subject to the passing of Resolution 2, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 1,319,793,280 Shares to the shareholders of Tanganyika Uranium Corp in consideration for the acquisition of the issued capital of Tanganyika Uranium Corp on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF SHARES TO DIRECTOR TO ACQUIRE TANGANYIKA URANIUM CORP

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

> *"That, subject to the passing of Resolution 1, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to* 22,412,480 *Shares to Ian Cornelius, a Director of the Company, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ian Cornelius or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 20 JANUARY 2010

BY ORDER OF THE BOARD

MS KAREN BROWN
COMPANY SECRETARY
AUSTRAL AFRICA RESOURCES LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11.30 am (WST) on 23 February 2010 at 129 Edward Street, Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. BACKGROUND TO RESOLUTIONS

As announced to ASX on 24 November 2009, the Company has entered into a binding terms sheet with Tanganyika Uranium Corp (**TUC**) pursuant to which the Company will make offers to TUC shareholders to acquire 100% of the issued shares in TUC (**Binding Terms Sheet**).

TUC is a private unlisted Canadian company which holds interests in uranium exploration assets in Tanzania, East Africa, which the Company considers to be complementary to its existing exploration assets in Africa. Additional information relating to TUC is set out in the announcement to ASX dated 24 November 2009. Outlined in Annexure A is an outline of the assets of TUC prepared on behalf of TUC and provided to the Company for inclusion in this Notice of Meeting.

In accordance with the terms of the Binding Terms Sheet, the Company will offer 64 Shares for every one share held by TUC shareholders at a deemed issue price of $0.0025 per Share (**Offer**). The Offer will result in the issue of up to 1,342,205,760 Shares and value TUC at approximately $3,355,514.

The Binding Terms Sheet is conditional upon the satisfaction of a number of items, including:

(a) the completion of mutual due diligence by both the Company and TUC;

(b) the Company obtaining all required approvals for the issue of Shares pursuant to the Offer;

(c) the Company receiving acceptances for at least 95% of the TUC shares on issue;

(d) each of the directors of TUC accepting the Offer in respect of their individual holdings in TUC; and

(e) there being no claims of any nature against TUC.

Although, if all of the Offers made to TUC Shareholders are accepted, the Company will issue 1,342,205,760 new Shares, following the completion of the Offer, no TUC Shareholder will have an interest in the Company's Shares greater than 20%.

As at the date of this Notice of Meeting, the Company has received acceptances from TUC Shareholders for approximately 40% of the TUC Shares. However, those acceptances remain conditional upon Shareholders passing the Resolutions the subject of this Notice of Meeting.

This Notice of Meeting seeks the necessary Shareholder approvals to satisfy the condition precedent in paragraph (b) above for the issue of 1,342,205,760 Shares to acquire the issued capital of TUC:

(a) Resolution 1 seeks Shareholder approval for the issue of 1,319,793,280 Shares to the shareholders of TUC not associated with the Company; and

(b) Resolution 2 seeks Shareholder approval for the issue of 22,412,480 Shares to Ian Cornelius, a Director of the Company and a shareholder of TUC. Mr Cornelius holds shares in TUC as the trustee of the Cornelius Superannuation Fund.

2. RESOLUTION 1 – ISSUE OF SHARES TO ACQUIRE TANGANYIKA URANIUM CORP

2.1 General

Resolution 1 seeks Shareholder approval for the allotment and issue of 1,319,793,280 Shares to TUC shareholders not associated with the Company in consideration for the acquisition of the issued capital of TUC. Shareholder approval for the proposed issue is required pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares the subject of Resolution 1 to the shareholders of TUC during the period of three months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed Share issue:

(a) the maximum number of Shares to be issued to TUC shareholders not associated with the Company is 1,319,793,280 Shares;

(b) the Shares will be issued no later than three months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Shares will be issued at a deemed issue price of $0.0025 per Share, however no funds will be raised from the issue of the Shares as they will be issued in consideration for the acquisition of the TUC Shares held by each TUC Shareholder;

(d) the Shares will be allotted and issued to the respective shareholders of TUC not associated with the Company who accept the Company's offer to acquire their Shares on the terms outlined in the Binding Terms Sheet. The list of shareholders of TUC and their respective allotment of Shares is set out in Schedule 1;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Company will not raise any funds from the proposed Share issue as the Shares will be issued in consideration for the acquisition of the share capital of TUC.

3. RESOLUTION 2 – ISSUE OF SHARES TO DIRECTOR TO ACQUIRE TANGANYIKA URANIUM CORP

3.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of 22,412,480 Shares to Ian Cornelius, a Director of the Company. Mr Cornelius is a shareholder of TUC as the trustee of the Cornelius Superannuation Fund and is therefore entitled to have an offer made to acquire the TUC Shares held under the Binding Terms Sheet. The issue of Shares to Ian Cornelius will be made pursuant to the Binding Terms Sheet and on the same terms and conditions as the offers made under the Binding Terms Sheet to all other non-related TUC Shareholders. Shareholder approval is therefore required pursuant to ASX Listing Rule 10.11.

ASX Listing Rule 10.11 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. Mr Ian Cornelius is a related party because he is a related party to the Company.

The Board, other than Mr Cornelius, considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the proposed Share issue to Mr Cornelius on the basis that the offer is being made on the same terms and conditions as the offers made to all non-related TUC Shareholders on the terms and conditions outlined in the Binding Terms Sheet. Accordingly, Mr Cornelius will not receive any benefit not available to all other TUC Shareholders.

3.2 Technical information required by ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Mr Ian Cornelius:

(a) the proposed allottee of the Shares is Ian Cornelius, who is a related party by virtue of being a Director of the Company;

(b) the maximum number of Shares to be issued to Mr Cornelius is 22,412,480 Shares;

(c) the Shares will be issued to Mr Cornelius no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;

(a) the Shares will be issued at a deemed issue price of $0.0025 per Share however no funds will be raised from the issue of the Shares as they will be issued in consideration for the acquisition of the TUC Shares held by Ian Cornelius;

(b) the Company will not raise any funds from the proposed Share issue as the Shares will be issued in consideration for the acquisition of the share capital of TUC held by Ian Cornelius.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares the subject of Resolution 2 to Ian Cornelius as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Ian Cornelius will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

4. ENQUIRIES

Shareholders may contact the Company on (+ 61 8) 9227 8404 if they have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Austral Africa Resources Limited (ACN 060 774 227).

