



TARUGA GOLD

Notice of General Meeting

A General Meeting of Taruga Gold Limited ABN 19 153 868 789 will be held at Office J, Level 2, 1139 Hay Street WEST PERTH W.A. on 13 May 2016 at 10am (WST).

This notice of general meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on +61 8 9486 4036 if you wish to discuss any matter concerning the Meeting.

Taruga Gold Limited
ABN 19 153 868 789

Notice of General Meeting

Notice is hereby given that a general meeting of the Shareholders of Taruga Gold Limited will be held at Office J, Level 2, 1139 Hay Street WEST PERTH W.A. on 13 May 2016 at 10am (Western Standard Time) (Meeting).

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

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 10am on 11 May 2016.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in section 12 of the Explanatory Memorandum.

Agenda

1. RESOLUTION 1 - DISPOSAL OF MAIN UNDERTAKING

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

“That for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal by the Company of all of its interest in the share capital of International Goldfields (Bermuda) Limited on the terms and conditions set out in the Explanatory Memorandum.

A voting exclusion is set out below.

2. RESOLUTION 2 - IN SPECIE DISTRIBUTION

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

“That, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, Shareholders approve an equal reduction in the Company’s share capital by way of a pro rata ‘in specie’ distribution of up to 1,025,000,000 fully paid ordinary shares of 0.03125 pence each (“Kodal Shares”) in the capital of Kodal Minerals Plc held by the Company to Eligible Shareholders on the terms and conditions set out in the Explanatory Memorandum.”

3. RESOLUTION 3 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO BERNARD AYLWARD

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,302,682 Shares to Bernard Aylward, a Director, in lieu of directors' fees at a deemed issue price of \$0.03 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion is set out below.

4. RESOLUTION 4 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO DANIEL SMITH

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 366,666 Shares to Daniel Smith, a Director, in lieu of directors' fees at a deemed issue price of \$0.03 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion is set out below.

5. RESOLUTION 5 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO MYLES CAMPION

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Shares to Myles Campion, a Director, in lieu of directors' fees at a deemed issue price of \$0.03 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion is set out below.

6. RESOLUTION 6 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO FRANK TERRANOVA

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 666,666 Shares to Frank Terranova, a Director, in lieu of directors' fees at a deemed issue price of \$0.03 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion is set out below.

7. RESOLUTION 7 - AUTHORITY TO ISSUE PLACEMENT SHARES

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

“That, subject to the passing of Resolutions 1 and 2, and in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to allot and issue up to 31,666,667 Shares (Placement Shares) each at an issue price of \$0.03 per Share and otherwise on the terms and conditions in the Explanatory Memorandum accompanying this Notice.

A voting exclusion is set out below.

8. RESOLUTION 8 - APPROVAL TO ISSUE SHARES TO MINERVA CORPORATE

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 666,666 Shares to Minerva Corporate (or its nominee) on the terms and conditions set out in the Explanatory Memorandum.”

A voting exclusion is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

Resolution	Persons excluded from voting
Resolution 1 - Disposal of main undertaking	A person who might obtain a benefit if the Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities, and an associate of that person.
Resolutions 3 to 6 - Issue of Shares in lieu of Directors' fees	A person who is to receive securities in relation to the Company and an associate of that person.
Resolution 7 - Authority to issue Placement Shares	A person who may participate in the issue and a person who might obtain a benefit if the Resolution is passed and any associates of those persons.
Resolution 8 - Issue of Shares to Minerva Corporate	A person who may participate in the issue and a person who might obtain a benefit if the Resolution is passed and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board of Directors

A handwritten signature in black ink, appearing to read "Bernard Aylward". The signature is written in a cursive style with a large initial 'B'.

Bernard Aylward
Taruga Gold Limited
Managing Director

Taruga Gold Limited
ABN 19 153 868 789

Explanatory Memorandum

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Office J, Level 2, 1139 Hay Street WEST PERTH W.A. on 13 May 2016 at 10am. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

1. RESOLUTION 1 - DISPOSAL OF MAIN UNDERTAKING	1
2. RESOLUTION 2 - IN SPECIE DISTRIBUTION.....	1
3. RESOLUTION 3 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO BERNARD AYLWARD2	
4. RESOLUTION 4 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO DANIEL SMITH.....	2
5. RESOLUTION 5 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO MYLES CAMPION ...	2
6. RESOLUTION 6 - ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO FRANK TERRANOVA2	
7. RESOLUTION 7 - AUTHORITY TO ISSUE PLACEMENT SHARES	3
8. RESOLUTION 8 - APPROVAL TO ISSUE SHARES TO MINERVA CORPORATE.....	3
VOTING PROHIBITION AND EXCLUSION STATEMENTS	3
INTRODUCTION.....	5

A Proxy Form is located at the end of this Explanatory Memorandum.

Any forward looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any such forward looking statements in this Explanatory Memorandum.

This Explanatory Memorandum does not take into account any person's investment objectives, financial situation or particular needs. If you are in any doubt about what to do in relation to the Meeting you should consult your financial or other professional adviser.

Kodal Minerals was responsible for preparing sections 4 and 5.1, and Annexures 1, 2, 3, 5 and 6 of this Explanatory Memorandum.

Please contact the Company Secretary on +61 8 9486 4036 if you wish to discuss any matter concerning the Meeting.

1 ACTION TO BE TAKEN BY SHAREHOLDERS

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

1.1 Proxies

All Shareholders are invited and encouraged to attend the Meeting. If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 10am on 11 May 2016. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

By Mail	PO Box 7653, Cloisters Square, PERTH WA 6850
By Facsimile	+61 8 9486 4799
By Hand	Office J, Level 2, 1139 Hay Street WEST PERTH WA 6005

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

1.2 Corporate representatives

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

An appointment of corporate representative form is available from the website of the Company's share registry <https://www.securitytransfer.com.au/forms.cfm>.

1.3 Eligibility to vote

The Directors have determined that, for the purposes of regulations 7.11.37 and 7.11.38 of the Corporations Act Regulations, the Directors have determined that, for

the purposes of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at 7.00pm (AEST) on 11 May 2016.

2 INTRODUCTION

2.1 Background

On 7 April 2016 the Company announced that it had executed a sale and purchase agreement (**Sale Agreement**) with AIM-listed company, Kodal Minerals Plc (**Kodal Minerals** or **Kodal**) under which Kodal Minerals would acquire Taruga's issued and outstanding interest in its wholly-owned subsidiary, International Goldfields (Bermuda) Limited (**IGS**) (**Disposal**). The material terms of the Disposal are set out in section 6.1.

IGS holds the Company's Nangalasso Slam, Dabakala Korhogo Bundaili and Tiebisou Nielle M'baihaikro projects.

The purchase price payable for IGS is £410,000 which will be satisfied by the issue by Kodal Minerals to Taruga of 1,025,000,000 ordinary shares in Kodal Minerals of 0.03125 pence each (**Kodal Shares**) (**Consideration Shares**). The Consideration Shares will then be distributed pro rata to Eligible Shareholders (subject to the rules for Eligible Shareholders not resident in Australia as set out in section 6.11) (**Distribution**).

In conjunction with and conditional on the Disposal, Kodal Minerals has agreed a subscription and placing of 1,700,000,000 Kodal Shares (**Kodal Placing Shares**) to raise approximately £680,000 (**Kodal Placing**).

Following the Disposal and Distribution:

- (a) Taruga Shareholders will hold approximately 27.15% of Kodal Mineral's Shares;
- (b) the Company's remaining assets will be its projects in Niger (Kossa 1 & 2) held by Gecko Gold Ltd Niger, and one exploration license in Cote d'Ivoire held by Gecko Gold CIV SARL, both of which will become the primary focus of the Company's ongoing exploration;
- (c) the Company will seek to raise up to approximately \$1,200,000 through a placement and rights issue (see section 2.2)
- (d) it is intended that Mr Bernard Aylward will no longer act as Managing Director (although he will remain a Director), and that following the capital raising Messrs Frank Terranova and Miles Campion will resign as Directors, and Mr Gary Steinepris will be appointed a Director; and
- (e) the Company will, as part of growing Shareholder value, be evaluating other resource opportunities from time to time.

The Disposal is conditional on, inter alia, Taruga Shareholders approving the Distribution and Disposal, Kodal Shareholders approving the issue of the Consideration Shares and the Kodal Placing Shares.

The purpose of the Meeting is to seek approval for the Disposal and the Distribution (together the Transaction).

2.2 Placement and Rights Issue

Post Completion of the Transaction the Company:

- (a) subject to approval of Resolution 7, will complete a raising of up to \$950,000 (before expenses) through the placement of 31,666,667 Shares at \$0.03 per share (**Placement**); and
- (b) intends to make a pro rata non-renounceable entitlement issue on the basis of one (1) new Share at an issue price of \$0.03 per new Share for every three (3) existing Shares held on the record date, being 2 June 2016 (**Rights Issue**). The Rights Issue will raise up to \$250,000 (before expenses) such that a maximum of 8,333,334 Shares will be issued.

The Shares which are the subject of Resolutions 3 to 8 will be issued after the record dates of the Distribution and Rights Issue, and Shares issued under those Resolutions will not participate in those transactions.

2.3 Timetable

The Distribution and Rights Issue are expected to occur in accordance with the following timetable approved by the ASX.

Event	Date
Last day for Shareholders to return Proxy Forms	11 May 2016
Meeting of Shareholders to approve the Transaction and Placement	13 May 2016
Completion of the Transaction and Consideration Shares issued to Taruga and admitted to trading on AIM	16 May 2016
Last day for trading of Shares on a "cum" return of capital basis (Shares acquired after this date will not be entitled to participate in the Distribution)	
Start of trading of Shares on an "ex" return of capital basis	17 May 2016
Record Date to determine entitlement under the Distribution (Record Date)	18 May 2016

Issue Date (being the effective date of the Distribution and transfer of Distribution Shares to Eligible Shareholders)	25 May 2016
Record Date for Rights Issue	2 June 2016
Completion of Placement	3 June 2016
Rights Issue opens	3 June 2016
Rights Issue closes	15 June 2016
Rights Issue Shares issued	22 June 2016

The above dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

2.4 Rationale for the Transaction

Given the recent climate in Australia for junior exploration funding and the current financing options available to Taruga, the Taruga Board believes greater value would be unlocked from the projects held by IGS via the Transaction.

2.5 Advantages and disadvantages of the Transaction

Taruga considers that the Distribution has the following advantages for its Shareholders:

- (a) Following a review of alternatives to raise capital to continue exploring IGS's projects, the Directors believe raising funds through AIM listed Kodal will be less dilutive for Shareholders.
- (b) The Distribution provides Shareholders with an ongoing interest in the assets of IGS, and an investment in an AIM-listed company with exposure to a copper zinc exploration project and an advanced stage phosphate development project with a JORC compliant resource.
- (c) The Distribution allows each Shareholder to manage its exposure to Kodal Minerals directly by buying or selling Kodal Shares rather than through the actions of the Company. Furthermore, Shareholders will be able to participate in any future Kodal offers to its shareholders.
- (d) Mr Bernard Aylward will be appointed director and chief executive officer of Kodal.
- (e) The Transaction will allow Taruga to focus on its remaining assets and consider new opportunities which may create Shareholder value.

Taruga considers that the Transaction has the following disadvantages for its Shareholders:

- (a) Taruga will dispose of a number of its concessions and will need to either develop its remaining assets or acquire further assets to increase Shareholder value. Furthermore and depending upon exploration results and other activities, ASX may determine that the Company's level of operations are not sufficient to warrant continued listing, in which case the Company will have 6 months to acquire an asset or have its Shares suspended from quotation. See section 5.3(c) for further information.
- (b) There is no guarantee that Kodal Shares will retain their value or increase in value.
- (c) Eligible Shareholders who receive Distribution Shares are exposed to risks in holding Kodal Shares. See section 5 for details.
- (d) There are costs associated with the Distribution, including the preparation of this Notice, which will be incurred by Taruga. There is also a small but identifiable tax risk as set out below.

Taruga cannot and does not make any prediction as to what the value or price of Kodal Shares will be at the time of the Distribution of Kodal Shares to Shareholders or subsequently.

Your Directors believe the advantages of the Transaction substantially outweigh the disadvantages.

2.6 Directors' Recommendation

After considering all the relevant factors (including the advantages and disadvantages, and risks, as set out in this Explanatory Memorandum), the Directors recommend that the Shareholders vote in favour of the Transaction for the following reasons:

- (a) after a full and proper assessment of all available information, the Directors believe that the Transaction is in the best interests of Taruga Shareholders, and
- (b) in the opinion of the Directors, the benefits of the Transaction outweigh its disadvantages.

2.7 Prospectus

The Corporations Act restricts the Company from distributing in-specie or otherwise disposing of the Consideration Shares to Taruga Shareholders within 12 months of their issue, without the Company issuing a prospectus under Chapter 6D of the Corporations Act. In addition, the Corporations Act restricts the Taruga Shareholders from on-selling the Consideration Shares acquired by them as part of the Distribution, within 12 months after receiving them under the Distribution, without the Company issuing a prospectus in respect of the Consideration Shares transferred to Taruga Shareholders as part of the Distribution.

Furthermore, under applicable ASIC guidelines, the invitation to Taruga Shareholders to vote on Resolution 2 constitutes an "offer" to transfer Kodal Shares to Taruga Shareholders pursuant to a capital reduction. Therefore, under applicable ASIC guidelines, the Company has prepared, and lodged with ASIC, a prospectus pursuant to Chapter 6D of the Corporations Act (**Prospectus**) in order to satisfy the applicable Corporations Act and ASIC requirements.

A copy of the Prospectus accompanies this Notice and the Explanatory Memorandum. The Prospectus contains information in relation to Kodal. Taruga recommends that all Taruga Shareholders read the Prospectus carefully, in conjunction with this Notice and the Explanatory Memorandum.

Taruga Shareholders should note that the Notice (including this Explanatory Memorandum) is not a prospectus lodged under Chapter 6D of the Corporations Act.

2.8 Lodgement with ASIC and ASX

Taruga has lodged with the ASIC a copy of the Notice and this Explanatory Memorandum in accordance with section 256C(5) of the Corporations Act. The Company has also lodged a copy of the Prospectus, which accompanies the Notice, with ASIC at the same time the Notice was lodged with ASIC.

A copy of the Notice, this Explanatory Memorandum and the Prospectus has also been lodged with ASX.

Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of the Notice, this Explanatory Memorandum or the Prospectus.

2.9 Disclosure to ASX and AIM

Taruga, as a company whose ordinary securities are quoted on ASX, is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to Taruga may be obtained for a fee from, or inspected at, an office of ASIC.

Kodal Minerals, as a company whose ordinary securities are admitted to trading on AIM, is subject to regular reporting and disclosure obligations pursuant to the AIM Rules. Pursuant to Rule 26 of the AIM Rules copies of documents sent to Kodal's shareholders and regulatory announcements made by Kodal Minerals may be obtained from its website, www.kodalminerals.com.

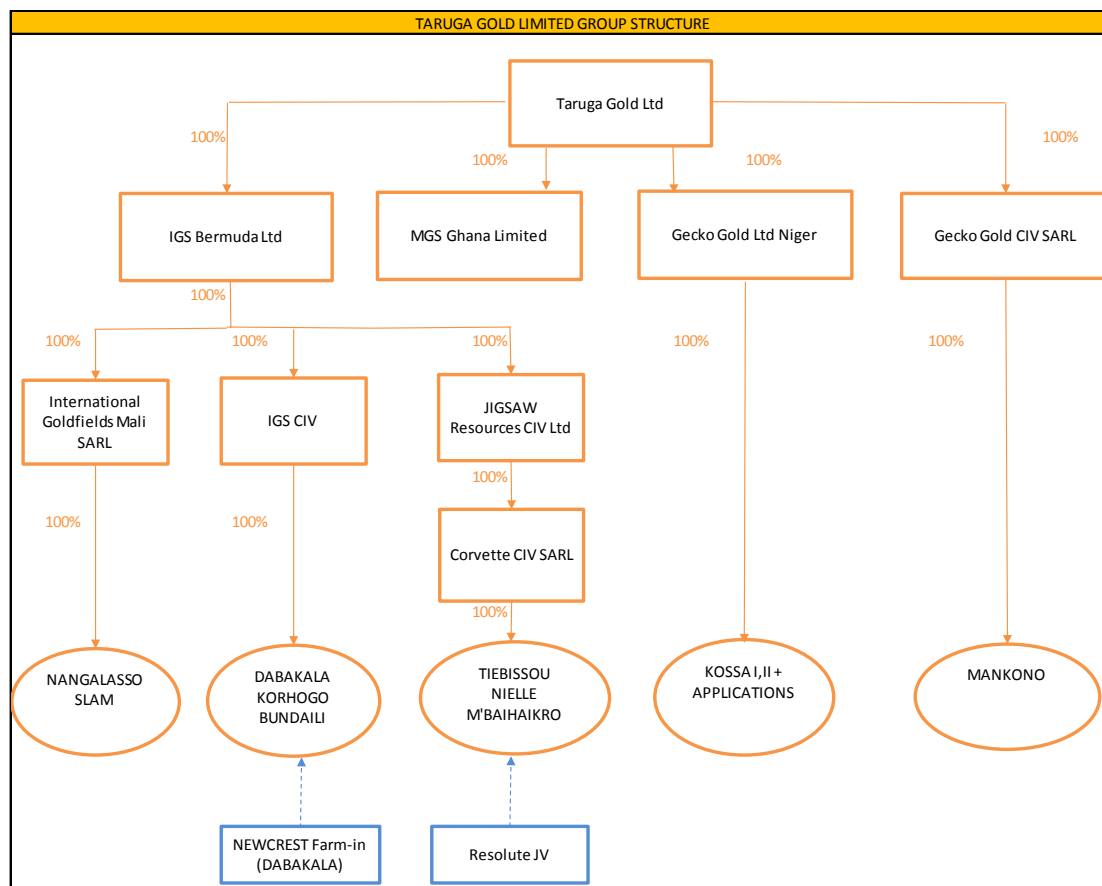
3 TARUGA

3.1 Introduction

Taruga is a West African focused gold explorer that has compiled a diverse portfolio of exploration projects within the Birimian geology of West Africa. This region is at present one of the world's great gold districts and has had a significant rate of discovery and development of new gold mines over past decades.

Taruga has ~4,000km² of highly prospective tenements in Cote d'Ivoire, Southern Mali and Niger, all within similar geological settings as world-class goldmines. The Company's Kossa Project in Niger is 15km from the 5moz Essakane goldmine; in Mali, the Nangalasso project is 30km west of the 7moz Syama project.

The full group structure of Taruga is outlined below:



3.2 IGS

IGS has entered into option agreements under which it has the right to acquire the following concessions in Mali and Cote d'Ivoire:

Mali

Nangalasso: The Nangalasso Project is located in a highly mineralised area. The Nangalasso Project consists of two concessions - Nangalasso and Sotian. The concessions are located just 15km from the world-class Syama gold mine, as well as being located along strike from the Tengrela prospect delineated by Perseus Mining Limited. Taruga has been actively exploring this project since October 2013. On 29 January 2015, Taruga announced results of an aircore drilling program at Nangalasso, which included the following interceptions:

- 3m at 7.12g/t gold within 21m at 1.25g/t gold
- 3m at 2.11g/t gold from 3m
- 3m at 1.33g/t gold from 3m

- 6m at 0.50g/t gold from 27m

The exploration activity completed to date has highlighted an extensive zone of surface gold anomalism, and the wide spaced reconnaissance drilling has indicated that primary gold mineralisation is associated with the anomalism. The next phase of exploration for the Nangalasso Project will be to complete further trenching to assist in the definition of drill targets and complete follow-up drilling.

SLAM: The SLAM project is located in south-western Mali, approximately 100km from the capital Bamako. The SLAM project consists of two concessions - Djelibani Sud and Kambali. The concessions were obtained from Newmont in 2013, and previous exploration work had demonstrated strong surface gold anomalism associated with interpreted geological structures.

On 9 February 2015, Taruga announced results of an aircore drilling program at the Kambali Prospect, within the SLAM Project. The results of the drilling program highlighted the prospectivity of the SLAM Project, with gold mineralisation returned from shallow depth, and the mineralised system remains open along strike. An extensive zone of artisanal workings is located within the Kambali concession, and the reconnaissance drilling has confirmed primary gold mineralisation beneath the shallow workings.

No drilling has been completed on the Djelibani Sud concession. Review of the surface geochemistry has highlighted a strong surface anomaly that is associated with laterite material, and minor artisanal workings. This area requires infill geochemistry to define targets for drill testing.

The next stage of work for the SLAM project will require follow-up drilling at Kambali to attempt to define and extend the gold mineralized structure. It is anticipated that a second stage of reconnaissance aircore drilling will be completed prior to RC drilling. For the Djelibani Sud, infill geochemistry is required prior to first-pass drill testing.

Cote d'Ivoire

Taruga has six concession in Cote d'Ivoire via the IGS Bermuda subsidiary. The concessions areas were targeted based on geological review, presence of artisanal workings and proximity of known mineralisation. The Company has been active on the concessions that are granted, and has also entered into a Farm-In agreement with Newcrest Mining Limited for one concession, and a Joint Venture agreement with Resolute Mining Limited for three concessions.

Korhogo: The Korhogo concession is located in the north-central Cote d'Ivoire and is a 360.6 km² concession with a three year term. The concession is at an early stage of exploration and initial field reconnaissance has identified areas of significant artisanal workings and prospective geological structures and units. Taruga has completed a first phase geochemical sampling program, with gold anomalous values returned. The sampling was completed on a very wide reconnaissance grid, and infill and extension geochemical sampling is required to assess this concession.

