

NOTICE OF MEETING

ASX RELEASE 23 November 2016 ASX:TAW

CORPORATE DIRECTORY

Non-Executive Chairman Robert Benussi

Managing Director Mark Calderwood

Executive DirectorMichael Naylor

Tawana Resources NL ("Tawana" or the "Company") announces that the Notice of Meeting of Shareholders to approve the acquisition of Lithco No.2 Pty Ltd, which has earn in rights to the Bald Hill Mine has been despatched.

Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under ASX Listing Rule 10.1 (Refer to Resolutions 1 and 2). The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of these Resolutions to the non-associated Shareholders. The Independent Expert has determined the Acquisition is fair and reasonable to the non-associated Shareholders.

For and on behalf of the Board

Michael Naylor

Director and Company Secretary

CONTACT DETAILS

288 Churchill Avenue Subiaco Perth WA 6008 Email | admin@tawana.com.au Website | www.tawana.com.au Phone | +61 8 9489 2600



TAWANA RESOURCES NL ACN 085 166 721

NOTICE OF GENERAL MEETING

TIME: 10.00am (WST)

DATE: 23 December 2016

PLACE: 288 Churchill Avenue, Subiaco, Western Australia

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under ASX Listing Rule 10.1 (Refer to Resolutions 1 and 2). The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of these Resolutions to the non-associated Shareholders. The Independent Expert has determined the Acquisition is **fair and reasonable** to the non-associated Shareholders.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9489 2600.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am (WST) on 23 December 2016 at 288 Churchill Avenue, Subiaco, Western Australia.

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on 21 December 2016.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

if proxy holders vote, they must cast all directed proxies as directed; and

• any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – THE ACQUISITION OF LITHCO NO. 2 PTY LTD

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

"That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rules 7.1, 10.1 and 11.1.2 and for all other purposes, approval is given for the Company to issue up to 39,540,000 Shares in consideration for the acquisition of Lithco No. 2 Pty Ltd on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – THE ACQUISITION OF LITHCO NO. 2 PTY LTD – RELATED PARTY

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

"That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rules 10.1, 10.11 and 11.1.2 and for all other purposes, approval is given for the Company to issue up to 10,460,000 Shares in consideration for the acquisition of Lithco No. 2 Pty Ltd on the terms and conditions set out in the Explanatory Statement."

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

Resolutions 1 and 2

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of Resolutions 1 and 2 to the non-associated Shareholders. The Independent Expert has determined the Acquisition is fair and reasonable to the non-associated Shareholders. A copy of the Independent Expert's Report is available on the Company's website (http://www.tawana.com.au/). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES - TRANCHE 1 OF CAPITAL RAISING

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,628,825 Shares on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – ISSUE OF SHARES – TRANCHE 2 OF CAPITAL RAISING

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,371,175 Shares on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 5 – ISSUE OF SHARES IN CONSIDERATION FOR MILESTONE PAYMENTS FOR THE UIS TAILINGS PROJECT

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

"That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 - RATIFICATION OF PRIOR ISSUE OF SHARES - PURCHASE OF LITHIUM AFRICA NO 1 PTY LTD

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

Dated: 22 November 2016

By order of the Board

Michael Naylor Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND

1.1 Summary of the Resolutions

Resolutions 1 and 2 are interconditional and relate to the acquisition of 100% of the issue share capital in Lithco No 2 Pty Ltd (Lithco) (Acquisition) including the issue of 50,000,000 Shares (Consideration Shares) as consideration. Resolution 1 seeks Shareholder approval for the Acquisition and issue of Consideration Shares to parties who are not related parties of the Company (Unrelated Vendor Shares). Resolution 2 seeks Shareholder approval for the Acquisition and issue of Consideration Shares to a related party (Mark Calderwood) of the Company (Calderwood Shares).

In conjunction with the Acquisition, the Company is undertaking a capital raising to raise \$7,200,000 by the issue of 60,000,000 Shares at an issue price of \$0.12 per Share, to be completed in two tranches (**Capital Raising**). **Resolution 3** seeks Shareholder approval for the ratification of the issue of Shares under Tranche 1 of the Capital Raising and **Resolution 4** seeks Shareholder approval for the issue of Shares under Tranche 2 of the Capital Raising.

Resolutions 5 and 6 relate to the Company's acquisition of Lithium Africa No. 1 Pty Ltd (LA1) as announced on 23 September 2016. Resolution 5 seeks Shareholder approval for the issue of Deferred Consideration Shares agreed as part of the consideration for the acquisition of LA1. Resolution 6 seeks Shareholder approval for the ratification of the prior issue of Shares issued at settlement of the acquisition of LA1 on 29 September 2016.

1.2 Summary of the Acquisition

As announced on 24 October 2016, the Company entered into an option agreement in relation to the Acquisition (**Lithco Option**). The Lithco Option expires at 5:00pm (WST) on 31 December 2016 and exercise of the option is, unless waived by the Company in its sole discretion and where permitted in compliance with applicable laws, conditional upon the Company obtaining all necessary Shareholder and regulatory approvals pursuant to the ASX Listing Rules, the Corporations Act and any other relevant law.

The consideration for the Acquisition will be satisfied by the issue of the Consideration Shares. Mark Calderwood who was the Chief Executive Officer of the Company at the time of agreeing the terms of the Acquisition (now the Managing Director) will receive 10,460,000 of the Consideration Shares. All other recipients of the Consideration Shares are not related parties of the Company.

Lithco-AMAL Agreement

Lithco has entered into a binding term sheet with Singapore Exchange listed Alliance Mineral Assets Limited (AMAL) with respect to AMAL's Bald Hill Project in Western Australia (Bald Hill Project) for the purpose of joint exploration and exploitation of lithium and other minerals (Binding Term Sheet).

The commercial terms require Lithco:

- (a) 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 (including administrative and other overhead costs in relation thereto) (Expenditure Commitment); and
- (b) to spend, \$12.5 million in capital expenditure required for upgrading and converting the plant for processing ore derived from the Bald Hill Project, infrastructure costs, pre-stripping activities and other expenditures including operating costs (Capital Expenditure).

Lithco may, at its sole discretion, withdraw from the Binding Term Sheet at any time prior to completing the Expenditure Commitment, in which case, Lithco shall have no interest in the Bald Hill Project.

Upon completion of the Expenditure Commitment, Lithco shall be entitled to 50% of all rights to lithium minerals from the tenements comprising the Bald Hill Project (**Tenements**).

After completion of the Expenditure Commitment the parties will constitute a joint venture committee with equal representation of and voting rights for each party to plan and manage activity on the Bald Hill Project.

If after completing the Expenditure Commitment, Lithco does not complete the Capital Expenditure, then both parties acting reasonably shall use their best endeavours to monetise the lithium minerals comprised in the Tenements for mutual benefit.

Upon completion of the Expenditure Commitment and Capital Expenditure, Lithco will be entitled to a 50% interest in the Bald Hill Project (being all minerals from the Tenements and the processing plant and infrastructure at the Bald Hill Project).

Upon completion of the Expenditure Commitment and Capital Expenditure and subject to entering into binding definitive farm-in and joint venture agreements, a joint venture between Lithco and AMAL will be formed and funded 50:50 by Lithco and AMAL.

Formal Farm-in and Joint Venture Agreements

As at the date of this Notice the binding definitive farm-in and joint venture agreements have not been entered. Lithco and AMAL have agreed that the definitive binding agreements shall be consistent with the terms of the Binding Term Sheet and shall contain additional terms and conditions that are customary for arrangements of this nature in the Western Australian mining industry and which terms are approved by the boards of Lithco and AMAL, including, in relation to:

- (a) Co-existence of rights and access;
- (b) Committee functions and voting rights;
- (c) Manager of the Project appointment, functions, powers and duties;
- (d) Work programmes, budgets and funding;
- (e) Accounts, audits and access;
- (f) Dilution and withdrawal;

- (g) Assignment; and
- (h) Dispute resolution.

Lithco and AMAL also intend to extend the area the farm-in and joint venture arrangements will relate to include the area enclosed by the external boundaries of any additional tenements acquired by either party (or their affiliates) within a 10 km radius of the Tenements unless the non-acquiring party elects not to have them included (collectively the **Tenement Area**).

1.3 Summary of the Bald Hill Project

The Bald Hill Project is located approximately 60km south east of Kambalda and 50km east of Widgiemooltha in the Coolgardie Mineral Field of Western Australia. The Bald Hill Project encompasses ten exploration licences, one general purpose licence, eight miscellaneous licences, five mining leases, one mining lease application, eight prospecting licences and one retention licence.

The Bald Hill Project historically has been a tantalum mining and recovery operation. Lithium minerals such as spodumene were not recovered in previous processing operations for tin and tantalum.

Due to the focus of previous companies on tin and tantalum very little information in terms of lithium mineral (spodumene) quantity and geochemical analyses for lithium are available in key areas of current focus by the Company. There is sufficient prospectivity indicated by the visual presence of spodumene either in surface outcrops, or logged in a limited number of drill holes by previous operators, and geochemical analytical values for lithium, to warrant further investigation by the Company.

For further information in relation to the Bald Hill Project, refer to the Independent Technical Assessment and Valuation Report prepared by CSA Global Pty Ltd and included as Appendix 4 to the Independent Expert's Report.

1.4 Pro forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Acquisition and the Capital Raising and issues of all Shares contemplated by this Notice is set out in section 10.1 of the Independent Expert's Report.

1.5 Pro forma capital structure

The capital structure of the Company following completion of the Acquisition and the Capital Raising and issues of all Shares contemplated by this Notice is:

Shares

	Number
As at the date of this Notice	293,654,327
To be issued pursuant to the Acquisition	50,000,000
To be issued pursuant to Trance 2 of the Capital Raising	30,371,175
On completion of the Acquisition and the Capital Raising	374,025,502
Deferred Consideration Shares issued pursuant to Resolution 5	10,000,000
Total Shares on issue assuming satisfaction of the milestones	384,025,502

relating to the Deferred Consideration Shares	

Options

	Number
On issue as at the date of this Notice ¹	9,625,000
To be issued pursuant to the Resolutions	Nil
On completion of the Acquisition and Capital Raising	9,625,000

Notes:

- 1. 500,000 Options exercisable at \$0.36 each on or before 12 December 2016. 75,000 Options exercisable at \$0.30 each on or before 12 December 2016.
 - 550,000 Options exercisable at \$0.178 each on or before 26 May 2018.
 - 2,500,000 Options exercisable at \$0.035 each on or before 15 June 2018.
 - 3,000,000 Options exercisable at \$0.06 each on or before 30 June 2019 (vest after 6 months of employment by Mark Calderwood. i.e 11 January 2017).
 - 3,000,000 Options exercisable at \$0.06 each on or before 30 June 2019.

1.6 Disclosure of interests

The recipients of the Consideration Shares have confirmed to the Company that they are not associates (as defined in the Corporations Act) of one another.

The relevant interest in securities in the Company of the recipients of the Consideration Shares and Deferred Consideration Shares:

Shares held by/to be issued to:	Date of Notice	Consideration Shares	Deferred Consideration Shares ²	Total (%) ³
Corporate & Resource Consultants Pty Ltd	12,330,000	14,540,000	5,000,000	31,870,000 (8.30%)
Chalmsbury Nominees Pty Ltd	16,875,000	18,750,000	3,750,000	39,375,000 (10.25%)
Merriwee Pty Ltd <merriwee superfund<="" td=""><td>25,225,000</td><td>6,250,000</td><td>1,250,000</td><td>32,725,000 (8.52%)</td></merriwee>	25,225,000	6,250,000	1,250,000	32,725,000 (8.52%)
A/C>				
Mark Calderwood ¹	11,420,000	10,460,000	Nil	21,880,000 (5.70%)
Total	65,850,000	50,000,000	10,000,000	125,850,000

Notes:

- Mark Calderwood also has a relevant interest in 3,000,000 Options each exercisable at \$0.06
 on or before 30 June 2019 subject to Mr Mark Calderwood being employed by the Company
 until 11 January 2017.
- 2. The milestones required to be satisfied before the Deferred Consideration Shares will be issued are set out in Section 5.1.
- 3. Assumes no Shares are issued other than as contemplated by Resolution 4, whether from the exercise of Options or otherwise.

1.7 Additional risk factors

The risk profile of the Bald Hill Project is similar to that of the Company's existing assets which has previously been disclosed to Shareholders as the Company would be continuing with mineral exploration and the Bald Hill Project is prospective for lithium. These risks include exploration and operational risks, environmental regulations, native title regulations, commodity price and foreign currency volatility.

1.8 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

- (a) the Bald Hill Project is highly prospective for lithium mineralisation which complements the Company's existing assets;
- (b) the Bald Hill Project is at a more advanced stage of exploration than the Company's existing assets; and
- (c) the potential increase in market capitalisation of the Company following completion of the Acquisition may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present.

1.9 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

- (a) current Shareholders will have their voting power in the Company diluted;
- (b) there is no guarantee that the Resource estimated for the Bald Hill Project can be economically extracted; and
- (c) current Shareholders will be exposed to the additional risks associated with the Bald Hill Project as set out in Section 1.