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

Directors means the current directors of the Company.

EST means Eastern Standard Time.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

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

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

Shareholder means a holder of a Share.

TUC means Tanganyika Uranium Corp, a company incorporated in Canada.

TUC Shareholder means a shareholder of TUC.

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

SCHEDULE 1 – TUC SHAREHOLDERS

TUC Shareholder Name	TUC Shares Held	Shares to be Issued
Harold Smith	1,500,000	99,200,000
Kala Nominees Pty Ltd.	1,776,770	113,713,280
The M.R. Griffiths Family Trust	1,381,770	88,433,280
Boulder Mining Ltd.	2,046,926	131,003,264
Gary Bogdanovich	100,000	6,400,000
Scott Hunter	100,000	6,400,000
Thomas W. Seltzer	100,000	6,400,000
Scotia Capital In Trust For Kirke Securities Ltd.	3,053,299	195,411,136
Mark D. Brosseau	30,000	6,400,000
Dominic Ka Kuen Sum	100,000	6,400,000
Sam Magid	100,000	6,400,000
Keith Shaefer	100,000	6,400,000
David Durnie	10,000	640,000
John Brosseau	66,667	4,266,688
Marc Baril	50,000	3,200,000
Lawrence Roulston	100,000	6,400,000
Scott Angus	40,000	2560,000
Alfred E. Angus	40,000	2,560,000
Dwane Brosseau	100,000	6,400,000
1222989 Ontario Limited	50,000	3,200,000
Glenn Parker	30,000	1,920,000
Sherylle Bauer	665,000	42,560,000
Artell Developments Ltd.	200,000	12,800,000
James Asselstine	30,000	1,920,000
Roy Cairns	200,000	12,800,000

Gael Northey	100,000	6,400,000
Sun Mining Limited	2,659,132	170,184,448
Mingcourt Holdings Limited	1,155,058	73,923,712
Ian Raymond Cornelius <Cornelius Superannuation Fund>	350,195	22,412,480
David Noel Riekie	293,831	18,805,184
Cornela Pty Ltd.	293,831	18,805,184
Susan Jane Cann	283,699	1,516,736
Pinegold Enterprises Pty Ltd.	204,280	13,073,920
RSN Nomiees Pty Ltd.	186,770	11,953,280
Sundowner International Limited	186,770	11,953,280
Seventy Three Pty Ltd.	162,113	10,375,232
Kerrie-Anne King	121,585	7,781,440
Grange Consulting Pty Ltd.	93,385	5,976,640
Cheung Shun Resources Limited	58,366	3,735,424
Peter Rolfe	58,366	3,735,424
Darryl Malacari	58,366	3,735,424
Walpole Resources Limited	46,693	2,988,352
Moez Didarali Shariff	28,572	1,828,608
Resource Services International (Aust) Pty Ltd.	498,521	31,905,344
Kirke Securities Ltd	1,056,000	67,584,000
Seiwan Properties Limited	1,056,000	67,584,000
Total	**20,971,965**	**1,342,205,760**

ANNEXURE A – TUC PROJECTS

These Exploration Results are based upon information compiled by Michael Griffiths (consulting geologist) who is a Member of Australasian Institute of Mining and Metallurgy and a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Michael Griffiths consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MINERAL PROJECTS

TUC has tenure covering two regional plays in Tanzania. The southern area known as the "Madaba-Mkuju" covers an area of approximately 1,640km^2 of granted tenure and 14,169km^2 of applications and has targeted sandstone roll-front style uranium mineralisation whilst the area located in the north of the country known as the "Eastern Rift", covers an area of 1,724km^2 of granted tenure and 6,072km^2 of applications and has targeted calcrete-style uranium mineralization.

Uranium mineralisation was first identified in Tanzania during the period 1978-1982 by Uranerzbergbau GmbH (**UEB**). UEB identified airborne radiometric anomalies during the period led to the discovery of two uranium deposits at Mkuju and Madaba. These deposits are adjacent to or partially within the Selous Game Reserve. Since 1982, modern exploration by other explorers has identified an Inferred Mineral Resource at the Mkuju discovery of **39.9 million tonnes averaging 409 ppm U_3O_8 for a contained 35.9 million pounds of U_3O_8 (or approximately 16,300 tonnes contained U_3O_8) at a lower cut-off grade of 200 ppm U_3O_8** (Mantra Resources Limited In February 2009).

<u>Madaba-Mkuju</u>

The Madaba-Mkuju Property represents a sandstone-type uranium prospect within the same geological setting (extension) as the Mantra discovery and covers the Madaba uranium deposit identified by UEB. The Property is underlain by a gently dipping, un-metamorphosed sequence of Carboniferous to Jurassic continental sandstone of the Karoo Basin, which rests unconformably on Precambrian crystalline basement rocks. The Karoo sediments are 6,000 meters thick and locally contain variable concentrations of calcite, coalified plant material and invertebrate fossils, and are known to host uranium deposits elsewhere in south-eastern Africa. The geological setting is considered favourable for uranium mineralization.

Sandstone-type uranium mineralization at Madaba on the Madaba-Mkuju Property was discovered in 1978 from ground follow-up of airborne radiometric anomalies generated by UEB. Mineralization is restricted to a specific stratigraphic horizon known as the Madaba Formation in Karoo sediments occupying the Luwegu-Madaba-Mkuju Basin. The uranium mineralization is typical of other sandstone-type deposits, as it is penecontemporaneous and is associated with a combination of carbonaceous matter, calcite, and groundwater levels. The main style of mineralization is primary uranium minerals in stratiform sandstone zones below the present groundwater table, but supergene enrichments above the present groundwater table and mineralised discordant rolls in laterite are also known.

