



# TAWANA

RESOURCES NL

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ASX:TAW

## CORPORATE DIRECTORY

**Non-Executive Chairman**  
Robert Benussi

**Managing Director**  
Mark Calderwood

**Executive Director, CFO & Co. Sec.**  
Michael Naylor

## Tawana Commences Early Works at the Bald Hill Lithium Mine

Near-term lithium producer **Tawana Resources NL (ASX: TAW “Tawana” or ‘the Company”)** is pleased to announce it has commenced early works, including the ordering of long lead capital items, for the development of the Bald Hill Lithium and Tantalum Mine in Western Australia, which will consist of a 1.2 million tonne per annum front-end spodumene concentrator utilising dense medium separation (DMS).

This is a significant milestone for the company as it advances towards first shipment, which is expected in the first quarter of 2018.

### Highlights

- Early works expected to commence in June 2017 including site establishment; mobilisation of personnel; road upgrades; and site clearing on existing disturbed areas.
- The Company has engaged experienced lithium plant engineering group Primero to order long lead capital items including parts of the DMS plant and tails thickener. These items represent key components in the process flowsheet for the spodumene concentrator.
- Primero has also been engaged to complete the detailed design on the DMS circuit. Primero has recently completed and commissioned a DMS lithium plant in Western Australia and are currently involved in several significant lithium projects within Australia and overseas.
- Engineering, Procurement, and Construction (EPC) contract is being finalised and is expected to be awarded following the Feasibility Study which is due to be released by the end of May 2017.
- 150 room camp has been secured for construction manning at the nearby Lanfranchi Camp.

Tawana’s Managing Director Mark Calderwood stated: *“The rapid progress the Company is making gives us great confidence that the Bald Hill Mine should become the next lithium producer in Australia. Our straightforward metallurgy and excellent existing infrastructure has allowed us to commence early works and order long lead items.”*

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## Early Works

In order to meet the January 2018 commissioning timetable, the Company has been working on a number of critical path items to ensure that appropriate infrastructure, permits, access and logistics support are in place.

In June 2017, the Company is expected to commence site clearing on existing disturbed areas ready for construction and early operations, including mobilisation of key construction personnel to site.



Figure 1 - Bald Hill Tantalum Plant. The proposed Spodumene Concentrator will be located to the right of the photo.

## Detailed Design

Tawana has engaged experienced lithium plant engineering group, Primero to complete the detailed design and engineering of the flowsheet which will consist of a 1.2Mtpa spodumene concentrator circuit utilising a DMS circuit.

## Order of Long Lead Items

The Company has also engaged Primero to place orders for critical mechanical and electrical long-lead items for the DMS circuit including stackers, screens, cyclones, pumps and a tails thickener. These items represent the key components of the Bald Hill DMS circuit that is proposed for the Bald Hill Lithium and Tantalum Mine.

The ordering of these items should support the Company's targeted schedule of achieving its first shipment in the first quarter of 2018.