1.10 Intentions if Acquisition is not approved

If Resolutions 1 and 2 are not passed and the Acquisition is not completed, the Company will continue to explore on its Mt Belches Lithium Project that surrounds and is adjacent to the Bald Hill Mine and explore the Uis Lithium Project in Namibia.

1.11 Independent Expert's Report

ASX Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

The Independent Expert's Report annexed to this Notice sets out a detailed independent examination of the Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolutions 1 and 2. The independent expert has concluded that the Acquisition is **fair and reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

The Independent Expert's Report is also available on the Company's website (http://www.tawana.com.au/). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

1.12 Director's recommendation

The Directors (other than Mark Calderwood who does not give a recommendation due to his material personal interest in the Acquisition) unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2 as they consider the proposed Acquisition and associated issue of Shares to be in the best interests of Shareholders for the following reasons:

- (a) after assessment of the advantages and disadvantages referred to in Sections 1.8 and 1.9 the Directors are of the view that the advantages outweigh the disadvantages; and
- (b) the Independent Expert has determined the Acquisition to be **fair and reasonable** to the non-associated Shareholders.

2. RESOLUTIONS 1 AND 2 – THE ACQUISITION OF LITHCO NO 1 PTY LTD

2.1 General

A summary of the Acquisition is set out in Section 1.2.

Resolution 1 seeks Shareholder approval for the Acquisition including the issue up to 39,540,000 of the Consideration Shares to parties who are not related parties of the Company (**Unrelated Vendor Shares**).

Resolution 2 seeks Shareholder approval for the Acquisition including the issue of 10,460,000 Consideration Shares to a related party (Mark Calderwood) of the Company (Calderwood Shares)

Resolutions 1 and 2 are interconditional.

2.2 ASX Listing Rule 11.1.2

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has advised the Company that, given the proposed change in the nature and scale of the Company's activities resulting from the Acquisition, it requires the Company to obtain Shareholder approval for the change in nature and scale of its activities but it will not be required meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

2.3 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders, without the prior approval of holders of the entity's ordinary shareholders.

Acquisition by the Company

Exercise of the Lithco Option will result in an acquisition by the Company.

Substantial asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The equity interests of the Company as set out in the latest accounts given to ASX under the ASX Listing Rules (being for the half-year ending 30 June 2016) were \$1,090,674.

As the value of the consideration for the Acquisition is more than 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the ASX Listing Rules, the completion of the Acquisition will result in the acquisition of a substantial asset.

Vendors

At the time of agreement the terms of the Lithco Option none of the shareholders of Lithco were related parties of the Company or substantial holders of the Company for the purposes of ASX Listing Rule 10.1 (i.e. had a relevant interest in 10% or more in the Company in the previous 6 months), however, ASX has exercised its discretion to require shareholder approval be obtained under ASX Listing Rule 10.1.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the Acquisition will result in the acquisition of a substantial asset from persons covered by ASX Listing Rule 10.1 and the Company is therefore required to seek Shareholder approval under ASX Listing Rule 10.1.

2.4 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Unrelated Vendor Shares pursuant to the Acquisition during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.5 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of Unrelated Vendor Shares to be issued is 39,540,000;
- (b) the Unrelated Vendor 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 ASX Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same day;
- (c) the deemed issue price will be \$0.12 per Unrelated Vendor Share and the Unrelated Vendor Shares will be issued for nil cash consideration in satisfaction of part of the consideration for the Acquisition;
- (d) the Unrelated Vendor Shares will be issued to the entities set out in the table in Section 1.6;
- (e) the Unrelated Vendor Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than being escrowed for 12 months from the date of issue; and
- (f) no funds will be raised from the issue of the Unrelated Vendor Shares as they are being issued in satisfaction of part of the consideration for the Acquisition.

2.6 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Resolution 2 involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

2.7 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the Calderwood Shares will be issued to Mark Calderwood, a Director (or his nominee);
- (b) the Calderwood Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the deemed issue price will be \$0.12 per Calderwood Share and the Calderwood Shares will be issued for nil cash consideration as they will be issued in satisfaction of part of the consideration for the Acquisition;
- (d) the Calderwood Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the

Company's existing Shares other than being escrowed for 12 months from the date of issue; and

(e) no funds will be raised from the issue of the Calderwood Shares as they are being issued in satisfaction of part of the consideration for the Acquisition.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Calderwood Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Calderwood Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2.8 Dilution

In the event the maximum number of Shares contemplated by Resolutions 1 and 2 are issued and assuming no Options are exercised or other Shares issued, the number of Shares on issue would increase from 293,654,327 (being the number of Shares on issue as at the date of this Notice) to 343,654,327 and the shareholding of existing Shareholders would be diluted by approximately 14.55%.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES - TRANCHE 1 OF CAPITAL RAISING

3.1 General

A summary of the Capital Raising is set out in Section 1.1.

On 1 November 2016, the Company issued 29,628,825 Shares at an issue price of \$0.12 per Share to raise \$3,555,459 (before costs) under Tranche 1 of the Capital Raising. Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 2.4.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 29,628,825 Shares were issued;
- (b) the issue price was \$0.12 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors. None of these subscribers are related parties of the Company; and

(e) the funds raised from this issue will be used to fund the substantial drilling program at the Cowan Lithium Project, conduct due diligence on the adjoining Bald Hill Project and complete the drilling and metallurgy at the Uis Lithium Project in Namibia.

4. RESOLUTION 4 – ISSUE OF SHARES – TRANCHE 2 OF CAPITAL RAISING

4.1 General

A summary of the Capital Raising is set out in Section 1.1.

Resolution 4 seeks Shareholder approval for the issue of up to 30,371,175 Shares at an issue price of \$0.12 per Share to raise up to \$3,644,541 under Tranche 2 of the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 2.4.

The effect of Resolution 4 will be to allow the Company to issue the Shares pursuant to Tranche 2 of the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Tranche 2 of the Capital Raising:

- (a) the maximum number of Shares to be issued is 30,371,175;
- (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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.12 per Share;
- (d) the Shares will be issued to professional and sophisticated investors determined by the Directors. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from Tranche 2 of the Capital Raising to advance the Bald Hill Project and Cowan Lithium Project including further drilling, metallurgical test work, engineering studies and potential development scenarios.

4.3 Dilution

In the event the maximum number of Shares contemplated by Resolution 4 are issued and assuming the maximum number of Shares are issued under Resolutions 1 and 2 and no Options are exercised or other Shares are issued, the number of Shares on issue would increase from 343,654,327 to 374,025,502 and the shareholding of existing Shareholders would be diluted by approximately 8.12%.

5. RESOLUTION 5 – ISSUE OF SHARES IN CONSIDERATION FOR THE MILESTONE PAYMENTS FOR THE UIS TAILINGS PROJECT

5.1 General

As announced on 23 September 2016, the Company agreed to acquire 100% of the issue share capital in Lithium Africa No 1 Pty Ltd (LA1) which has contractual rights to the Uis pegmatite tailings stockpile (Uis Project).

The Uis Project located in Namibia comprises large coarse and fine tailings stockpiles from the Uis tin mine which operated between 1924 and 1990. The Uis Project is located close to the former mining town of Uis some 165km NNE of the coast city of Swakopmund, 270km NW of the capital Windhoek.

Refer to the Independent Expert's Report at Schedule 1 for further details on the Uis Project.

The consideration for the acquisition of LA1 is as follows:

- (a) 5,000,000 Shares and \$100,000 in cash which have been issued and paid; and
- (b) Deferred consideration of:
 - (i) 5,000,000 Shares following successful completion of drilling, analysing and metallurgical test work in respect of the tailings from the Uis Project (to the Company's satisfaction) by 30 June 2017; and
 - (ii) 5,000,000 Shares following the Company (in its sole discretion) resolving to proceed to development and mining of the tailings from the Uis Project on or before 31 December 2018,

(together the **Deferred Consideration Shares**).

Resolution 5 seeks Shareholder approval for the issue of the Deferred Consideration Shares.

A summary of ASX Listing Rule 7.1 is set out in Section 2.4.

The effect of Resolution 5 will be to allow the Company to issue the Deferred Consideration Shares pursuant to the Acquisition during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

As the end dates for satisfaction of the milestones triggering the requirement to issue the Deferred Consideration Shares are both more than 3 months after the date of this Meeting the Company intends to apply to ASX for a waiver to permit the issue of the Deferred Consideration Shares later than 3 months after the date of the Meeting.

Where the waiver is not granted and the milestones for the Deferred Consideration Shares are not satisfied in time for the Company to issue the Deferred Consideration Shares within 3 months of the date of the Meeting the Company may need to seek further Shareholder approval at an appropriate time.

In the event Shareholder approval is not obtained (or having been obtained the issue does not occur within 3 months from the date of the Meeting or such later period as permitted by ASX) the Company must either agree to issue the Deferred Consideration Shares out of its placement capacity provided by the ASX Listing Rules

at the relevant time or make a cash payment to the shareholders of LA1 (or their nominees) in satisfaction of the issue of the relevant Deferred Consideration Shares (**Cash Payment**). The Cash Payment will be equal to the quantity of Deferred Consideration Shares that would otherwise have been issued multiplied by the volume weighted average price of Shares as traded on ASX over the 10 trading days on which the Shares were traded immediately following the date of satisfaction of the relevant milestone.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Deferred Consideration Shares:

- (a) the maximum number of Deferred Consideration Shares to be issued is 10.000.000:
- (b) subject to satisfaction of the applicable milestone, the Deferred Consideration 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 ASX Listing Rules) and it is intended that issue of the Deferred Consideration Shares related to a specific milestone will occur on the same day;
- (c) the deemed issue price will be \$0.12 per Share and the Deferred Consideration Shares will be issued for nil cash consideration in satisfaction of the relevant performance milestones being achieved;
- (d) the Deferred Consideration Shares will be issued to the shareholders of LA1 (or their nominees) none of whom is a related party of the Company;
- (e) the Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Deferred Consideration Shares as they are being issued in part consideration for the acquisition by the Company of the entire issued share capital of LA1.

5.3 Dilution

In the event the maximum number of Shares contemplated by Resolution 5 are issued and assuming the maximum number of Shares are issued under Resolutions 1, 2 and 4 and no Options are exercised or other Shares are issued, the number of Shares on issue would increase from 374,025,502 to 384,025,502 and the shareholding of existing Shareholders would be diluted by approximately 2.60%.

6. RESOLUTION 6 - RATIFICATION OF PRIOR ISSUE OF SHARES - PURCHASE OF LITHIUM AFRICA NO 1 PTY LTD

6.1 General

A summary of the acquisition of LA1 is set out in Section 5.1.

On 29 September 2016, the Company issued 5,000,000 Shares at settlement of the acquisition of LA1. Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 2.4 and 3.1 respectively.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 5,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of settlement of the acquisition of LA1;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to shareholders of LA1 (or their nominees), none of whom were a related party of the Company; and
- (e) no funds were raised from the issue of these Shares as they were issued in consideration for the acquisition of LA1.

GLOSSARY

\$ means Australian dollars.

Acquisition means the acquisition by the Company of 100% of the issued capital of Lithco No. 2 Pty Ltd.

AMAL means Alliance Mineral Assets Limited.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Bald Hill Project means the project of tenements located in Western Australia owned by AMAL and which Lithco has entered into a farm-In and joint venture arrangement with AMAL.

Board means the current board of directors of the Company.

Calderwood Shares means the Consideration Shares the subject of Resolution 2.

Capital Raising means the capital raising the subject of Resolutions 2 and 3.

Chair means the chair of the Meeting.

Company means Tawana Resources NL (ACN 085 166 721).

Consideration Shares means the Shares to be issued in consideration for the Acquisition.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Deferred Consideration Shares means the Shares to be issued in relation to the acquisition of LA1 subject to the milestones set out in Section 5.1.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the report prepared by the Independent Expert and annexed to this Notice at Schedule 1.

LA1 means Lithium Africa No.1 Pty Ltd.

Lithco means Lithco No. 2 Pty Ltd.

Lithco Option means the agreement the Company has with the shareholders of Lithco to acquire 100% of the issued capital of Lithco.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Tenements means the tenements within the Bald Hill Project as further detailed in the Independent Technical Assessment and Valuation Report prepared by CSA Global Pty Ltd and included as Appendix 4 to the Independent Expert's Report.

Unrelated Vendor Shares means the Consideration Shares the subject of Resolution 1.

