
TANDO RESOURCES LIMITED

ACN 618 307 887

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10am WST

DATE: Monday, 20 August 2018

PLACE: Level 1, 1 Altona Street, West Perth WA 6005

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 vote at the Meeting are those who are registered Shareholders at 10:00am on Saturday, 18 August 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF ACQUISITION CONSIDERATION

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:

- (a) 84,546,008 Consideration Shares;
- (b) 52,899,007 Consideration Options; and
- (c) 32,340,001 Transaction Options,

in consideration for the Acquisition on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution 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) or an associate of that person (or 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 – APPROVAL OF OPTIONS IN CONSIDERATION FOR SERVICES – XCEL CAPITAL

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 27,720,000 Transaction Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution 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) or an associate of that person (or 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.

3. RESOLUTION 3 – APPROVAL OF OPTIONS IN CONSIDERATION FOR SERVICES – OTSANA CAPITAL

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 32,340,000 Transaction Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution 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) or an associate of that person (or 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.

4. RESOLUTION 4 – APPROVAL OF BROKER OPTIONS

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 9,240,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution 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) or an associate of that person (or 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.

Dated: 20 July 2018

By order of the Board

**Mauro Piccini
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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6381 0035.

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.

At the Company's general meeting held on 16 May 2018, the Company's Shareholders approved a subdivision of the Company's issued capital on a 4.62 for 1 basis (**Subdivision**). All references to Securities of the Company in this Notice of Meeting are quoted on a post-Subdivision basis (accounting for rounding in accordance with that approval).

1. BACKGROUND

1.1 Initial Transaction

On 22 March 2018, the Company announced that it had entered into a binding Heads of Agreement, pursuant to which it would have a conditional right to acquire up to a 73.95% interest in Vanadium Resources (Pty) Ltd, an entity incorporated in South Africa (Registration No:2006/029756/07) (**VanRes**) (**Acquisition**) under which the Company would issue 161,700,000 Shares and 32,340,001 Options (exercisable at \$0.108 on or before the date that is three years following the date of issue) as consideration.

The Company also proposed issuing an additional 60,060,000 Options (exercisable at \$0.108 on or before the date that is three years following the date of issue) to advisors who have assisted with introduction and implementation of the Acquisition.

The right to complete the Acquisition was originally held by Steelpoortvan Pty Ltd (**SPCo**) and the Company agreed to acquire SPCo in order to acquire its interest in VanRes. As part of this structure, the current shareholders in VanRes were issued shares in SPCo and it was anticipated that the consideration payable to the SPCo shareholders (which included the shareholders in VanRes) would be in full satisfaction of SPCo's acquisition of VanRes shares as well as the Company's acquisition of SPCo.

During subsequent discussions, it was agreed that the Company would acquire an interest in VanRes from the VanRes shareholders directly. As a result, a new company, Steelpoort Pty Ltd (**Steelpoort**), was incorporated with the original shareholders of SPCo being the only shareholders (i.e. excluding the VanRes shareholders). SPCo's rights under the initial acquisition agreement were assigned to Steelpoort in consideration for:

- (a) subject to shareholder approval (to the extent required under the ASX Listing Rules), the issue of 27,720,009 Shares (payable in accordance with the milestones at Section 1.2 of the Explanatory Statement) (**Steelpoort Consideration Shares**); or
- (b) a cash payment to the Steelpoort shareholders equal to the value of Shares to be issued to the Steelpoort shareholders, calculated based on an 80% volume weighted average price of Shares prior to the date of issue, should Shareholder approval not be obtained to issue the Shares in accordance with (a) above.

1.2 Revised Transaction

On 13 July 2018, the Company entered into formal agreements to give effect to the Acquisition (**Acquisition Agreements**). As a result of further discussions between the parties, the consideration payable for the Acquisition has been restructured. The changes to the structure do not change the total number of Securities to be issued in

consideration for the Acquisition (other than due to rounding under the Subdivision), such that the Company will now issue a total of:

- (a) 108,801,016 Shares (**Total Consideration Shares**), being:
 - (i) 81,081,007 Shares to the VanRes Shareholders (**VanRes Consideration Shares**); and
 - (ii) 27,720,009 Steelpoort Consideration Shares.
- (b) 52,899,007 Options with a nil exercise price exercisable on or before the date that is five (5) years following the date of issue and otherwise on the terms and conditions set out in Schedule 1 of the Notice of Meeting (**Consideration Options**); and
- (c) 92,400,001 Options exercisable at \$0.108 on or before the date that is three (3) years following the date of issue and otherwise on the terms and conditions set out in Schedule 2 of the Notice of Meeting (**Transaction Options**).