No drill testing has been completed on the Korhogo concession.

Boundiali: The Boundiali concession is located in northern Cote d'Ivoire. The concession is in application and pending grant.

No exploration activity has been completed on the concession area by Taruga.

A field visit and review of historic data indicates low-level anomalism defined in the concession area, however the majority of the concession has had no modern exploration targeting the area.

Following grant, the work program for the concession will consist of geological mapping and reconnaissance geochemical sampling.

Dabakala: The Dabakala concession is located in central Cote d'Ivoire and was granted to Taruga in 2014. Taruga completed first pass geochemical sampling that outlined extensive surface gold anomalism associated with a major shear structure (see ASX Announcement dated 22 December 2014). In December 2015, Taruga announced the signing of a Farm-in Agreement with Newcrest Mining Limited over the Dabakala concession.

Newcrest have completed geological reconnaissance and a program of stream sediment sampling to confirm the initial geochemical anomalies. In January 2016, Newcrest commenced a program of infill and extension auger geochemistry sampling. The program is ongoing. The next stage of exploration for the Dabakala concession will require reconnaissance drill testing to test the geochemical anomalies.

Tiebissou: The Tiebissou concession (306km²) was granted for an initial period of four years. The concession is located in central Cote d'Ivoire and is along strike from the Agbaou Gold Mine (Endeavour Mining Corporation) and the Bonikro Gold Mine (Newcrest Mining Limited).

The Tiebissou concession is subject to the Resolute Joint Venture.

Resolute have completed a program of geological mapping, geochemical sampling and interpretation. The results of the geochemical sampling confirmed an extensive surface gold anomaly.

Resolute have undertaken a program of reconnaissance aircore drilling in February 2016, and results are pending for this program.

Nielle: The Nielle concession is located in northern Cote d'Ivoire, approximately 20km north of the Tongon Gold mine operated by Randgold. The Nielle concessions is subject to the Resolute Joint Venture.

Resolute have completed a program of geological mapping and reconnaissance. In addition, Resolute plan to undertake a first-pass geochemical sampling program to test the concession area.

M'Baihaikro: The M'Baihakro concession is in application. The concession is located in central Cote d'Ivoire.

The M'Baihaikro concession is subject to the Resolute Joint Venture.

No exploration has been completed on the concession area. Following grant, the expected exploration program will consist of geological mapping and reconnaissance. A first-pass geochemical sampling program will be completed to assess the potential of the concession to host gold mineralisation.

The exploration results in this section were announced to ASX on the dates indicated in the text. Taruga confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

3.3 Taruga's remaining assets

Following the Disposal, Taruga's projects will consist of:

Kossa Project (Niger): The Kossa project (~1,100km²) is located in northwestern Niger is a highly prospective landholding 100% owned by Taruga. The project is located just 15km from the Essakane gold mine - the largest gold mine in Burkina Faso and the geological setting indicates potential for similar styles of gold mineralization.

On 15 March 2016, Taruga announced that it had completed a preliminary Inferred Mineral Resource estimate of 2.7Mt @ 1.3g/t gold for 112,000ozs gold (top cut 20g/t gold and lower cut-off of 0.5g/t gold applied) at the Borobon prospect, located in the Kossa 1 concession.

Borobon Prospect

The Borobon prospect is located at the south end of the Kossa-Borobon trend, a 10km strike length of gold mineralisation defined by drilling, anomalous geochemistry and artisanal workings. Extensive gold mineralisation has been defined at the Borobon prospect with drilling completed by Taruga and previous explorers.

At the Borobon prospect gold mineralisation is hosted in parallel shear zones in a folded sedimentary sequence (refer Figure 3). Interpretation of the drilling results indicates a series of plunging shoots that require additional drilling to target strike and depth extension. The gold mineralised shoots are interpreted to result from the intersection of shear structures highlighted on the detailed aeromagnetic survey.

In 2015, Taruga was granted renewals of the Kossa 1 and Kossa 2 concessions, and in addition the Company was granted two new concessions - Kouriki and Ounzerbe.

The next exploration programs at the Kossa project will be to continue extension drilling and definition of the gold mineralised trend defined at the Kossa-Borobon trend. The Company will also complete an assessment of the new concessions, complete geological mapping and reconnaissance and undertake first-pass geochemical sampling.

Mankono (Cote d'Ivoire): The Mankono concession is located in central Cote d'Ivoire and was granted to Taruga in 2013.

Exploration activity completed by Taruga includes geological mapping and reconnaissance and completing a first-pass reconnaissance geochemical sampling program.

The results for the geochemical sampling program indicate areas of gold anomalism that require further sampling to define the significance and potential for gold mineralisation.

The western half of the Mankono concession is overlain by sugar cane crop and a sugar refinery. Access to this portion of the concession is difficult, and discussions are underway with the Government to gain access to additional prospective land to cover this loss of access.

Additional exploration required for Mankono consists of completing geochemical sampling and definition of gold anomalous zones. A reconnaissance drilling program will be proposed, dependent on the results of the geochemical sampling.

The exploration results in this section have been announced to ASX. Taruga confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

3.4 Taruga's financial position

As at the date of this Explanatory Memorandum, Taruga's net cash position is approximately \$157,789, and its estimated exploration expenditure and holding costs for its remaining assets for calendar year 2016 are \$45,000.

Attached as Annexure 4 to this Explanatory Memorandum is the consolidated financial position of Taruga (reviewed) and the consolidated pro forma statement of financial position, as at 31 December 2015 and on the basis of the following assumptions:

- (a) Completion of the Sale Agreement has occurred.
- (b) The Distribution was effected.
- (c) Taruga's costs of the Transaction are \$55,000.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the reviewed half yearly financial report for period ended 31 December 2015

3.5 Further information

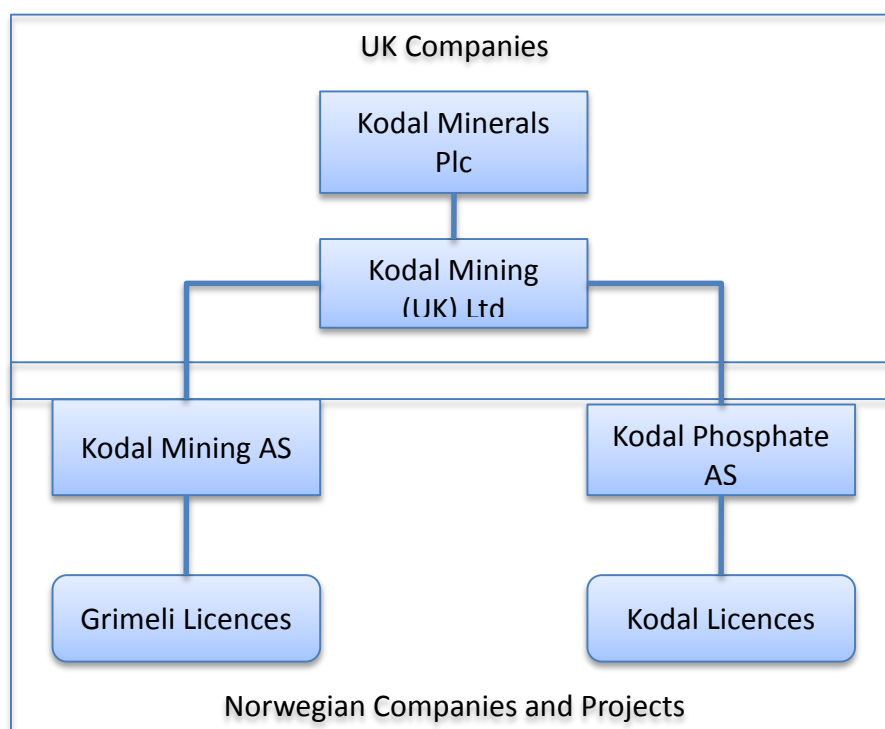
Further information on Taruga and its assets is set out in the Company's annual report announced to ASX on 30 September 2015 or www.tarugagold.com.au.

4 KODAL MINERALS

4.1 Overview

Kodal Minerals is a mineral development and exploration company owning extraction and exploration licenses in Norway. It was listed on the AIM Market of the London Stock Exchange; ticker code LON:KOD, on 30 December 2013.

Kodal Minerals has three subsidiary companies as set out in the organizational chart below:



Kodal has two granted projects in Norway:

- (a) Three contiguous exploration licences granted by the Norwegian Directorate of Mining in July 2014. The licences cover 30km² including three previously producing copper mines, and are known as the Grimeli Project.
- (b) The Kodal phosphate and iron deposit in southern Norway (**Kodal Project**), which has a JORC compliant resource (indicated and inferred) of 49 million tonnes at 4.8% P₂O₅ and 21.5% Fe.

The AIM Rules "Guidance for Mining and Oil & Gas Companies" require AIM quoted companies to state in each mineral resource update the internationally recognised standard (such as the JORC Code, 2012 Edition) it has used in reporting such information. There is no requirement for Kodal to report exploration results in accordance with an internationally recognised standard.

Kodal reported its mineral resource for the Kodal Project according to the JORC Code, 2012 Edition. Mr Galen White, Principle Geologist of CSA Global (UK) Limited, is Kodal's competent person for the purposes of its reporting of mineral resources. Shareholders should be aware that Taruga's competent person has not reviewed

Kodal's mineral resource statements for the Kodal Project that are detailed in this Explanatory Memorandum. Taruga has not had the opportunity to verify, nor has it had the opportunity to review, the inputs or assumptions underlying such information.

4.2 Licenses held by Kodal Minerals

Name	Type	Type	Number	Issued	Kommune	Area
Kodal A	G UTV	Extraction	0003-1/2013	11/07/2013	Larvik	490000 m ²
Kodal B	G UTV	Extraction	0004-1/2013	11/07/2013	Andebu	495000 m ²
Kodal C	G UTV	Extraction	0005-1/2013	11/07/2013	Andebu	426250 m ²
Kodal 6	G UND	Exploration	0099-1/2014	05/03/2014	Larvik	1625000 m ²
Grimeli 1	G UND	Exploration	0204-1/2014	15/07/2014	Askvoll	10000000 m ²
Grimeli 2	G UND	Exploration	0205-1/2014	15/07/2014	Askvoll	10000000 m ²
Grimeli 3	G UND	Exploration	0206/1/2014	15/07/2014	Askvoll	10000000 m ²

33,036,250 m²

4.3 Grimeli Project

In July 2014, Kodal was granted three exploration licences, known as the Grimeli Project, over 30 km² covering three historic copper mines. The Grimeli Project has been the focus of the majority of Kodal Minerals's activity during 2015 and almost all of its exploration work.

A ground based geophysics programme (magnetics) was completed to support and expand upon results from a survey completed by the Norwegian Geological Survey (NGU) in about 1980. In total the survey yielded 3,200 metres of anomalous results spread over multiple horizons.

Underground channel sampling was carried out in the old underground mines. Very encouraging results were obtained including 7.24% copper over 1.74 metres.

Given the positive results from the geophysics and channel sampling, a 2,000 metre diamond drilling programme was started in February 2015. The highest grades returned were 8.39% Copper and 6.98% Zinc. This was the first time zinc mineralisation had been encountered.

Size and Location

The three contiguous licences (Grimeli 1 - 3) cover a total of 30km². The nearest substantial town is Førde, a municipality in the county of Sogn og Fjordane in western Norway which is approximately 50km to the east of the project area. The licences are approximately 130km north of Bergen.

The exploration licences are valid until July 2021.

Historic Production

The licence area covers sites of historical copper mines:

- (a) Grimeli mine: The Grimeli copper mines were in production over three periods from 1759-1776, 1854-1883 and 1906-1920. The underground workings extend over two areas, the first approximately 200m vertical by 200m horizontal and the second about half those dimensions according to a mine plan dated 1929. At this stage it is thought that the Grimeli mines produced a hand cobbled high grade copper ore which was exported to England for smelting.
- (b) Vågendal mine: Vågendal was in operation as an underground copper mine between 1871 and 1880.

The Grimeli and Vågendal historic copper mines are located on opposite sides of a long hill forming a peninsular. The Grimeli copper mines, the larger of the two mining areas, is located within three hundred metres of the coast while the smaller Vågendal mine is located 7km away to the east. Kodal Minerals has traced a surface gossan for 1.6km east toward Vågendal from Grimeli, encountering several historic test pits in the process before losing the trace under superficial cover.

Kodal Minerals explored all the accessible mine openings at Grimeli and Vågendal. It appears the mineralisation was typically 1.5 to 3.0 metres wide.

Previous Works and Reports

Kodal Minerals has located a number of historic reports in Norwegian and German most of which have been translated. While of interest and of some help in approximating the location of some physical features, the reports were on the whole of limited use due to either their age and lack of relevant geological or engineering comment or the fact that the more recent ones were completed after production had ended. No credible grade or production figures were obtained.

Of more interest was work completed by the Norwegian Geological Survey (NGU) in 1979 and 1981. The NGU conducted geophysical surveys east from Grimeli and west from Vågendal but apparently did not connect the two surveys, with some 5km of untested ground between them. The diagram below shows the NGU geophysics and interpreted mineralised horizons over the old Grimeli mining area.

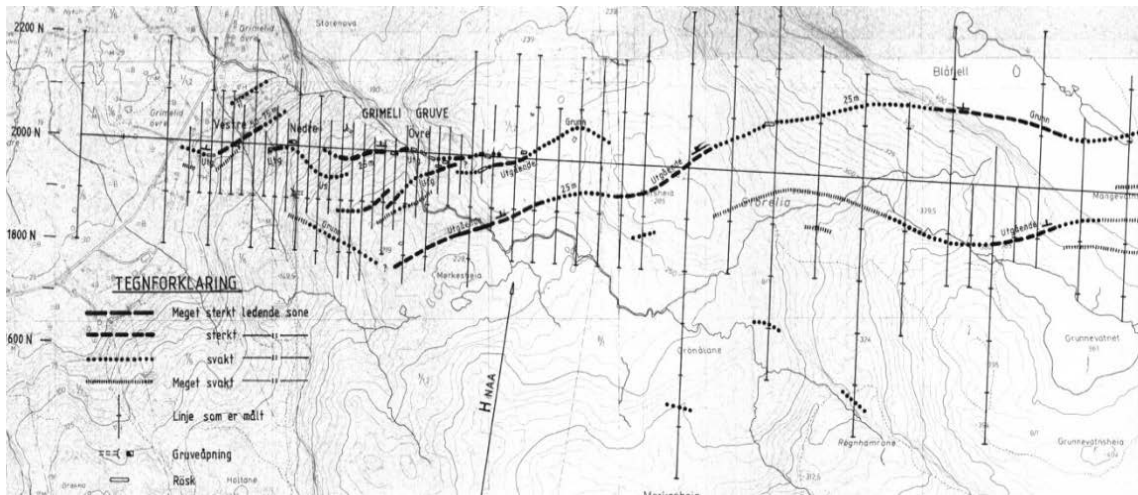


Diagram 1: NGU geophysics data at Grimeli Project

Geology

The mineralisation at Grimeli was reported as being hosted within the Solund-Stavfjord ophiolite complex and varying between massive sulphide and disseminated mineralisation along a number of closely associated stratiform horizons, with chalcopyrite, sphalerite and pyrite being the principal sulphides. At the time of acquiring the licences Kodal Minerals believed there was potential for the recovery of both copper and zinc from the area although there was no evidence of zinc mineralisation in the mine spoil dumps.

Exploration Programme and Results

A ground based geophysics programme (magnetics) was completed over the most accessible parts of the Grimeli Project in September/October 2014. The results supported and expanded upon results from a survey completed by the Norwegian Geological Survey in about 1980. In total the survey yielded 3,200 metres of anomalous results spread over multiple horizons.

Underground channel sampling was carried out in the old underground mines as announced in November 2014. Very encouraging results were obtained including:

Interval (m)	% Copper
1.74	7.24
0.96	4.93
0.50	4.89
0.86	4.70
0.50	4.19

Table 1: Channel sample results at Grimeli.

Given the positive results from the geophysics and channel sampling, a 2,000 metre diamond drilling programme was started in February 2015. The results of this programme were announced in March 2015 and August 2015. Zinc mineralisation was

encountered for the first time and the highest grades returned were 8.39% Copper and 6.98% Zinc (included within the intersections below).

The results included the following intersections:

Interval (m)	% Copper	% Zinc
0.97	6.39	0.82
0.50	4.29	6.98
0.51	4.92	0.82
0.48	2.77	1.10
1.00	0.26	2.44

Table 2: Channel sample results at Grimeli

A total of 21 holes were drilled from two groups of locations. The first group were adjacent to the access road to the site. The second group were on a plateau approximately 200 vertical metres above the first location. The drilling positions were limited by rugged topography.

The results listed in Table 2 above represent a previously un-mined, vein-like massive sulphide occurrence which has been defined over 150 metres strike and remains open in all directions. This occurrence is positioned adjacent to the old mining areas and has no surface expression. This confirms the potential for blind ore bodies nearby the former mines.

As part of the drilling programme, Kodal re-established a vehicle track up the mountain and now has limited four wheel drive access to the plateau.

Future Plans

The drill programme completed in 2015 on the Grimeli Project was designed to test a number of horizons defined by historic geophysics and in the process provide Kodal with information to guide future exploration efforts. Overall the programme was successful with the earlier holes locating a new high grade copper and zinc occurrence and the later drilling higher up the mountain returning wide intersections of iron sulphides which had negligible copper or zinc. However, the current geophysics does not appear to distinguish between the high grade copper zinc zones and the non-economic disseminated iron sulphides. Kodal is currently assessing alternative techniques that may assist in targeting future drilling locations.

Table 1 and Competent Person's Statement

Attached to this Explanatory Memorandum as Annexure 1 is a Table 1 to the JORC Code for the Grimeli Project. The information in this section and the Table 1 is based on, and fairly represents, information and supporting documentation prepared by Mr Galen White, Principal Geologist at CSA Global (UK) Ltd. Mr White is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Fellow of the Geological Society of London (FGS) with sufficient experience to act as Competent

Person under the JORC Code (2012). Kodal provided information to Mr White to be used as a basis for preparing the Table 1 (Annexure 1). Mr White consents to the inclusion of exploration results and Table 1 (Annexure 1) for the Grimeli Project as set out in this Explanatory Memorandum.

4.4 Kodal Project

The Kodal Project is a phosphate and iron ore deposit in the south of Norway over which Kodal Minerals holds extraction licences. The Kodal Project was the subject of a Competent Persons report prepared by CSA Global (UK) Limited (**CSA Kodal Component Persons' Report**) which was included in an admission document prepared by Kodal for admission to AIM dated 20 December 2013 (a copy of which can be obtained from www.kodalminerals.com).

The price of iron ore (62% Fe) halved from US\$112 per tonne in March 2014 to US\$57 per tonne in March 2015, and has continued to fall since, reaching a low of US\$38.5 per tonne in December 2015. Following an impairment review triggered by this dramatic fall in the iron ore price, the carrying value of the Kodal Project was written off in full resulting in an impairment charge of £3,412,000 in Kodal Minerals' financial statements for the 12 months to 31 March 2015.

However the Kodal Directors note that the extraction licences at the Kodal Project do not expire until July 2023 and Kodal Minerals may be able to renew them for a further 10 years. Kodal Minerals will continue to monitor both iron ore and phosphate prices and will recommence development of the Kodal Project once conditions support that decision. In the meantime, the Kodal Directors believe the Kodal Project remains one of the most significant and technically advanced phosphate resources in Europe.

Kodal has decided to cease all major expenditure on the Kodal Project while continuing to expend very limited funds to progress the planning process. Following is a summary of work undertaken by Kodal since the CSA Kodal Competent Person's Report.

Since 2014 work on the Kodal Project was focused on progressing the low cost environmental and planning processes. Environmental baseline studies were completed and Kodal is currently working with the municipalities of Larvik and Andebu (the two local municipalities in which the Kodal Project is located) to approve the format of the Environmental and Social Impact Assessment (ESIA). There is no prescribed duration for this process and so the timing of the approval is uncertain.

In March 2014 Kodal was granted 7 new exploration licences by the Norwegian Directorate of Mining covering an area of nearly 20 km² around the Kodal Project, including an area in which a geophysical anomaly has historically been reported. Mapping of the entire exploration licence area was completed and two new areas of mineralised outcrop were identified. Kodal has allowed all but one of these exploration permits to lapse.

Size and Location

The Kodal Project is located in the Vestfold county of Norway and the boundary between the Andebu and Larvik municipalities crosses the project area. It is a phosphorus (P) and iron (Fe) project and is situated in the Lågen valley, 20 km north of Larvik. The Kodal Project forms part of the Vestfold-Ringerike Graben geological structure and is located approximately 85 km south-west of Oslo.

The Kodal Project area is covered by three contiguous extraction licences issued by the Norwegian Directorate of Mining which expire in July 2023. The location of the Kodal Project extraction licences is shown below.