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

SCHEDULE	1 -	INDEPENDENT	EXPERTS	REPORT -	REFER ATTACHMENT

PROXY FORM

TAWANA RESOURCES NL ACN 085 166 721 GENERAL MEETING

E-mail addres	s:		Consent for cor in relation to thi			NO 🗆
Contact name	e:		Contact ph (da	· · —		
Date:			-			
Sole Director/Company Secretary Director				Director/Co	ompany Secreto	ry
Individual or S	hareholder 1	Shareholder 2		Sharehold	ler 3	
Signature of SI	hareholder(s):					
If two proxies ar	e being appointed, th	e proportion of voting r	rights this proxy rep	resents is:		%
	•	n box for a particular a poll and your votes	•	U ,		
Resolution 6	tion 6 Ratification of Prior Issue of Shares – Purchase of Lithium Africa No 1 Pty Ltd					
Resolution 5	Issue of Shares in Consideration for the Milestone Payments for the Uis Lithium Project					
Resolution 4	Issue of Shares – Tranche 2 of Capital Raising					
Resolution 3	Ratification of Prior Raising	Issue of Shares – Tranch	ne i of Capital			
Resolution 2	The Acquisition of Lithco No 2 Pty Ltd – Related Party					
Resolution 1	The Acquisition of Li	•				
Voting on bu	siness of the Meetin	ng		FOR	AGAINST	ABSTAIN
will be made i	immediately disclos	intention on any Res sing the reasons for th				
The Chair inte	ends to vote undire	cted proxies in favo	ur of all Resolutio			
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accordance v laws as the pr	with the following coxy sees fit, at the <i>h</i>	or, if no person is r directions, or, if no di Meeting to be held o	irections have be at 10.00am (WST)	en given, ar	nd subject to t	the relevant
OR:	the Chair of the	Meeting as my/our	proxy.			
Name:						
_	enolaer entitied to	attend and vote at t	rne meeting, nere	eby appoint:		
of:						
of.						
I/We						

- 22

Instructions for completing Proxy Form

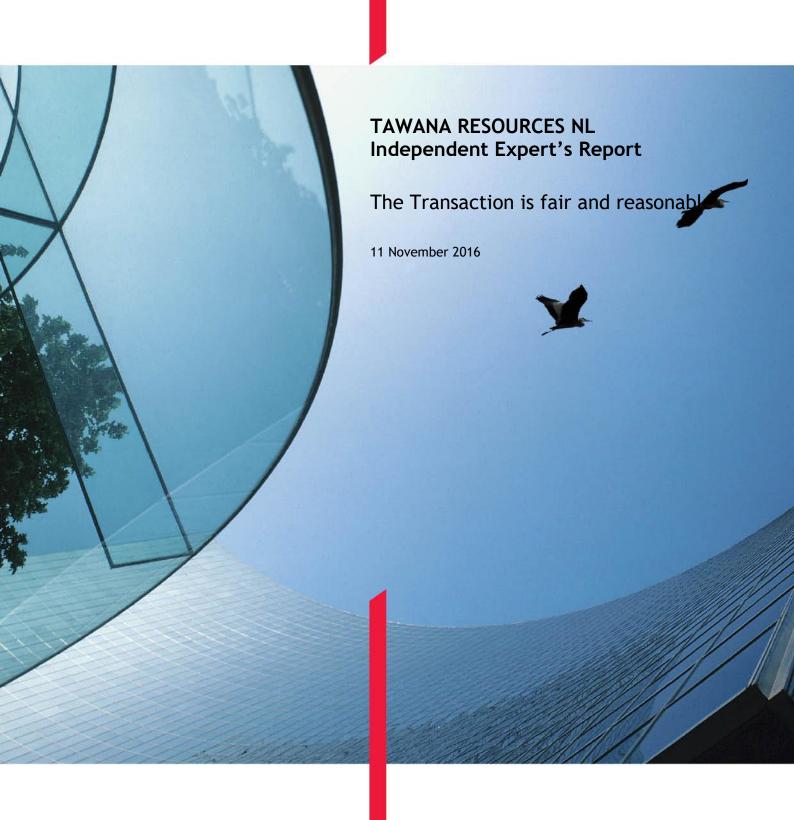
- 1. (Appointing a proxy): A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
- 2. (**Direction to vote**): A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. (Signing instructions):

- (Individual): Where the holding is in one name, the Shareholder must sign.
- (Joint holding): Where the holding is in more than one name, all of the Shareholders should sign.
- (**Power of attorney**): If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- (Companies): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
- 4. (Attending the Meeting): Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
- (Return of Proxy Form): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Tawana Resources NL, 288 Churchill Avenue, Subiaco, WA 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 9287 4334; or
 - (c) email to the Company at michael.naylor@tawana.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.







Financial Services Guide

11 November 2016

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Tawana Resources NL ('Tawana') to provide an independent expert's report on the issue of shares to the shareholders of Lithco No. 2 Pty Ltd ('Lithco') as part of the option for Tawana to acquire 100% of the issued capital of Lithco. You will be provided with a copy of our report as a retail client because you are a shareholder of Tawana.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.



Financial Services Guide

Page 2

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Tawana for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45** days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service GPO Box 3 Melbourne VIC 3001

Toll free: 1300 78 08 08 Facsimile: (03) 9613 6399

Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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Appendix 4 - Independent Technical Assessment and Valuation Report prepared by CSA Global Pty Ltd

Appendix 5 - Independent Asset Valuation Report prepared by Mineral Project Consultants Pty Ltd

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Tel: +61 8 6382 4600

38 Station Street Subiaco, WA 6008 PO Box 700 West Perth WA 6872 Australia

11 November 2016

The Directors Tawana Resources NL 288 Churchill Avenue Subiaco, WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

Introduction

On 24 October 2016, Tawana Resources NL ('Tawana' or 'the Company') announced that it had entered into an option agreement to acquire 100% of the issued capital in Lithco No 2 Pty Ltd ('Lithco') ('the Transaction').

The consideration for the acquisition of 100% of the issued capital of Lithco comprises:

- 50,000,000 fully paid ordinary Tawana shares to be issued to the shareholders of Lithco of which Mark Calderwood, the Managing Director of Tawana, will receive 10,460,000 shares ('Consideration Shares'); and
- a \$25,000 option fee payable to Lithco on the grant of the option agreement relating to the Transaction ('Lithco Option').

Collectively referred to as 'the Consideration'.

The Lithco Option may be exercised by Tawana by notice in writing to Lithco during the period that commenced on 24 October 2016 and expiring at 5:00pm on 31 December 2016 ('Exercise Period'), unless extended by agreement between Tawana and Lithco.

Exercise of the Lithco Option will result in an acquisition by Tawana, for which the value of the consideration is 5% or more of the equity interest of the Company as set out in the latest accounts provided to the ASX, being for the half year ended 30 June 2016.

At the time of agreeing to the terms of the Lithco Option none of the shareholders of Lithco were related parties of Tawana or substantial shareholders of the Company for the purpose of Australian Securities Exchange ('ASX') Listing Rule 10.1 (i.e. had a relevant interest in 10% or more in the Company in the previous six months). However, ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a person whose relationship to the entity is such that, in ASX's opinion, the Transaction should be approved by security holders, without the prior approval of holders of the entity's ordinary shareholders.



An independent expert's report is required by ASX Listing Rule 10.1 because Mark Calderwood, who was Chief Executive Officer of Tawana at the time of agreeing to the terms of the Transaction, (now the Managing Director) is also a director of Lithco. For the purpose of ASX Listing Rule 10.1, Mark Calderwood is considered to be a related party. All other recipients of the Consideration Shares are not related parties of the Company.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Tawana have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Transaction is fair and reasonable to the non-associated shareholders of Tawana ('Shareholders').

Our Report is prepared pursuant to ASX Listing Rule 10.1 and is to be included in the Explanatory Memorandum and Notice of Meeting for Tawana in order to assist the Shareholders in their decision whether or not to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report to determine whether the Transaction is fair and reasonable to Shareholders. We have considered:

- how the value of a Tawana share prior to the Transaction on a minority basis compares to the value of a Tawana share following the Transaction on a minority basis;
- the likelihood of a superior alternative offer being available to Tawana;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- the position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of a superior alternative offer, the Transaction is fair and reasonable to Shareholders.



2.4 Fairness

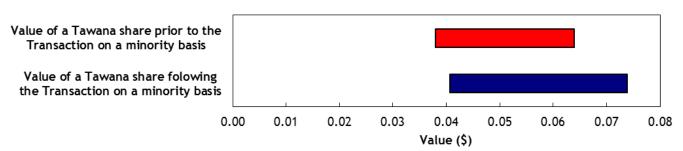
In section 12 we determined that the value of a Tawana share prior to the Transaction on a minority basis compares to the value of a Tawana share following the Transaction on a minority basis, as detailed below:

	Ref	Low value \$	Preferred value \$	High value \$
Value of a Tawana share prior to the Transaction on a minority basis	10.3	0.038	0.051	0.064
Value of a Tawana share following the Transaction on a minority basis	11.1	0.041	0.058	0.074

Source: BDO analysis

The above valuation ranges are represented graphically below:

Valuation Summary



Source: BDO analysis

The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- · advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Transaction is reasonable for Shareholders.



The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES					
Section	Advantages	Section	Disadvantages		
14.2.1	The Transaction is fair	14.3.1	The Transaction is not fair		
14.2.2	Lithco and Tawana are a natural fit	14.3.2	Dilution of existing Shareholders		
14.2.3	Potential for cost synergies				
14.2.4	Acquisition of a processing plant at Bald Hill				
14.2.5	Creation of a combined entity with a stronger financial position, improved liquidity and better access to global capital markets				

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts. Based on the number of shares on issue prior to the Transaction, the value of consideration paid for 100% of the issued shares of Lithco is approximately 15.43% of the equity interest of Tawana

ASX Listing Rule 10.1 also applies where the vendor or acquirer of the relevant assets is a related party of the listed entity.

Mark Calderwood, the Managing Director of Tawana, currently holds a 3.89% shareholding interest in the issued capital of Tawana and is a director of Lithco. For the purposes of ASX Listing Rule 10.1, Mark Calderwood is considered to be a related party.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders, whose votes are not to be disregarded in respect of the Transaction, being the non-associated shareholders of Tawana.

Accordingly, an independent expert report is required for the Transaction. The report should provide an opinion by the expert stating whether or not the Transaction is fair and reasonable to non-associated shareholders of Tawana.



3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111.58 states where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Transaction is a control transaction. As such, we have not included a premium for control when considering the value of a Tawana share. The consideration is in the form of scrip and RG 111 states that when consideration is in the form of scrip then the expert should consider this value on a minority interest basis.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- Assessing whether the Transaction is fair by way of a comparison between the value of a Tawana share prior to the Transaction on a minority basis and the value of a Tawana share following the Transaction on a minority basis (fairness - see Section 13 'Is the Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Transaction, after reference to the value derived above (reasonableness see Section 14 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a



reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

4.1 Outline of the Transaction

On 24 October 2016, Tawana announced that it had entered into an option agreement to acquire 100% of the issued capital in Lithco, a private Australian company.

In consideration for the Transaction, Tawana will pay the shareholders of Lithco the Option Fee of \$25,000 and issue 50,000,000 fully paid ordinary Tawana shares to Mark Calderwood and the shareholders of Lithco, as set out below:

Name	Allocation of Option Fee \$	Allocation of Consideration Shares Number
Corporate & Resource Consultants Pty Ltd	\$12,500	14,540,000
Chalmsbury Nominees Pty Ltd	\$9,375	18,750,000
Merriwee Pty Ltd	\$3,125	6,250,000
Mark Calderwood	-	10,460,000
TOTAL	\$25,000	50,000,000

Source: Tawana's Notice of Meeting

The Lithco Option may be exercised by Tawana by notice in writing to Lithco during the period that commenced on 24 October 2016 and expiring 5.00pm on 31 December 2016, unless extended by agreement between Tawana and Lithco. The Lithco Option will lapse if the Company does not exercise the option during the Exercise Period.

Exercise of the Lithco Option will result in an acquisition by Tawana, for which the value of the consideration is 5% or more of the equity interest of the Company as set out in the latest accounts provided to the ASX, being for the half year ending 30 June 2016.

At the time of agreeing to the terms of the Lithco Option none of the shareholders of Lithco were related parties of Tawana or substantial shareholders of the Company for the purpose of ASX Listing Rule 10.1 (i.e. had a relevant interest in 10% or more in the Company in the previous six months). However, ASX has exercised its discretion to require shareholder approval be obtained under ASX Listing Rule 10.1.

For the purpose of ASX Listing Rule 10.1, Mark Calderwood is considered to be a related party. All other recipients of the Consideration Shares are not related parties of the Company.

4.2 Conditions Precedent

The Transaction is subject to the satisfaction, or waiver of the following conditions precedent:

- the Company exercising the Lithco Option during the Exercise Period;
- the Company obtaining all necessary third party approvals or consents to allow the Company to lawfully complete the Transaction; and



the Company obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules,
 Corporations Act 2011 (Cth) or any other law to allow the Company to lawfully complete the Transaction.

4.3 Capital Raising

On 26 October 2016, Tawana announced that it had completed a capital raising of \$7.2 million via the issue of 60,000,000 shares at an issue price of \$0.12 per share ('Bald Hill Capital Raising').

The funds from the capital raising will be received in two tranches. Funds from Tranche 1 of the capital raising will be used to complete drilling and metallurgy at the Uis lithium project in Namibia, continue exploration of the Cowan Lithium project ('Cowan Project'), and conduct due diligence on the adjoining Bald Hill lithium project ('Bald Hill Project'). The funds from Tranche 2 of the capital raising will be used to advance the Bald Hill Project and the Cowan Lithium project.