The Total Consideration Shares and Consideration Options (together, the **Consideration Securities**), will be issued progressively upon satisfaction of the Milestones set out below:

- (a) **Milestone 1:** satisfaction of the following outstanding conditions precedent to the Acquisition Agreements within 12 months from the date of the Acquisition Agreements (following which the Company will hold 24.26% of the issued capital in VanRes):
 - (i) the Company completing due diligence in respect of the legal, financial and tax aspects of VanRes;
 - (ii) the VanRes Shareholders receiving approval for the Acquisition from the South African Reserve Bank;
 - (iii) the Company's Shareholders approving the issue of the VanRes Consideration Shares, Consideration Options and Transaction Options (which will be satisfied upon Shareholder's approving Resolution 1); and
 - (iv) the Company receiving a waiver of ASX Listing Rule 7.3.2 for the issue of the VanRes Consideration Shares and VanRes Consideration Options being issued outside of the 3-month period following receipt of Shareholder approval for their issue (which was granted on 12 July 2018);
- (b) **Milestone 2:** achievement of a Measured Resource (as defined in the JORC Code (2012 Edition)) of at least 75 million tonnes at least 0.78% V₂O₅ and/or 1.8% V₂O₅ in magnetic concentrate post high and low magnetic separation within 24 months from the date of the Acquisition Agreements (following which the Company will hold 27.79% of the issued capital in VanRes);
- (c) **Milestone 3:** completion of a Scoping Study (as defined in the JORC Code (2012 Edition)) within 36 months from the date of the Acquisition Agreements, which contains a positive conclusion as to VanRes' capacity to develop the project as a commercial enterprise (following which the Company will hold 36.98% of the issued capital in VanRes);

- (d) **Milestone 4:** completion of a Pre-Feasibility Study (as defined in the JORC Code (2012 Edition)) within 48 months from the date of the Acquisition Agreements, which contains a positive conclusion as to VanRes' capacity to develop the project as a commercial enterprise (following which the Company will hold 51.77% of the issued capital in VanRes); and
- (e) **Milestone 5:** completion of a Definitive Feasibility Study (as defined in the JORC Code (2012 Edition)) within 60 months from the date of the Acquisition Agreements, which contains a positive conclusion as to VanRes' capacity to develop the project as a commercial enterprise (following which the Company will hold 73.95% of the issued capital in VanRes),

(each, a **Milestone**).

The Company has been granted the Waiver, pursuant to which the Company will be permitted to issue, subject to various conditions, the VanRes Consideration Shares and Consideration Options (**VanRes Consideration Securities**) the subject of Milestones 2-5 outside of the 3-month period following receipt of Shareholder approval (further details of which are set out in Section 2.1 below). The Waiver does not apply to the issue of the VanRes Consideration Shares to be issued upon satisfaction of Milestone 1, the Steelpoort Consideration Shares or the Transaction Options.

The VanRes Consideration Shares the subject of Milestone 1, the Steelpoort Consideration Shares and the Transaction Options will be issued as soon as possible following the satisfaction of the relevant Milestone.

With respect to the Steelpoort Consideration Shares the subject of Milestones 2 to 5, if the Company does not have sufficient placement capacity to issue such Shares at the time the relevant Milestone is satisfied, the issue of those Shares will be subject to receipt of prior Shareholder approval. In the event that Shareholders do not approve the issue of the relevant Shares, the Company's obligations will be satisfied through a cash payment (refer to Section 1.1 for further details).

The terms and conditions of the Acquisition Agreements are otherwise on substantially the same terms as set out in the announcement dated 22 March 2018.

The breakdown of Securities to be issued at each relevant Milestone are set out in the table below:

	Satisfaction of Conditions Precedent	Measured Resource	Scoping Study	Pre-Feasibility Study	Definitive Feasibility Study
Van Res Consideration Shares	22,291,502	21,598,502	16,170,001	-	21,021,002
Steelpoort Consideration Shares	3,465,001	6,930,000	3,465,001	4,620,003	9,240,004
Consideration Options	-	-	-	32,340,001	20,559,006

If for any reason a Milestone is not achieved, the relevant Consideration Securities in relation to that Milestone will not be issued.