A total of 28 drill holes with available data were completed in 1981, with only 15 of the holes penetrating the favourable sandstone horizon at depths ranging from 24 to 160 metres. Of these 15 holes, the average grade was 0.05% eU_3O_8 across thicknesses of 0.5 to 5.0 metres, with the best hole returning 0.056% eU_3O_8 across 9.1 metres, including 0.122% eU_3O_8 across 2.1 metres. The drilling tested an area of some 300 km^2, averaging one successful hole per 20 km^2. Potential for much higher grades in roll fronts developed in reduced areas such as carbonaceous matter and redox boundaries has not been

adequately tested with the current drill spacing. Outside of the Madaba area, the remainder of the Madaba-Mkuju Property has excellent geological potential for additional discoveries of sandstone-hosted uranium mineralization.

Eastern Rift

The Eastern Rift project covers calcrete-style uranium mineralization. Other deposits of this type have recently been identified to the south of the TUC holdings with an inferred resource reported for the Bahi project of 14 million tonnes, averaging 218ppm U308 for a contained U308 content of approximately 6.7 million pounds (or approximately 3,000 tonnes contained U308), at a cut off grade of 150ppm U308. Contained U308 more than doubles to approximately 15.3 million pounds at the 100ppm U308 cut off grade (Uranex NL).

TUC's Eastern Rift Property is underlain by a complex series of Precambrian and Phanerozoic metamorphic, igneous, and sedimentary rocks. It is approximately centred on the central part of the East African Rift which forms several closed drainage basins with high evaporation rates. The basins are filled with sediments locally cemented with carbonate, gypsate, and silicate minerals precipitated from laterally moving groundwater in an arid to semi-arid climate. The East African Rift is also the source of high heat flow and Tertiary to Recent alkaline volcanism including an active carbonatite volcano and numerous active hot springs. The geological setting is interpreted as suitable for hosting calcrete style uranium mineralization.

Country-wide airborne radiometric surveys completed in the late 1970's and detailed surveys completed by Tanganyika in 2008 have resulted in the identification of numerous radiometric anomalies, including multiple anomalies on ground now covered by the Eastern Rift Property. A uranium-prevalent radiometric anomaly at Mto wa Mbu is over 14 km long and coincides with the location of an extensive deposit of calcrete-cemented lake sediments. This anomaly is located almost entirely within the current boundaries of the Eastern Rift property, and it has not been tested by pitting or drilling by TUC. The Mto wa Mbu radiometric anomaly is underlain by calcareous rift-fill sediments considered suitable for the development of uranium-bearing calcretes. Additional radiometric anomalies, coincident and not coincident with rift-fill calcretes, are known on the Eastern Rift Property and have not been followed up.

The portfolio covers an exciting uranium package targeting both roll-front and calcrete style uranium geological settings. Work by Tanganyika has confirmed the near surface calcrete style uranium potential at the Eastern Rift while work by other companies in the Madaba-Mkuju region has confirmed previously defined areas as primary Sandstone hosted uranium targets. Both project areas are considered to host excellent potential for bulk uranium deposits.

MADABA-MKUJU (SELOUS) PROPERTY

The following information on the Madaba-Mkuju (Selous) Property has been summarized from a report compatible with National Instrument 43-101F1 (Canada) written by Harmen J. Keyser, P.Geol. dated 5 February, 2009. Mr. Keyser is a "qualified person" in accordance with National Instrument 43-101. His report is based on his personal examination of the Madaba-Mkuju Property on May 23 and 24, 2006 as well as additional information referenced in his report.

Property Description and Location

The Company has a 100% interest in 7 Prospecting Licences and 29 applications in south-eastern Tanzania known as the Madaba-Mkuju (Selous) Property. The PL's are located approximately 225 kilometres southwest of Dar es Salaam. The approximate geographic centre of the Property lies at 8° 35' South Latitude and 38° 00' East Longitude.

The project covers approximately 1,640km^2 of granted tenure and 14,169km^2 of applications as set out in Table 1 below and as shown in Figure 1.

Table 1: Madaba-Mkuju Property Granted Prospecting Licences

Licence Number	Area	Grant Date	First Renewal Date	Area Km^2
PL 5786/2009	MPURUKUSESE - ULANGA	12 June 2009	11 June 2012	126.5
PL 5804/2009	MPURUKUSESE - ULANGA/NAMTUMBO	12 June 2009	11 June 2012	126.52
PL 5720/2009	MPURUKUSESE - SONGEA	2 May 2009	1 May 2012	189.72
PL5507/2009	MADABA - LIWALE	TBA	TBA	84,87
PL 5496/2008	NGURUNGUWA HILL/NDAPATA - LIWALE	31/12/2008	30 Dec 2011	199.29
PL 5493/2008	NAMATOGORO - LIWALE	31/12/2008	30/12/2011	182.78
PL 5752/2009	MADABA - LIWALE	12/06/2009	11/06/2012	162.19
PL5805/2009	MPURUKUSESE – SONGEA	12 June 2009	11 June 2011	569.3

- TBA – License granted – awaiting final documentation.

Approximately two-thirds of the Madaba-Mkuju Property is located within the Selous Game Reserve, which has been designated a World Heritage Site under the United Nations Environment Programme (UNEP). The Government of Tanzania has imposed policies governing access to the Selous Game Park for all land uses and during the exploration stage the Mining Act requires license holders to apply for access permits to restricted areas such as the Selous Game Reserve. Application for access is made to the relevant authority that administers Game Reserves (Ministry of Natural Resources and Tourism) and this same provision applies to all restricted reserves including forestry reserves, railway reserves, town sites, etc. Game reserves in Tanzania allow multiple land use and one of the principal land uses of the Selous Game Reserve is game hunting. During the hunting season from July 1 to December 31 access to portions of the Selous Game Reserve may be restricted as hunting permits may have been granted making the areas unsafe for exploration activities. The Company expects it will be granted access to areas of the Selous Game Reserve where current hunting permits have not been granted. In the event the Issuer wishes access to an area where a hunting permit has been granted, the Company will initiate negotiations with the holder of the permit to seek access. Access can also be restricted during the rainy season from February to March.