4.4 Pro-forma capital structure of Tawana following the Transaction

The following table shows the pro-forma capital structure of Tawana following the Transaction.

Pro-forma capital structure	CRC	Chalmsbury	Merriwee	Mark Calderwood	Other Shareholders	Total
Number of shares on issue as at date of our Report	12,330,000	16,875,000	25,225,000	11,420,000	227,804,327	293,654,327
% holding	4.20%	5.75%	8.59%	3.89%	77.58%	100.00%
Add: Shares issued under Tranche 2 of Bald Hill Capital Raising	-	-	-	-	30,371,175	30,371,175
Add: Consideration Shares	14,540,000	18,750,000	6,250,000	10,460,000	-	50,000,000
Add: Deferred Consideration Shares*	5,000,000	3,750,000	1,250,000	-	-	10,000,000
Number of shares on issue following the Transaction	31,870,000	39,375,000	32,725,000	21,880,000	258,175,502	384,025,502
% holding	8.30%	10.25%	8.52%	5.70%	67.23%	100.00%

^{*}The Deferred Consideration Shares are to be issued in consideration for milestone payments for the Uis Project. The issue is pursuant to shareholder approval under Resolution five of the Company's Notice of Meeting.

Source: BDO analysis

5. Profile of Tawana

5.1 History

Tawana is a lithium and iron ore focused exploration company with its head office located in Subiaco, Western Australia. Tawana listed on the ASX on 18 April 2001 and on the Johannesburg Stock Exchange ('JSE') on 4 November 2005.

Tawana's primary exploration assets include the 100% owned Cowan Project located in Western Australia and the Mofe Creek iron ore project ('Mofe Creek Project') located in Liberia. In addition, Tawana has the Uis lithium project ('Uis Project') located in Namibia and Yallari lithium project ('Yallari Project') located in Western Australia.



The Company's current board members are shown below:

- Mr Robert Benussi Non-Executive Chairman;
- Mr Michael Naylor Executive Director, Chief Financial Officer and Company Secretary; and
- Mr Mark Calderwood Managing Director.

Tawana Resources SA (Pty) Ltd, incorporated in South Africa, are wholly owned subsidiaries of Tawana. Kenema-Man Holdings Liberia Pty Ltd, Waba Holdings Pty Ltd and Tawana Gold (Pty) Ltd, incorporated in Australia, are also wholly owned subsidiaries of Tawana.

Tawana Liberia Inc, which holds the Mofe Creek tenements and was incorporated in Liberia in 2011, together with Archean Holdings Inc, are both wholly owned subsidiaries of Tawana.

5.2 Mount Belches Pty Ltd

On 1 July 2016 Tawana announced that it had acquired Mount Belches Pty Ltd ('Mount Belches') which owns one tenement and the rights (via option agreement) to acquire 100% of three exploration licenses and one exploration license application, all of which are located in the Goldfields region of Western Australia.

The tenement and exploration licences are located in the Cowan Project and Yallari Project areas.

5.2.1. Cowan Project (Lithium, 100%)

The Cowan Project, comprising three tenements, is located 50km south east of Kambalda, Western Australia and approximately 75km south east of Mt Marion lithium project.

The Cowan Project covers a 26km strike of two belts containing rare element Lithium-Caesium-Tantalum ('LCT') pegmatites. About 10km of the Mt Belches - Bald Hill belt and a significant portion of the Claypan Dan - Madoonia Belt is covered by the Cowan Project area.

Prior exploration at the Cowan Project focused on tantalum and tin, and was limited to wide-spaced shallow RAB drilling, rock chip sampling, shallow auger/vacuum drilling and soil sampling, and RC drilling. Prior production within the Cowan Project comprised small amounts of lithium and tin from eluvials at the Mount Belches tenements.

Tawana commenced drilling at the Cowan Project on 15 September 2015. Phase one of the drilling program comprises approximately 140 holes averaging at least 10,000m of RC drilling within the two large LCT belts.

5.2.2. Yallari Project (Lithium, 100%)

The Yallari Project, comprising two tenements, is located 25km southeast of Coolgardie, Western Australia and approximately 10km west of Mt Marion lithium project.

Numerous pegmatites have been mapped by nickel and base metal explorers. However, there are no records of LCT pegmatites.



5.3 Mofe Creek Project (Iron Ore, 100%)

The Company, through its wholly owned subsidiary Tawana Liberia Inc has a 100% beneficial interest in mineral exploration licences MEL 12029 and MEL 1223/14 which form the Mofe Creek Project. The Mofe Creek Project is located in Liberia, approximately 20km from the coast and 85km from the capital city Monrovia. The Mofe Creek Project covers an area of 475km², which is considered highly prospective for iron ore.

On 31 March 2014, Tawana announced a maiden Mineral Resource estimate of 61.9 million tonnes at an insitu iron ore grade of 33% Fe which included an Indicated Mineral Resource of 16.2 million tonnes at 35.4% Fe and the remaining 45.7 million tonnes classified as Inferred Mineral Resource.

More recently, the Company has undertaken minimal exploration work at the Mofe Creek Project pending the response to the Mineral Development Agreement ('MDA') and a potential early start-up project for Direct Shipping Ore ('DSO') which is currently under review by Liberia's Ministerial Concessions Committee. Tawana received the first draft of the MDA on 7 September 2016. At the time of our Report, the review process is ongoing.

5.4 Uis Project (Lithium, 100%)

On 23 September 2016, Tawana announced that it had entered into an agreement to purchase all the shares in Lithium Africa No 1 ('LA1') which has the rights (via an option agreement) to acquire mining rights to the Uis pegmatite tailings stockpile in Namibia.

The Uis Project comprises an estimated 20 million tonnes of tailings stockpile derived from the Uis tin mine located in the western part of Namibia in the Erongo Region.

The consideration offered by Tawana for LA1 is as follows:

- 5,000,000 Tawana shares;
- \$100,000 cash consideration; and
- a deferred consideration comprising:
 - 5,000,000 Tawana shares upon successful completion of drilling, analysing and metallurgical test work by 30 June 2017; and
 - 5,000,000 Tawana shares on the decision to mine on or before 31 December 2018.
 Collectively, ('the Deferred Consideration').

Further information on Tawana's projects may be found in Appendix 4.

5.5 Recent project funding

- On 26 October 2016, Tawana announced that it had completed the Bald Hill Capital Raising. The funds
 from the Bald Hill Capital Raising will be received in two tranches. Funds from Tranche 1 of the
 capital raising will be used to complete drilling and metallurgy at the Uis Project in Namibia, continue
 exploration of the Cowan Project, and conduct due diligence on the adjoining Bald Hill Project. The
 funds from Tranche 2 of the Bald Hill Capital Raising will be used to advance the Bald Hill Project and
 the Cowan Project.
- On 11 July 2016, the Company announced that in order to fund the planned exploration programs at the Mount Belches tenements, it had received commitments to raise \$1.75 million by the issue of



- shares at a price of \$0.025 per share ('Mount Belches Capital Raising'). The funds from the Mount Belches Capital Raising were received in two tranches. Tranche 1 was completed on 22 July 2016 in which 19,620,000 shares were issued at \$0.025. Tranche 2 was completed on 24 August 2016 in which 50,380,000 shares were issued at \$0.025.
- On 16 June 2016, Tawana's completed a capital raising for \$1,106,441 (before costs) through the non-renounceable rights issue of 39,356,093 fully paid ordinary shares at \$0.015 per share and 2,500,000 options at an exercise price of \$0.035. Completion of the offer resulted in an increase in cash that was used to fund the Mofe Creek Project and pay Company expenses.

5.6 Historical Statement of Financial Position

	Reviewed as at	Audited as at	Audited as at
Statement of Financial Position	30-Jun-16	31-Dec-15	31-Dec-14
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	1,213,012	808,342	2,802,978
Trade receivables and other assets	150,701	82,549	33,080
TOTAL CURRENT ASSETS	1,363,713	890,891	2,836,058
NON-CURRENT ASSETS			
Trade receivables and other assets	-	-	47,027
Plant and equipment	45,918	60,416	104,733
Exploration expenditure	<u>-</u>	-	6,650,425
TOTAL NON-CURRENT ASSETS	45,918	60,416	6,802,185
TOTAL ASSETS	1,409,631	951,307	9,638,243
CURRENT LIABILITIES			
Trade and other payables	303,038	339,088	259,626
Provisions	-	4,161	54,090
TOTAL CURRENT LIABILITIES	303,038	343,249	313,716
NON-CURRENT LIABILITIES			
Provisions	15,919	15,441	44,750
TOTAL NON-CURRENT LIABILITIES	15,919	15,441	44,750
TOTAL LIABILITIES	318,957	358,690	358,466
NET ASSETS	1,090,674	592,617	9,279,777
EQUITY			
Contributed equity	55,451,796	54,419,776	54,419,776
Reserves	2,165,943	2,166,972	3,015,277
Accumulated losses	(56,527,065)	(55,994,131)	(48,155,276)
TOTAL EQUITY	1,090,674		
TOTAL EQUIT	1,090,074	592,617	9,279,777

Source: Reviewed half-yearly financial statements for the period ended 30 June 2016 and audited financial statements for the years ended 31 December 2015 and 31 December 2014.



Commentary on Historical Statement of Financial Position

We note the following in relation to Tawana's Historical Statement of Financial Position

- Cash and cash equivalents increased by \$0.40 million from \$0.81 million at 31 December 2015 to \$1.21 million at 30 June 2016. The increase was primarily due to \$1.08 million in proceeds from the issue of shares, which was partially offset by payments to suppliers and employees of \$0.59 million and exploration expenditure of \$0.13 million.
- Current trade receivables of \$0.15 million at 30 June 2016 primarily related to trade debtors, GST and VAT receivables.
- Exploration and evaluation expenditure of \$6.65 million as at 31 December 2014 relates to exploration
 and evaluation activities at the Mofe Creek Project, which was placed in care and maintenance. The
 carrying value of the Mofe Creek Project was written down to nil as at 31 December 2015 as result of
 being placed in care and maintenance.
- Current trade and other payables of \$0.30 million as at 30 June 2016 relate to trade creditors and other creditors and accruals.

5.7 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Reviewed for the six months to 30-Jun-16 \$	Audited for the year ended 31-Dec-15 \$	Audited for the year ended 31-Dec-14 \$
Revenue			
Income	6,274	38,217	68,576
Expenses			
Corporate expenses	(313,356)	(755,869)	(1,241,184)
Depreciation	(13,243)	(52,333)	(19,127)
Employee benefit expense	(107,479)	(926,671)	(859, 316)
Share based payments expense	-	(45,435)	(358,979)
Exploration expenses written off	(132,974)	(7,728,558)	(20,877)
Foreign exchange gain/(loss)	638	97,562	155,550
Loss on disposal of subsidiary	-	(27,775)	-
Other expenses	(1,590)	(1,502)	(19,601)
Loss from continuing operations before income tax	(561,730)	(9,402,364)	(2,294,958)
Income tax expense	<u>-</u>	-	-
Loss from continuing operations after income tax	(561,730)	(9,402,364)	(2,294,958)
Loss from discontinued operations after tax	-	-	(4,288)
Loss for the period attributable to Tawana Resources	(561,730)	(9,402,364)	(2,299,246)
Other comprehensive income			
Cumulative translation difference on foreign operations disposed of	-	27,775	-
(Loss)/gain on translation of foreign operations	(1,821)	641,994	718,906
Total comprehensive loss for the year	(563,551)	(8,732,595)	(1,580,340)

Source: Reviewed half-yearly financial statements for the period ended 30 June 2016 and audited financial statements for the years ended 31 December 2015 and 31 December 2014.



Commentary on Historical Statement of Comprehensive Income

We note the following in relation to Tawana's Historical Statement of Comprehensive Income:

- Revenue generated over the two and a half year period relates primarily to interest received.
- Corporate expenses of \$0.31 million for the six months ended 30 June 2016 comprised primarily auditor's remuneration, compliance and regulatory fees, consultancy and legal fees, and occupancy cost.
- Employee benefit expense of \$0.11 million for the six months ended included salaries and wages, superannuation, directors' fees and other employee expenses.
- Salaries, wages and superannuation decreased significantly over the 18 months to 30 June 2016 as a
 result of a number of key management personal resigning over the period. Furthermore, the Company
 has downsized its business due to a weaker iron ore market and investor appetite for iron ore assets,
 particularly in Liberia.
- Exploration and evaluation expenditure incurred over the two and a half year period related to
 exploration and evaluation activities at the Mofe Creek Project, which was placed in care and
 maintenance during the year ended 31 December 2015. The \$7.73 million carrying value of the Mofe
 Creek Project was written down to nil as at 31 December 2015 as result of being placed in care and
 maintenance.
- Loss on disposal of \$0.03 million for the year ended 31 December 2015 relates to the disposal of the Company's existing interests in Seolo Botswana (Pty) Ltd.