The Company also proposes issuing, subject to Shareholder approval, an additional 32,340,000 Transaction Options to Otsana Capital, or its nominees and 27,720,000 Transaction Options to Xcel Capital, or its nominees, in consideration for their introduction, and assistance with implementation, of the Acquisition.

A pro forma capital structure for the Company upon issue of all Consideration Securities and Transaction Options is set out below:

	Shares	Options
Current	175,685,291	76,867,135
Consideration Securities	108,801,016	52,899,007
Transaction Options	-	92,400,001
TOTAL	284,486,307	222,166,143

2. RESOLUTION 1 – APPROVAL OF ACQUISITION CONSIDERATION

2.1 General

Resolution 1 seeks Shareholder approval for the issue of up to:

- (a) 84,546,008 Consideration Shares, being
 - (i) 81,081,007 VanRes Consideration Shares; and
 - (ii) 3,465,001 Steelpoort Consideration Shares (being the Steelpoort Consideration Shares to be issued upon satisfaction of Milestone 1),(together, the **Consideration Shares**)
- (b) 52,899,007 Consideration Options; and
- (c) 32,340,001 Transaction Options,

as consideration for the Acquisition upon satisfaction of the Milestones set out in Section 1.2. The Steelpoort Consideration Shares to be issued upon satisfaction of Milestones 2 to 5 will be subject to Shareholder approval (to the extent required under the ASX Listing Rules).

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.

Further, ASX Listing Rule 7.3.2 provides that for Shareholders to approve an issue of equity securities, this Notice must include the date by which the Company will issue the Securities, such date being no later than 3 months after the date of the Meeting.

The Company has been granted a waiver from ASX Listing Rule 7.3.2 to the extent necessary to permit the VanRes Consideration Securities the subject of Milestones 2 – 5 (being 58,789,505 VanRes Consideration Shares and 52,899,007 Consideration

Options) (**Waiver Securities**) to be issued at a date more than 3 months after the date of the Meeting (**Waiver**), subject to the following conditions:

- (a) the Waiver Securities must be issued within 7 days of the respective Milestone being satisfied, subject to shareholder approval having been obtained under Resolution 1;
- (b) for any annual reporting period during which any of the Waiver Securities have been issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Waiver Securities issued during the reporting period, the number of the Waiver Securities that remain to be issued and the basis on which the securities may be issued;
- (c) in any half year or quarterly report for a period during which any of the Waiver Securities have been issued or remain to be issued, the Company must include a summary statement of the number of Waiver Securities issued during the reporting period, and the number of Waiver Securities that remain to be issued and the basis on which the securities may be issued; and
- (d) the terms of the waiver are immediately disclosed to the market (refer to announcement of 18 July 2018) and in this Notice.

The effect of Resolution 1 will be to allow the Company to issue the Consideration Securities and Transaction Options 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 Consideration Securities and Transaction Options:

- (a) the maximum number of Securities to be issued under Resolution 1 is:
 - (i) 84,546,008 Consideration Shares, being:
 - (A) 22,291,502 VanRes Consideration Shares to be issued upon satisfaction of Milestone 1 (**M1 VanRes Consideration Shares**);
 - (B) 3,465,001 Steelpoort Consideration Shares to be issued upon satisfaction of Milestone 1 (**M1 Steelpoort Consideration Shares**); and
 - (C) 58,789,505 VanRes Consideration Shares forming part of the Waiver Securities (**M2-5 VanRes Consideration Shares**);
 - (ii) 52,899,007 Consideration Options, which form part of the Waiver Securities; and
 - (iii) 32,340,001 Transaction Options.
- (b) the M1 VanRes Consideration Shares, M1 Steelpoort Consideration Shares and Transaction Options 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) and it is intended that issue of the Shares will occur on the same date;

- (c) the M2-5 VanRes Consideration Shares and Consideration Options will be issued no later than 5 years after the date of the Meeting (in accordance with the Waiver granted by ASX, dated 12 July 2018), and it is intended that issue of the Shares and Options will occur progressively in accordance with the Acquisition Agreements;
- (d) the Consideration Securities and Transaction Options the subject of Resolution 1 will be issued for nil cash consideration in satisfaction of the Acquisition;
- (e) the Consideration Shares, Consideration Options and Transaction Options the subject of Resolution 1 will be issued to the counterparties to the Acquisition Agreements who are not related parties of the Company;
- (f) the Consideration 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;
- (g) the Consideration Options will be issued on the terms and conditions set out in Schedule 1;
- (h) the Transaction Options will be issues on the terms and conditions set out in Schedule 2;
- (i) no funds will be raised from the Consideration Securities or Transaction Options the subject of Resolution 1 as they are being issued in consideration for the Acquisition; and
- (j) if the Consideration Options and Transaction Options the subject of Resolution 1 are issued and subsequently exercised, a total of 85,239,008 Shares would be issued. This would increase the number of Shares on issue from 175,685,291 to 345,470,307 (assuming that no other Options are exercised and no other Shares are issued other than the corresponding Consideration Shares to be issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 51%.