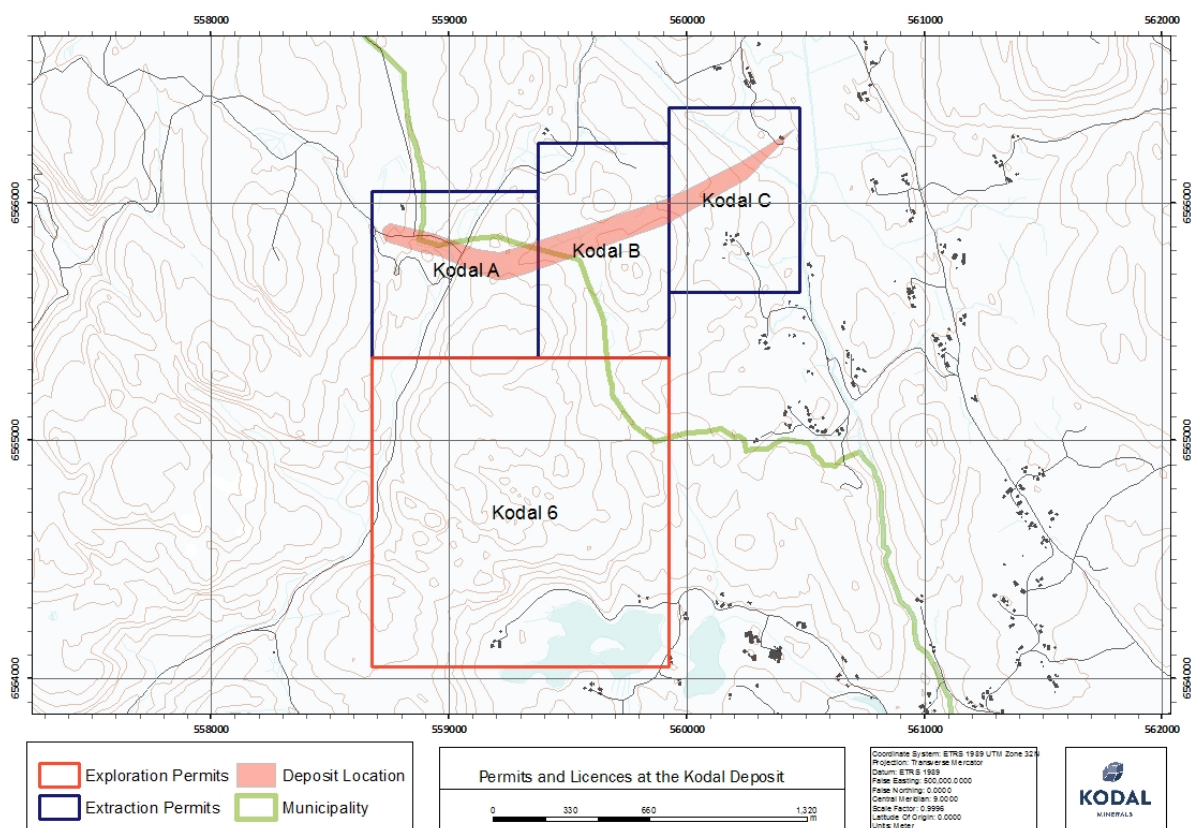


Diagram 2: Location map of the Kodal Project concessions

Previous Works and Reports

The Kodal Project's mineralised zone has been subject to two phases of historic exploration and geological modelling since the 1960s. All historic exploration was undertaken by Norsk Hydro ASA (Norsk Hydro), a part state owned Norwegian energy and resources group.

The first phase was completed between 1960 and 1963 with 40 shallow (less than 50 metres) diamond drill holes over 20 profiles with subsequent follow-up drilling between 1974 and 1975 when an additional 20 diamond drill holes were drilled. These additional holes are deeper, with depths ranging from 110 to 550 metres.

More recently, Kodal Minerals drilled seven diamond drill holes in 2012, comprising 918 metres of drilling designed to verify historical drill data. A summary of drilling undertaken on the Kodal Project is set out in Table 3 below.

	Years	Metres	Hole IDs	Diameter	
A	1961	2062.90m	BH01 - BH39, LH01-LH02B	EX	18.6mm
B	1974	4198.20m	BH41 - BH58	BQ	36.5mm
C	2012	918.40m	BH60 - BH68	BQTK	40.5mm
	Total	7179.5m			

Table 3: Drill results at the Kodal Project

Subsequent to drilling, Kodal Minerals undertook re-logging of all available historic core in 2013 and captured geological, mineralogical, alteration and geotechnical characteristics including core preservation, sampling and core recovery.

Historic data has been validated in three ways:

- (a) CSA Global (UK) Ltd (CSA) has validated hard-copy grade data versus the digital data supplied by Kodal Minerals.
- (b) Kodal Minerals has undertaken a twin drilling programme, the results of which have been assessed by CSA.
- (c) Kodal Minerals has undertaken re-sampling and analysis of a portion of the available historic core using current methods. This data has been assessed by CSA.

Metallurgical Testwork

Historical mineral processing and metallurgical test work has been completed on samples obtained from the Kodal Project and reported as part of historical feasibility study work completed by Norsk Hydro in the 1970s. In addition, preliminary test work was completed by Kodal Minerals in 2013 on a bulk composite sample (23kg) of drill core. In April 2014 Kodal announced the results of further metallurgical test work. The announcement did not comply with the JORC Code, and Taruga does not, given Kodal has ceased material work on the Kodal Project, consider it reasonable for Shareholders and their professional advisors to expect this information to be included in this Explanatory Memorandum.

JORC 2012 Compliant Mineral Resource Estimate

The Kodal Project has a JORC compliant total Indicated Resource of 14.6 million tonnes (Mt) at 2.26% P (5.18% P₂O₅) and 24.12% Fe with an Inferred Resource of 34.3 Mt at 2% P (4.59% P₂O₅) and 20.38% Fe.

Table 4 below sets out a summary of the Kodal Project resource by status.

Category	Gross					Net attributable				
	Tonnes (millions)	Grade		Contained Metal		Tonnes (millions)	Grade		Contained Metal	
		P ₂ O ₅ (%)	Fe (%)	P ₂ O ₅ (Mt)	Fe (Mt)		P ₂ O ₅ (%)	Fe (%)	P ₂ O ₅ (Mt)	Fe (Mt)
Ore/Mineral reserves per asset	-	-	-	-	-	-	-	-	-	-
Proved	-	-	-	-	-	-	-	-	-	-
Probable	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-
Mineral resources per asset										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated ¹	14.6	5.18	24.1	0.76	3.52	14.6	5.18	24.1	0.76	3.52
Inferred ¹	34.3	4.59	20.0	1.58	6.99	34.3	4.59	20.0	1.58	6.99
Sub-total ¹	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51
Total ¹	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51

¹ Operated by Kodal Minerals

Exploration Permits

Kodal Minerals currently holds one exploration permit covering a total land area of 1.625 km² which is located adjacent to the three Kodal Project extraction licences. Kodal previously held an additional six exploration permits surrounding the extraction licences, however these were not renewed in December 2015.

The remaining licence includes a reported positive magnetic and gravity anomaly identified by ground geophysics. Kodal has three reports detailing geophysics in the project area dated 1973, 1976 and 1983 by various authors including the NGU.

Kodal Minerals has completed geological mapping of all seven of the original exploration licences and followed up with a limited number of ground magnetic lines to check the response in 2014 prior to deciding to abandon six of the exploration licences.

Except as stated above, Taruga is not aware of any new information or data that materially affects the information included in the CSA Kodal Competent Persons' Report and that all material assumptions or technical parameters underpinning the mineral resources estimate in the CSA Kodal Competent Person's Report continue to apply and have not materially changed.

Environmental Baseline Studies

Environmental baseline studies were completed during 2015. These studies covered all areas thought to be required by the Norwegian planning process and legislation. The areas of study were aquatic ecology, social baseline, community perception,

fauna, recreation, forestry/agriculture land use, flora and vegetation and insects. The results have broadly been within expectations.

Change of Land Use Application

In 2013, based on the advice of local planning consultants, Kodal submitted applications to the Larvik and Andebu municipalities for change of land use permission to allow mining operations to be undertaken. This planning route is typically available for small projects. Given the scale of the Kodal Project, the municipalities advised Kodal that a more extensive process was required. This step in itself did not constitute a delay. Subsequently, Kodal has been engaging with both municipalities to agree the format of the Environmental and Social Impact Assessment prior to it being submitted to a public review. If accepted, Kodal will have a defined list of requirements which, if satisfied, may lead to the granting of operational permits. There is no prescribed duration for this process and so the timing of the approval is uncertain.

During 2015 Kodal held two public meetings as part of the planning process, one in Larvik and one in Andebu. Both were very well attended.

4.5 Objectives

Kodal has advised Taruga that its main objective following completion of the Disposal and Kodal Placing, is to create shareholder value through further exploration and development activities on IGS's Mali and Cote d'Ivoire projects and further consideration of the Grimeli Project, and that the proposed use of funds raised under the Kodal Placing is as follows:

It is intended that the proceeds of the Kodal Placing will be utilised as set out in the table below:

Intended use of proceeds	Amount
Mali	
<ul style="list-style-type: none"> Local admin, licence payments & government fees 	£120,000
<ul style="list-style-type: none"> Exploration (RAB/Aircore drilling, RC Drilling and assay) 	£170,0000
Cote d'Ivoire	
<ul style="list-style-type: none"> Exploration (Geochemistry) 	£55,000
<ul style="list-style-type: none"> Ground acquisition, project review and initial exploration 	£35,000
Norway	

<ul style="list-style-type: none"> • Advance Kodal project through the planning process 	£10,000
<ul style="list-style-type: none"> • Review of geophysical options at Grimeli 	£15,000
General working capital and corporate overheads (12 months)	£275,000
TOTAL	£680,000

This table is a statement of the proposed application of the funds raised as at the date of this Explanatory Memorandum. As with any budget, intervening events and new circumstances have the potential to affect Kodal's decisions. Kodal reserves the right to, in the event exploration results are not satisfactory, to vary the way funds are applied.

The expenses attributable to the acquisition of IGS and the Kodal Placing are expected to be approximately £135,000.

4.6 Kodal's Directors

The board of directors of Kodal (**Kodal Board**) is currently led by CEO, Luke Bryan, a mining engineer with over 20 years of experience working in a number of territories including Africa, Australia, the Former Soviet Union and Europe. He holds degrees in Mining Engineering and Economics from Auckland University. Most recently he was chief executive officer of North River Resources, an AIM quoted mineral exploration company and prior to that he worked as an independent consultant. Luke is based in London and is a Fellow of the Geological Society.

Kodal Minerals currently has three Non-Executive Directors, with experience across industries such as mining, construction, power generation, and equity capital markets. The other directors of Kodal Minerals are:

David Harold Jones CBE - Non-Executive Chairman

David was the group chief executive of National Grid plc, which was the owner and operator of the electricity power transmission system of England and Wales from 1994 to 2001 and was involved in matters of national energy policy and he also advanced National Grid plc's acquisitions in North America and internationally. David was chairman of UK Coal plc from 2003 to 2010 and held board positions at Teesside Power Ltd, United Utilities Group plc and Bull Information Systems Ltd. David was formerly Chief Executive of South Wales Electricity, having previously held senior engineering, commercial and management posts on the South Western and Midlands Electricity Boards.

Markus Ekberg - Non-Executive Director

Markus Ekberg has more than 30 years' experience in the management and construction of mines and mining projects, particularly with projects involving base

metals, gold and chromium. His experience covers participation in various projects in Finland, Norway, Ireland and Australia. Since, 2009 he has been the CEO of Endomines AB, a company listed on NASDAQ OMX in Helsinki and Stockholm, which owns a producing gold mine in Finland.

Robert Wooldridge - Non-Executive Director

Robert is currently a partner at SP Angel Corporate Finance LLP (“SP Angel”). After graduating with a degree in Natural Sciences from Cambridge University, he spent eight years at PricewaterhouseCoopers International Limited, qualifying as a chartered accountant in 1989. He left in 1994 to join the international equity capital markets division of HSBC Investment Bank where he spent a further eight years and was responsible for completing a number of landmark equity transactions across Europe, India and the Middle East & Africa. In 2003 he joined an investment banking boutique, to head up its corporate finance and securities operation and was then one of the founding partners of SP Angel in 2006. SP Angel is an independent corporate finance and broking operation which focuses on advising small and mid-cap companies in the mining, oil and gas and technology sectors.

On Completion of the Transaction, Bernard Aylward will be appointed to the Kodal Board as its CEO, Luke Bryan will become Technical Director and Markus Ekberg will step down from the board. See section 4.8 for details of Mr Aylward’s service contract.

Kodal and Taruga currently have no common directors. However, at Completion Mr Aylward, who is remaining as a Director of Taruga, will be a member of both the Taruga Board and the Kodal Board.

4.7 Kodal Directors’ Interests and Remuneration

Set out below is a table which indicates the securities in which the Kodal Directors each have an interest in and the number of Kodal Shares they are likely to have an interest in if the Resolutions are passed and implemented, and Completion occurs.

Luke Bryan	Robert Wooldridge	Markus Ekberg	David Jones
48,500,000 ^{1,2}	50,417,949 ³	250,000,000 ⁴	7,808,000

1. Held by Novoco Mine Engineering Limited (Novoco), a company wholly owned by Luke Bryan.
2. Under an option agreement between Kodal Minerals and Novoco, Kodal Minerals has granted to Novoco options over 25,000,000 Kodal Shares (**Option Shares**) at an exercise price of 0.7 pence per Kodal Share. The options become exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of 30 December 2013. The options are exercisable for a period of ten years from the date on which they vest and become exercisable.
3. Robert Wooldridge is a partner of SP Angel Corporate Finance LLP which owns 34,950,857 Kodal Shares.
4. These Kodal Shares are held by Tetra Minerals Oy, a company in which Markus Ekberg is a director and 50% shareholder.

Remuneration paid to Directors of Kodal in the two years prior to the date of this Notice ¹

	2015/16	2014/15
Luke Bryan	£50,000 ²	£50,000 ²
Robert Wooldridge	£20,000	£20,000
Markus Ekberg	£20,000	£20,000
David Jones	£30,000	£30,000

Notes:

- 1 This includes the value of options issued as remuneration and does not include any reimbursements that the Kodal Directors may receive for work related expenses.
- 2 Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan, provided consultancy services to Kodal Minerals during the year and received fees of £85,750 in the year ended 31 March 2016 (£168,500 in the year ended 31 March 2015).

4.8 Summary of Kodal Director service contracts

Luke Bryan

The service agreement between Kodal and Luke Bryan appointed him as an executive director of Kodal to hold office as Chief Executive on a salary of £50,000 per annum. His appointment is subject to six months' notice of termination by either party. In addition, Kodal is obliged to make payments to Luke Bryan on termination of his service agreement (which are inclusive of compensation for termination of his employment): if Luke Bryan ceases to be employed as a result of wrongful dismissal, illness or retirement, he is to be paid the sum of £150,000; if he ceases to be employed for other reasons, other than his resignation, voluntary termination or dismissal for cause, he will be paid the sum of £75,000; and Luke Bryan will have no entitlement to compensation if he leaves employment by resigning or giving notice voluntary or if he is dismissed for good cause and does not have a valid claim for wrongful dismissal.

On Completion of the Transaction, Mr Bryan's job title will become Technical Director of Kodal and the terms of his appointment will be amended such that he receives a salary of £20,000 per annum subject to three months' notice of termination by either party and will receive no compensation for loss of office.

Markus Ekberg

The letter of appointment for Markus Ekberg is for the position of non-executive Director with effect from 19 March 2014 with an annual fee of £20,000. He was originally appointed under the terms of the agreement between Kodal, Allenby Capital Limited and Tetra Minerals OY (Tetra Minerals), which gave Tetra Minerals

the right to appoint a representative to the Board whilst Tetra Minerals together with any associate retained an interest of 30% or more of the voting rights in Kodal Minerals.

Mr Ekberg will resign with immediate effect on Completion of the Transaction and will receive no compensation for loss of office.

Robert Wooldridge

The letter of appointment with Robert Wooldridge is for the position of non-executive Director of Kodal. The terms of this letter provide for an annual fee of £20,000 and is subject to 3 months' notice of termination by either party. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Robert Wooldridge is in material breach of the terms of the appointment.

David Jones

The letter of appointment for David Jones is for the position of non-executive Chairman of Kodal Minerals. The terms of this letter provide for a monthly fee of £2,500. The appointment is subject to 3 months' notice of termination by either party. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Jones is in material breach of the terms of the appointment.

Bernard Aylward - proposed Kodal Director

With effect from Completion of the Transaction, Mr Aylward will be appointed a director and chief executive officer of Kodal Minerals. The term of appointment will continue until the earlier of: (i) the termination of the consultancy agreement between Kodal and Matlock Geological Services Pty Ltd (as described below); and (ii) termination by either Kodal or Mr Aylward on three months' prior written notice. Mr Aylward is required to devote at least five working days in each calendar month to his services as a director. A salary of £20,000 per annum is to be paid by Kodal to Mr Aylward. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Aylward is in material breach of the terms of the appointment. No compensation will be payable for loss of office.

Under an agreement to be entered into on completion of the Transaction between the Company and Matlock Geological Services Pty Ltd (MGS), a company wholly owned by Bernard Aylward, MGS agrees to provide consulting and other services to the Company (**Consultancy Agreement**). The services are to be provided by Bernard Aylward or, with the agreement of the Company, a person of equivalent skills and experience, for no less than 15 days in any one month period. The fees payable by the Company to MGS are at a rate of A\$9,167 per calendar month to be adjusted potentially for the cost of insurance policies. The Consultancy Agreement is subject to termination by three months' notice given by either the Company or by MGS at any time.

4.9 Material Contracts to which Kodal Minerals is a party

Novoco consultancy agreement

Under an Agreement dated 20 December 2013, between Kodal Minerals and Novoco, a company wholly owned by Luke Bryan, Novoco agreed to provide consulting and other services to Kodal Minerals. These services consist of the provision of Luke Bryan or a person of equivalent skills and experience as a project manager. The fees payable by Kodal Minerals to Novoco are at a rate of £1,000 for each such working day. The Consultancy Agreement is subject to termination by one month's notice given by either party at any time.

Tetra Royalty Agreement

An agreement between Kodal Minerals, Tetra Minerals and Kodal Phosphate dated 30 December 2013 under which Kodal Phosphate is to pay to Tetra Minerals a royalty of 1.5% of the gross revenues generated by the realisation of minerals derived from the Kodal Project.

Tetra Option Agreement

An agreement between Kodal Minerals and Tetra Minerals dated 30 December 2013 pursuant to which Kodal Minerals has granted to Tetra Minerals an option to subscribe for Kodal Shares. The maximum number of Kodal Shares that are subject to the option is 714,285,714, corresponding to the number of ordinary shares that would be issued for a total amount of £5 million at the IPO Price of 0.7 pence per share. The option vests and becomes exercisable only once the JORC indicated resource for phosphate minerals at the Kodal Project meet certain thresholds.

Nominated Adviser Agreement

On 20 December 2013, Kodal Minerals, the Directors and Allenby Capital Limited ("Allenby Capital") entered into a nominated adviser agreement pursuant to which, conditional on admission to AIM, Kodal Minerals appointed Allenby Capital to act as nominated adviser to Kodal Minerals on an ongoing basis as required by the AIM Rules from 30 December 2013. Kodal Minerals has agreed to pay Allenby Capital a fee of £25,000 per annum (plus VAT) for retaining its services as nominated adviser.

Broker Agreement

On 27 November 2013, Kodal Minerals and SP Angel entered into a broker agreement pursuant to which Kodal Minerals appointed SP Angel to act as broker to Kodal Minerals on an ongoing basis as required by the AIM Rules. Kodal Minerals agreed to pay SP Angel, a fee of £25,000 per annum (plus VAT) for retaining its services as broker.

Placing Agreement

On 7 April 2016, Kodal entered into a placing agreement with SP Angel (**Kodal Placing Agreement**) pursuant to which SP Angel has agreed to act as agent of Kodal to use its reasonable endeavours to procure subscribers for 762,500 Kodal Shares at 0.04p per share. In consideration for its services, SP Angel will receive a commission of 5%

of the funds raised by Kodal through the issue of the Kodal Placing Shares, together with a corporate finance fee. Pursuant to the Kodal Placing Agreement, Kodal has given certain warranties and indemnities in favour of SP Angel. The Kodal Placing is conditional on the satisfaction or waiver of certain conditions, including the Disposal becoming unconditional and admission of the Kodal Placing Shares to trading on AIM. Such conditions must be satisfied or waived on or before 16 May 2016, or such later date as the parties agree, being not later than 30 June 2016. SP Angel has rights to terminate the Kodal Placing Agreement in certain circumstances, including a material breach of the warranties given by Kodal.

Subscription Agreements

Kodal has entered into various subscription agreements with investors in connection with the subscription for new Kodal Shares to raise a total of £375,000 (before expenses) through the issue of 937,500 new Kodal Shares at a price of 0.4p per share. The subscription agreements are conditional on the satisfaction or waiver of certain conditions on or before 16 May 2016 (or such later date as the parties may agree, being not later than 30 June 2016). Such conditions include the Kodal Placing Agreement becoming unconditional and completion of the Disposal. Kodal has provided certain warranties in favour of investors pursuant to the subscription agreements.

4.10 Kodal Shares

Kodal's capital structure following the Transaction and Kodal Placing will be as follows:

Existing Kodal Shares on issue	1,049,854,849
Kodal Shares to be issued under the Kodal Placing	1,700,000,000
Consideration Shares to be issued	1,025,000,000
Total	3,774,854,849

Kodal Shares are admitted to trading on AIM. Annexure 6 contains a summary of the more significant rights that are attached to the Kodal Shares and a summary of certain aspects of United Kingdom law which are relevant to holding Kodal Shares. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities attaching to Kodal Shares. Full details of the rights attaching to Kodal Shares are in Kodal's articles of association, a copy of which is available from Kodal's website, <http://www.kodalminerals.com/>.