5.8 Capital Structure

The share structure of Tawana as at 10 November 2016 is outlined below:

	Number
Total ordinary shares on issue	293,654,327
Top 20 shareholders	167,075,269
Top 20 shareholders - % of shares on issue	56.90%
Source: Company's share register	

The range of shares held in Tawana as at 10 November 2016 is as follows:

Range of Shares Held	Number of Ordinary	Number of Ordinary	Percentage of Issued Shares
Range of Shares Hetu	Shareholders	Shares	(%)
1 - 1,000	967	329,900	0.11%
1,001 - 5,000	431	1,189,884	0.41%
5,001 - 10,000	236	1,925,178	0.66%
10,001 - 100,000	635	25,024,638	8.52%
100,001 - and over	245	259,889,221	88.50%
Total	2,514	288,358,821	98.20%

Source: Company's share register



Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$500 parcel at \$0.13 per unit	3,847.000	1,287	1,001,602

Source: Company's share register

The ordinary shares held by the most significant shareholders as at 10 November 2016 are detailed below:

Name	Number of Ordinary	Percentage of Issued Shares
Name	Shares Held	(%)
Merriwee Pty Ltd	25,225,000	8.68%
Corporate & Resource Consultants Pty Ltd	19,950,000	6.87%
Chalmsbury Nominees Pty Ltd	16,875,000	5.81%
JP Morgan Nominees Australia Limited	15,450,166	5.32%
Subtotal	77,500,166	26.67%
Others	213,065,161	73.33%
Total ordinary shares on Issue	290,565,327	100.00%

Source: Company's share register

The most significant option holders of Tawana as at 10 November 2016 are outlined below:

Option Holder	Class	Number
CG Nominees (Australia) P/L	Options	500,000
CG Nominees (Australia) P/L	Class G Placement Options	2,500,000
Mr Frederic Van Haute	Class F Incentive Options	250,000
Rockson Coffie	Class A Incentive Options	75,000
Rockson Coffie	Class F Incentive Options	150,000
Blue Leaf Corporate Pty Ltd	Class F Incentive Options	150,000
Blue Leaf Corporate Pty Ltd	Class I Incentive Options	1,000,000
Mark Calderwood	Class H Incentive Options	3,000,000
Rober John Benussi and Miss Daniela Maria Benussi	Class I Incentive Options	1,000,000
Ms Charmaine Linda Lobo	Class I Incentive Options	1,000,000
Source: Company's share register		

The different classes of options currently on issue in Tawana as at 10 November 2016 are outlined below:

Items	Exercise Price (\$)	Expiry Date	Number of Options
Options	0.360	12-Dec-16	500,000
Class A Incentive Options	0.300	12-Dec-16	75,000
Class F Incentive Options	0.178	26-May-18	550,000
Class G Placement Options	0.035	14-Jun-18	2,500,000
Class H Incentive Options	0.060	30-Jun-19	3,000,000
Class I Incentive Options	0.060	30-Jun-19	3,000,000

Source: Company's share register



6. Profile of Lithco

6.1 History

Lithco is a private Australian company that was incorporated on 31 May 2016, with its head office located in Mount Hawthorn, Western Australia.

Lithco's current board members are shown below:

- Mr Mark Calderwood Director; and
- Mr Susmit Mohanlal Shah Director and Company Secretary.

The current shareholders of Lithco are as follows:

Shareholders Name	Number of shares held
Corporate & Resource Consultants Pty Ltd	48
Chalmsbury Nominees Pty Ltd	36
Merriwee Pty Ltd	12
TOTAL	96

Source: Company's share register

6.2 Bald Hill Project

The Bald Hill Project is located approximately 60km south east of Kambalda and 50km east of Widgiemooltha in the Coolgardie Mineral Field of Western Australia. The Bald Hill Project encompasses ten Exploration Licences, one General Purpose Licence, eight Miscellaneous Licences, five Mining Leases, one Mining Lease Application, eight Prospecting Licences and one Retention Licence (collectively referred to as 'Bald Hill Tenements').

Alliance Mineral Assets Limited ('AMAL') has a 100% legal and beneficial interest in the Bald Hill Project. Further information on the Bald Hill Project may be found in Appendix four.

On 3 June 2016, Lithco entered into a binding term sheet agreement with AMAL ('Farm-in Agreement'), whereby:

- AMAL has agreed to grant Lithco sole and exclusive exploration and prospecting rights over all
 minerals within an area enclosed by the external boundaries of the Tenements as at the date of the
 agreement and an agreed 10km radium of the Bald Hill Tenements ('Tenement Area'); and
- Lithco will undertake exploration and feasibility for lithium and other minerals in the Tenement Area.

Any other tenements that are acquired or granted in the future which may fall within the Tenement Area will also form part of this agreement.

Lithco has agreed to:

- spend, by 31 December 2017 (or such later date mutually agreed between Lithco and AMAL) a
 minimum of \$7.5 million on exploration, evaluation, and feasibility (including administrative and
 other overhead costs in relation thereto) ('Exploration Commitment'); and
- spend \$12.5 million in capital expenditure required for upgrading and converting the processing plant, camp and other relevant infrastructure located on the Bald Hill Tenements ('Bald Hill Plant') for



processing ore derived from the Tenement Area, infrastructure costs, pre-stripping activities and other expenditure including operating costs ('Capital Commitment').

On completion of the \$7.5 million Exploration Commitment, Lithco will be entitled to 50% of all rights to lithium minerals from the Bald Hill Tenements, and AMAL and Lithco shall operate under a Lithium Rights Joint Venture agreement ('Lithium Rights JV').

On completion of the \$12.5 million Capital Commitment, Lithco will be entitled to a 50% legal and beneficial interest in the Bald Hill Project, and AMAL and Lithco will operate under an unincorporated joint venture in equal proportions (i.e. 50-50), with respect to the Bald Hill Project ('Bald Hill JV').

The Lithium Rights JV will cease upon commencement of the Bald Hill JV.

As at 31 March 2014, the JORC Code 2012 Mineral Resource estimate stands at 2.58 million tonnes averaging 352 parts per million ('ppm') tantalum pentoxide ('Ta205'), which includes an Indicated Resource of approximately 2.47 million tonnes averaging 351 ppm Ta205 and an Inferred Resource of 0.11 million tonnes averaging 360 ppm Ta205. The pegmatites at Bald Hill also host significant spodumene, a lithium ore mineral.

7. Economic analysis

The Australian economy is continuing to grow at a moderate rate. The large decline in mining investment is being offset by growth in other areas including residential construction, public demand and exports. Although household consumption has been growing at a reasonable pace, it appears to have slowed a little recently. Measures of household and business sentiment remain above average.

There is considerable variation in employment growth across the country although, overall, unemployment rate has fallen further. Growth in part-time employment has been strong while growth in full-time employment has been subdued. Forward-looking indicators point to continued expansion in employment in the near term.

The inflation rate remains low in Australia and this is expected to remain the case for some time given very subdued growth in labour costs and very low cost pressures elsewhere in the world.

Commodity prices

Commodity prices have risen over recent months, following very substantial declines over the past few years. The higher commodity prices have supported a rise in Australia's terms of trade, although they remain much lower than they have been in recent years.

Prices tend to rely on demand, in particular from the Chinese industrial sector, along with the response to changes in supply. Due to low oil prices, producers of bulk commodities have in general been reducing their cost of production, as oil is an important input for the transportation of these commodities. However, the ability for these producers to keep on reducing their costs is unlikely and may lead to firms exiting the market.

Financial markets

Financial markets have continued to function effectively. Funding costs for high-quality borrowers remain low and monetary policy around the globe remains accommodative. Government bond yields are near their historical lows.



Interest rates

Low interest rates are supporting domestic demand. Supervisory measures have strengthened lending standards in the housing market although growth in lending for housing has slowed over the past year. Turnover in the housing market has also declined and the rate of increase in housing prices is lower than it was a year ago. Some markets have strengthened recently but an influx of apartments onto the property market is expected over the next couple of years, particularly in the eastern capital cities. Growth in rents is the slowest for some decades. The cash rate remains unchanged at 1.50%.

Australian dollar

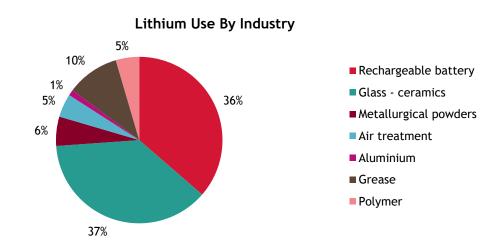
The Australian dollar has appreciated recently, despite its noticeable declines against the US dollar over the past year. This in part reflects rises in commodity prices, along with monetary developments globally having a positive impact. Due to current economic circumstances, a strengthening exchange rate could complicate the adjusting economy.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 1 November 2016

8. Industry analysis

8.1 Lithium Overview

Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements. It is approximately half as dense as water and is the lightest of all metals. It is highly reactive and is not found as a metal in nature. Once processed, lithium becomes a soft, silver-white metal that is used in several industrial applications. Lithium is extracted from ores of petalite, lepidolite, spodumene and subsurface brines and is the world's 25th most abundant element. In the extraction of lithium from brines, the salt-rich waters are pumped to the surface into evaporation ponds where solar evaporation occurs over approximately 18 to 24 months per batch. Lithium has many different uses, the most prominent being in that of batteries for phones, laptops and electric vehicles. Lithium can be used to strengthen and improve resistance in glasses and ceramics, along with being alloyed with aluminium and copper to reduce weight in airframe structural components. Shown below is the use of lithium by industry.



Source: IBIS World



8.2 Lithium Demand

Demand for lithium is being driven by the growth in demand for rechargeable batteries as lithium supply security has become a top priority for technology companies in the US and Asia.

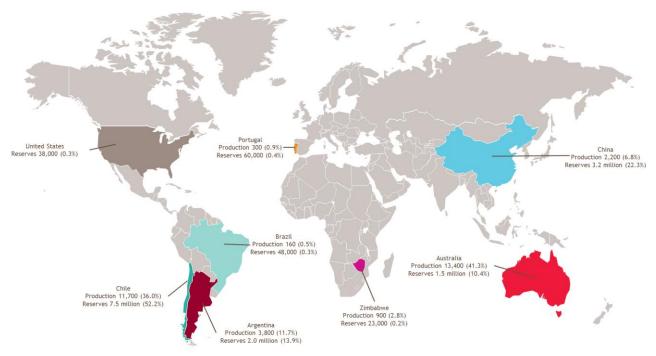
Demand for rechargeable lithium batteries exceeds that of other rechargeable batteries such as nickel-metal hydride batteries because of their higher power output, greater durability and cost advantages. The majority of this demand is driven by electric vehicles, energy grids, smartphones and tablet computers.

The growth in the electric car manufacturing industry is a key driver for lithium demand with leading manufactures, as major players within the industry seek to start up big projects in the near future. It is said some factories are expected to produce 500,000 cars per year in the latter half of this decade, which would alone require the majority of the entire worldwide production of lithium ion batteries.

8.3 Lithium Production

Since the late 1990s, subsurface brines have become the dominant raw material for lithium carbonate production worldwide. Subsurface brines offer lower production costs compared with the mining and processing of hard-rock ores. The two largest brine operations located in Chile and Australia accounted for the majority of world production.

As at 2015, Australia accounted for 41% of lithium production and Chile currently has just over 50% of global reserves of lithium. The illustration below represents the estimated lithium production and reserves per country for 2015. The data is displayed in metric tonnes of lithium content.



Source: U.S. Geological Survey



8.4 Lithium Prices

The strong Australian dollar reduced export values within Australia from 2010 through to 2012 however, export prices benefited from strong Chinese demand for lithium from 2012-13 and the weaker Australian dollar over recent times through to 2016.

The lithium market has experienced worldly change due to the current growth in demand for electric vehicles and the potential for static power storage devices. Research suggests that the lithium price may decline in the short to medium term as new lithium supply is brought into production.

8.5 Lithium Outlook

Battery applications are expected to be the driving force behind growth within the lithium industry going forward. The development of electric vehicles will head this growth, underpinned by use of portable electronics, due the use of lithium-ion technology. The recycling of batteries is also said to play a key role in the supply of lithium in the medium to long term. As lithium is a resource with the ability to be recycled repeatedly, it reduces the need for new sources of lithium in the future.

Even though current production of lithium is fairly limited, there is opportunity for future exploration of lithium deposits around the world.

Source: U.S. Geological Survey, IBIS World

Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. A summary of each of these methodologies is outlined in Appendix 2.

In our assessment of the Transaction, we have compared the value of a Tawana share prior to the Transaction on a minority basis, to the value of a Tawana share following the Transaction on a minority basis. We have chosen to employ the methodologies set out in the following paragraphs.



9.1 Assessment of the value of a Tawana share prior to the Transaction

In our assessment of the value of a Tawana share prior to the Transaction, we have chosen to employ the following methodologies:

- NAV methodology, as our primary method, which estimates the market value of a company by assessing the value of the assets and liabilities of the company; and
- QMP method, as our secondary method, which represents the value that a shareholder may receive for a share if sold on the market.