There is no exercise price payable in respect of the Consideration Options, which will be exercisable into Shares for nil consideration immediately following their issue.

Ordinarily, the market price for Shares during the term of Options would determine whether or not the Options are exercised. However, Shareholders should note that there is no exercise price payable in respect of the Consideration Options. Rather, the Consideration Options be exercisable into Shares for nil consideration at any time within 5 years following their issue. As such, any time any of the Consideration Options are exercised and the Shares are trading on ASX, there will be a perceived cost to the Company.

3. RESOLUTION 2 – APPROVAL OF OPTIONS IN CONSIDERATION FOR SERVICES – XCEL CAPITAL

3.1 General

Resolution 2 seeks Shareholder approval for the issue of 27,720,000 Transaction Options in consideration for advisory services provided by Xcel Capital.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Transaction Options to Xcel Capital, or its nominees, 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.

3.2 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 issue of Transaction Options to Xcel Capital:

- (a) the maximum number of Transaction Options to be issued under Resolution 2 is 27,720,000;
- (b) the Transaction Options 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), and it is intended that issue of the Transaction Options will occur on the same date;
- (c) the Transaction Options will be issued for nil cash consideration in satisfaction of advisory services provided by Xcel Capital;
- (d) the Transaction Options will be issued to Xcel Capital, or its nominees, who are not related parties of the Company;
- (e) the Transaction Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Transaction Options as they are being issued in consideration for advisory services provided by Xcel Capital.

4. RESOLUTION 3 – APPROVAL OF OPTIONS IN CONSIDERATION FOR SERVICES – OTSANA CAPITAL

4.1 General

Resolution 3 seeks Shareholder approval for the issue of 32,340,000 Transaction Options in consideration for advisory services provided by Otsana Capital.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Transaction Options to Otsana Capital, or its nominees, 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 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 Transaction Options to be issued to Otsana Capital:

- (a) the maximum number of Transaction Options to be issued is 32,340,000;
- (b) the Transaction Options 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), and it is intended that issue of the Transaction Options will occur on the same date;

- (c) the Transaction Options will be issued for nil cash consideration in satisfaction of advisory services provided by Otsana Capital;
- (d) the Transaction Options will be issued to Otsana Capital, or its nominees, who are not related parties of the Company;
- (e) the Transaction Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Transaction Options as they are being issued in consideration for advisory services provided by Otsana Capital.

5. RESOLUTION 4 – APPROVAL OF BROKER OPTIONS

5.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 9,240,000 Transaction Options at an issue price of \$0.00001 per Transaction Option to raise up to \$92.40, in consideration of lead manager services provided by Xcel Capital in relation to a placement undertaken by the Company, as set out in the Company's announcement dated 28 March 2018.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Transaction 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.

5.2 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:

- (a) the maximum number of Transaction Options to be issued is 9,240,000;
- (b) the Transaction Options 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) and it is intended that issue of the Transaction Options will occur on the same date;
- (c) the issue price will be \$0.00001 per Transaction Option;
- (d) the Transaction Options will be issued to Xcel Capital, or its nominees, who are not related parties of the Company;
- (e) the Transaction Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) only a nominal amount will be raised from the Transaction Options as they are being issued in consideration for lead manager services provided to the Company.

GLOSSARY

\$ means Australian dollars.

Acquisition means the acquisition of up to 73.95% of the issued capital of VanRes in accordance with the Acquisition Agreements.

Acquisition Agreements has the meaning set out in Section 1.

ASIC means the Australian Securities & Investments Commission.

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.

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.

Chair means the chair of the Meeting.

Company means Tando Resources Limited (ACN 618 307 887).

Consideration Securities has the meaning set out in Section 1.2 Explanatory Statement.

Consideration Shares has the meaning set out in Section 2.1 Explanatory Statement.

Consideration Options means an Option to acquire a Share with the terms and conditions set out in Schedule 1.