Access permits have not been applied for nor obtained as the first part of the proposed exploration activity will be airborne geophysical surveys that do not require access permits. This initial work will determine the priority exploration areas for access permit application. This method has been requested by the authorities in order to assist the land use management allowing other competing activities such as (hunting) access to areas not considered a priority especially given the size of the overall project. The Issuer was granted an initial access permit by the Ministry of Natural Resources and Tourism which stipulated cooperation with hunting activities and that if a uranium deposit was

discovered that it would require a full environmental impact assessment with a preference for underground mining techniques. As the Issuer seeks to discover a project that is amenable to insitu leaching extraction methods, this condition is considered achievable as the project area has potential for a sandstone-type primary uranium mineralisation. Having had the initial access permit granted and agreeing to co-operate with the Ministry of Natural Resources not to make a blanket application for all the area covered by tenure Other explorers (Mantra Resources Limited) have been granted such access with adjacent licenses in the Selous Game Reserve In addition, concessions for petroleum exploration in the Selous Game Reserve that overlap the Company's tenure have also been granted to Dominion Oil and Gas Limited of the UK.

History

The area of the Madaba-Mkuju Project has not been explored in great detail in the past. Accordingly, there is very little detailed information available on the geology and mineral occurrences in the area.

There has been no uranium mining to date in Tanzania, however, 2 economic uranium deposits have been discovered in the last few years.

In 1977-78, all of Tanzania was covered by an airborne radiometric and magnetic survey. The survey was carried out by Geosurvey International Ltd on behalf of the Tanzanian government. About 110 radiometric anomalies which warranted ground follow-up were identified.

The earliest reported mineral exploration and development activity on ground now covered by the Madaba-Mkuju Project was in 1978, when Uranerzbergbau GMBH of Bonn, Germany, in joint venture with the Tanzanian Ministry for Natural Resources and the United Nations, initiated ground reconnaissance as follow-up of selected airborne radiometric anomalies including a high ranking anomaly on ground now covered by the Madaba-Mkuju Property. Uranerzbergbau explored the ground with geology, geophysics, geochemistry, and trenching during the period 1978 to 1980, including at least six drill holes for which no data are currently available. A total of 3,217 meters of core and percussion drilling in 28 holes were completed in 1981. There are no records of exploration work on ground now covered by the Madaba-Mkuju Property prior to, or subsequent to, the Uranerzbergbau work. There has been no known mineral production.

Geological Setting

In south eastern Tanzania, strata of the Karoo Supergroup are intermittently exposed over an area of about 300 x 400 km in the Selous Trough. Like the Karoo sediments in the rest of southern and eastern Africa, they are relatively unmetamorphosed, gently dipping, and are only preserved in rift depressions.

The Madaba-Mkuju Property is underlain almost exclusively by sedimentary strata of the Luwegu-Selous Basin of the East African Karoo Supergroup. The Karoo beds are dominantly sandstones of fluviatile origin, deposited unconformably on Precambrian crystalline basement rocks in a graben structure from the Carboniferous to the Jurassic. In the Madaba area, the Karoo sediments consist of (from top to bottom) the Nandanga Formation, Madaba Formation, Mahogo Formation, Mkuju Formation, and Mbarangandu Formation. The strata are conformable, relatively undeformed, and unmetamorphosed.

Exploration

Tanganyika Uranium Corp has not carried out any exploration on the project to date. The Company engaged an independent consulting geologist to make a field

examination of the property in May 2006, and verified highly anomalous radioactivity associated with favourable sandstone stratigraphy of the Karoo basin.

Mineralization

The only known uranium exploration target within the package is at Madaba, where primary uranium-bearing horizons have been traced by 28 historic drill holes over a 300km^2 area with the closest hole spacings ranging from 0.5 to 3.0 km apart (Gross, 1982). With mineralised thicknesses range from 0.7 to 12 metres.

The earliest report of uranium exploration in the Project area was in 1978, when follow-up work on airborne radiometric anomalies in several areas in Tanzania was undertaken. Two clusters of airborne radiometric anomalies were identified in the Karoo sediments, one at Madaba which is within the Project. The anomalous radioactivity was determined to be caused by outcropping uranium mineralization at a zone now known as Madaba.

Uranium mineralization at Madaba is peneconcordant and is bound to specific lithostratigraphic horizons in the Madaba Formation of early Jurassic age, within the Karoo Supergroup. The Madaba Formation is exposed in an erosional window with an approximate 30 km diameter and disappears under younger formations including the late Jurassic Nandanga Formation with a dip of less than 5° to the north. Anomalous radioactivity and uranium occurrences have been identified in two lithostratigraphic horizons consisting of coarse-grained, permeable, sandstone.

At the Madaba-Mkuju Property, three types of uranium mineralization have been described:

(a) peneconcordant, primary, tetravalent uranium mineralization below the present-day groundwater table. The mineralization is comprised of pitchblende, fambroidal pyrite, ferroselite, native selenium, and anomalous levels of V, Zn, Pb, As, Mo, and Cu. Organic matter is abundant and, together with pyrite acted as a reductant for the precipitation of pitchblende at tabular redox interfaces. The age of the epigenetic mineralization has not been determined, but is most likely Jurassic. Most of the uranium mineralization at Madaba is of this type, and is confined to a 60-70 meter thick stratigraphic interval consisting of 10-15 meters of the Hanging Wall sandstone and the upper 60 meters of the Coloured sandstone;

(b) secondary uranium mineralization above the water table has been oxidized to hexavalent minerals, mainly francevillite but also tyuyamutite, carnotite, and sangierite. Grades of up to 2% U3O8 across a true width of one meter have been identified at surface; and

(c) secondary uranium mineralization hosted in surficial laterites has the geometry of discordant rolls and is always located stratigraphically above and structurally downdip of primary mineralization. The rolls consist of francevillite and are associated with anomalous Fe, Mn, Ni, and Cr. This represents late Tertiary to Recent uranium mobilization of the primary mineralization due to interactions with groundwater.