Kodal Shares are highly speculative. Section 5 sets out the more material risks associated with the Transaction and an investment in Kodal Shares. Kodal has advised Taruga that it has no current intention to seek admission of the Kodal Shares to trading on ASX.

The highest and lowest recorded sale prices of Kodal Shares as traded on AIM during the 12 months immediately preceding the date of the Notice and the respective dates of those sales were:

	High	Low	Last
Price (£)	0.0024	0.0004	0.00072
Date	30 April 2015	4 September 2015	6 April 2016

4.11 Pro-forma statement of financial position for Kodal

A copy of Kodal's unaudited financial results for the 6 months ended 30 September 2015 can be obtained from www.kodalminerals.com. Cash balances at 30 September 2015 was £283,000 with total liabilities of £34,000.

Upon completion of the Transaction, Kodal will:

- (a) issue 1,025,000,000 Kodal Shares to Taruga (being the Consideration Shares);
- (b) issue 1,700,000,000 Kodal Shares to raise £680,000 before costs under the Kodal Placing.

The estimated total costs to Kodal of the Transaction are expected to be approximately £135,000. Refer to Annexure 5 for a pro-forma statement of financial position for Kodal following the completion of the Transaction and Kodal Placing. The Distribution will not have any effect on Kodal's financial position.

4.12 Risk factors

Taruga Shareholders should be aware that if Resolutions 1 and 2 are approved and the Disposal is completed and the Distribution effected, those Taruga Shareholders that hold Kodal Shares, will be directly exposed to various risk factors, including but not limited to those detailed in section 5.

Taruga Shareholders should carefully consider all of the information in this Explanatory Memorandum including the risks detailed in section 5. The Kodal Directors have identified those risks as material risks, but additional risks and uncertainties not presently known to the Kodal Directors, or that the Kodal Directors consider immaterial, may also adversely affect Kodal. If any or a combination of the risks in section 5 materialise, Kodal's business, financial condition and/or performance could be materially adversely affected. In any such case the market price of the Kodal Shares could decline.

Taruga Shareholders should consider that a holding of Kodal Shares is speculative and should consult their professional advisers before deciding whether to approve Resolutions 1 and 2.

4.13 Further information

Further information on Kodal and its assets is set out in its interim statement for the 6 months ended 30 September 2015 announced on 15 December 2015, and its annual report for the year ended 31 March 2015 announced to AIM on 4 September 2015 or www.kodalminerals.com.

5 RISKS

5.1 Risks relating to Taruga Shareholders holding Kodal Shares

The Distribution creates certain risks with respect to both Kodal Minerals and Taruga. The following are certain risks with respect to Taruga Shareholders holding Kodal Shares following the Distribution:

(a) Early stage projects

The Kodal Project and the Grimeli Project are at an early stage. In advancing Kodal's projects to the stage where they may be cash generative, many risks are faced, including the capital costs of development and the risks associated with mine construction. It is impossible to ensure that feasibility studies or exploration programmes on either of Kodal's projects will result in a profitable commercial mining operation. Kodal Minerals' operations are subject to all of the hazards and risks normally associated with the exploration, development and production of minerals, any of which could result in damage to life, property or the environment and possible legal liability for such damage caused. Kodal Minerals' activities may be subject to prolonged disruptions due to weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, over pressured aquifers, cavities, flooding or other conditions may be encountered during the drilling and removal of material. While discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines.

Major expenditure may be required to establish reserves by drilling and to construct mining and processing facilities, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit (such as its size and quality), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of minerals and environmental protection). The effect of these factors can only be estimated and cannot be accurately predicted.

(b) Co-mingled deposit

The Kodal Project consists of both landowner's minerals (phosphate) and the state's minerals (illmenite and magnetite). The Directorate of Mining in Norway has stated that the Kodal Project is mineralogically co-mingled, so that the state's and the landowner's minerals may not be extracted independently of each other. According to the Directorate of Mining, this means that Kodal Minerals and its successors as holders of the relevant permits are entitled to extract the landowner's minerals together with the extraction of the state's minerals without having to pay compensation for the landowner's minerals beyond the yearly fee of 0.5% of the sale value of the minerals that are extracted. It is however important to note that the Directorate of Mining's evaluation of the Kodal Project as a co-mingled deposit may be appealed by the landowner(s). If the landowner(s) was to appeal the decision by the Directorate of Mining this could lead to a delay in exploration or production. As a result of such delays, Kodal Minerals may incur additional costs and/or losses of revenue.

(c) Rights of access to land and permitting

In order to commence mining activities, including extraction of minerals and the associated processing operations, agreements with the landowners of Kodal's projects have to be reached. Kodal Minerals has not entered into any agreements on extraction of minerals, or on rights of access nor other required rights for any mining operations in the relevant areas, with the landowners in the areas the subject of Kodal's projects. If further investigations are to be made, and this presupposes the use of motorised vehicles, Kodal Minerals will require approval from the landowners and a permit under the relevant law in Norway from the relevant municipality. The process of obtaining such rights of access and permits could lead to a delay in exploration or production. As a result of such delays, Kodal Minerals may incur additional costs and/or losses of revenue.

(d) Reserve and resource estimates

Any existing and future Mineral Resource and Reserve figures will be estimates and there can be no assurances that the Mineral Resources or Reserves are present, will be recovered or can be brought into profitable production. Mineral Resource and Reserve estimates may require revisions based on actual production experience. Furthermore, a decline in the market price for minerals could render remaining Mineral Reserves uneconomic to recover and may ultimately result in a restatement of both Mineral Resources and Reserves.

Estimates of Mineral Resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Material changes in Mineral Reserves or recovery rates may affect the economic viability of

projects and the Kodal Project could become commercially unviable as a result of any material reduction in estimates of Reserves and Resources.

Mineral Resources are reported as general indicators and should not be interpreted as assurances of minerals or the profitability of current or future operations.

(e) Political and country risks

Norway is a politically and economically stable country, but although unlikely, it cannot be guaranteed that this stability will exist during the entire life of Kodal Minerals' operations in Norway. In addition, the Norwegian Government may decide in the future to increase taxation on businesses in general or extractive industries in particular to a level where Kodal Minerals' operations in Norway no longer remain economic.

(f) Changes in the laws of Norway

Any changes in the laws of Norway could materially affect the rights and title to the interests held there by Kodal Minerals. No assurance can be given that the government of Norway will not revoke or significantly alter the conditions of the applicable exploration and mining authorisations nor that such exploration and mining authorisations will not be challenged or impugned by third parties. In addition, such approvals, exploration licences and extraction licences are subject to change in various circumstances and further project specific governmental decrees and/or legislative enactments may be required.

(g) Investment in AIM securities

The Kodal Shares are traded on AIM. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Main Market of the London Stock Exchange or ASX. Investments in shares quoted on AIM are highly speculative and carry a higher degree of risk than investments in shares quoted on the Main Market of the London Stock Exchange or ASX.

(h) Liquidity

Liquidity risk is the risk of running out of working and investment capital. Kodal Minerals' goal is to finance its exploration activities with cashflow from operations, but in the absence of such cashflow, Kodal Minerals relies on the issue of equity share capital, joint venture and option agreements to finance its activities. The independent auditors' report on Kodal Minerals' financial statements for the year ended 31 March 2015 included an emphasis of matter with regard to going concern. This emphasis of matter is repeated below:

"In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Principal Accounting Policies on page 26 to the financial statements concerning the company's and the group's ability to continue as a going concern. The group

incurred a net loss of £3,959,576 during the year ended 31 March 2015 and is dependent on further fund raising to complete its Exploration and Evaluation Projects. These conditions, along with the other matters explained in the Principal Accounting Policies to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's and the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company and the group were unable to continue as a going concern."

(i) Future funding requirements

In conjunction with and conditional on the Disposal, Kodal Minerals has agreed a fundraising by way of a subscription and placing of 1,700,000,000 Kodal Shares to raise £680,000 before expenses.

If in the future Kodal Minerals requires additional funding, there is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, Kodal Shareholders. If Kodal Minerals is unable to obtain additional financing as and when needed, it could result in a delay or indefinite postponement of exploration and development activities or ultimately mean that it is unable to continue with Kodal's projects.

(j) Financial markets and global economic outlook

The value of Kodal Shares is influenced by global economic conditions and, in particular the conditions prevailing in the United Kingdom and Norway.

(k) Dividends

There can be no assurance as to whether any future dividends may be paid. The declaration, payment and amount of any future dividends of Kodal Minerals are subject to the discretion of the Kodal Shareholders or, in the case of interim dividends, to the discretion of the Kodal Board, and will depend upon, among other things, Kodal's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time. For the time being Kodal Minerals does not pay dividends and this is unlikely to change in the near future.

(l) Enforcement of judgements in the United Kingdom

As a company incorporated in the United Kingdom, the rights of shareholders will be governed by English law.

A comparison of Australian and English law is set out in section 6.4 of Annexure 6.

(m) Reliance on Key Personnel

The loss of any one or more of the directors could have adverse impact on the performance and prospects of Kodal Minerals.

(n) Development and Operating Risks

Development of any mineral deposit will require obtaining the necessary licences or clearances from the necessary authorities which may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied.

The operations of Kodal Minerals may be affected by various factors, including without limitation, failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortage or increases in the costs of consumables, spare parts, plant and equipment.

(o) Commodity Price Volatility

Should Kodal Minerals commence production most of Kodal's revenues would potentially be derived from the sale of minerals. Consequently, Kodal's expected earnings will be closely related to the price of minerals sold by Kodal Minerals. Mineral prices fluctuate and are affected by numerous factors beyond the control of Kodal Minerals. These factors include world demand, forward selling producers, and production costs levels in major mineral-producing regions.

Following an impairment review triggered by the dramatic fall in the iron ore price, the carrying value of the Kodal Project was written off in full resulting in an impairment charge of £3,412,000 in Kodal Minerals' financial statements for the 12 months to 31 March 2015.

(p) Exchange Rate Risks

A significant portion of Kodal Minerals' expenses incurred in connection with Kodal's projects will be in Norwegian Krone. In addition, as an international organisation, Kodal Minerals' business transactions may not be denominated in the same currencies. To the extent that business transactions are not denominated in the same currency, Kodal Minerals is exposed to foreign currency exchange rate risks. In addition, holders of Kodal Shares are subject to foreign currency exchange rate risk to the extent that Kodal Minerals' business transactions are denominated in currencies other than pounds sterling. Fluctuations in foreign currency exchange rates may adversely affect Kodal Minerals' profitability. As a result, fluctuations in currency exchange rates could have a material adverse effect on the financial condition, results of operation or cash flow of Kodal Minerals. Kodal Minerals

does not currently intend to enter into any hedging arrangements with respect to foreign currencies.

(q) Environmental Risks

The operations and proposed activities of Kodal Minerals are subject to the laws and regulations concerning the environment in Norway. As with most exploration projects and production projects and mining operations, Kodal Minerals' activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is Kodal Minerals' intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in Kodal Minerals' activities which could subject Kodal Minerals to extensive liability.

(r) Competition

Kodal Minerals will be competing with other companies in the resource sector, many of which may well have access to greater resources than Kodal Minerals and may be in a better position to compete for future business opportunities. There can be no assurance that Kodal Minerals can compete effectively with these companies.

5.2 Risks relating to the Distribution

- (a) Kodal Shares are quoted on AIM in pence. Eligible Shareholders holding Kodal Shares are exposed to currency risk in the event the UK Pound devalues in comparison to the Australian dollar.
- (b) Eligible Shareholders holding Kodal Shares will need to establish accounts with UK brokers to trade their Kodal Shares. See section 6.5 of Annexure 6 for details on how to trade Kodal Shares.
- (c) Kodal Shareholders residing outside England may not be able to participate in capital raisings by Kodal Minerals, and therefore have their holdings diluted.

5.3 Risks relating to Taruga

Following are certain risks with respect to Taruga and Eligible Shareholders holding Taruga Shares following the Distribution:

(a) Ability to continue as a going concern and dilution

The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet working capital. Should the Company be unsuccessful in undertaking additional raisings or being reinstated, there is a risk that the Company may not be able to continue as a going concern.

Furthermore, raising additional capital may be dilutive to existing Shareholders.

As at the date of this Notice, the Directors believe that the Company has sufficient funds so that it can continue with exploration on its remaining assets.

(b) Future Capital Needs and Funding

Further funding may be required by Taruga to support its future activities and operations. Taruga's ability to raise further capital (equity or debt) within an acceptable time, of sufficient quantum and on terms acceptable to Taruga will vary according to a number of factors, including:

- (i) prospectively of new projects;
- (ii) the results of exploration and subsequent feasibility studies;
- (iii) sharemarket and industry conditions; and
- (iv) the price of the relevant commodities.

There can be no assurance that such funding will be available on satisfactory terms or at all.

Any inability to obtain finance will adversely affect the business and financial condition of Taruga and, consequently, its performance. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities.

(c) Continued admission to ASX

Chapter 12 of the Listing Rules requires that, amongst other things, an entity has at all times sufficient activities to warrant the continued quotation of the entity's securities and its continued listing.

By disposing of IGS, its main undertaking, there is a risk that, depending upon exploration results for its remaining assets and other activities undertaken by the Company, ASX may determine that the Company's activities are not sufficient to warrant continued listing. If this is to occur, the Company would have 6 months to acquire assets sufficient to warrant continued listing, failing which the Company's Shares would be suspended from trading. Furthermore, any acquisition may require the Company to re-comply with the admission requirements to ASX. There is a risk that this may not be satisfied.

Shareholders should note that certain risks referred to above may be mitigated through the use of safeguards and appropriate controls, whereas others are outside the control of Taruga and Kodal and may not be mitigated. Shareholders should have regard to their own investment objectives and financial circumstances before deciding on how to vote on the Distribution, and if appropriate seek their own independent advice.

6 OTHER INFORMATION

6.1 Terms of the Sale Agreement

The material terms of the Sale Agreement are as follows:

- (a) Kodal Minerals will acquire all of the Company's shareholding in its wholly-owned subsidiary, IGS, which holds the Company's mineral exploration assets in Cote d'Ivoire and Mali for £410,000 (A\$770,538 calculated at the Exchange Rate) through the issue of the Consideration Shares to the Company.
- (b) All Consideration Shares to be received by the Company will be distributed in-specie to Shareholders by way of a capital return as soon as practicable after Completion (subject to the rules for Eligible Shareholders not resident in Australia as set out in section 6.11 and the timetable set out in the Listing Rules).
- (c) At Completion, one current non-executive director of Kodal will resign from the Kodal Board, while the Managing Director of Taruga, Bernard Aylward, will be appointed to the Kodal Board as CEO.
- (d) The Sale Agreement is subject to the following material conditions:
 - (i) Kodal Shareholders passing ordinary and special resolutions authorising the Kodal Board to allot and issue Kodal Shares sufficient to permit the allotment and issue of the Consideration Shares and the Kodal Placing Shares);
 - (ii) Placing agreements entered into by Kodal to raise up to approximately £680,000 become unconditional;
 - (iii) Taruga Shareholders passing ordinary resolutions approving the:
 - (A) Disposal; and
 - (B) Distribution; and
 - (iv) admission of the Consideration Shares and the Kodal Placing Shares to trading on AIM (subject only to allotment) and such admission becoming effective in accordance with the AIM Rules and placing agreement entered into by Kodal Minerals in connection with the Kodal Placing not being terminated in accordance with its terms.

The conditions must be satisfied (or waived) on or before 30 June 2016, or such later date as agreed between the parties. The parties will use all reasonable endeavours to procure the satisfaction of the conditions.

6.2 The effect of the Distribution on Taruga

- (a) Pro forma balance sheet

Attached as Annexure 4 to this Explanatory Memorandum is the consolidated financial position of Taruga (reviewed) and the consolidated pro forma

statement of financial position, as at 31 December 2015 and on the basis of the following assumptions:

- (i) Completion of the Sale Agreement has occurred.
- (ii) The Distribution was effected.
- (iii) Taruga's costs of the Transaction are \$55,000.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the reviewed half yearly financial report for period ended 31 December 2015.

(b) Impact on Taruga Shareholders

Assuming no further Shares are issued prior to the Record Date, Eligible Shareholders who receive Distribution Shares will each receive approximately 40.8 Kodal Shares for each Taruga Share held on the Record Date, with a deemed reduction in value of approximately \$0.030539 for each Taruga Share on issue (**Reduction Amount**). The precise Reduction Amount will depend upon the number of Shares on issue on the Record Date, and the Board will announce the amount of the proposed Reduction Amount by ASX announcement as soon as possible after the Record Date.

Fractional entitlements will be rounded down to the nearest whole number.

Eligible Shareholders are not required to pay any consideration for any Distribution Shares received. See section 6.11 for details on the treatment of foreign Shareholders who may not be eligible to receive Distribution Shares under the Distribution.

If the Distribution is implemented, each Eligible Shareholder will either receive the Distribution Shares they are entitled to receive or the proceeds derived from the sale of their Taruga Shares (depending on their country of residence), even if they vote against one or both of Resolution 1 or 2, or do not vote at all.

There will be no change to Shareholders' holding in Taruga as a result of the Distribution. However the price at which Taruga Shares trade on ASX is more than likely to fall on the basis that the net asset value per Taruga Share will be reduced by the value of the Distribution Shares.

See section 6.8 for details of the tax implications for Shareholders as a result of the Distribution.

6.3 The effect of the Distribution on control of Taruga and Kodal Minerals

As at the date of this Explanatory Memorandum, Taruga has 25,070,347 Shares on issue, with Kodal Minerals having no voting power in the Company. Following the Distribution, Kodal Minerals will have no voting power in the Company.

As at the date of this Explanatory Memorandum, Kodal has 1,049,854,849 ordinary shares of 0.03125 pence each on issue, with the Company having no voting power in Kodal Minerals. Immediately following the Distribution, the Company's interest in Kodal Minerals will be nil and Taruga Shareholders will hold 27.15% of Kodal's issued shares (subject to the number of Eligible Shareholders not resident in Australia on the register on the relevant date).

6.4 Will Eligible Shareholders who receive Distribution Shares be able to trade Kodal Shares?

If the Distribution is implemented, a holder of Kodal Shares will be able to sell their Kodal Shares on AIM if that shareholder opens an account with a stockbroker that is a member firm of the London Stock Exchange. A list of such stockbrokers can be found at www.londonstockexchange.com.

Please refer to sections 6.5 and 6.6 of Annexure 6 for more information on trading Kodal Shares.

6.5 The effect of the proposed equal reduction of capital on Option holders

In accordance with Listing Rule 7.22.3, the number of Options on issue following the Transaction will remain the same, but the exercise price of each Option will be reduced by the same amount as the amount returned in relation to each Share. In order to receive Distribution Shares pursuant to the Transaction, Optionholders must exercise their Options and be registered on the Company's share register on the Record Date.

6.6 Future of Taruga following completion of the Transaction

Following Completion, the Company will retain its 100% interest in 5 granted concessions (which includes the Kossa project, Niger) and 2 concession applications, in West Africa. Subsequently, the Company intends to raise additional capital by undertaking a Placement and Rights Issue. Funds raised will be used to fund continued exploration and holding costs of its remaining West African tenements, for general working capital purposes, and to seek new mineral opportunities in West Africa or elsewhere.

Taruga believes that its mineral concessions not subject to the proposed Transaction have great prospectivity, and bringing this potential to bear will be the main focus of the Company.

Mr Aylward will cease acting as the Company's managing director, although he will remain a Director. Messrs Frank Terranova and Miles Campion intend to resign as Directors following the

6.7 Future of the Company if the Transaction is not approved

If Completion does not occur, the Company will retain its 100% interest in IGS. The Company would seek to raise the necessary capital to continue exploration across its various concessions, by way of a Placement or Rights Issue.

6.8 Tax Consequences of Capital Reduction for the Company and its Shareholders

The Distribution has potential taxation issues for the Company and its Shareholders, as explained below.

The following summary only applies to Australian resident Shareholders who hold their Shares on capital account for tax purposes, and not on revenue account.

The application of tax legislation can vary according to the individual circumstances of each Shareholder. This summary is not intended, and should not be relied upon, as specific taxation advice to any particular Shareholder. The comments in this summary are of a general nature only, may not apply to your specific circumstances and cannot be relied upon for accuracy or completeness. Each Shareholder should seek and rely on their own professional taxation advice, specific to their particular circumstances, in relation to the taxation consequences of the proposed Transaction. Neither the Company, nor any of its officers or advisers, accepts liability or responsibility with respect to such consequences or the reliance by any Shareholder on any part of the following summary.

The return of capital arising from the distribution process results in a capital gains tax (CGT) event under the *Income Tax Assessment Act 1997* (the 1997 Tax Act).

Shareholders should be eligible for rollover relief in respect of the return of capital component under the distribution rules in the 1997 Tax Act (**demerger rollover relief**). Broadly, demerger rollover relief will allow Shareholders to elect to disregard any capital gain arising from the return of capital.

More specifically the following tax implications arise for Shareholders who, being eligible for demerger rollover relief, choose to apply it:

- (a) Any capital gain arising from the return of capital will be disregarded.
- (b) The original cost base of Shares held before the Distribution will be apportioned between Taruga Shares and Kodal Shares held after the Distribution according to their relative market values. Taruga intends to advise Shareholders of the relative market values after the Distribution is complete.
- (c) The Kodal Shares received under the Distribution will be taken to have been acquired when the Shareholder's Taruga Shares were acquired.