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.

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

JORC Code means the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Milestone has the meaning set out in Section 1.2 of the Explanatory Statement

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

Option means an option to acquire a Share.

Otsana Capital means Otsana Pty Ltd (ACN 145 168 216).

Proxy Form means the proxy form accompanying the Notice.

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.

Security and **Securities** means a security, or securities, in the capital of the Company.

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

Shareholder means a registered holder of a Share.

Transaction Option means an Option to acquire a Share with the terms and conditions set out in Schedule 2.

VanRes means Vanadium Resources (Pty) Ltd, an entity incorporated in South Africa (Registration No:2006/029756/07).

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

Xcel Capital means Xcel Capital Pty Ltd (ACN 617 047 319)

SCHEDULE 1 – TERMS AND CONDITIONS OF CONSIDERATION OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

No amount will be payable upon exercise of each Option (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is five (5) years following the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to The Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each 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 Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 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 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 Options.

If a notice delivered under Schedule 1(g)Schedule 1(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 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 a 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 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 2 – TERMS AND CONDITIONS OF TRANSACTION OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.108 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years following the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to The Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each 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 Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 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 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 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 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 a 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 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Transferability**

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

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: TNO

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 18 August 2018**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.



- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal:

<https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided. **By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

CORPORATE REPRESENTATIVES






If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

CONTACT	Return your completed form:	Contact us – All enquiries to Automic:
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>BY MAIL Automic Registry Services PO Box 2226 Strawberry Hills NSW 2012</p> </div> <div style="width: 45%;">  <p>WEBCHAT https://automic.com.au/</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;">  <p>IN PERSON Automic Registry Services Level 3, 50 Holt Street, Surry Hills NSW 2010</p> </div> <div style="width: 45%;">  <p>EMAIL hello@automic.com.au</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;">  <p>PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)</p> </div> </div>	

STEP 1: Please appoint a Proxy	Complete and return this form as instructed only if you do not vote online
	<p>I/We being a Shareholder entitled to attend and vote at the General Meeting of Tando Resources Limited, to be held at 10.00am (WST) on Monday, 20 August 2018 at Level 1, 1 Altona Street, West Perth WA 6005 hereby:</p> <p>Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <div style="border: 1px solid black; height: 25px; width: 100%; margin-top: 5px;"></div> <p>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.</p>

STEP 2: Your Voting Direction	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Resolutions</th> <th style="text-align: center; padding: 5px;">For</th> <th style="text-align: center; padding: 5px;">Against</th> <th style="text-align: center; padding: 5px;">Abstain</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">1. Approval of Acquisition Consideration</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">2. Approval of Options in consideration for services – Xcel Capital</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">3. Approval of Options in consideration for services – Otsana Capital</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">4. Approval of Broker Options</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> </tbody> </table> <p style="font-size: 10px; margin-top: 10px;"><i>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 be counted in computing the required majority on a poll.</i></p>	Resolutions	For	Against	Abstain	1. Approval of Acquisition Consideration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Approval of Options in consideration for services – Xcel Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Approval of Options in consideration for services – Otsana Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Approval of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Resolutions	For	Against	Abstain																	
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3. Approval of Options in consideration for services – Otsana Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
4. Approval of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		

STEP 3: Sign	SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">Individual or Securityholder 1</td> <td style="text-align: center; padding: 5px;">Securityholder 2</td> <td style="text-align: center; padding: 5px;">Securityholder 3</td> </tr> <tr> <td style="text-align: center; padding: 5px;"><input style="width: 100%; height: 25px;" type="text"/></td> <td style="text-align: center; padding: 5px;"><input style="width: 100%; height: 25px;" type="text"/></td> <td style="text-align: center; padding: 5px;"><input style="width: 100%; height: 25px;" type="text"/></td> </tr> <tr> <td style="text-align: center; padding: 5px;">Sole Director and Sole Company Secretary</td> <td style="text-align: center; padding: 5px;">Director</td> <td style="text-align: center; padding: 5px;">Director / Company Secretary</td> </tr> </table> <p style="margin-top: 10px;">Contact Name..... Contact Daytime Telephone..... Date ____/____/____</p> <p>Email Address _____</p> <p>By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).</p>	Individual or Securityholder 1	Securityholder 2	Securityholder 3	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	Sole Director and Sole Company Secretary	Director
Individual or Securityholder 1	Securityholder 2	Securityholder 3							
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Sole Director and Sole Company Secretary	Director	Director / Company Secretary							