We have chosen these methodologies for the following reasons:

- The NAV methodology is the most appropriate to consider given that Tawana is an exploration company and its core value is in the exploration assets that it holds. We have instructed CSA Global Pty Ltd ('CSA Global') to act as independent specialists and provide an independent market valuation of the Company's material exploration assets in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 ('Valmin Code'). CSA Global's full report is found in Appendix 4. We have considered this in the context of Tawana's other assets and liabilities on a NAV basis;
- The QMP approach is relevant because Tawana's shares are listed on the ASX. This means there is a regulated and observable market where the Company's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid and the market should be fully informed as to its activities. We have considered these factors in section 10.2 of our Report.
- Tawana does not generate regular trading income. Consequently there are no historical profits that could be used to represent future earnings. This means the FME valuation methodology is not appropriate; and
- Tawana has no foreseeable future net cash inflows and therefore the application of the DCF valuation approach is not suitable.

9.2 Assessment of the value of a Tawana share following the Transaction

In our assessment of the value of a Tawana share following the Transaction, we have chosen to employ the Sum-of-Parts method, which estimates the market value of the Company by aggregating the fair market value of the underlying assets and liabilities of Tawana, having consideration to the following:

- value of Tawana prior to the Transaction;
- value of Lithco's potential 50% legal and beneficial interest in the Bald Hill Tenements (reliance on the valuation carried out by the independent technical expert Appendix 4);
- value of Lithco's potential 50% legal and beneficial interest in the Bald Hill Plant (reliance on the valuation carried out by an independent asset valuation expert Appendix 5);
- value of other assets and liabilities of Lithco; and
- the number of Tawana shares on issue which will include the existing shares and the shares to be issued to Lithco shareholders upon completion of the Transaction.



As at the date of our Report, Lithco does not have any legal or beneficial interest in the Bald Hill Tenements or Bald Hill Plant.

Lithco has agreed to spend, by 31 December 2017, a minimum of \$7.5 million on exploration, evaluation, and feasibility, upon the completion of which Lithco will be entitled to 50% of all rights to lithium minerals from the Bald Hill Tenements.

Upon the completion of a further \$12.5 million capital expenditure on upgrading and converting the Bald Hill Plant for processing ore derived from the Tenement Area, Lithco will be entitled to a 50% legal and beneficial interest in the Bald Hill Project.

Independent Technical Expert

In valuing the mineral assets of the Bald Hill Tenements, we have relied on the Independent Technical Assessment and Valuation Report prepared by CSA Global.

CSA Global's Independent Technical Assessment and Valuation Report is prepared in accordance with the Valmin Code 2015' and the JORC Code.

We are satisfied with the valuation methodologies adopted by CSA Global which we believe are in accordance with industry practice and compliant with the requirements of the Valmin Code 2015. A copy of CSA Global's valuation report is attached in Appendix 4.

Independent Asset Valuer

In performing our valuation of the Bald Hill Plant, we have relied on an independent asset valuation report prepared by Mineral Project Consultants Pty Ltd ('MPC') ('Independent Asset Valuation Report'). MPC's valuation of the Bald Hill Plant and equipment has been conducted on the basis of 'Market Value' which is the realisable amount that may be reasonably expected to be achieved in the event of sale between a willing but not anxious buyer and a willing but no anxious seller given a reasonable period within which to negotiate the sale, taking into account the nature of the items, its location and the state of the market that values will remain static during that period. A detailed definition of 'Market Value' is provided in Appendix 5.



10. Valuation of Tawana prior to the Transaction

10.1 Net Asset Valuation of Tawana

The value of Tawana's assets prior to the Transaction on a minority basis, assuming the Company continues as a going concern, is reflected in our valuation below:

		Reviewed			
Statement of Financial Position	Note	as at		Preferred	
Statement of Financial Fosition	11010	30-Jun-16	Low value	value	High value
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	1	1,213,012	9,025,012	9,025,012	9,025,012
Trade and other receivables	-	150,701	150,701	150,701	150,701
TOTAL CURRENT ASSETS		1,363,713	9,175,713	9,175,713	9,175,713
NON-CURRENT ASSETS					
Plant and equipment		45,918	45,918	45,918	45,918
Exploration expenditure	2	-	7,000,000	11,500,000	16,000,000
TOTAL NON-CURRENT ASSETS	-	45,918	7,045,918	11,545,918	16,045,918
TOTAL ASSETS	- -	1,409,631	16,221,631	20,721,631	25,221,631
CURRENT LIABILITIES					
Trade and other payables	3	303,038	251,152	251,152	251,152
TOTAL CURRENT LIABILITIES		303,038	251,152	251,152	251,152
NON-CURRENT LIABILITIES	·-				
Provisions		15,919	15,919	15,919	15,919
TOTAL NON-CURRENT LIABILITIES	-	15,919	15,919	15,919	15,919
TOTAL LIABILITIES	-	318,957	267,071	267,071	267,071
NET ASSETS	_	1,090,674	15,954,560	20,454,560	24,954,560
Discount for minority interest	4		23%	20%	17%
Value of Tawana (minority interest basis)			12,285,011	16,363,648	20,712,285
Number of shares on issue	5		324,025,502	324,025,502	324,025,502
Value per share (\$)			0.038	0.051	0.064
	_				

Source: BDO analysis

The above table indicates that the net asset value of a Tawana share prior to the Transaction on a minority basis is between \$0.038 and \$0.064, with a preferred value of \$0.051. We have been advised that there has not been a significant change in the net assets of Tawana since 30 June 2016 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Additionally, nothing has come to our attention as a result of our procedures that would suggest the need for any further adjustments.



Note 1) Cash and cash equivalents

We have adjusted Tawana's cash and cash equivalents to reflect the movements during the quarter ended 30 September 2016 and the cash to be received under Tranche 2 of the Bald Hill Capital Raising. The net adjustments to Tawana's cash and cash equivalents is summarised in the table below:

Cash movements since 30-June-16	\$
Cash and cash equivalents at 30-Jun-16	1,213,012
Add: Net proceeds from issue of shares under Mount Belches Capital Raising	1,737,000
Add: Net proceeds from issue of shares under Tranche 1 of the Bald Hill Capital Raising	3,377,686
Add: Net proceeds from issue of shares under Tranche 2 of the Bald Hill Capital Raising	3,462,314
Deduct: Expenditure of exploration for quarter ended 30-Sep-16	283,000
Deduct: Administration and corporate costs for quarter ended 30-Sep-16	482,000
Adjusted cash and cash equivalents	9,025,012

Source: BDO analysis

Note 2) Valuation of Tawana's mineral assets

We instructed CSA Global to provide an independent market valuation of the mineral assets held by Tawana. CSA Global considered a number of different valuation methods when valuing the mineral assets of Tawana. CSA Global elected to apply the following valuation methodologies:

Mineral Asset	Stage	Valuation methods considered
Mount Belches Project	Advanced Exploration	Transactions - Exploration, Kilburn
Uis Project	Advanced Exploration	Transactions - Exploration, Yardstick
Mofe Creek Project	Pre-development	Transactions - Resources, Yardstick

Source: Independent Technical Assessment and Valuation Report

We consider these methods to be appropriate given the stages of the Company's mineral assets. We are also satisfied that the valuation methodologies adopted by CSA Global are in accordance with industry practice and compliant with the requirements of the Valmin Code. A copy of CSA Global's Independent Assessment and Valuation Report is attached in Appendix 4.

The range of values for Tawana's mineral assets, as assessed by CSA Global, is set out below:

Valuation of Tawana's mineral assets	Low value \$	Preferred value \$	High value \$
Value of Cowan Project	6,000,000	8,000,000	10,000,000
Value of Mofe Creek Project	500,000	1,700,000	3,000,000
Value of Yallari Project	300,000	800,000	1,200,000
Value of Uis Project	200,000	1,000,000	1,800,000
Value of Tawana's mineral assets	7,000,000	11,500,000	16,000,000

Source: Independent Technical Assessment and Valuation Report

The table above indicates that the value of Tawana's mineral assets ranges between \$7.0 million and \$16.0 million with a preferred value of \$11.5 million.



Note 3) Current trade and other payables

We have adjusted Tawana's current trade and other payables to reflect the movements during the quarter ended 30 September 2016, as follows:

Current trade and other payables movements since 30-June-16	\$
Trade and other payables at 30-Jun-16	303,038
Add: Payables relating to drilling at the Cowan Project	115,000
Add: Increase other payables	41,859
Deduct: Payment of creditors	(208,745)
Adjusted current trade and other payables	251,152

Source: BDO analysis

Note 4) Discount for minority interest

The net asset value of a Tawana share is reflective of a controlling interest. As the Transaction is not a control transaction, we have adjusted the value of Tawana to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control and is calculated using the formula 1 - (1/1+control premium). As discussed in Appendix 3, we consider an appropriate control premium for Tawana to be in the range of 20% to 30%, giving rise to a minority interest discount in the range of 17% to 23%.

Note 5) Number of share on issue

We have adjusted the number of shares on issue to account for the shares issued during the quarter ended 30 September 2016 and the additional shares to be issued under Tranche 2 of the Bald Hill Capital Raising. This is set out in the table below:

Number of Tawana shares on issue prior to the Transaction	Number
Number of Tawana shares on issue as at 30-Jun-16	147,525,502
Add: Shares issued under Mount Belches Capital Raising	70,000,000
Add: Shares issued to vendors of the Mount Belches Project and advisors	41,500,000
Add: Shares issued to vendors of Lithium Africa No 1 Pty Ltd	5,000,000
Add: Shares issued under Tranche 1 of the Bald Hill Capital Raising	29,628,825
Add: Shares issued under Tranche 2 of the Bald Hill Capital Raising	30,371,175
Total number of Tawana shares on issue prior to the Transaction	324,025,502

Source: BDO analysis

10.2 Quoted Market Price for Tawana Securities

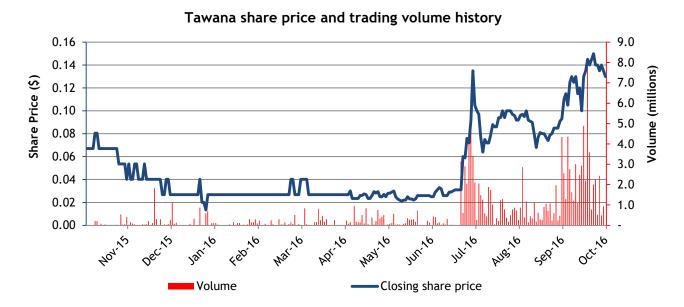
To provide a comparison to the valuation of Tawana in Section 10.1, we have also assessed the quoted market price for a Tawana share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Our analysis of the quoted market price of a Tawana share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Tawana share after the announcement may include the affects of any change in value as a result of the Transaction.



Information on the Transaction was announced to the market 24 October 2016. Prior to this date, the Company had been in a voluntary trading halt since 20 October 2016. The following chart provides a summary of the share price movement over the twelve months to 19 October 2016, which was the last full trading day prior to the announcement.



Source: Bloomberg

The daily price of Tawana shares from 19 October 2015 to 19 October 2016 has ranged from a low of \$0.021 on 27 May 2016 to a high of \$0.170 on 10 October 2016. From October 2015 to July 2016, Tawana's share price remained stable with low trading activity over the period. The most significant trading volumes were experienced after this period from August 2016 through to October 2016, with the highest single day of trading occurring on 7 October 2016, where 7,747,703 shares were traded. This increase in trading volume translated into a higher share price over this period, with the share price increasing from \$0.029 on 1 July 2016 to close at \$0.130 on 10 October 2016.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)		Announcement Following Three Announcement Announcement Announcement		Three Days After ent Announcement		After ment
23/09/2016	Tawana Acquires Second Lithium Project	0.125	•	19.0%		0.130	•	4.0%
15/09/2016	Drilling Commences at Cowan Lithium Project	0.085	•	0.0%		0.110	•	29.4%
13/07/2016	Appointment of CEO	0.076	•	28.8%		0.135	•	77.6%
11/07/2016	Reinstatement to Official Quotation	0.060	•	93.5%		0.072	•	20.0%
11/07/2016	Lithium Projects Acquired	0.060	•	93.5%		0.072	•	20.0%
04/05/2016	Non Renounceable Rights Issue	0.024	•	12.3%		0.030	•	25.5%
08/03/2016	Notice of General Meeting/Proxy Form	0.027	•	0.0%		0.040	•	50.0%
20/10/2015	EPA Approval	0.067	•	0.0%		0.081	•	20.0%

Source: Bloomberg, BDO analysis



On 20 October 2015, the Company announced that the Environmental Protection Agency of Liberia approved the scoping report and terms of reference report to allow an environmental and social impact assessment for the Mofe Creek Project. On the day of the announcement there was no change to the share price, however in the three days following the announcement, the share price increased by 20.0% to close at \$0.081.

On 8 March 2016, Tawana announced the proposal to undertake a one-for-twenty consolidation of its issued capital in order to create a more efficient capital structure and resulting in a decrease in the shares on issue. On the day of the announcement there was no movement in the share price. In the three days subsequent, the share priced increased by 50.0% to close at \$0.040.