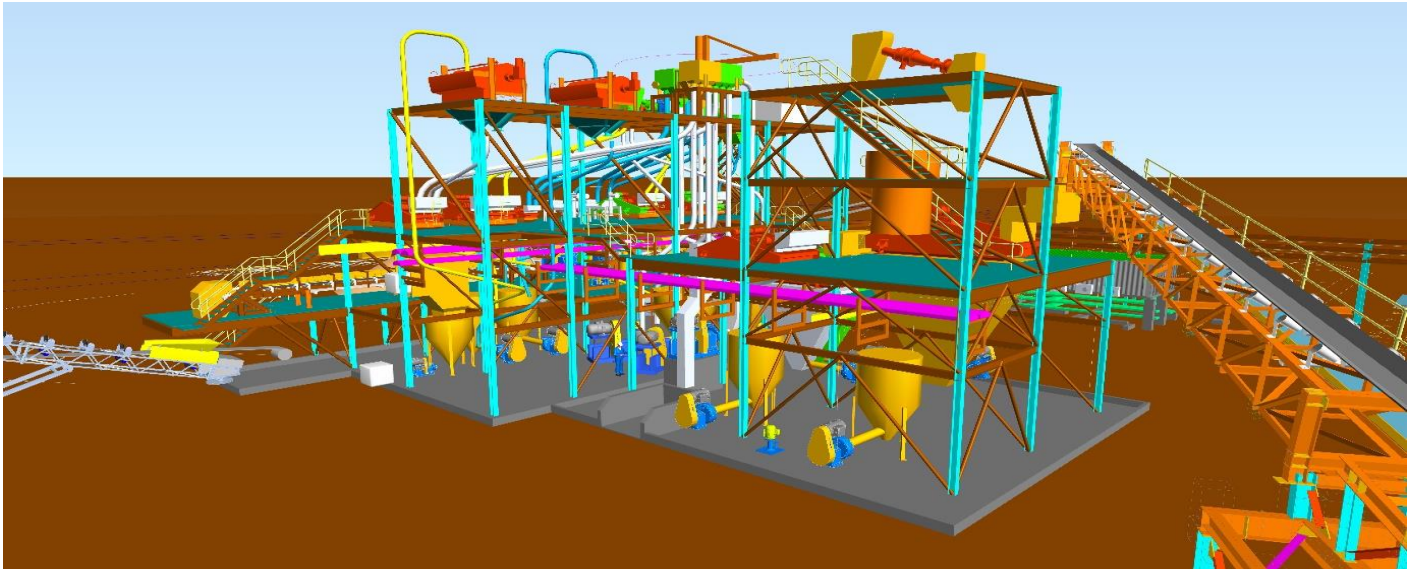


Figure 2 | 3-D Model of DMS Processing Plant

### Camp

The Company has secured the use of the 150 room Lanfranchi camp from Panoramic Resources Limited under a six month rental agreement to 1 December 2017 with a further six month option, to house the construction team during commissioning.

The camp is located approximately 40km from the Bald Hill Lithium and Tantalum Mine and significantly reduces the Company's upfront capital costs. The Company will assess the merits of expanding the current 40 room camp at Bald Hill after production has commenced.



Figure 3 | Aerial view of the Lanfranchi Camp.



### **Bald Hill Project (AMA 100%, TAW Earning 50%)**

The Bald Hill project (Project) area is located 50km south east of Kambalda in the Eastern Goldfields of Western Australia. It is located approximately 75km south east of the Mt Marion Lithium project and is adjacent to Tawana's Cowan Lithium project. The Project, owned by Alliance Mineral Assets Limited (AMA), includes a permitted tantalum (pegmatite) mine, processing facility and associated infrastructure.

Through Tawana's 100% owned subsidiary Lithco No. 2 Pty Ltd (**Lithco**), Tawana entered into a Farm-In Agreement on 23 February 2017 with Alliance Mineral Assets Limited with respect to AMA's Bald Hill project in Western Australia for the purpose of joint exploration and exploitation of lithium and other minerals.

The commercial terms require Tawana:

1. to spend, by 31 December 2017 (or such later date as may be agreed between the parties), a minimum of \$7.5 million on exploration, evaluation and feasibility ("Expenditure Commitment"); and at its election
2. to spend, \$12.5 million in capital expenditure required for upgrading and converting the plant for processing ore derived from the Project, infrastructure costs, pre-stripping activities and other expenditures including operating costs ("Capital Expenditure") by 31 December 2019.

Upon completion of the Expenditure Commitment, Tawana shall be entitled to 50% of all rights to lithium minerals from the tenements comprising the Project ("Tenements"). AMA and Lithco had on 10 April 2017 entered into a lithium rights joint venture agreement.

Upon completion of the Expenditure Commitment and Capital Expenditure, Tawana will be entitled to a 50% interest in the Project (being all minerals from the tenements and the processing plant and infrastructure at Bald Hill). The portfolio of mineral tenements, comprising mining leases, exploration licences, prospecting licences, miscellaneous licences, a general-purpose lease, and a retention lease are in good standing. AMA and Lithco had on 18 April 2017 entered into a Bald Hill Joint Venture Agreement.

### **Forward Looking Statement**

This report may contain certain forward looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon as representation or warranty, express or implied, of Tawana Resources NL. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Tawana Resources NL. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

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