The following tax implications arise for Shareholders who, being eligible for demerger rollover relief, choose not to apply it:

- (a) Taruga Shareholders will realise a capital gain to the extent that the return of capital exceeds the cost base of their Taruga Shares. In these circumstances, the cost base of each Taruga Share is reduced to nil and the balance of the return of capital will be a capital gain for Taruga Shareholders.
- (b) Where the return of capital does not exceed the cost base of the Taruga Shares, the cost base of the Taruga Shares is reduced by the amount of the

return of capital. Taruga Shareholders cannot realise a loss as a result of the return of capital.

- (c) The original cost base of Taruga Shares held before the Distribution will be apportioned between Taruga and Kodal Shares held after the Distribution according to their relative market values. Taruga intends to advise Shareholders of the apportionment percentage after the Distribution is complete. The effect of this apportionment is that the cost base of a Shareholder's shares in Taruga will be reduced (with the reduction forming the cost base of the Kodal shares received) meaning that a larger capital gain may be made under paragraph (a) above than would be the case in the absence of the cost base apportionment.
- (d) For CGT discount purposes (see below), the Kodal Shares received will be taken to have been acquired when the Shareholder's Taruga Shares were acquired. For general CGT purposes, the Kodal Shares received will be considered acquired on the date they are received by Shareholders.

The return of capital does not result in a disposal of the Taruga Shares. On a future disposal of the Taruga Shares and Kodal Shares, certain Shareholders (such as individuals and complying superannuation funds) may be entitled to a CGT discount if they have held their Shares for at least 12 months. For these purposes, Shareholders can treat their Kodal Shares as having been acquired on the date that they acquired the corresponding original Taruga Shares.

Rollover relief will only be available to non-resident Shareholders as a result of the Distribution in limited circumstances. Capital gains arising as a result of the demerger distribution may, however, also be disregarded to the extent that the shares in Taruga are not 'taxable Australian property' of the non-resident Shareholder. In each regard, non-resident Shareholders should seek advice from their professional tax advisers and also confirm the tax implications in their country of residence.

Any capital gain Taruga would otherwise make on the disposal of shares in Kodal arising from the Distribution may be disregarded if demerger rollover relief applies. If not, then Taruga would be required to include in its assessable income such a gain.

Accompanying this Notice of Meeting is a request to Shareholders to complete the enclosed Tax File Number Request in order to allow Taruga to transfer to you 100% of the Distribution Shares to which you are entitled. Failure to return the Tax File Number to Taruga could mean that Taruga may need to retain part of the Distribution for taxation purposes.

6.9 Share price information of Taruga

The highest and lowest recorded sale prices of Taruga Shares as traded on ASX during the 12 months immediately preceding the date of the Notice and the respective dates of those sales were:

	High	Low	Last
Price (A\$)	0.175	0.06	0.075
Date	8/4/2015	4/1/2016	6/4/2016

Note: TAR consolidated its Shares on 9/6/2015 on a 25:1 basis.

6.10 Directors' Interests and Remuneration

Set out below is a table which indicates the securities in which the Directors each have an interest in prior to the proposed capital reduction and the number of Kodal Shares they are likely to have an interest in if the Resolutions are passed and implemented, and Completion occurs.

Director	Frank Terranova	Bernard Aylward	Myles Champion	Daniel Smith
Taruga Shares	286,400	2,323,986	88,889	97,778
Distribution Shares Director will receive under the Distribution	11,991,568	97,305,293	3,721,782	4,093,964

Remuneration paid to Directors of Taruga in the two years prior to the date of this Notice ¹

	2015/16	2014/15
Frank Terranova	24,000	56,100
Bernard Aylward	76,500	75,159
Myles Champion	15,000	33,100
Daniel Smith	15,000	33,100

Notes:

- This includes the value of options issued as remuneration and does not include any reimbursements that the Directors may receive for work related expenses.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an

officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company. The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive Directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

6.11 Eligible Shareholders not resident in Australia

The Distribution will be made to those Shareholders on the Company's share register on the Record Date (**Eligible Shareholders**). The Distribution will be subject to the legal and regulatory requirements in each Eligible Shareholder's relevant jurisdiction. If the requirements in any jurisdiction (other than Australia) where an Eligible Shareholder is resident are held to:

- (a) restrict or prohibit the distribution of Kodal Shares as proposed;
- (b) impose on Taruga an obligation to prepare a prospectus or other similar disclosure document; or
- (c) otherwise impose on Taruga an undue burden,

the Kodal Shares to which the relevant Eligible Shareholder is entitled will not be issued to that Eligible Shareholder and will instead be sold by Taruga on that Eligible Shareholder's behalf as soon as practicable after the Record Date.

If Taruga elects to sell the Kodal Shares on an Eligible Shareholder's behalf, it will then account to that Eligible Shareholder for the net proceeds of sale (after deducting the costs and expenses of the sale). As security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Eligible Shareholder may be more or less than the notional value of the reduction of capital.

It will be the responsibility of each Eligible Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

In summary:

- (a) Kodal Shares that will not be issued to an Eligible Shareholder as a result of (a) to (c) above will be held by a nominee for the purpose of selling those Kodal Shares (**Kodal Sale Facility Shares**);
- (b) the Kodal Sale Facility Shares will be sold as soon as practicable following the Record Date;

- (c) the net proceeds from the sale of the Kodal Sale Facility Shares will then be distributed to the relevant Eligible Shareholders as soon as practicable after the relevant sale; and
- (d) no brokerage will be charged by the nominee to Eligible Shareholders for the sale of the Kodal Sale Facility Shares.

Eligible Shareholders should note that there is no guarantee that Taruga will be able to sell any Kodal Shares on an Eligible Shareholder's behalf or that the net proceeds of any sale will equal or exceed the notional value of the reduction in capital represented by those Kodal Shares.

6.12 Other Material Information

There is no information material to a decision by a Shareholder whether or not to approve the Distribution (being information that is known to any of the Directors and which has not previously been disclosed to Shareholders) other than as disclosed in this Explanatory Memorandum and the Prospectus which accompanies the Notice of Meeting.

Shareholders should seek professional advice in relation to any questions they may have arising out of this Explanatory Memorandum or the Distribution generally.

7 RESOLUTION 1 - DISPOSAL OF MAIN UNDERTAKING

7.1 Introduction

Resolution 1 seeks Shareholder approval for the disposal by the Company of its entire interest in the share capital of International Goldfields (Bermuda) Limited which holds the Company's mineral assets in Mali and Cote d'Ivoire, and is therefore disposal by the Company of its main undertaking (i.e. the Disposal).

7.2 ASX requirements

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders. Shareholders should be aware that following the proposed disposal of the Company's main undertaking and depending upon future exploration results and other activities, ASX may require the Company to seek shareholder approval pursuant to ASX 11.1.2 and/or re-comply with Chapters 1 and 2 of the Listing Rules pursuant to ASX Listing Rule 11.1.2 with respect of any future transaction the Company may enter into.

A disposal by a listed entity of its main undertaking can also raise issues under Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued listing and continued quotation of its securities, failing which the Company may have trading of its securities suspended. See section 5.3(c) for further information.

7.3 Key terms

Key terms of the Disposal are set out in section 6.1.

8 RESOLUTION 2 - DISTRIBUTION

The Distribution will be effected by way of an equal reduction in capital through a pro-rata in specie distribution of up to approximately 1,025,000,000 Kodal Shares held by the Company to Eligible Shareholders, on the basis of 40.8 Kodal Shares for each Share held on the Record Date (assuming no further Shares are issued prior to the Record Date) (i.e. the Distribution). The Company will take reasonable steps to sell the Distribution Shares to which Eligible Shareholders not resident in Australia are entitled under the Distribution as close as practicable after the Record Date and for the highest price, having regard to the circumstances at the time.

8.1 Corporations Act

Pursuant to section 256C of the Corporations Act, an equal reduction must be approved by an ordinary resolution passed at a general meeting of a company. As provided in section 256B of the Corporations Act, the Company may only reduce its share capital if the reduction:

- (a) Is fair and reasonable to shareholders as a whole; and
- (b) Does not materially prejudice the company's ability to pay its creditors; and
- (c) Is approved by shareholders under section 256C of the Corporations Act.

In addition the Company must give Shareholders all information known to the Company that is material to the decision on how to vote on the Resolution.

The Distribution is an equal reduction because it is applicable to each Shareholder in proportion to the number of Shares held and the terms of the reduction are the same for each holder of Shares. An ordinary resolution is therefore necessary to approve the proposed equal reduction of capital under section 256C of the Corporations Act.

In accordance with ASIC *Regulatory Guide 188 (Disclosure in Reconstructions)*, the invitation to vote on the Distribution is an offer for the transfer of securities that requires disclosure under the Corporations Act.

Accompanying this Notice of Meeting is the Prospectus, which has, amongst other things, been prepared by the Company for the purposes of giving disclosure on the Distribution. The Prospectus will allow:

- (a) the Company to invite Shareholders to vote on the Distribution; and
- (b) Eligible Shareholders to offer for on-sale Distribution Shares within 12 months of receiving them under the Distribution.

In dispatching this Notice of Meeting, the Company relies upon ASIC [CO 07/10] for certain technical relief.

8.2 The Company's Constitution

Clause 3.29(b) of the Constitution permits the Company to conduct a distribution in specie of shares in another company, with the Shareholders being deemed to have agreed to be bound by the constitution of a company in which shares are distributed to the Company's Shareholders as part of a capital reduction.

This means that by approving Resolution 2, all Eligible Shareholders that receive Distribution Shares will be deemed to have agreed to be bound by Kodal Minerals constitution by virtue of the resolution having been passed. A summary of the rights and obligations attaching to Kodal Shares is set out in Annexure 6.

8.3 ASX Listing Rules

The Distribution satisfies the requirements of Listing Rule 7.17 because the issue of Kodal Shares is being made on a pro rata basis and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Kodal Shares accrues.

8.4 Directors' recommendation

The Board considers that the proposed Distribution is fair and reasonable to the Shareholders as a whole because they are all treated in the same manner given that the distribution of Kodal Shares is on a pro rata basis. The Directors consider that the proposed Distribution does not materially prejudice Taruga's ability to pay its creditors and it will not result in Taruga being insolvent at the time of or after the Distribution.

9 RESOLUTIONS 3 TO 6 - ISSUE OF SHARES TO DIRECTORS IN LIEU OF DIRECTORS' FEES

9.1 Introduction

In order to conserve funds, the Directors have agreed to be issued the following Shares in lieu of Director's fees:

Director	Number of Shares	Value	Period
Bernard Aylward	4,302,682	\$129,080	January 2015 to March 2016
Daniel Smith	366,666	\$11,000	October 2015 to March 2016
Myles Campion	500,000	\$15,000	October 2015 to March 2016
Frank Terranova	666,666	\$20,000	November 2015 to March 2016

9.2 Requirement for Shareholder approval

Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party. If shareholder approval is obtained under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1 and the proposed issue will be included in 15% annual limit permitted by Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company without shareholder approval unless, relevantly, the benefit is:

- (a) given on arm's length terms; or
- (b) reasonable remuneration given the circumstances of the company and related party.

Related party is widely defined under the Corporations Act, and includes directors of a company.

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The Shares the subject of Resolutions 3 to 6 will be issued at a deemed issue price of \$0.03 per Share. For that reason and given the Company's financial circumstances, the Directors consider the Share issues the subject of Resolutions 3 to 6 to be both given on arm's length terms and also reasonable remuneration, so that Shareholder approval is not required under Chapter 2E of the Corporations Act.

9.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the issue:

- (a) The Shares will be issued to the Directors, as set out in section 9.1.
- (b) The maximum number of Shares to be issued is as set out in section 9.1.
- (c) The Shares will be issued for a deemed issue price of \$0.03, being the issue price under the Placement and Rights Issue.
- (d) The Shares will be issued in lieu of Director's fees owing to the Directors. Therefore, no funds will be raised from the issue of the Shares.
- (e) The Shares the subject of Resolutions 3 to 6 will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

- (f) The Shares will be issued on the same terms and conditions as all other ordinary shares in the Company currently on issue.
- (g) A voting exclusion statement is included in the Notice.

9.4 Directors' recommendation

The Directors make no recommendation on Resolutions 3 to 6. However, they note that approving the Resolutions will allow the Company to issue securities and conserve funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

10 RESOLUTION 7 - AUTHORITY TO ISSUE PLACEMENT SHARES

10.1 Background

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the allotment and issue of 31,666,667 Placement Shares at an issue price of 0.03 per share.

Obtaining Shareholder approval of the issue of the Placement Shares means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1 should the Company undertake the Placement.

Resolution 7 is an ordinary resolution and is subject to the passing of Resolutions 1 and 2.

10.2 Specific information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3 information regarding the issue of the Placement Shares is provided as follows:

- (a) The maximum number of Shares the Company intends to issue under Resolution 7 is 31,666,667.
- (b) The Company will issue and allot the Placement Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (c) The Placement Shares will each be issued at an issue price of \$0.03 per share.
- (d) The Placement Shares will be issued to sophisticated and professional investors, who are not related parties of the Company.
- (e) The Shares to be issued are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the Placement will be used to continue exploration at the Company's remaining concessions in West Africa, review new opportunities with West Africa, and to provide working capital for the Company (refer to section 6.6 for further information).
- (g) A voting exclusion statement is included in the Notice.

11 RESOLUTION 8 - ISSUE OF SECURITIES TO MINERVA CORPORATE

11.1 Introduction

Resolution 8 seeks Shareholder approval to issue 666,666 Shares to Minerva Corporate for advisory services provided in relation to the Transaction.

Listing Rule 7.1 limits the number of securities a company can issue in a 12 month period to 15% of its issued share capital, except for certain issues, including where first approved by Shareholders. The effect of passing Resolution 8 will be to allow the Directors to issue securities in accordance with the Resolution without those securities being included in the 15% limit.

11.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The maximum number of Shares to be issued is 666,666 Shares.
- (b) The Shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (c) The issue price of the Shares is \$0.03.
- (d) It is intended that the Shares will be issued to Minerva Corporate or its nominee.
- (e) The securities are Shares issued on the same terms and conditions as Shares already on issue.
- (f) The Shares will be issued for advisory services Minerva Corporate provided in relation to the Transaction. Therefore, no funds will be raised.
- (g) A voting exclusion statement is included in the Notice.

11.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 8. This will allow the Company to issue securities and conserve funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

12 DEFINITIONS

In this Notice and Explanatory Memorandum:

AIM the market of that name operated by the London Stock Exchange

AIM Rules	the rules for AIM companies published by the London Stock Exchange from time to time;
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board or Taruga Board	means the board of Directors of the Company.
Companies Act	means the <i>Companies Act 2006</i> (UK).
Completion	means the completion of the Transaction.
Consideration Shares	means the Kodal Shares issued to the Company in consideration for the Disposal as defined in section 2.1.
Constitution	means the constitution of the Company as amended.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Corporations Act Regulations	means the <i>Corporations Regulations 2001</i> (Cth) as amended.
Director	means a director of the Company.
Disposal	means the sale by the Company of all of its interest in IGS as defined in section 2.1.
Distribution	has the meaning given in section 2.1.
Distribution Shares	means the Kodal Shares to be distributed to Eligible Shareholders (subject to the rules for Eligible Shareholders not resident in Australia as set out in section 6.11).
Eligible Shareholders	has the meaning given in section 6.11.
Exchange Rate	means the £ to A\$ exchange rate according to OANDA as at 6 April 2016, being £1 to A\$1.87936.
Explanatory Memorandum	means the explanatory memorandum attached to this Notice.
Grimeli Project	means the copper zinc exploration project owned by Kodal Minerals in western Norway as described in section 4.3.

IGS	means International Goldfields (Bermuda) Limited, a wholly-owned subsidiary of the Company that holds the Company's main assets.
Kodal or Kodal Minerals	Kodal Minerals Plc (Company Registration No. 07220790), a company incorporated in UK whose shares are admitted to trading on AIM.
Kodal Board	means the board of directors of Kodal Minerals.
Kodal Director	means a director of Kodal Minerals.
Kodal Phosphate	means Kodal Phosphate AS, a wholly owned subsidiary of Kodal.
Kodal Placing	means the fundraising completed by Kodal Minerals by way of a subscription and placing to raise £680,000 which is conditional on Completion.
Kodal Placing Shares	means 1,700,000,000 Kodal Shares to be issued in the Kodal Placing;
Kodal Project	has the meaning given in section 4.4.
Kodal Shareholder	means a holder of Kodal Shares.
Kodal Shares	means a fully paid issued ordinary share of 0.03125 pence each issued by Kodal.
Listing Rules or ASX Listing Rules	means the listing rules of the ASX.
Meeting or General Meeting	means the meeting convened by this Notice (as adjourned from time to time).
Notice	means this notice of meeting.
Options	an option to be issued a Share.
Placement	has the meaning given in section 2.2.
Placement Shares	has the meaning given in section 2.2.
Prospectus	means a prospectus dated the date of this Notice and lodged by the Company with ASIC, and which accompanies this Notice of Meeting.
Proxy Form	means the proxy form attached to this Notice.

Record Date	has the meaning given in section 2.3.
Reduction Amount	has the meaning given in section 6.2.
Resolution	means the resolution set out in the Notice.
Rights Issue	has the meaning given in section 2.2.
Sale Agreement	means the sale agreement between Kodal Minerals and the Company dated 7 April 2016 and summarised in section 6.1.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder or Taruga Shareholder	means a holder of a Share in the Company.
Taruga or Company	Taruga Gold Limited ABN 15 153 868 789.
Transaction	has the meaning given in section 2.1.
WST	means Australian Western Standard Time.

ANNEXURE 1 JORC CODE TABLE 1 FOR THE GRIMELI PROJECT

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<p>Sampling techniques</p>	<ul style="list-style-type: none"> ▪ Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types 	<ul style="list-style-type: none"> ▪ Diamond core drilling has been conducted by Kodal Minerals in 2015, and by the Norges Geologiske undersøkelse (NGU) in 1981. Initial assay were gathered using a handheld XRF to give grade estimates but only results from an independent, suitably accredited laboratory were used. ▪ Half core samples were crushed and split using a riffle splitter with suitable passes for a representative sample being collected and dispatched. All reject was collected and ticketed. ▪ A suitable program of QAQC samples was included in the sampling program ▪ Analysis was by ICP-OES and Atomic Absorption after acid digest where higher grades were required.

Criteria	JORC Code explanation	Commentary
	(eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	<ul style="list-style-type: none"> ▪ Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> ▪ The NGU completed 4 boreholes totaling 53.3 meters ▪ Kodal Minerals engaged a drilling contractor to completed 21 boreholes totaling 2000 meters, this program used BQTK diameter core with NQ diameter collaring where required, this program was closely supervised by Kodal Minerals' staff at all times experienced drillers were employed using standard practices to ensure good core recovery. Standard drilling tubes were used. Recovery was recorded to be >98% once overburden was passed.
Drill sample recovery	<ul style="list-style-type: none"> ▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> ▪ All drilling samples were logged for geology, core recovery using tapes and geotechnical parameters. Where mineralisation was encountered samples were marked at 1 meter intervals, the sample was split using a core saw with half the sample being retained and the corresponding half used for sample. Recovery was >98% as good rock conditions were encountered throughout. ▪ No relationship between recovery and grade was observed
Logging	<ul style="list-style-type: none"> ▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> ▪ Geology has been logged to a suitable level of detail to permit future studies but are only reported as exploration intercept results.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. ▪ The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> ▪ Logging was conducted by company's geologists on site. ▪ A database of all logging is maintained ▪ Geotechnical parameters of core have been logged throughout ▪ Logging is quantitative throughout ▪ Photography is available for all core before and after sampling.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> ▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> ▪ Samples are marked where mineralization was encountered with 1 meter sample interval, unless a significant massive sulfide boundary would be split into two samples. ▪ Core was cut in half with a diamond saw, half core is collected for sampling, half remained in core box. ▪ The samples were crushed and split down using a riffle splitter, this is a suitable technique for sample preparation. ▪ 250g - 300g samples were dispatched for assay. ▪ As part of the QAQC program, 3% of samples were duplicated by providing two quarter core samples. ▪ As part of the QAQC program 2% of crushed samples were duplicated by selecting an alternative split of the reject material

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> ▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> ▪ All samples batches were submitted with suitable QAQC samples included. This included duplicates (two separate quarter core samples, Certified reference material, blanks, pulp duplicates and separate batch repeats) ▪ 32 elements by four acid digest ICPOES finish is suitable as an initial assay for the mineralisation, where results beyond the limits of this method were encountered; ▪ Ag, Cu, Fe, Pb, Zn quantification by four acid digestion, AAS finish was used ▪ The laboratory conducts its own QAQC program in addition to the checks conducted by Kodal Minerals, this is detailed in appended SGS document.
Verification of sampling and assaying	<ul style="list-style-type: none"> ▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> ▪ Intersection have been verified by two company geologists ▪ No holes were twinned in the program, project is at early exploration stage ▪ All drillhole data was entered directly into digital format. ▪ Database of geological information was created and is stored in company archives and additional isolated digital backups ▪ All data was checked by a separate geologist at the end of each borehole ▪ No adjustment to data has been made

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> ▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> ▪ Drill hole collars picked up using DGPS, ▪ Underground workings picked up by 3D laser scanning ▪ DGPS control points confirmed by independent Survey ▪ Downhole surveys completed by company's geologists using a suitable, non magnetic, verified, down hole survey tool provided and tested by an independent supplier. ▪ Norwegian standard reference system for this area is ETRS 1989 UTM Zone 32N, this was used throughout.
Data spacing and distribution	<ul style="list-style-type: none"> ▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied. 	<ul style="list-style-type: none"> ▪ Only exploration intercepts and their spacing are reported, no inference as to size of mineralized bodies ▪ Topography did not allow regular spaced drilling ▪ Only samples >1 meter have been composited in the results, in these circumstances, subsamples are also included
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> ▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> ▪ Geology in the area is observed to be relatively uniform with mineralisation orientated concordantly, the small number of drill intercepts into each discrete mineralized horizon did not allow an accurate calculation of mineralisation orientation ▪ Intercepts are generally near perpendicular to mineralized structure, no bias is expected.