On 4 May 2016, the Company announced its undertaking of a one-for-one pro rata, non-renounceable rights issue of approximately 73,762,751 fully paid ordinary shares to raise \$1,106,441. The new shares were issued at \$0.015. Completion of the offer resulted in an increase in cash that was used to fund the Mofe Creek Project and pay Company expenses. On the day of the announcement the share price dropped 12.3% to close at \$0.024 however, in the three days following announcement, the share price increased by 25.0% to close at \$0.030.

On 11 July 2016, the Company announced the acquisition of the Mount Belches project. Subsequently the share price increased 93.5% to close at \$0.060 and a further 20.0% in the three days following to close at \$0.072. On the same day Tawana was reinstated to official quotation

On 13 July 2016, the Company announced the appointment of Mark Calderwood as the new chief executive office of the Company. Subsequently, the share price increased 28.8% to reach \$0.076 on the day of the announcement and a further 77.6% in the following three days to close at \$0.135.

On 15 September 2016, Tawana announced the commencement of drilling at the Cowan Project. This had no impact on Tawana's share price on the day of the announcement however, in the three days following the announcement, the shares price increased 29.4% to close at \$0.110.

On 23 September 2016, the Company announced it had entered into an agreement to acquire the mining rights to the Uis Project. The Company's share price subsequently increased by 19.0% to close at \$0.125 on the day of the announcement and a further 4.0% in the three days following, to close at \$0.130.

To provide further analysis of the market prices for a Tawana share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 19 October 2016.

Share Price per unit	19-Oct-16	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.130				
Volume weighted average price		\$0.148	\$0.129	\$0.118	\$0.109
Source: Bloomberg, BDO analysis					

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Tawana shares that has occurred since the Transaction was announced.



An analysis of the volume of trading in Tawana shares for the twelve months to 19 October 2016 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 Day	\$0.130	\$0.140	935,953	0.32%
10 Days	\$0.130	\$0.170	22,918,566	7.80%
30 Days	\$0.073	\$0.170	61,825,569	21.05%
60 Days	\$0.068	\$0.170	84,112,530	28.64%
90 Days	\$0.025	\$0.170	116,945,283	39.82%
180 Days	\$0.013	\$0.170	132,699,442	45.19%
1 Year	\$0.013	\$0.170	142,916,771	48.67%

Source: Bloomberg, BDO analysis

This table indicates that Tawana's shares display a high level of liquidity, with 39.82% of the Company's current issued capital being traded over the last 90 days. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Tawana, having 39.82% of the average issued capital traded over the past 90 days represents a deep market. We note that for the period from October 2015 to June 2016, the Company had limited operations and its shares were traded irregularly, in low volumes. During the twelve months to 19 October 2016, 80% of the total volume traded occurred from July 2016 to 19 October 2016. In this four month period, Tawana shares were traded regularly and in significantly higher volumes. The increased trade activity was as a result of the acquisition of the Mount Belches Project and the Uis Project, along with commenced drilling at the Cowan Project.

Our assessment is that a range of values for Tawana's shares based on market pricing, after disregarding post announcement pricing, is between \$0.011 and \$0.015.

10.3 Assessment of the value of Tawana prior to the Transaction

The results of the valuations of a Tawana share prior to the Transaction are summarised in the table below:

	Ref	Low value \$	Preferred value \$	High value \$
Net asset value	10.1	0.038	0.051	0.064
Quoted market price	10.2	0.110	0.130	0.150

Source: BDO analysis



We consider the new asset value to be the most appropriate methodology, given the core value of the Company lies in the mineral asses that it holds. We have instructed an independent specialist to value Tawana's mineral assets in accordance with the VALMIN Code, which we have included in our net asset value.

We note that our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the two methods to the following:

- It is not uncommon for exploration companies to trade at a premium to their net asset value. This
 is because investors in mining exploration companies typically anticipate some potential upside of
 'blue sky' prospects for the company, which are factored into the share price in advance of any
 such value being realised; and
- Our NAV valuation includes an independent valuation of Tawana's mineral assets, performed by CSA Global. CSA Global has relied on a combination of valuation methods which reflect the market of Tawana's mineral assets.

Based on the results above, we consider the value of a Tawana share prior to the Transaction on a minority basis to be in the range from \$0.038 to \$0.064, with a preferred value of \$0.051.

11. Valuation of Tawana following the Transaction

The value of a Tawana share following the Transaction reflects the combined value of the net assets of Tawana and the net assets of Lithco, calculated over the increased number of shares in Tawana following the Transaction.

11.1 Sum-of-Parts

We employed the Sum-of-Parts method in estimating the fair market value of a Tawana share following the Transaction, by aggregating the estimated fair market value of its underlying assets and liabilities, having consideration to the following:

- value of Tawana prior to the Transaction;
- amount of cash received from a notional capital raising;
- value of Lithco's potential 50% legal and beneficial interest in the Bald Hill Tenements (reliance on the valuation carried out by the independent technical expert);
- value of Lithco's potential 50% legal and beneficial interest in the Bald Hill Plant (reliance on the valuation carried out by an independent asset valuation expert);
- value of other assets and liabilities of Lithco;
- \$25,000 option fee payable on grant of the Lithco Option
- whether there are any synergistic benefits arising from combining the operations of Tawana and Lithco; and
- the number of Tawana shares on issue which will include the existing shares and the shares to be issued to Lithco shareholders upon completion of the Transaction.



The value of a Tawana share following the Transaction on a minority basis, assuming the Company continues as a going concern, is reflected in our valuation below:

Value of Tawana following the Transaction	Ref	Low value	Preferred value	High value
Takac of Tamana rokoming the Transaction		\$	\$	\$
Value of Tawana prior to the Transaction	10.1	12,285,011	16,363,648	20,712,285
Add: Cash from notional capital raising	11.2	13,419,108	13,419,108	13,419,108
Add: Net value of Lithco's potential 50% legal and beneficial interest in Bald Hill mineral assets	11.3	-	5,187,500	9,125,000
Add: Net value of Lithco's potential 50% legal and beneficial interest in the Bald Hill Plant	11.4	-	-	-
Add: Value of Lithco's other assets and liabilities	11.5	-	-	-
Deduct: option fee payable on grant of the Lithco Option		(25,000)	(25,000)	(25,000)
Value of Tawana following the Transaction		25,679,119	34,945,256	43,231,392
Discount for minority interest	10.1	23%	20%	17%
Value of Tawana following the Transaction (minority interest basis)		19,772,921	27,956,204	35,882,056
Number of shares on issue following the Transaction	11.6	485,851,398	485,851,398	485,851,398
Value per share (\$)		0.041	0.058	0.074

Source: BDO analysis

The table above indicates that the value of a Tawana share following the Transaction on a minority basis is between \$0.041 and \$0.074, with a preferred value of \$0.058.

11.2 Notional capital raising

We note that in order to obtain a 50% interest in the Bald Hill Tenements and the Bald Hill Project, the Company must spend \$20.0 million by 31 December 2017, comprising the \$7.5 million Exploration Commitment and \$12.5 million Capital Commitment, together ('the Total Tawana Commitment').

Prior to the Transaction, Tawana holds \$9.39 million in cash and cash equivalents. By 31 December 2017, the additional amount required to be raised under the notion capital raising would be \$13.04 million, calculated as follows:

Notional Capital Raising	\$
Exploration Commitment	7,500,000
Capital Commitment	12,500,000
Total Tawana Commitment	20,000,000
Add: Estimated administration and corporate costs to 31-Dec-17	1,928,000
Deduct: Cash and cash equivalents prior to the Transaction	(9,385,012)
Equity funding required	12,542,988
Add: 4% placement fee	501,720
Total amount to be raised under the Notional Capital Raising	13,044,708

Source: BDO analysis



We have assumed that 100% of the funding required will be raised via equity as the Company currently does not have debt funding nor do we consider it likely that the Company would be able to secure pure debt funding without a conversion feature.

We have adopted the issue price of \$0.12 per share, as used in the Bald Hill Capital Raising as the price at which Tawana would place its shares to a third party or current shareholders under the notional capital raising.

Accordingly, to raise an equivalent of \$13.04 million required to satisfy the Total Tawana Commitment, approximately 108,705,896 new Tawana shares will need to be issued, calculated as follows:

Number of shares issued under Notional Capital Raising	
Total amount to be raised under the Notional Capital Raising (\$)	13,044,708
Notional issue price (\$)	0.12
Total number of shares to be issued under the Notional Capital Raising	108,705,896

Source: BDO analysis

11.3 Valuation of Lithco's potential 50% legal and beneficial interest in the Bald Hill Tenements

As at the date of our Report, Lithco does not have any legal or beneficial interest in the Bald Hill Tenements. Lithco has agreed to spend, by 31 December 2017, a minimum of \$7.5 million on exploration, evaluation, and feasibility, upon the completion of which Lithco will be entitled to 50% of all rights to lithium minerals from the Bald Hill Tenements.

We have instructed CSA Global to provide an independent market valuation of the Bald Hill Tenements. CSA Global considered a number of different valuation methods when valuing the mineral assets of Bald Hill. CSA Global elected to apply the following valuation methodologies:

Mineral Asset	Stage	Valuation methods considered			
Bald Hill Project - Tantalum	Development	Transactions - Resources, Yardstick			
Bald Hill Project - Lithium	Advanced Exploration	Transactions - Exploration, Kilburn			
Source: Independent Technical Assessment and Valuation Report					

We consider these methods to be appropriate given the stages of the Bald Hill mineral assets. We are also satisfied that the valuation methodologies adopted by CSA Global are in accordance with industry practice and compliant with the requirements of the Valmin Code. A copy of CSA Global's Independent Assessment and Valuation Report is attached in Appendix 4.



The range of values for Lithco's potential 50% legal and beneficial interest in the Bald Hill Tenements as calculated by CSA Global, is set out below:

Mineral Asset Valuation - Bald Hill	Note	Low value \$	Preferred value \$	High value \$
Bald Hill Mine		3,000,000	7,000,000	8,000,000
Bald Hill Tenements		4,000,000	9,000,000	14,000,000
Add: Increase in value from Exploration Commitment	1	7,500,000	9,375,000	11,250,000
Value of Bald Hill mineral assets (100% interest)		14,500,000	25,375,000	33,250,000
Lithco's potential ownership percentage		50%	50%	50%
Value of Lithco's interest in Bald Hill mineral assets (50%)		7,250,000	12,687,500	16,625,000
Deduct: Exploration Commitment to acquire 50% interest		(7,500,000)	(7,500,000)	(7,500,000)
Net value of Lithco's interest in Bald Hill mineral assets (50%)		-	5,187,500	9,125,000

Source: CSA Global's Independent Technical Assessment and Valuation Report

The table above indicates that the value of Lithco's potential 50% interest in the Bald Hill Mine and Bald Hill Tenements is between zero and \$9.13 million, with a preferred value of \$5.19 million.

Note 1) Increase in value from Exploration Commitment

We note that CSA Global's valuation of the Bald Hill Mine and Bald Hill Tenements reflects the current market value as of today. However, following the Transaction, Tawana will spend an additional \$7.5 million via its Exploration Commitment. We have accounted for the resultant increase in the value of the mineral assets at Bald Hill by applying the range of multiples adopted in CSA Global's report to the Exploration Commitment, as calculated below:

Increased value from Exploration Commitment		Preferred		
increased value from Exploration Communent	Low value \$	value \$	High value \$	
Exploration Commitment	7,500,000	7,500,000	7,500,000	
Return on investment multiple	1.00	1.25	1.50	
Increased value from Exploration Commitment	7,500,000	9,375,000	11,250,000	

Source: CSA Global's Independent Technical Assessment and Valuation Report and BDO analysis

Based on CSA Global's assessment of the Bald Hill mineral assets we consider there to be demonstrated evidence of exploration activity yielding positive returns. Appendix 4 of CSA Global's report shows the range of multiples applied to exploration expenditure in arriving at their values.

11.4 Valuation of Lithco's potential 50% legal and beneficial interest in the Bald Hill Plant

As at the date of our Report, Lithco does not have any legal or beneficial interest in the Bald Hill Plant. Lithco has agreed to spend \$12.5 million on upgrading and converting the Bald Hill Plant for processing ore derived from the Tenement Area, upon the completion of which Lithco will be entitled to a 50% legal and beneficial interest in the Bald Hill Project.



We instructed MPC to provide an independent market valuation of the Bald Hill Plant. The range of market values for Lithco's 50% legal and beneficial interest in the Bald Hill Plant, as valued by MPC is set out below:

Bald Hill Plant Valuation	Notes	Low value \$	Preferred value \$	High value \$
Value of 100% of Bald Hill Plant		4,000,000	6,343,000	7,500,000
Add: Increase in value of Bald Hill Plant from Capital Commitment	1	12,500,000	12,500,000	12,500,000
Value of Bald Hill Plant (100% interest)		16,500,000	18,843,000	20,000,000
Lithco's potential ownership percentage		50 %	50 %	50 %
Value of Lithco's interest in the Bald Hill Plant (50%)	_	8,250,000	9,421,500	10,000,000
Deduct: Capital Commitment to acquire 50% interest		(12,500,000)	(12,500,000)	(12,500,000)
Net value of Lithco's interest in the Bald Hill Plant (50%)	_	-	-	-

Source: MPC's Independent Asset Valuation Report and BDO analysis

The table above indicates that the value of Lithco's potential 50% interest in the Bald Hill Plant is zero.

