

28 June 2017

Tawana Earns in to Lithium Rights at Bald Hill

Tawana Resources NL (TAW:ASX) (“Tawana” or the “Company”) and Alliance Mineral Assets Limited (SGX:AMA) (“AMAL”) are pleased to announce that Lithco No. 2 Pty Ltd (“Lithco”), a 100% owned subsidiary of Tawana Resources NL, has spent the required \$7,500,000 to earn a 50% interest in all lithium rights at the Bald Hill Mine tenements. Accordingly, the Lithium Rights Joint Venture Agreement (“Lithium Rights JVA”) entered into between the parties on 10 April 2017, over the lithium rights at the Bald Hill tenements, came into effect on 31 May 2017 as determined by an independent auditor on 23 June 2017.

Tawana plans to deliver the Bald Hill Lithium and Tantalum Mine Feasibility Study by the first week of July 2017 to allow the Tawana and AMAL boards to give final approval for the construction of the dense media separation (“DMS”) plant for lithium production.

During the earn-in period, Lithco and AMAL have continued to derive significant value at the Bald Hill Lithium and Tantalum Mine. Highlights include:

- A Maiden Indicated and Inferred lithium Mineral Resource¹ of:
 - High grade of 12.8 million tonnes at 1.18% Li₂O and 158ppm Ta₂O₅ at a 0.5% Li₂O cut-off
 - High grade tantalum Resources increased 250% to 8.9 million tonnes at 304ppm Ta₂O₅ containing 6 million pounds of tantalum pentoxide, including 5.7 million tonnes at 311ppm Ta₂O₅ not included in the +0.5% Li₂O lithium resource.
- Metallurgical test² work has confirmed that Bald Hill lithium has the ability to:
 - Produce grades well in excess of 6% Li₂O at good mass yields and acceptably low iron content.
 - Reject 60-70% of the feed mass after a first pass Dense Media Separation (DMS), thus reducing processing costs appreciably.
- Entering into a binding long-term exclusive lithium concentrate offtake agreement³ for all production from no later than 15 March 2018 up to 31 December 2019 of US\$880/t (FOB Esperance) for 6% Li₂O.
- \$25,000,000 (50% each to AMAL and Tawana) prepayment from the offtake partners to be used towards capital and operating costs at Bald Hill.
- Experienced lithium plant engineering group Primero has commenced ordering long-lead capital and tails thickener. These items represent key components in the process flowsheet for the spodumene concentrator which is expected to be commissioned in the first quarter of 2018.

Tawana Managing Director Mark Calderwood stated *“Tawana and AMAL have been committed to delivering value to its shareholders in such a short period of time. It is exciting that we have the opportunity to work together to deliver lithium production in the first quarter of 2018.”*

Bald Hill Project

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 (AMAL), 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 AMAL with respect to AMAL's Bald Hill project for the purpose of joint exploration and exploitation of lithium and other minerals. In May 2017, Tawana earned its 50% rights to all lithium minerals from the tenements comprising the Project, and Tawana and AMAL are now governed by the Lithium Rights Joint Venture Agreement which was entered into on 10 April 2017.

Tawana is required to spend \$12.5 million in capital expenditure 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 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. AMAL and Lithco had on 18 April 2017 entered into a Bald Hill Joint Venture Agreement ("Bald Hill JVA"). For the avoidance of doubt, the Bald Hill JVA has not come into effect as at the date of this announcement.

Tawana raised \$15 million before costs, in May 2017, in order to fund its \$12.5 million Capital Expenditure commitment to earn its 50% interest in the Project.

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 and/or Alliance Mineral Assets Limited. 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 and/or Alliance Mineral Assets Limited. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Tawana Resources NL and/or Alliance Mineral Assets Limited does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Tawana Resources NL and/or Alliance Mineral Assets Limited or any of their directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of Tawana Resources NL and/or Alliance Mineral Assets Limited, their directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this announcement or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this announcement.

1. For more information on the Resource estimate, refer to ASX announcement and SGX announcement dated 14 June 2017 and 13 June 2017 respectively. Tawana Resources and AMAL is not aware of any new information or data that materially affects the information included in the said announcement.
2. Refer to announcements released to the ASX on 16 March 2017 and 7 April 2017 and to the SGX on 15 March 2017 and 11 April 2017 respectively.
3. For further details of the offtake agreement and prepayment with Burwill, refer to ASX announcement dated 26 April 2017 and SGX announcement dated 4 May 2017.