Criteria	JORC Code explanation	Commentary
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All samples were collected and controlled by company employees for the entire sampling and preparation process. Duplicate samples are stored in a secure location on site, core is stored at the Norwegian national archive, a secure location off site Samples were dispatched with log of ownership throughout by expedition postage
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No independent audits. CSA Global, a reputable independent consultancy with appropriate qualifications and experience reviewed the sampling and assay process and signed off exploration result reporting, this information is included in releases.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, 	<ul style="list-style-type: none"> Kodal Minerals wholly hold Exploration permits valid for a period of seven years over the property. These are permits Grimeli 1 -3

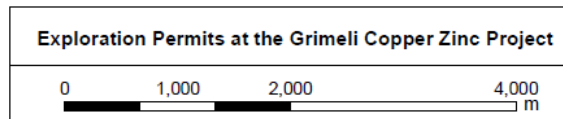
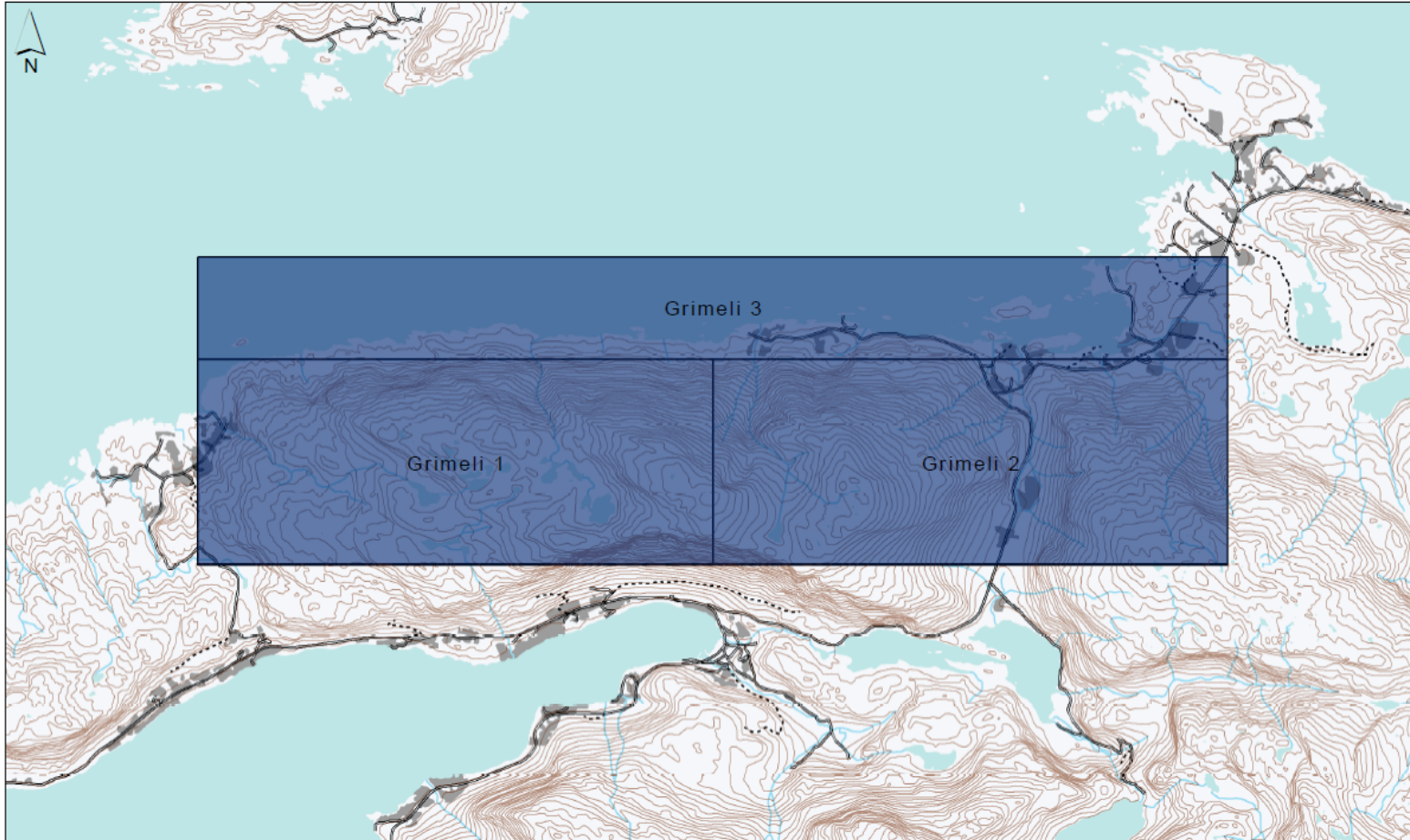
Criteria	JORC Code explanation	Commentary
	<p>native title interests, historical sites, wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> ▪ Reference numbers 0204-1/2014, 0205 -1/2014, 206-1/2014 ▪ These were issued 13th July 2014. A small fee is to be payed at the end of each year by the 15th January to the Directorate of Mining in Norway to maintain these permits. All fees are up to date. ▪ The land is owned by a small number of local residents with some of the old working being held by a property company who have provided consent to work the ground. ▪ Annexure 2 shows the location of exploration permits
Exploration done by other parties	<ul style="list-style-type: none"> ▪ Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> ▪ The Norges Geologiske undersøkelse conducted the only relevant scientific appraisal of the property in 1979-81. These documents are freely available from the NGU library with the reference 1650 53 A, B, C ▪ Work conducted includes near surface geophysical testing, limited drilling and geological appraisal
Geology	<ul style="list-style-type: none"> ▪ Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> ▪ The mineralization is comprised of Iron rich sulfides, principally Chalcopyrite, pyrhotite, sphalerite and pyrite hosted in discrete horizons of basalt. These form 0.5-3 meter thick strataform lenses within an ophiolite suite. ▪ The deposit is observed as being similar in mineralization, grade and and setting as a number of

Criteria	JORC Code explanation	Commentary
		<p>other ophiolite hosted deposits in the Fennoscandinavian area.</p> <ul style="list-style-type: none"> ▪ The deposit stlye is broadly in line with a Volcanogenic Massive Sulfide deposit
Drill hole Information	<ul style="list-style-type: none"> ▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ▪ easting and northing of the drill hole collar ▪ elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar ▪ dip and azimuth of the hole ▪ down hole length and interception depth ▪ hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> ▪ See Annexure 3 ▪ No information has been excluded

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> ▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ▪ All intercepts are based on 1 meter sample spacing where possible or where geology defines a change in mineralization presence of massive sulfide. ▪ No aggregation of mixed mineralization types are made ▪ No metal equivalent values are reported
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ▪ No adjustment is made or reported, mineralization orientation cannot be proven, this is acknowledged in announcements. ▪ “*True widths of the mineralised body are unknown at this time” Quoted in all announcements
Diagrams	<ul style="list-style-type: none"> ▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should 	<ul style="list-style-type: none"> ▪ Plans available on company website

Criteria	JORC Code explanation	Commentary
	include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	<ul style="list-style-type: none"> ▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> ▪ The AIM announcements provided by the company regarding exploration results provide a balanced report of the project
Other substantive exploration data	<ul style="list-style-type: none"> ▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> ▪ No other relevant data is available
Further work	<ul style="list-style-type: none"> ▪ The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> ▪ All further work is at a conceptual phase but likely to involve geophysical testing.

ANNEXURE 2 PLAN SHOWING THE LOCATION OF GRIMELI EXPLORATION PERMITS 1-3



Coordinate System: ETRS 1989 UTM Zone 32N
Projection: Transverse Mercator
Datum: ETRS 1989
False Easting: 500,000.0000
False Northing: 0.0000
Central Meridian: 5.0000
Scale Factor: 0.9996
Latitude Of Origin: 0.0000
Units: Meter



ANNEXURE 3 DETAILS OF DRILLING AT THE GRIMELI PROJECT 2015

BHID	Collar Coordinates			Azimuth	Dip	Hole Depth	Intercept depth
	Y	X	Z	Degrees	degrees	meters	meters
BH01	6818464.28	290706.81	37.5	140.415	-55.5	63	40
BH02	6818486.028	290727.856	36.538	155.43	-54.58	65	45.34
BH03	6818486.028	290727.856	36.538	155.43	-79.82	67.9	44.25
BH04	6818544.4	290859.75	44.27	189.83	-53.91	151.81	68.28
BH05	6818544.7	290859.35	44.38	224.6	-77.75	82.7	70.89
BH06	6818546.7	290861.86	44.53	89.47	-69.98	92.47	71.53
BH07	6818557.169	290801.406	34.3	214.32	-76	128.59	-
BH08	6818557.27	290802.901	34.351	149.76	-52.81	80.1	73.55
BH09	6818445.08	291230.549	229.1	183.16	-63	116.1	-
BH10	6818445.337	291230.805	229.024	179.2	-83.19	113.2	-
BH11	6818385.54	291421.923	244.012	149.64	-54.75	91.6	-
BH12	6818386.04	291421.662	243.929	149.74	-85.17	44.4	-
BH13	6818385.65	291420.73	242.97	188.43	-56.26	58.82	-
BH14	6818386.69	291423.16	243.99	128.96	-56.24	52.79	-
BH15	6818456.829	291367.162	239.202	165.61	-55.99	109.91	-
BH16	6818457.318	291368.37	239.196	136.96	-56.14	106.89	-
BH17	6818223.66	291292.36	208.81	154.03	-55.18	103.78	-
BH18	6818334.501	291212.627	192.401	146.32	-55.18	128.5	-
BH19	6818335.172	291213.576	192.379	123.62	-55.55	109.3	-
BH20	6818334.185	291211.912	192.593	179.62	-55.41	110.6	-
BH21	6818334.524	291212.238	192.606	147.16	-75.98	126.5	-

ANNEXURE 4 PRO FORMA CONSOLIDATED FINANCIAL STATEMENT - TARUGA

Pro-forma Balance Sheet Taruga Gold Limited as at 31 December 2015

	31-Dec-15	Placement and rights issue	Directors shares	Disposal of IGS Bermuda	Disposal of IGS Bermuda	Proforma
	\$	\$		\$	\$	\$
Current Assets						
Cash and cash equivalents	227,867	1,100,000	-	(15,326)	-	1,312,541
Trade and other receivables	106,418	-	-	(805)	-	105,613
Other current assets	-	-	-	-	-	-
<i>Total current assets</i>	<u>334,285</u>	<u>1,100,000</u>	<u>-</u>	<u>(16,131)</u>	<u>-</u>	<u>1,418,153</u>
Non-Current Assets						
Property, plant & equipment	45,899	-	-	-	-	45,899
Mineral exploration and evaluation	8,941,674	-	-	(1,940,734)	-	7,000,940
Other non-current assets	-	-	-	2,023,704	(1,248,804)	774,900
<i>Total non-current assets</i>	<u>8,987,573</u>	<u>-</u>	<u>-</u>	<u>82,971</u>	<u>(1,248,804)</u>	<u>7,821,739</u>
<i>Total assets</i>	<u>9,321,858</u>	<u>1,100,000</u>	<u>-</u>	<u>66,839</u>	<u>(1,248,804)</u>	<u>9,239,892</u>
Current Liabilities						
Trade and other payables	331,789	-	(141,330)	(26,929)	-	163,530
Other current liabilities	-	-	-	-	-	-
<i>Total current liabilities</i>	<u>331,789</u>	<u>-</u>	<u>(141,330)</u>	<u>(26,929)</u>	<u>-</u>	<u>163,530</u>
<i>Total liabilities</i>	<u>331,789</u>	<u>-</u>	<u>(141,330)</u>	<u>(26,929)</u>	<u>-</u>	<u>163,530</u>
<i>Total Net Assets</i>	<u>8,990,069</u>	<u>1,100,000</u>	<u>141,330</u>	<u>93,768</u>	<u>(1,248,804)</u>	<u>9,076,363</u>
Equity						
Issued capital	12,507,792	1,100,000	175,080.00	-	-	13,782,872
Accumulated losses	(4,116,444)	-	(33,750)	94,234	(1,248,804)	(5,304,764)
Reserves	598,721	-	-	(466)	-	598,255
<i>Total equity</i>	<u>8,990,069</u>	<u>1,100,000</u>	<u>141,330</u>	<u>93,768</u>	<u>(1,248,804)</u>	<u>9,076,363</u>

Basis of Preparation

The pro-forma statement of consolidated financial position has been prepared in accordance with the ASIC Guide to Disclosing Pro-Forma Financial Information (issued July 2005). The

pro-forma statement of consolidated financial position is based on the reviewed statement of financial position at 31 December 2015 that has then been adjusted to reflect the Transaction and other adjustments, as follows:

1. Cash: Net proceeds from the Placement and Rights Issue;
2. Cash: Estimated net cash outflows for the period from 1 January 2016 to 31 March 2016 of \$52,278 was incurred to fund exploration and evaluation and administration and general expenses; and
3. Disposal: IGS being sold by Taruga to Kodal in return for the Consideration Shares.

Note: These estimates have not been reviewed and reported on by Taruga's auditors. Taruga's financial results for the 12 months ending 30 June 2016 are required to be published by 30 September 2016.

ANNEXURE 5 PRO FORMA CONSOLIDATED FINANCIAL STATEMENT - KODAL
Kodal Minerals Plc
Proforma Balance Sheet as at 30 September 2015

	Unaudited as at 30 Sept 2015	Fundraising	Acquisition	Total
	£	£	£	£
NON CURRENT ASSETS				
Intangible assets	555,064	-	509,580	1,064,644
Property, plant and equipment	74,252	-	425	74,677
	<u>629,316</u>	<u>-</u>	<u>510,005</u>	<u>1,139,321</u>
CURRENT ASSETS				
Other receivables	5,692	-	-	5,692
Cash and cash equivalents	282,535	645,000	(99,992)	827,543
	<u>288,227</u>	<u>645,000</u>	<u>(99,992)</u>	<u>833,235</u>
TOTAL ASSETS	<u>917,543</u>	<u>645,000</u>	<u>410,013</u>	<u>1,972,556</u>
CURRENT LIABILITIES				
Trade and other payables	(33,957)	-	(13)	(33,970)
TOTAL LIABILITIES	<u>(33,957)</u>	<u>-</u>	<u>(13)</u>	<u>(33,970)</u>
NET ASSETS	<u>883,586</u>	<u>645,000</u>	<u>410,000</u>	<u>1,938,586</u>
EQUITY				
Attributable to owners of the parent:				
Share capital	328,079	531,250	320,313	1,179,642
Share premium account	4,937,410	113,750	89,687	5,140,847
Share based payment reserve	137,889	-	-	137,889
Translation reserve	7,711	-	-	7,711
Retained deficit	(4,527,503)	-	-	(4,527,503)
TOTAL EQUITY	<u>883,586</u>	<u>645,000</u>	<u>410,000</u>	<u>1,938,586</u>

Basis of Preparation

The pro-forma statement of consolidated financial position has been prepared in accordance with the ASIC Guide to Disclosing Pro-Forma Financial Information (issued July 2005). The pro-forma statement of consolidated financial position is based on the unaudited statement of financial position as at 30 September 2015 that has then been adjusted to reflect the Transaction and other adjustments, as follows:

1. Fundraising: This reflects the gross proceeds from the Kodal Placing of £680,000 less the costs associated with the fundraising estimated at £35,000;
2. Acquisition: It has been assumed that that the Acquisition will be treated as a an asset purchase under IFRS 3 *Business Combinations*. The total cost of the Acquisition is the value of the Consideration Shares issued of £410,000 plus the estimated costs

of the acquisition of IGS of £100,000. The assets and liabilities acquired have been assigned a carrying value based on an estimate of their fair values.

Note: These estimates have not been reviewed and reported on by Kodal's auditors. Kodal's financial results for the 12 months ended 31 March 2016 are required to be sent to shareholders by 30 September 2016.

ANNEXURE 6 MATTERS WITH RESPECT TO KODAL'S INCORPORATION IN ENGLAND AND WALES AND ITS LISTING ON AIM

6.1 Applicable company law

Kodal Minerals was incorporated in the United Kingdom and its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC. Rather, Kodal is subject to, among other things:

- (a) the provisions of the Companies Act 2006 (**Companies Act**);
- (b) the AIM Rules;
- (c) certain regulatory instruments published by the UK's Financial Conduct Authority (**FCA**) (formerly the Financial Services Authority) (**FCA Rules**); and
- (d) UK taxation laws, which may have different consequences for Taruga Shareholders than Australian taxation laws.

A summary of the significant provisions of the Companies Act, the AIM Rules and applicable FCA Rules to which Kodal is subject are detailed in section 6.2 below. A summary of the key differences between the Companies Act and the equivalent provisions of the Corporations Act are detailed section 6.4 below.

6.2 Summary of Kodal Minerals constitution and rights with respect to Kodal Shares

The share capital of Kodal Minerals consists of ordinary shares of £0.0003125 each in the capital of Kodal (**Kodal Shares**). The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Kodal Shareholders.

Full details of the rights attaching to all Kodal Shares are set out in Kodal Minerals' constitution (**Articles**), a copy of which is available from www.kodalminerals.com.

(a) Shareholder liability

The liability of members is limited to the amount, if any, unpaid on those shares held by them.

(b) Calls on Kodal Shares

Kodal's board of directors (**Kodal Board**) may, subject to the provisions of the Articles and to any conditions of issue, from time to time make such calls upon the members in respect of all moneys unpaid on their share (whether on account of the nominal value of the shares or by way of premium) as it thinks fit provided that at least 14 clear days' notice is given of each call, and each member shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Kodal Board.

The Kodal Shares to be transferred to Eligible Taruga Shareholders are fully paid ordinary shares in the capital of Kodal Minerals free from any encumbrances.

(c) Voting rights

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present), on a show of hands every holder of a Kodal Share present in person or by proxy (if an individual) or duly authorised representative (if a corporation) shall have one vote, and on a poll every holder of a Kodal Share shall have one vote for each Kodal Share of which he is the holder. Unless Kodal's directors determine otherwise, a member of Kodal is not entitled in respect of any shares held by him to vote at any general meeting of Kodal if any amounts payable by him in respect of those shares have not been paid or if the member has failed to comply with a notice under section 793 of the Companies Act and the Articles.

(d) Variation of rights

If at any time the capital of Kodal Minerals is divided into different classes of shares, none of the rights, privileges or conditions for the time being attached to or belonging to any class of shares forming part of the issued share capital for the time being of Kodal Minerals shall be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or, subject to the provisions of the Companies Act, the sanction of a special resolution passed at a separate meeting of the members of that class but not otherwise.

(e) Dividends

Subject to the provisions of the Companies Act and to any special rights attaching to any shares, the Kodal Shareholders are to distribute amongst themselves the profits of Kodal Minerals according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the Kodal Directors. Subject to the provisions of the Companies Act and if the profits of Kodal Minerals justify such payments, the Kodal Directors may declare and pay interim dividends on Kodal Shares in such amounts as and when they see fit. A member will not be entitled to receive any dividend if he has failed to comply with a notice under section 793 of the Companies Act. Interim dividends may be paid if profits are available for distribution and if the Kodal Directors so resolve. Subject to the provisions set out in the Articles, the Kodal Directors may resolve to issue script dividends. Any dividend unclaimed after a period of 12 years from the date of its declaration shall be forfeited and will revert to Kodal Minerals.

(f) Future issues of securities

Subject to the Statutes (as defined in the Articles) and to the authority of Kodal Minerals at its general meeting required by the Statutes, the Kodal Directors may allot, grant options over, offer or otherwise deal with or dispose of any share of Kodal Minerals to such persons, at such times and generally on such terms and conditions as the Kodal Directors may determine. The Kodal Directors may not issue any relevant securities unless authorised

to do so by an ordinary resolution of Kodal Minerals and relevant securities may not be allotted for cash on a non-preemptive basis unless authorised to do so by a special resolution of Kodal Minerals. Any such resolution shall state the maximum amount of relevant securities that can be allotted under it and shall also state the date on which such authority shall expire. Any authority must not be for more than five years from the date on which the resolution is passed.

(g) Transfer of Kodal Shares

Subject to the provisions of the Articles relating to CREST, in order to transfer Kodal Shares, all transfers must be in any usual form or in such other form which the Kodal Directors may approve, and must be duly stamped and signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The form of the transfer must be lodged at the office of Kodal accompanied by the certificate of the certificated Shares to be transferred. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

The Kodal Directors may, in their absolute discretion and without assigning any reason, refuse to register a transfer of any Kodal Share (not being a share which is fully paid up) to a person of whom it does not approve and it may also refuse to register any transfer of any share to more than four joint holders and any transfer of any share (not being a share which is fully paid up) on which Kodal has a lien provided that where any such partly paid shares are admitted to trading on a recognised stock exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. No transfer of any Kodal Share shall be registered if made in favour of an infant, a person in respect of whom a receiving order or adjudication order in bankruptcy has been made which remains undischarged or a person who is then suffering from mental disorder and where an order has been made for admission for treatment in respect of such disorder.

The Kodal Directors may, in their absolute discretion, refuse to register any transfer of shares which does not appear to them to be a transfer pursuant to an arm's length sale and which relates to shares held by a member in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act (or under any other statutory provision or provision of Kodal's Articles for the time being in force enabling Kodal to require any persons to give any information regarding those shares).