Metallic minerals that have been identified include pitchblende, carnotite, graphite, pyrite, and ferrocalcite. Three types of pitchblende have been described:

(a) very fine reticular aggregates (<0.001 mm) along cleavage planes of sheet silicates;

(b) massive (0.08 mm) pitchblende at the rims of sheet silicates; and

(c) botryoidal coatings on vugs up to 0.002 mm thick.

Drilling

The Project was tested by a drilling campaign of at least six holes in 1980 for which there are no data available and again in 1981. The 1981 program consisted of 264 meters of diamond core drilling and 2,953 meters of rotary percussion drilling in a total of 28 vertical holes. The drilling was completed over an area of 10 km by 30 km. Hole depths ranged from 41 meters to 237 meters. A total of 13 of the 28 drill holes were abandoned prior to reaching the target mineralised horizon due to technical difficulties in friable sandstone above the water table. Depth to the water table ranged from 60 to 180 meters below surface. There has been no additional drilling completed since 1981.

Primary uranium-bearing horizons in the Selous region have been traced over a 300 square kilometre area with the closest hole spacings ranging from 0.5 to 3.0 km apart. Mineralised thicknesses range from 0.7 to 12 meters, and are always below the present water table. The best mineralization was encountered in Hole 8 and graded 0.056% eU_3O_8 across 9.1 meters. Within this mineralised interval, a zone of 0.122% eU_3O_8 was encountered across 2.1 meters from 78.9 to 81.0 meters. The uranium is concentrated in thin horizontal lenses or seams of less than 0.2 meters thick within areas of anomalous radioactivity. Most of the other 13 holes that successfully penetrated the mineralised horizon averaged 0.05% eU_3O_8 across thicknesses of 0.5 to 5.1 meters.

Sampling and Analysis

Uranerzbergbau's collected a total of 180 samples from 28 drill holes completed in 1981. The samples were analysed for U, V, Se, Cu, Zn, As, and Mo, however the analytical methods and laboratories used were not specified in the reports. Uranium contents determined by chemical methods were used to establish a correlation with gamma values with down-hole Mt. Sopris 2500 gamma logs which is a widely accepted procedure in uranium exploration programs. Further information on the sampling methods and approaches used by Uranerzbergbau in 1981 are not available, but methods of sample collection and assay grade determination used in 1981 were appropriate for the purposes undertaken.

Uranerzbergbau's exploration data indicate that a combination of chemical assays and radiometric equivalences were used to estimate uranium concentrations. Their data indicate that the correlation between chemically derived uranium concentrations and radiometric equivalents are less than ideal. However, the intervals between radiometrically logged portions of the holes and samples recovered for chemical assays are not the same, and therefore it is not possible to make a reliable comparison. These discrepancies do not materially affect an assessment of the economic potential of the Project.

EASTERN RIFT PROJECT

The following information on the Eastern Rift Project has been summarized into a format compatible with National Instrument 43-101F1 from a report by Harmen J. Keyser, P.Geol. dated December 20, 2008. Mr. Keyser is a "qualified person" in accordance with National Instrument 43-101. His report is based on his personal examination of the Eastern Rift Project on February 12, 2006 as well as additional information referenced in his report.

Property Description and Location

The Eastern Rift Project consists of 8 Prospecting Licences in northern Tanzania (Table 2). The licenses are located between Arusha and Tabora, approximately 250 kilometres north of the capital of Dodoma, and 500 kilometres northwest of Dar es Salaam. The approximate geographic centre of the Eastern Rift Property lies at 4° South Latitude and

36° East Longitude. The licenses are called the Eastern Rift Project and are 100% owned by, Frontier Resources Limited a wholly owned Tanzanian subsidiary of the Tanganyika.

The Eastern Rift Project covers approximately 1,724km^2 of granted tenure with an additional area of 6,072km^2 covered by applications (Figure 2). There are a number of National Parks in this region and all have been excluded from granted tenure in accordance with the Mining Act.

Table 2: Eastern Rift Granted Prospecting Licenses

Licence Number	Area	Grant Date	First Renewal Date	Area Km^2
5904/2009	KONDOA	18-Jun-09	17-Jun-12	58.05
5466/2009	MONDULI - KARATU	31-Dec-08	30-Dec11	189.4
5915/2009	MBULU	TBA	TBA	177.6
5655/2009	MBULU	TBA	TBA	198.96
5651/2009	BABATI	4-Oct-09	31-Mar-12	199.04
5914/2009	BALANGIDA	TBA	TBA	199.2
5494/2009	MBULU	31 Dec-08	30 Dec-11	189.68
5648/2009	KONDOA	TBA	TBA	150.43
5654/2009	MBULU	5-Oct-09	9-Apr-12	163.55
5465/2008	KONDOA	31-Dec-08	30-Dec-11	198.32

*TBA – License Granted – awaiting final documentation

The prime exploration target at Mto wa Mbu is located on PL 5654/2009. Part of the anomalous zone trends northeast off the project area but over 14 km of the strike of the anomaly occurs within the Eastern Rift Project.

History

The area of the Eastern Rift Project has not been explored in great detail and the earliest reported mineral exploration and development activity in the area of the Eastern Rift Property was in 1956, when New Consolidated Goldfields Ltd discovered phosphate mineralization at Minjingu. Further studies on the Minjngu phosphate deposits were carried out by the Japan Consulting Institute, Geomin, Kloeckner Industrieanlagen, and Stamico.

In 1977-78, all of Tanzania was covered by an airborne geophysical survey comprising gamma spectrometry and magnetometry. The survey was carried out by Geosurvey International Ltd. on behalf of the Tanzanian government.