The Kodal Directors may also (in their absolute discretion and without given any reason therefor) refuse to register any transfer of a share to a "Prohibited Person" (being, inter alia, a person who, by virtue of his holding, may, in the

opinion of the Kodal Directors, cause or be likely to cause Kodal and/or its shareholders some regulatory, pecuniary, legal or material administrative disadvantage that might not otherwise be suffered or incurred). If any transferee is a Prohibited Person or the Kodal Directors otherwise determine that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject Kodal to any adverse legal, regulatory or taxation consequences or the Kodal Directors otherwise determine (in their sole discretion and without being obliged to provide its reasons thereof) that such holding is not in Kodal's interest, Kodal may direct such transferee to sell his shares to a person who is not a Prohibited Person within thirty clear days of the notice of refusal.

If the Kodal Directors refuse to register a transfer of any share it shall within two months after the date on which the transfer was lodged with Kodal, send to the transferee notice of the refusal as required by section 771 of the Companies Act. Save as described above, the Articles contain no other restrictions on the free transferability of fully paid Kodal Shares.

(h) Meetings and notices

Kodal Minerals shall in each year hold a general meeting as its annual general meeting. The annual general meetings shall be held at such time and place as the Kodal Directors shall determine. The Kodal Directors may, (in addition) call a general meeting other than the annual general meeting and shall, upon a shareholders' requisition convene a general meeting. A shareholders' requisition is a requisition of shareholders of Kodal Minerals holding at the date of deposit of the requisition not less than five per cent in par value of the capital of Kodal Minerals as at that date that carries the right of voting at general meetings of Kodal Minerals. At least 21 clear days' notice shall be given of any annual general meeting and at least 14 clear days' notice shall be given in respect of any other general meeting of Kodal Minerals to those members who under the provisions of the Articles or under the rights attached to the shares held by them are entitled to receive the notice, and to the auditors. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted at the meeting.

Subject to the provisions of the Companies Act, a resolution may be put to a vote at a general meeting of Kodal Minerals or any class of shareholders only if: (i) it is proposed by or at the direction of the Kodal Directors; (ii) it is proposed at the direction of the court; (iii) it is proposed on the requisition in writing of such number of shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Companies Act. No business shall be transacted at any general meeting unless a quorum is present. Two shareholders being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless Kodal Minerals has only one shareholder entitled to

vote at such general meeting in which case the quorum shall be that one shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative. Unless a poll is demanded in accordance with Article 21.10 of the Articles, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of Kodal Minerals is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

No member shall be entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in Kodal Minerals have been paid. The instrument appointing a proxy must be in writing in any usual or common form, or such other form as may be approved by the Kodal Directors, and will be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised, or if permitted by the Kodal Directors, in electronic form in the manner and form and subject to such terms and conditions as the Kodal Directors may decide. The Kodal Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

(i) Winding Up

If Kodal Minerals shall be wound up (whether the liquidation is altogether voluntary, under supervision or by the court) the liquidator may, with the authority of an special resolution and any other sanction required by the Statutes (as defined in the Articles) divide among the Members in specie the whole or any part of the assets of Kodal Minerals and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members.

The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, shall think fit and the liquidation of Kodal Minerals may be closed and Kodal Minerals dissolved, but so that no Member shall be compelled to accept any shares in respect of which there is a liability. Without prejudice to section 187 of the Insolvency Act 1986 the liquidator may make any provision referred to in and sanctioned in accordance with section 247 of the Companies Act.

(j) Effect of the AIM Rules

Shareholders are required to comply with Rule 5 of the Disclosure and Transparency Rules (DTRs) and to notify Kodal when they acquire or dispose of a major proportion of their voting rights of Kodal (either as a Kodal Shareholder or through their direct or indirect holding of certain financial instruments, or a combination of such holdings) such that their resulting holding is equal to or in excess of three per cent of the aggregate nominal value of Kodal's issued share capital and when their relevant shareholding exceeds or falls below four per cent, five per cent and every subsequent integral percentage.

6.3 Summary of applicable UK law

Detailed below is a summary of certain provisions of the Companies Act, Kodal's Articles and the AIM Rules. A copy of which is available on Kodal's website at , <http://www.kodalminerals.com/>.

The following statements are summaries only and they do not address all aspects of English law that may be relevant to Kodal or Kodal Shareholders.

(a) Duties of directors

The Companies Act codifies the general duties that directors owe to companies incorporated in the United Kingdom (including companies incorporated in England and Wales, such as Kodal). There are seven duties as follows:

- (i) to act within powers;
- (ii) to promote the success of the company;
- (iii) to exercise independent judgment;
- (iv) to exercise reasonable care, skill and diligence;
 - (A) to avoid conflicts of interest;
 - (B) not to accept benefits from third parties; and
 - (C) to declare interest in proposed transaction or arrangement with the company. Kodal Directors also have common law rules and equitable principles to comply with.

In addition, the Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company.

(b) Challenging the actions of directors

Kodal Directors and officers of a United Kingdom company generally owe fiduciary duties to the company, and not to the company's individual shareholders, although in certain circumstances shareholders may be able to bring a derivative action on the company's behalf.

(c) Derivative action

Under the Companies Act, a derivative action may be brought in respect of an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a director of the company. The effect of this provision is that a derivative claim may be brought in respect of an alleged breach of any of the general duties of directors under the Companies Act, including the duty to exercise reasonable care, skill and diligence. There is no requirement for the director to have benefited personally from the breach. The cause of action may arise before the person seeking to bring a derivative claim became a member of the company.

(d) Interested directors

English law and Kodal's Articles provide that, if a director has an interest in a material contract or proposed material contract with Kodal or any of its subsidiaries, or has a material interest in any person that is a party to such a contract, the director must disclose the nature of that interest at the first opportunity at a meeting of directors.

Save as provided below, a director shall not vote or be counted in the quorum at a meeting of the Kodal Board or any committee of the Kodal Board on any resolution of the directors concerning a matter in which he and any person connected with him has an interest otherwise than by virtue of his interests in shares or debentures or other securities in Kodal or in respect of which he has any duty which conflicts with his duty to Kodal. Kodal may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

The prohibition shall not apply to a director in relation to any of the following matters, namely:

- (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of Kodal or any of its subsidiaries;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of Kodal or any of its subsidiaries for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security;
- (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of Kodal or any of its subsidiaries by him;
- (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital or the voting rights in such company;

- (v) any resolution relating to an arrangement for the benefit of employees of Kodal or any of its subsidiaries and which does not provide in respect of the director any privilege or benefit not awarded to the employees to whom the arrangement relates; and
- (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to Kodal under which he may benefit. In addition, the Kodal Board may authorise any matter proposed to it which would, if not so authorised, involve a breach of the duty to avoid a conflict of interest referred to in sub-paragraph (a) above. The Kodal Board may make any authorization subject to any limits or conditions it expressly imposes and may terminate or vary such authorisation at any time.

(e) Indemnification of directors

The Kodal Articles provides that Kodal indemnifies its directors and officers in respect of their actions and omissions for negligence, default, breach of duty or breach of trust, subject to the any restrictions in the Companies Act. Kodal can also purchase insurance against any of these liabilities.

(f) Inspection of corporate records

Members of the general public have a right to inspect the public documents of Kodal available from the Registrar of Companies in the UK, including the Kodal's Articles, the audited financial statements and statement of capital. As a United Kingdom public company, Kodal is required to make all company records available for inspection for not less than two hours every business day.

Also, the register of shareholders of Kodal is also open to inspection by shareholders (without charge) and by members of the general public (on payment of a fee), subject to it being for a proper purpose. Kodal must make the register available within five working days of receiving a request.

As Kodal is listed on AIM it must also publish its financial statements and certain other information required under Rule 26 the AIM Rules on its website. This information can be found at , <http://www.kodalminerals.com/>.

(g) Voting rights and quorum requirements

Under English law, the voting rights of shareholders are regulated by a company's articles of association and, in certain circumstances, by the Companies Act.

Pursuant to Kodal's Articles, the quorum required for a general meeting of shareholders is two or more persons entitled to vote in person or by proxy throughout the meeting. Subject to the provisions of the Companies Act and Kodal's Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every shareholder

who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one shareholder has one vote and a proxy appointed by more than one shareholder has one vote, if instructed to vote in the same way by all those shareholders and is entitled to one vote for and one vote against, if instructed to vote in different ways by those shareholders. On a poll, every shareholder present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A Kodal shareholder shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of Kodal unless all amounts payable by him in respect of that share in Kodal have been paid or credited as having been paid.

Any individual who is a shareholder of Kodal and who is present at a meeting may vote in person, as may any corporate shareholder that is represented by a duly authorised representative at a meeting of shareholders. Kodal's Articles also permit attendance at general meetings by proxy, provided the instrument appointing the proxy is in the form specified in the articles of association or such other form as the Kodal Board may determine.

(h) Approval of corporate matters by written consent

The Companies Act provides that the shareholders of public limited companies such as Kodal cannot pass a resolution in writing.

(i) Variation of rights attaching to shares

Pursuant to Kodal's Articles, if, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not Kodal is being wound up, be varied with the consent in writing of the holders of 75% in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding, or representing by proxy, one-third in nominal value of the issued shares of the class.

Kodal's Articles further provide the rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of such shares or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(j) Transfer of shares

Any Kodal shareholder may transfer all or any of his shares in Kodal. Save where any rules or regulations made under the Companies Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the Kodal Board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully

paid) by the transferee. The Kodal Board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which Kodal has a lien.

(k) Calling of shareholders meetings

A United Kingdom public company, such as Kodal, must hold an annual general meeting within the period of six months beginning with the day following its accounting reference date (currently 31 December). The Kodal Board may also call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Companies Act (as set out below), shall forthwith proceed to convene a general meeting in accordance with the requirements of the Companies Act. A general meeting of Kodal (other than an adjourned meeting) shall be called by notice of:

- (i) in the case of an annual general meeting, at least 21 clear days; and
- (ii) in any other case, at least 14 clear days.

The Companies Act allows companies to hold general meetings on short notice, subject to the receipt of written consent from a majority in number of shareholders entitled to attend and vote at the meeting, being at least the holders of 95% of the shares giving the right to attend and vote at the meeting. An annual general meeting can be held on short notice with the written consent of all the shareholders entitled to attend and vote.

Subject to the provisions of Kodal's Articles and to any restrictions imposed on any shares, the notice shall be given to all the shareholders, to each of the directors and the auditors for the time being of Kodal. The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of such business. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by the articles of association, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any person, shall not invalidate the proceedings of that meeting. The quorum required for a general meeting of shareholders is two or more persons entitled to vote, present in person or by proxy throughout the meeting.

(l) Dividends

Kodal may, by ordinary resolution, declare dividends, but no dividend shall exceed the amount recommended by the Kodal Board. The Kodal Board may also pay interim dividends if it appears they are justified by the financial position of the company. Under the Companies Act, a United Kingdom company may not declare or pay dividends if it does not have "profits available" to make the distribution and the distribution must be justified by reference to "relevant accounts". Also public companies can only make a distribution:

- (i) if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called up share capital and undistributable reserves; and
- (ii) if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total. Under Kodal's Articles , each ordinary share is entitled to dividends according to the amounts paid up on such shares, subject to any preferred dividend right of the holders of any preference shares.

(m) Shareholder proposals

Kodal shareholders have the ability to require the directors to call a general meeting, provided that such request comes from shareholder(s) representing at least 5% of the paid-up capital of Kodal as carries the right of voting at general meetings of the company (excluding any paid-up capital held as treasury shares). The Kodal Directors must call the general meeting by sending out a notice of the meeting within 21 days of receiving a valid request. The Kodal shareholders are entitled to be reimbursed for their reasonable expenses.

Kodal Shareholders may also require resolutions to be put before the annual general meeting and/or circulate to all Kodal Shareholders entitled to receive notice of any general meeting a statement in respect of any matter referred to in the proposed resolution or any business to be conducted at such general meeting. The number of Kodal Shareholders necessary for such a requisition is either:

- (i) any number of Kodal Shareholders representing not less than 5% of the total voting rights of all Kodal shareholders entitled to vote at the meeting to which the requisition relates (excluding voting rights attached to any treasury shares); or
- (ii) not less than 100 Kodal Shareholders with the right to vote on the resolution at the AGM and each holding, on average, at least £100 of paid-up share capital.

Kodal must bear the cost of circulating the resolution where the request is received before the end of the financial year preceding the annual general meeting, otherwise this will be borne by the Kodal shareholders.

(n) Takeovers

Kodal is incorporated in England and Wales and Kodal Shares are admitted to trading on AIM. Accordingly, the City Code on Takeovers and Mergers (**City Code**) applies to Kodal. Under Rule 9 of the City Code (**Rule 9**), any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as

defined in the City Code) with him) in aggregate, carry 30% or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel on Takeovers and Mergers (UK Panel) to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares, which in aggregate carry not less than 30% of the voting rights of such a company but does not hold shares carrying more than 50% of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of Kodal during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30% or more of the voting rights of Kodal, irrespective of whether the holding or holdings give de facto control.

The Kodal Shares will also be subject to the compulsory acquisition procedures set out in sections 979 to 991 of the Companies Act. Under section 979 of the Companies Act, where an offeror makes a takeover offer and has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. of the shares to which the offer relates and, in a case where the shares to which the offer relates are voting shares, not less than 90% of the voting rights carried by those shares, that offeror is entitled to compulsorily acquire the shares of any holder whose shares have not been acquired under the offer, on the terms of the offer.

The Companies Act also gives minority shareholders of Kodal a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Kodal Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the Kodal Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising.

The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror

is bound to acquire those shares on the terms of the offer, or on such other terms as may be agreed.

(o) Transactions requiring shareholder approval

The types of "transactions" that require shareholder approval under English law are determined on a case by case basis and are governed by the Companies Act and Kodal's Articles. Generally speaking, the following types of transactions will require shareholder approval:

- (i) schemes of arrangement;
- (ii) compromises among creditors and/or members;
- (iii) voluntary liquidations;
- (iv) certain repurchases of shares; and
- (v) certain alterations of capital and variations of the rights attaching to shares.

The above does not purport to be an exhaustive list but sets out common transactions which require shareholder approval.

(p) Disclosure of periodic financial information

The Companies Act requires that a United Kingdom company make available to members the financial statements for the relevant accounting period. Under the AIM Rules, Kodal is obliged to publish annual audited accounts within six months of its financial year end (although in order to comply with its obligations under Companies Act to hold an annual general meeting within six months of the financial year end, this needs to be published within five months of the financial year end), and a half yearly report within three months of the end of the relevant period.

Once each of the interim and final results have been agreed by the board, a detailed summary of the audited accounts and half yearly report should be sent to a Regulatory Information Service (RIS) without delay. An AIM company is also obliged to notify an RIS of any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection included in an admission document or otherwise made public.

(q) Information to be sent to security holders

A United Kingdom company must provide to its shareholders notices of general meetings, the financial statements of the company and other documents as required under the Companies Act.

6.4 Differences between Australian law and the law of England and Wales

Set out below is a table summarising some of the key differences between the law applicable to an Australian, ASX-listed company and the law applicable to an AIM-listed company incorporated in England and Wales.

The information below is only a summary of some of the companies and securities laws that apply to Kodal and which may be of interest to Taruga Shareholders in their consideration of the Transaction.

For comparison purposes only, a general outline of Australian laws and regulations (under the Corporations Act) is also set out in the first column. Taruga Shareholders should note that this is set out for comparison purposes only and Australian laws and regulations will not apply to Kodal or to Kodal Shares that are the subject of the Distribution (other than in respect of taxation laws and regulations for which you should seek your own professional advice).

The information below is general in nature and is not intended to be an authoritative or a complete statement of the companies or securities laws or other regulations or policy that are or may be applicable to Kodal or to companies incorporated under the laws of England and Wales and listed on AIM. The information below does not constitute legal advice and Taruga Shareholders should consider obtaining their own professional legal advice and Taruga Shareholders should consider obtaining their own professional advice on these and other companies and securities laws and how they may differ to Australian companies and securities laws, regulations and policy.

	Australian position	England and Wales position
Constitutional documents	A public company must have a constitution which specifies the rules governing the relationship between and activities of the company, its directors and shareholders. The constitution has the effect of a contract between the company and each member, the company and each director and secretary and between a member and each other member.	A public limited company is required on incorporation to have two constitutional documents, a Memorandum of Association and Articles of Association. In very broad terms, the Memorandum of Association is a snapshot of the company's constitution upon registration and has no continuing relevance as it cannot be updated or amended during the life of a company. The Articles of Association, together with any amending resolutions or agreements, form the company's constitution. They regulate the internal affairs of the company and create a contract between the company and each of its members.
Takeovers	<p>Under Chapter 6 of the Corporations Act, a person must not acquire a Relevant Interest in voting shares of a public company of 20% or more, subject to a number of exemptions (including approval by shareholders and a 3% creep every 6 months).</p> <p>A person has a "Relevant Interest" in securities if they hold the securities or have the power to control the exercise of a vote attached to the securities or have the power to dispose of the securities.</p>	<p>Kodal is subject to the City Code issued by the UK Panel. Under the City Code, where:</p> <p>(a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or</p> <p>(b) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold</p>

	Australian position	England and Wales position
		<p>shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable. The UK Panel should be consulted in advance in such cases.</p>
<p>Periodic disclosure</p>	<p>Chapter 6CA of the Corporations Act sets out provisions which impose obligations on companies to make disclosure of information in accordance with the listing rules of a listing market in relation to the relevant company.</p> <p>A public company must present its annual accounts and reports before a general meeting within 3 months of its financial year end.</p>	<p>A United Kingdom company must provide to its shareholders notices of general meetings, the financial statements of the company and other documents as required under the Companies Act. The Companies Act also requires that a United Kingdom company make available to members the financial statements for the relevant accounting period.</p> <p>Under the AIM Rules Kodal is obliged to publish annual audited accounts within six months of the company's financial year end (although in order to comply with its</p>

	Australian position	England and Wales position
		<p>obligations under Companies Act to hold an annual general meeting within six months of the financial year end, this needs to be published within five months of the financial year end), and a half yearly report within three months of the end of the relevant period.</p> <p>An AIM company is also obliged to notify an RIS of any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection included in an admission document or otherwise made public.</p> <p>As an AIM company, Kodal is also subject to the DTRs, the AIM Rules, the City Code and the Prospectus Rules of the FCA (as appropriate).</p>
Continuous disclosure	Once an ASX-listed company is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the company must immediately tell ASX that information.	<p>An AIM company must issue notification to the market, without delay, of any new developments which are not public knowledge concerning a change in:</p> <ul style="list-style-type: none"> (a) its financial condition; (b) its sphere of activity; (c) the performance of its business; or (d) its expectation of the its performance; <p>which if made public would be likely to lead to a substantial movement in the price of its AIM securities.</p>

	Australian position	England and Wales position
Disclosure of substantial holdings	<p>Under section 671B of the Corporations Act, a substantial shareholder of a listed company must give the ASX information about its shareholding, including any movements of 1% or more in its shareholding. A substantial shareholder is defined as being a holder who holds a Relevant Interest in 5% or more of the securities of a listed entity.</p> <p>In addition, under Listing Rule 3.19A of the ASX Listing Rules, a listed entity must notify the ASX of any notifiable interests of directors, i.e. information about their shareholdings in the listed entity. The listed entity must then provide this information to the ASX.</p>	<p>The DTRs require a shareholder who begins to or ceases to have a relevant interest in 3% or more of the voting shares in the company, to give notice to the company. A further disclosure obligation exists at each incremental 1% threshold.</p> <p>A company also has the ability under the Companies Act to issue a notice to a person whom it believes to be interested in its shares to find out more details of the ultimate ownership.</p> <p>An AIM-listed company must issue notification without delay of any relevant changes to any significant shareholders, disclosing, insofar as it has such information, the information specified by Schedule Five of the AIM Rules for Companies.</p>
Compulsory acquisition	<p>Under Chapter 6A of the Corporations Act, a person who holds a Relevant Interest in 90% or more of a class of securities in a public company may be entitled to compulsorily acquire all of the remaining securities in that class and move to 100% ownership. There are different rules that apply to a compulsory acquisition which follows a takeover bid and a compulsory acquisition which follows a person acquiring a 90% interest in securities in a class by other means.</p>	<p>The offeror is entitled to compulsorily acquire the remaining shares if it holds more than 90% of the shares. A minority shareholder can also call to be bought out by the offeror, if the offeror holds or has agreed to acquire not less than 90%.</p>

	Australian position	England and Wales position
	In addition, if the bidder and their associates have a Relevant Interest in at least 90% of the securities by number in the bid class at the end of the offer period, the bidder must offer to buy out the remaining holders in the bid class.	
Winding up	<p>Except where an order has been made for the winding up of a company or it is resolved by special resolution to wind up the company, the liquidator may by sanction of a special resolution of the company, divide among the shareholders in kind the whole or any part of the property of the company in accordance with shareholders' rights in the company.</p> <p>Where an order has been made for the winding up of the company or it is resolved by special resolution to wind up the company then on a distribution of assets to shareholders, shares classified by ASX as Restricted Securities shall rank in priority after all other shares.</p>	Pursuant to Section 107 of the UK Insolvency Act 1986 any liquidator of Kodal shall (following payments to creditors to repay their liabilities in full) distribute Kodal's property amongst the members in accordance with their rights and interests in Kodal.
Dividends	<p>Under the Corporations Act, a company must not pay a dividend unless the:</p> <p>(a) company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and</p>	<p>The profits of Kodal available for distribution and resolved to be distributed are applied in the payment of dividends to shareholders in accordance with their respective rights and priorities. Kodal in general meeting may declare dividends accordingly.</p> <p>Subject to the provisions of the Companies Act and the Articles, the directors may, if they think fit, from time</p>