During the period 1978 to 1981, Uranerzbergbau GMBH carried out ground examination of about 110 radiometric anomalies identified by the airborne survey in joint venture with the Tanzanian government and the United Nations. The purpose of the work was to

identify uranium mineralization, and it resulted in the identification of many uranium occurrences and prospects throughout Tanzania, including the identification of anomalous uranium values in the Minjingu phosphate deposit (not on Eastern Rift Project) ranging from 11 to 849 ppm U_3O_8. Uranerzbergbau carried out reconnaissance mapping, ground radiometrics, ground magnetics, ground electromagnetics, emanometry surveys, and shallow auger drilling (13 meters in two holes) on ground now partly covered by the Eastern Rift Project.

There are no records of exploration work on ground now covered by the Eastern Rift Project prior to, or subsequent to, the Uranerzbergbau work.

Geological Setting

Tanzania is underlain by igneous, metamorphic, and sedimentary rocks (Figure 4) ranging in age from Achaean to Recent (Hester, 1998). Central and western Tanzania is underlain by the core of the Tanganyika Shield. The Tanganyika Shield is surrounded by two Lower Proterozoic deformed and high-grade metamorphic mobile belts which are unconformably overlain by the Upper Proterozoic Bukoban Series. After a long gap of sedimentation, deposition continued in the Upper Carboniferous to Jurassic when continental sediments of the Karoo system filled large intermontane basins. The development of the basins was largely controlled by incipient movements along juvenile rifts.

Mineralization

There is no known uranium mineralization on the Eastern Rift Property. The earliest report of uranium exploration in the Eastern Rift Property area is by Uranerzbergbau who carried out follow-up work on airborne radiometric anomalies near Lake Manyara. They conducted reconnaissance mapping, ground radiometrics, ground magnetics, ground electromagnetics, hand pitting, shallow auger drilling, and Rn/Tn emanometry surveys during the period 1978 to 1981 resulting in the identification of radiometric anomalies east of Lake Manyara at Mto wa Mbu. The lake is bounded on the west by the Manyara Rift escarpment which divides exposed Usagaran System metamorphic rocks to the west from extensive Tertiary (?) to recent volcano sedimentary deposits and unconsolidated sediments to the east. In Pleistocene times, the level of Lake Manyara was higher than it is today, as evidenced by a series of shoreline terraces and by extensive lake beds to the east.

The anomalous zone at Mto wa Mbu, as defined by the 1977-78 airborne radiometric data, is defined by a U/Th ratio greater than one combined with a total count greater than 2,000 cps. The anomaly trends north-northwest, is over 14 km long and averages over 1 km wide. An examination of the airborne data shows that the uranium response, the uranium/thorium ratio, and the uranium/potassium ratio suggest uranium enrichment in the calcareous valley-fill sediments east of Lake Manyara.

Uranerzbergbau drilled two auger holes to depths of 3.5 and 9.5 meters for a total of 13 meters on the flank of the highest part of the airborne radiometric anomaly, immediately adjacent to the current western claim boundary of the Issuer's ground at Lake Manyara. Based on cuttings from the two drill holes, the upper 0.8 meters consist of mbuga soil with boulders of calcareous algal concretions, between 0.8 and 3.8 meters cuttings consist of green bentonitic clay with horizons of grey sand, and below 3.8 meters the cuttings consisted of dark silty clay material enriched in organic material and probably in secondary sulphide minerals. Based on the proximity of the drill holes to the current Eastern Rift Project, a similar succession of rock and unconsolidated sediments can be expected elsewhere on the Lake Manyara floodplain. None of the samples collected from the two drill holes returned anomalous uranium concentrations; however, check sampling by Uranerzbergbau suggests that the analytical data are not reliable.

While uranium mineralization has not been identified to date at the Mto wa Mbu radiometric anomaly, the anomalous uranium channel radiometrics coincident with the geological environment favourable for calcrete-style uranium mineralization is suggestive of sub-surface uranium concentrations east of Lake Manyara. The 14 km long strike length of this anomaly on the Eastern Rift Property has not been tested by pitting or drilling.

Exploration

In 2008, Tanganyika carried out a 10,000 line km multi-channel airborne radiometric survey to determine the amounts of uranium, thorium and potassium in surface rocks and soils covering the area as previously identified during earlier 1977-78 surveys with the primary targets determined by favourable geology and earlier results. The survey was completed by Precision GeoSurveys Inc of Vancouver, Canada using a Robinson R44 helicopter. Flights were made on east-west flight lines nominally 20metres above the surface. Acquired data was then processed by Risk Reduction Resources Inc, West Virginia, USA.

The new data confirmed the earlier anomaly with additional enhancement with multiple anomalies (9) identified (Figure 3). The most prominent of these is the Mto wa Mbu prospect that extends for over 14km and over 1km wide on the eastern side of Lake Manyara with dominant uranium over potassium and thorium The size and shape of Mbu wa Mbu has been likened to the anomaly at the 52 million kg (115 million pound) Yeelirrie uranium deposit.

Figure 1: Madaba-Mkuju Project Location Map

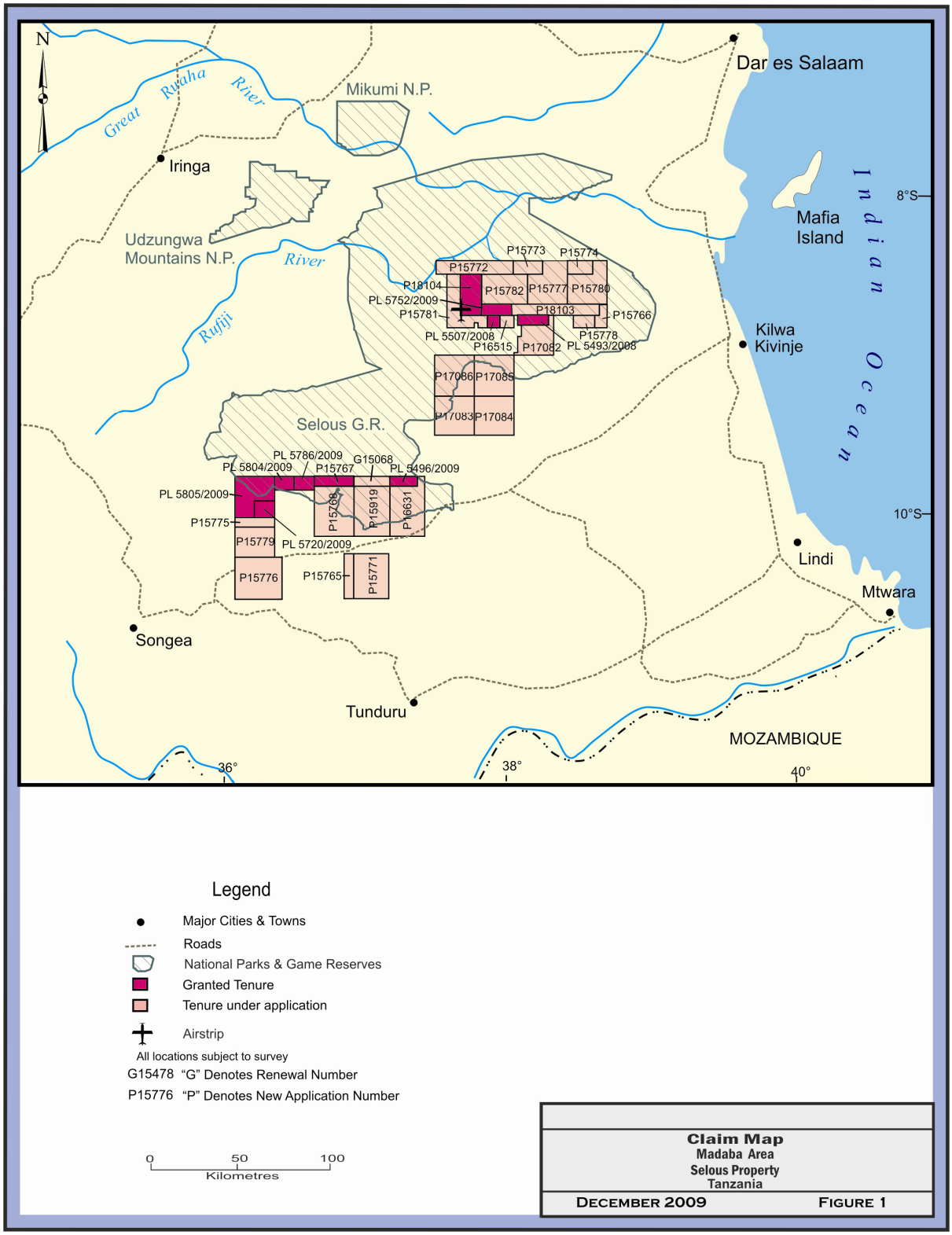


Figure 2: Eastern Rift Project Location Map

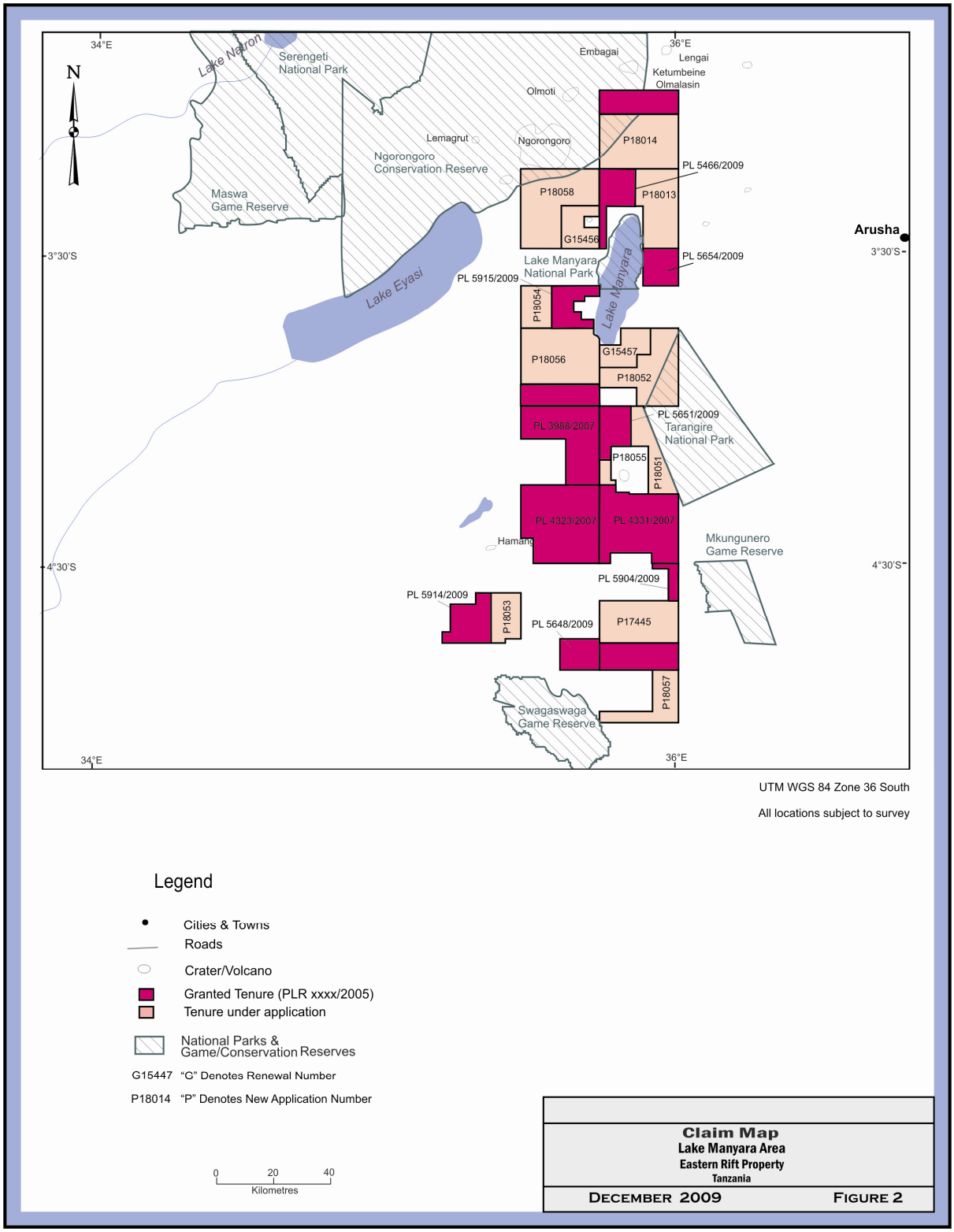
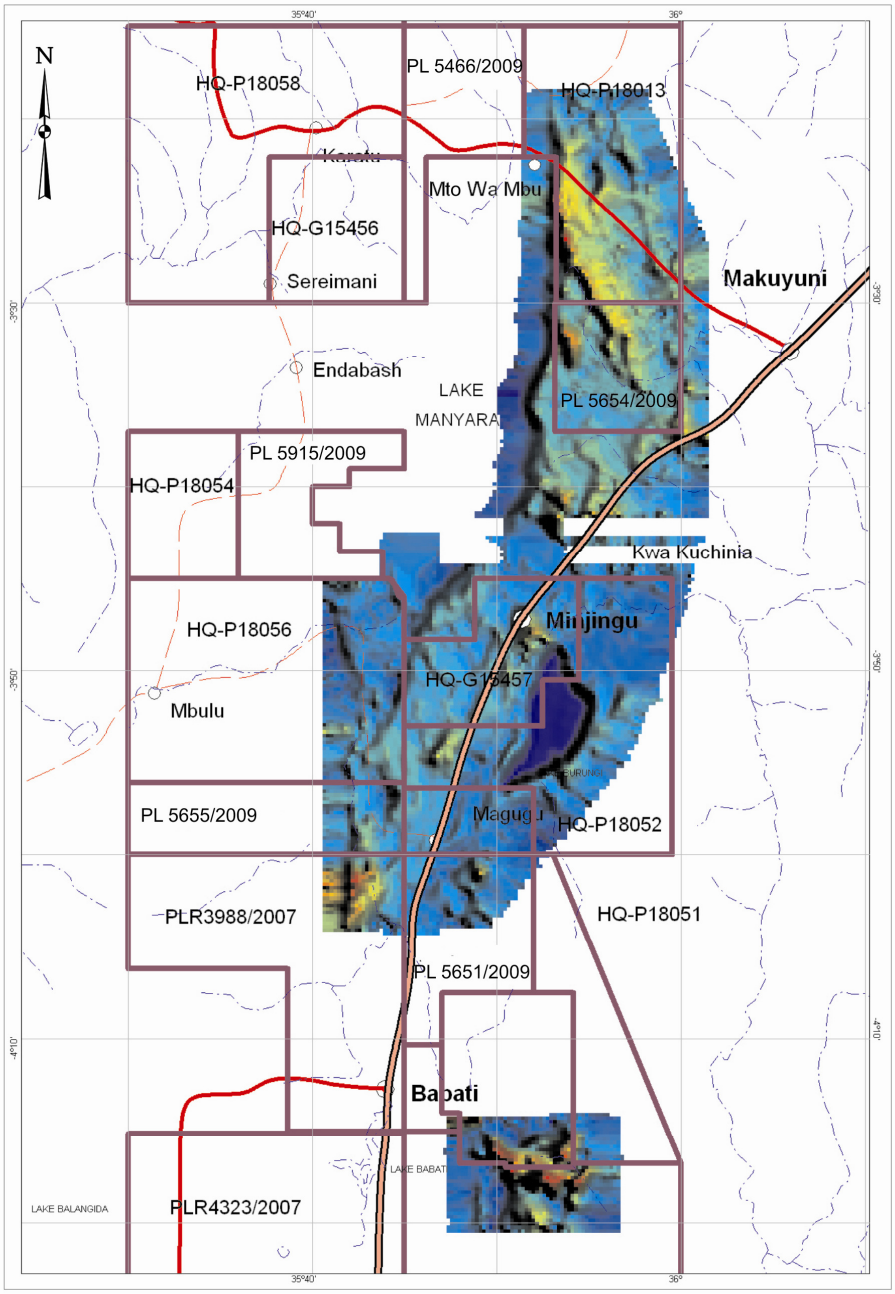


Figure 3: Eastern Rift – Airborne Geophysical Anomalies



Survey by Precision GeoSurveys Inc Feb. 2008
All Locations subject to survey

Total Count Radiometric Plan
Lake Manyara Area
Eastern Rift Property
Tanzania

DECEMBER 2009 FIGURE 3

PROXY FORM

APPOINTMENT OF PROXY
AUSTRAL AFRICA RESOURCES LIMITED
ACN 060 774 227

GENERAL MEETING

I/We

of

being a member of Austral Africa Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR ☐ the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11.30 am (WST), on 23 February 2010 at 129 Edward Street, Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Issue of Shares to acquire Tanganyika Uranium Corp	☐	☐	☐
Resolution 2 – Issue of Shares to Director to acquire Tanganyika Uranium Corp	☐	☐	☐

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

Signature of Member(s): _____ Date: _____

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: _____ Contact Ph (daytime): _____

AUSTRAL AFRICA RESOURCES LIMITED
ACN 060 774 227

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a Proxy**): A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their 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 the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. (**Direction to Vote**): A member 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 the vote will be invalid on that item.

3. (**Signing Instructions**):

   - (**Individual**): Where the holding is in one name, the member must sign.

   - (**Joint Holding**): Where the holding is in more than one name, all of the members should sign.

   - (**Power of Attorney**): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) post to Austral Africa Resources Limited, PO Box 8475, Perth Business Centre, WA 6849; or

   (b) facsimile to the Company on facsimile number +61 8 9227 8178,

   so that it is received not later than 11.30 am (WST) on 21 February 2010.

   Proxy forms received later than this time will be invalid.