	Australian position	England and Wales position
	<p>(b) payment of the dividend is fair and reasonable to the company's shareholders as a whole; and</p> <p>(c) payment of the dividend does not materially prejudice the company's ability to pay its creditors.</p>	<p>to time pay to shareholders such interim dividends as appear to the directors to be justified by the distributable profits of Kodal.</p> <p>(a) Under the Companies Act, a United Kingdom company may not declare or pay dividends if it does not have "profits available" to make the distribution and the distribution must be justified by reference to "relevant accounts". Also public companies can only make a distribution;</p> <p>(b) if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called up share capital and undistributable reserves; and</p> <p>(c) if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.</p> <p>No dividend may exceed the amount recommended by the Directors.</p> <p>No dividend shall carry interest as against Kodal.</p>
Financial assistance/self-acquisition	In Australia, a company has the right to buy back its own shares under the Corporations Act.	In the United Kingdom, a company has the right to buy back its own shares under the Companies Act. An

	Australian position	England and Wales position
	<p>A company may conduct a number of different types of share buy-backs. Depending on the type of share buy-back conducted and the number of shares the company proposes to buy-back, the proposal may need to be approved by a resolution of shareholders.</p> <p>Under the Corporations Act, subject to certain exceptions a company may not financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company. Exceptions include:</p> <ul style="list-style-type: none"> (a) where the giving of the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors; or (b) the assistance is approved by shareholders. 	<p>ordinary resolution of shareholders is required to approve any buy back.</p> <p>The Companies Act prohibits a company from using its assets to fund the purchase of its own shares.</p> <p>Exceptions to the prohibition include:</p> <ul style="list-style-type: none"> (a) lawful dividends; (b) capital reduction; (c) redemption of shares; or (d) a public company which has net assets which will not be reduced by the giving of the assistance, or if those net assets will be reduced, where the assistance is provided out of distributable profits and is undertaking certain transactions e.g. lending money in the ordinary course of business.
Protection of minorities	<p>The Corporations Act has various provisions allowing for application for a court order for oppressive conduct of a company's affairs, derivative actions and permitting the inspection of a company's books. A winding up may also be sought on just and equitable grounds.</p>	<p>The Companies Act provides for any member of a company to bring a derivative action on behalf of the company against a director for negligence, default, breach of duty or breach of trust.</p> <p>A court's permission must be obtained before bringing a derivative action.</p>

	Australian position	England and Wales position
Related party transactions	<p>Under Chapter 2E of the Corporations Act, a public company cannot provide a financial benefit to a related party without shareholder approval, subject to certain exemptions, including arm's length transactions. A related party includes:</p> <ul style="list-style-type: none"> (a) an entity that controls the public company; (b) directors of the public company; (c) directors of an entity that controls the public company; (d) an entity that has reasonable grounds to believe that it will be a related entity in the future; and (e) an entity which acts in concert with a related party of the public company on the understanding that the related party will receive a financial benefit if the public company gives the entity a financial benefit. <p>In addition, under Chapter 10 of the ASX Listing Rules, a shareholder who holds 10% or more of the shares of a listed entity is subject to restrictions under Listing Rule 10.1 regarding acquisitions and disposals of substantial assets from the public company.</p> <p>On any shareholders' resolution to approve the giving of a financial benefit under Chapter 2E of the Corporations</p>	<p>The Companies Act generally requires that shareholder approval is required for:-</p> <ul style="list-style-type: none"> (a) substantial property transactions with a related party (being a director, a director of a holding company, or a connected person) which is either equal to 10% or more of the company's asset value and more than £5,000 or exceeds £100,000; (b) loans with directors or directors of a holding company, except, inter alia, if the loan is less than £10,000 or £50,000 in the expenditure of the company's business; (c) credit transactions, guarantees and security granted in connection with a credit transaction for the benefit of a director, a director of a holding company, or a connected person except, inter alia, if the credit transaction is less than £15,000 or £50,000 in the expenditure of the company's business; and (d) a director's service agreement which is longer than two years. <p>A "related party" of a company listed on AIM for the purposes of the AIM Rules includes a person who is or was, within the preceding 12 months, a director or a</p>

	Australian position	England and Wales position
	<p>Act (or Chapter 10 of the ASX Listing Rules), neither the related party nor its associates may vote on the relevant resolution.</p> <p>There are also restrictions that apply to remuneration of directors of public companies (and listed entities) particularly any termination payments under section 200 of the Corporations Act and Chapter 10 of the Listing Rules.</p>	<p>substantial shareholder of the company, and various associates of those persons.</p> <p>Pursuant to the AIM Rules, in the event that a company enters into a transaction with a “related party” which exceeds 5% in any of the class tests set out in the Schedule Three to the AIM Rules, it must provide an announcement for distribution to the public (via a RIS) setting out the information required by Schedule Four of the AIM Rules plus some additional information relating to the “related party” and the transaction.</p>
Capital reductions	<p>Under Chapter 2J.1 of the Corporations Act, a company can reduce its capital if the reduction:</p> <p>(a) does not materially prejudice creditors or the interest of the company; and</p> <p>(b) is approved by shareholders.</p> <p>In addition, there are specific forms of capital reduction, share buy-backs and financial assistance that have specific rules and restrictions under the Corporations Act and the ASX Listing Rules.</p>	<p>Under the Companies Act, public companies generally require Court approval for a reduction of capital.</p>
Notice of meetings	<p>The Corporations Act requires at least 28 days’ notice of a general meeting of a listed company.</p>	<p>A UK public company must, subject to any longer period prescribed by its articles of association give at least 21</p>

	Australian position	England and Wales position
		days' notice of an annual general meeting and 14 days' notice for any other general meeting.
Shareholders' rights to request or requisition a general meeting	<p>The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting or at least 100 shareholders who are entitled to vote at a general meeting.</p> <p>Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.</p>	<p>Kodal Shareholders have the ability under the Companies Act to require the directors to call a general meeting, provided that such request comes from shareholder(s) representing at least 5% of the paid-up capital of Kodal as carries the right of voting at general meetings of the company (excluding any paid-up capital held as treasury shares).</p> <p>The Kodal Board must call the general meeting by sending out a notice of the meeting within 21 days of receiving a valid request. The Kodal Shareholders are entitled to be reimbursed for their reasonable expenses.</p>
Transactions that require Shareholder approval	<p>Under the Corporations Act, the principal transactions or actions requiring shareholder approval include:</p> <ul style="list-style-type: none"> ▪ adopting or altering a company's constitution; ▪ appointing or removing a director or auditor; ▪ certain transactions with related parties of the company; ▪ putting the company into liquidation; and 	<p>The types of "transactions" that require shareholder approval under United Kingdom law are determined on a case by case basis and are governed by the Companies Act and the Articles. Generally speaking, the following types of transactions will require shareholder approval:</p> <ul style="list-style-type: none"> (a) schemes of arrangement; (b) compromises among creditors and/or members; (c) voluntary liquidations;

	Australian position	England and Wales position
	<ul style="list-style-type: none"> ▪ changes to the rights attached to shares. <p>Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).</p> <p>Under ASX Listing Rules, shareholder approval is required for matters including:</p> <ul style="list-style-type: none"> ▪ increases in the total amount of directors' fees; ▪ directors' termination benefits in certain circumstances; ▪ certain transactions with related parties; ▪ certain issues of shares in excess of a company's issued share capital; and ▪ if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking. 	<p>(d) certain repurchases of shares; and</p> <p>(e) certain alterations of capital and variations of the rights attaching to shares.</p> <p>The above does not purport to be an exhaustive list but sets out common transactions which require shareholder approval.</p>
Amendments to constitution	<p>Under section 136(2) of the Corporations Act a company may modify or repeal its constitution, or a provision of its constitution, by special resolution i.e. a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.</p>	<p>A company may amend its articles of association by special resolution i.e. a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.</p>

	Australian position	England and Wales position
Indemnification of directors	A company may indemnify a director, officer or its auditor but may not provide an indemnity for a director's liability owed to the company or a related body corporate, for a pecuniary penalty or compensation order under the Corporations Act, or a liability that is owed to someone other than the company or a related body corporate and did not arise out of conduct in good faith.	A company may indemnify a director other than for any liability that would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust, subject to the any restrictions in the Companies Act. Kodal can also purchase insurance against any of these liabilities.
Removal of directors	The Corporations Act contains various provisions regarding resignation, removal and retirement of directors. The Corporations Act provides that a director may be removed by resolution at a general meeting, subject to a company receiving at least two months' notice of the intention to move the resolution and the company notifying the relevant director as soon as possible after receiving notice of that intention.	Shareholders can remove a director by ordinary resolution under the procedure in section 168 of the Companies Act. Special notice (28 days) is required for the shareholder meeting to consider the resolution (it cannot be passed by a written resolution) and the director can speak at the meeting and state his case in writing to shareholders. Any such removal does not prejudice any right of the director to compensation or damages and does not automatically terminate any employment contract he may have with the company.
Interested directors and dealings with	A director must disclose to the company if that director has an interest in a material contract or proposed material contract with the company or any of its subsidiaries. A director is not precluded from voting at meetings of the board by reason of having a material	UK law and Kodal's Articles provide that, if a director has an interest in a material contract or proposed material contract with Kodal or any of its subsidiaries, the director must disclose the nature of that interest at the first

	Australian position	England and Wales position
controlling shareholders	<p>personal interest in the subject matter under consideration by the board.</p> <p>A director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting, or vote on the matter, except where that director's participation is approved by ASIC or by the other directors who do not have a material personal interest in the matter.</p> <p>Under Listing Rule 12.9, ASX-listed companies must have a trading policy that includes:</p> <ul style="list-style-type: none"> (a) the company's closed periods. (b) The restrictions on trading that apply to the entity's key management personnel. (c) Any trading which is not subject to the entity's trading policy. (d) Any exception circumstances in which the entity's key management personnel may be permitted to trade during a prohibited period with prior written clearance. (e) The procedures for obtaining prior written clearance for trading. 	<p>opportunity either at a meeting of directors or in writing to the directors.</p> <p>Save as provided below, a director shall not vote at a meeting of the Kodal Board or any committee of the Kodal Board on any resolution of the directors concerning a matter in which he has an interest which, together with any interest of any person connected with him is, to his knowledge, a material interest. Kodal may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.</p> <p>The prohibition shall not apply to a director in relation to certain prescribed matters set out in the Articles.</p> <p>In addition, the Kodal Board may authorise any matter proposed to it which would, if not so authorised, involve a breach of the duty to avoid a conflict of interest.</p> <p>The AIM Rules require, amongst other things, that an AIM company must notify an RIS without delay of any change to a director's (or their families) holding of securities in the AIM company.</p> <p>A director or an applicable employee cannot deal in its company's securities during a close period (generally two months preceding the announcement of annual or half-yearly results or, if reports are quarterly, one month</p>

	Australian position	England and Wales position
	<p>Under the Corporations Act, in broad terms, if a person possesses inside information and the insider knows or ought reasonably to know that the matters are inside information the insider must not (whether principal or agent) acquire, dispose or enter into an agreement to acquire or dispose securities or procure another person to do so.</p>	<p>preceding the announcement of quarterly results); or at any time when the AIM company is in possession of unpublished price-sensitive information in relation to those securities.</p> <p>It is also an offence under the Criminal Justice Act to deal in securities when in possession of inside information; to encourage another to do so, when in possession of inside information; or to disclose inside information otherwise than in the proper performance of the functions of an employment office or profession.</p>
Termination benefits	<p>Division 2 of Part 2D.2. of the Corporations Act provides that termination benefits cannot be paid to anyone who holds a managerial or executive office in the company or one of its related bodies corporate, unless approval by shareholders or a specific exception applies. Exceptions include benefits that do not exceed a monetary cap, being the executive's average "base salary" over one year.</p> <p>Under Listing Rule 10.18, termination benefits, or any increase in them, cannot become payable to an "officer" due to a change in the shareholding or control of the company. There are no exceptions.</p> <p>Additionally, ASX 10.19 provides that, absent shareholder approval, no "officer" may become entitled</p>	<p>Under sections 217-219 of the Companies Act, termination payments for loss of office cannot be made without shareholder approval. However shareholder approval is not required for "payments made in good faith":</p> <ul style="list-style-type: none"> (a) in discharge of an existing obligation; (b) by way of settlement or compromise of any claim arising in connection with the termination of a person's office or employment; or (c) by way of pension in respect of past services.

	Australian position	England and Wales position
	to termination benefits if the value of all termination benefits payable to officers will exceed 5% of the equity interests in the company.	
Remuneration reports	<p>Under the Corporations Act, if 25% of the shareholders at a company's annual general meeting vote against the company's remuneration report, the company will receive a 'first strike'.</p> <p>If the company's remuneration report at the next annual general meeting is also voted against by 25% or more of the company's shareholders, the shareholders will vote at the same annual general meeting to determine whether all the directors will need to stand for re-election.</p> <p>If at least 50% of the shareholders present at the meeting vote in favour of the 'spill' resolution, then a 'spill meeting' at which the directors will face re-election, must be held within 90 days.</p>	The Companies Act sets out certain requirements for preparation of directors' remuneration reports for financial years ending on or after 30 September 2013. However, these requirements are not applicable to AIM-listed companies.
Disclosure requirements for issues of new securities	A public company cannot issue new securities without a disclosure document which complies with the requirements of Chapter 6D of the Corporations Act. However, there are a number of exemptions from these requirements, including:	<p>An AIM company must issue notification without delay of (amongst other things):</p> <p>(a) any relevant changes to its significant shareholders; and</p>

	Australian position	England and Wales position
	<p>(a) personal offers where the total amount raised does not exceed \$2 million in a 12 month period and from no more than 20 investors;</p> <p>(b) issues to “professional investors” (as defined in section 9 of the Corporations Act);</p> <p>(c) issues to sophisticated investors, being investors who have an income of more than \$250,000 per annum or assets in excess of \$2.5 million, in each case, as certified by an accountant;</p> <p>(d) offers to senior managers; and</p> <p>(e) offers by way of rights issues by listed entities, subject to section 708AA of the Corporations Act (including that an entity has not been suspended from trading for 5 or more days over the preceding 12 months and the entity has complied with its financial reporting requirements).</p>	<p>(b) the reason for the application for admission of any of its shares and consequent number of shares in issue.</p> <p>Kodal Minerals is also required to notify any information which it has had disclosed to it by a shareholder in accordance with Rule 5 of the Disclosure and Transparency Rules.</p>
Disclosure requirements that apply to mining companies	Listed entities are subject to continuous disclosure requirements set out in section 674 of the Corporations Act and Listing Rule 3.1 of the ASX Listing Rules. Australian listed entities that are “mining entities” (as defined in the Listing Rules) are subject to separate disclosure requirements under Chapter 5 of the Listing Rules, including that exploration results, reserves,	An AIM-quoted company which is a mining company must comply with the AIM Note for Mining, Oil and Gas Companies which forms part of the AIM Rules for Companies. This note, amongst other things, prescribes the way that certain disclosures are made by mining companies, for example, relating to:

	Australian position	England and Wales position
	resources and production targets/financial forecasts are disclosed in accordance with the Joint Ore Reporting Committee (JORC) Code.	<p>(a) what standard has been used in respect of each resource update (i.e. CIM, IMMM, JORC, GOST, SAMREC or SME);</p> <p>(b) the format that resource updates are reported in; and</p> <p>(c) specific information that is required to be disclosed in respect of drilling updates.</p>
Substantial or significant transactions	If an ASX-listed company proposes to make a significant change to the nature or scale of its activities it must provide full details to ASX as soon as practicable. ASX may require the company to seek approval from its shareholders or re-comply with the requirements for listing on ASX.	<p>An AIM-listed company must issue notification without delay as soon as the terms of any substantial transaction are agreed, disclosing the information specified by Schedule Four of the AIM Rules.</p> <p>A substantial transaction is one which exceeds 10% in any of the class tests set out in Schedule Three of the AIM Rules. It includes any transaction by a subsidiary of the AIM company but excludes any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in the fixed assets of the AIM Company or its subsidiaries.</p> <p>Any disposal by an AIM company which, when aggregated with any other disposal or disposals over the previous 12 months, exceeds 75% in any of the class tests, is deemed to be a disposal resulting in a fundamental change of business and must be:</p>

	Australian position	England and Wales position
		<ul style="list-style-type: none"> (a) conditional on the consent or its shareholders being given in general meeting; (b) notified without delay disclosing the information specified by Schedule Four and insofar as it is with a related party, the additional information required by Rule 13; and (c) accompanied by the publication of a circular containing the information specified above and convening the general meeting.
Franking credits	<p>Australia has a full dividend franking (imputation) system. Each Taruga Shareholder that is an Australian tax resident receives franking credits representing that Shareholder's share of tax paid by Taruga on the profits from which the cash dividend is paid.</p> <p>A Taruga Shareholder who is not an Australian tax resident and receives a fully franked dividend from Taruga would not be subject to withholding tax on the dividend but would not receive any credit in Australia in respect of the franking credit.</p>	<p>In the UK a company is charged corporation tax on all its profits, distributed and undistributed, and income tax is not deducted at source from dividends paid to shareholders. With effect from 6 April 2016, the UK no longer operates a dividend tax credit-based system.</p>
<p>It is emphasised that the summary table only attempts to provide general guidance, and that the detailed provisions may contain differences (including as to the availability of the cause of action), and may also be subject to differing interpretation by Australian and UK courts.</p>		

6.5 Trading Consideration Shares

The Consideration Shares are expected to be admitted to trading on AIM, a market operated by the London Stock Exchange. Kodal Minerals is not admitted to ASX.

In order to sell AIM-listed securities a shareholder will ordinarily require a stock broking account that enables them to access the AIM market.

For a stockbroker to give direct access to the AIM market it must be a member firm of the London Stock Exchange. A list of stockbrokers that are members of the London Stock Exchange can be found (and filtered by country and by regional office) at www.londonstockexchange.com.

Eligible Shareholders who receive Distribution Shares may also be able to sell their Kodal Shares "off market". This may include an arrangement where a stockbroker itself buys the Kodal Shares from the Eligible Shareholder.

Note that this may involve a lower sale price than the trading price of Kodal Shares on the AIM market.

Prices and news for Kodal can be found on the London Stock Exchange website: www.londonstockexchange.com.

Whether an Eligible Shareholder holds their Kodal Shares in a designated CREST account or in certificated form (refer to section 6.6 below) may impact the ease with which an Eligible Shareholder can trade those Kodal Shares.

Securities held in a designated CREST account are ordinarily available for sale on the electronic trading platform of the London Stock Exchange during London Stock Exchange trading hours.

Securities held in certificated form may be sold "off market" and ownership transferred to the buyer by completing a stock transfer form (available from a stockbroker or from Kodal's registrar whose details are available on Kodal's website). However, in order to trade them on the electronic trading platform of the London Stock Exchange, securities must be "de-materialised" and deposited into a CREST account which, as a result, may cause trading to take longer and security holders may suffer a loss as the sale price of the Kodal Shares may change during this period.

Taruga Shareholders are strongly encouraged to seek advice from their stockbroker or other regulated financial services provider to establish their ability to trade Kodal Shares and the cost of doing so.

Kodal has advised Taruga that it has no intention to seek admission of the Kodal Shares on ASX.

6.6 CREST and Certificated Holdings

CREST is a United Kingdom computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form and transferred otherwise than by written instrument. The London Stock Exchange provides a summary at www.londonstockexchange.com/traders-

andbrokers/private-investors/private-investors/about-share/how-hold-shares/how-holdshares.htm.

The Kodal Memorandum and Articles of Association permits Consideration Kodal Shares to be issued and transferred in uncertificated form in accordance with the CREST Regulations. Accordingly, settlement of transactions of Kodal Shares transferred to Eligible Shareholders pursuant to the Distribution may subsequently take place in CREST if the relevant Eligible Shareholders so wish. CREST is a voluntary system and those who wish to hold their Kodal Shares in certificated form will be able to do so.

Eligible Shareholders will be asked to make election as to how they wish to hold their Consideration Shares immediately following the Record Date. Those Eligible Shareholders whose Consideration Shares are already in a CREST account will have their Consideration Shares deposited in the same CREST account, unless they nominate otherwise.

Consideration Shares to be held in CREST will be credited to the designated CREST account by Kodal Minerals' registrar. Consideration Shares to be held in certificated form will be entered onto the shareholder register by Kodal Minerals' registrar on the same day, but the mailing of the certificate will result in a delay before Eligible Shareholders receive the certificate.

ACN: 153 868 789

REGISTERED OFFICE:
OFFICE J LEVEL 2
1139 HAY STREET
WEST PERTH WA 6872

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Friday 13 May 2016 at Office J, Level 2, 1139 Hay Street, West Perth WA and at any adjournment of that meeting.

SECTION B: Voting Directions

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

RESOLUTION	For	Against	Abstain*
1. DISPOSAL OF MAIN UNDERTAKING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. IN SPECIE DISTRIBUTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO BERNARD AYLWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO DANIEL SMITH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO MYLES CAMPION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO FRANK TERRANOVA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. AUTHORITY TO ISSUE PLACEMENT SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. APPROVAL TO ISSUE SHARES TO MINERVA CORPORATE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder Security Holder 2 Security Holder 3

Sole Director & Sole Company Secretary Director Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am WST on Wednesday 11 May 2016.



My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

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 must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