Note 1) Increase in value of Bald Hill Plant from Capital Commitment

We note that MPC's valuation of the Bald Hill Plant is the value as it currently stands today. However, following the Transaction, Tawana will spend an additional \$12.5 million via its Capital Commitment. Based on MPC's report, we consider it reasonable that the \$12.5 million Capital Commitment will result in an increase in the value of the Bald Hill Plant of at least \$12.5 million. There is potential for the return per dollar spent on the Bald Hill Plant to be higher than 100% however, we have assumed a return of 100% on the Capital Commitment.

11.5 Other assets and liabilities of Lithco

As at the date of our Report, Lithco does not have any assets or liabilities, besides the Farm-in Agreement with AMAL entered into on 3 June 2016. Refer to section 6.2 for further details of the Farm-in-Agreement.

The valuation of Lithco's potential 50% legal and beneficial interest in the Bald Hill Project and the Bald Hill Plant has been considered in sections 11.2 and 11.3, respectively.

11.6 Number of shares on issue following the Transaction

The number of Tawana shares on issue following the Transaction and assuming a notional capital raising, will be 482,731,398 calculated as follows:

Number of Tawana shares on issue prior to the Transaction	Ref	Number
Number of Tawana shares on issue prior to the Transaction	10.1	324,025,502
Add: Consideration Shares		50,000,000
Add: Shares issued under the Notional Capital Raising	11.2	108,705,896
Total number of Tawana shares on issue following the Transaction		482,731,398

Source: BDO analysis



12. Is the Transaction fair?

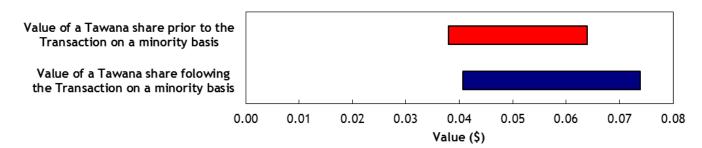
The value of a Tawana share prior to the Transaction on a minority basis and the value of a Tawana share following the Transaction on a minority basis is compared below:

	Ref	Low value \$	Preferred value \$	High value \$
Value of a Tawana share prior to the Transaction on a minority basis	10.3	0.038	0.051	0.064
Value of a Tawana share following the Transaction on a minority basis	11.1	0.041	0.058	0.074

Source: BDO analysis

The above valuation ranges are represented graphically below:

Valuation Summary



Source: BDO analysis

We note from the table above that the value of a Tawana share on a minority basis following the Transaction is greater than the value of a Tawana share on a minority basis prior to the Transaction. Therefore, we consider that the Transaction is fair for Shareholders.

13. Is the Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Tawana a premium over the value ascribed to, resulting from the Transaction.

13.2 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

13.2.1. The Transaction is fair

As set out in section 12, the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.



13.2.2. Tawana and Lithco are a natural fit

The Transaction provides an opportunity to combine two complementary asset portfolios, creating a company of increased scale, with early production potential and a landholding that has the potential to create a sustainable producing lithium miner.

If the Transaction is approved, the combined entity will have access to an increased landholding in the Eastern Goldfields of Western Australia, with Lithco's Bald Hill Project being located in close proximity to Tawana's Cowan and Yallari Projects. As at the date of our Report, the Bald Hill Project has a lithium resource base of approximately 0.65 million tonnes of indicated resources and 1.1 million tonnes of inferred resources within tenements adjoining those held by Tawana. The combined tenement package will provide for substantial exploration and resource conversion potential.

13.2.3. Potential for cost synergies

The Transaction allows for the ability to realise cost synergies as the combined entity will hold an adjoining tenement package in the Eastern Goldfields region, in Western Australia. The close proximity of both companies' mineral assets will facilitate economies of scale in both the exploration and development of deposits. The combined entity will also be able to utilise the established Bald Hill Plant.

Additionally, there is potential to realise synergies relating to shared infrastructure such as roads, bore fields and camps. There may also be potential for corporate and administrative cost synergies.

13.2.4. Acquisition of a processing plant at Bald Hill

If the Transaction is approved, Tawana will gain access to the Bald Hill Plant and associated infrastructure. The Bald Hill Plant has been refurbished and upgraded by AMAL and successfully commissioned during late 2015 and early 2016. In its current state, the Bald Hill Plant is not suitable for recovering the bulk of the spodumene in the ore that is processed. Engineering studies are commencing to assess installing a front end spodumene recovery circuit to the existing facility and to significantly increase overall production rates.

Tawana's Capital Commitment of \$12.5 million will facilitate the upgrade and conversion of the Bald Hill Plant for processing ore derived from the Tenement Area, upon the completion of which, Tawana will be entitled to a 50% legal and beneficial interest in the upgraded plant and surrounding infrastructure.

Based on MPC's valuation of the Bald Hill Plant, the value of the upgraded Bald Hill Plant is \$18.84 million (preferred value). Furthermore, the Bald Hill Plant is already built, with the upgrade and conversion process estimated to be completed within 10-14 months.

In order to construct a new plant from scratch, with the same production capacity as the fully upgraded Bald Hill Plant, the Company could expect to pay in excess of \$18.84 million and expect construction to take longer than 10-14 months.

13.2.5. Creation of a combined entity with a stronger financial position, improved liquidity and better access to global capital markets

If the Transaction is approved, the combined entity of Tawana and Lithco will have net assets in excess of \$41.74 million (preferred value). Tawana Shareholders may benefit from a stronger financial position, improved liquidity and better access to global capital markets as a result of being part of the combined entity, as follows:



- enhanced ability to source equity and debt funding on better terms than may otherwise be
 available to Tawana on a standalone basis, due to the greater scale, liquidity and portfolio
 diversification of the combined entity;
- reduced reliance on Tawana's existing shareholders to continue funding it business through the creation of a more diverse shareholder base; and
- enhanced capital market profile, which could attract broader interest from a number of equity market research analysts, industry commentators and investors.

13.3 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

13.3.1. Dilution of existing Shareholders' interest

Under the terms of the Transaction, Tawana will issue 50,000,000 fully paid ordinary shares to Lithco's shareholders and director, representing 10.29% of the total issued capital in the combined entity. Consequently, the holding of the existing Shareholders of Tawana will decrease from 77.58% to 67.23% following the Transaction. This will dilute Shareholders' interest and their level of collective influence on the operation of the Company.

14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Tawana.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Tawana for the years ended 31 December 2014 and 31 December 2015 and reviewed financial statements for the half-year ended 30 June 2016;
- Unaudited management accounts of Tawana for the period ended 30 September 2016;
- Independent Technical Assessment and Valuation Report of Tawana's and Lithco's mineral assets dated 10 November 2016 performed by CSA Global;
- Independent Asset Valuation Report of Bald Hill Plant and equipment dated 11 November performed by MPC;
- Farm-in agreement term sheet between AMAL and Lithco
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Tawana.



16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Tawana in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Tawana, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Tawana and Lithco and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Tawana and Lithco and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Tawana, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Tawana and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of



BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Tawana for inclusion in the Explanatory Memorandum and Notice of Meeting which will be sent to all Tawana Shareholders. Tawana engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the issue of shares to the shareholders of Lithco as part of the option for Tawana to acquire 100% of the issued capital of Lithco.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum and Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum and Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Lithco. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the [Proposal/Transaction/Offer/Scheme], tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Tawana, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Tawana and Lithco.

The valuer engaged for the mineral asset valuation, CSA Global, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The valuer engaged for the Bald Hill Plant, MPC, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their



valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes

Director

Adam Myers

Director



Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
AMAL	Alliance Mineral Assets Limited
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Bald Hill Capital Raising	\$7.2 million capital raising via the issue of 60,000,000 shares at an issue price of \$0.12 per share
Bald Hill JV	Unincorporated joint venture agreement in equal proportions (i.e. 50-50) with respect to the Bald Hill Project between Lithco and AMAL
Bald Hill Plant	Processing plant, camp and other infrastructure located on the Bald Hill Tenements
Bald Hill Project	Bald Hill lithium project located in Western Australia
Bald Hill Tenements	The Bald Hill Project encompasses ten Exploration Licences, one General Purpose Licence, eight Miscellaneous Licences, five Mining Leases, one Mining Lease Application, eight Prospecting Licences and one Retention Licence
BDO	BDO Corporate Finance (WA) Pty Ltd
Capital Commitment	\$12.5 million minimum amount Lithco has agreed to spend on upgrading and converting the processing plant, camp and other relevant infrastructure located on the Bald Hill Tenements
the Company	Tawana Resources NL
Consideration Shares	50,000,000 fully paid ordinary Tawana shares to be issued to Lithco for the acquisition of 100% of the issued capital in Lithco
Corporations Act	The Corporations Act 2001 Cth
Cowan Project	Cowan lithium project located in Western Australia
CSA Global	CSA Global Pty Ltd



Reference	Definition
Deferred Consideration	Issue of 10,000 shares to the shareholders of Tawana following successful completion of various milestones at the Uis Project
DCF	Discounted Future Cash Flows
DSO	Direct Shipping Ore
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Exercise Period	The period from 24 October 2016 to 5:00pm on 31 December 2016 during which the Lithco Option may be exercised.
Exploration Commitment	\$7.5 million minimum amount Lithco has agreed to spend by 31 December 2017 on exploration, evaluation and feasibility
Farm-in Agreement	Binding term sheet agreement between Lithco and AMAL
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
Independent Asset Valuation Report	MPC's valuation report of the Bald Hill Plant
Independent Technical Assessment and Valuation Report	CSA Global's valuation of Tawana's mineral assets and the Bald Hill Project
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JSE	Johannesburg Stock Exchange
LA1	Lithium Africa No 1
LCT	Lithium-Caesium-Tantalum
Lithco	Lithco No 2 Pty Ltd
Lithco Option	\$25,000 option fee payable to Lithco No on the grant of the option agreement relating to the acquisition of 100% of the issued capital in Lithco
Lithium Rights JV	Lithium rights joint venture agreement between Lithco and AMAL



Reference	Definition
MDA	Mineral Development Agreement
MEL	Mineral Exploration Licence
Mofe Creek Project	Mofe Creek iron ore project located in Liberia
Mount Belches	Mount Belches Pty Ltd
Mount Belches Capital Raising	\$1.75 million capital raising via the issue of 70,000,000 shares at an issue price of \$0.025
MPC	Mineral Project Consultants Pty Ltd
NAV	Net Asset Value
Notice of Meeting	Explanatory Memorandum and Notice of Meeting
ppm	Parts per million
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
our Report	This Independent Expert's Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Shareholders	Shareholders of Tawana not associated with Lithco
the Transaction	The proposal for Tawana to acquire 100% of the issued capital in Lithco
Ta205	Tantalum pentoxide
Tawana	Tawana Resources NL
Tenement Area	10km radium of the Bald Hill Tenements
Total Tawana Commitment	\$20 million commitment, comprising the 7.5 Exploration Commitment and 12.5 Capital Commitment
Uis Project	Uis lithium project located in Namibia



Reference	Definition
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
Yallari Project	Yallari lithium project located in Western Australia

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The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO, WA 6008
Australia



Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.



3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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Appendix 3 - Notional Control Premium

The concept of a premium for control reflects the additional value that attaches to a controlling interest.

We have reviewed the control premiums paid by acquirers of General Mining ASX listed companies. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2016	4	58.80	80.28
2015	15	165.46	31.00
2014	15	108.84	34.85
2013	18	44.46	49.25
2012	20	129.36	44.61
2011	21	605.51	40.47
2010	25	733.60	43.27
2009	28	84.25	41.85
2008	8	553.76	38.87
	Mean	276.00	44.94
	Median	129.36	41.85

Source: Bloomberg

The mean and median figures above are calculated based on the average deal value and control premium for each respective year. To ensure our data is not skewed, we have also calculated the mean and median of the entire data set comprising control transactions for General Mining ASX listed companies from 2008 onwards, as set out below:

Entire Data Set Metrics	Average Deal Value (AU\$m)	Average Control Premium (%)
Mean	297.37	42.22
Median	35.18	37.39

Source: Bloomberg

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- nature and magnitude of non-operating assets;
- nature and magnitude of discretionary expenses;
- perceived quality of existing management;
- nature and magnitude of business opportunities not currently being exploited;
- ability to integrate the acquiree into the acquirer's business;
- level of pre-announcement speculation of the transaction; and
- level of liquidity in the trade of the acquiree's securities.

The tables above indicate that the long term average of announced control premiums paid by acquirers of General mining ASX listed companies is approximately 42%. However, in assessing the sample of the transactions that were included in the table, we noted transactions within the list that appear to be extreme outliers.



In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean, excluding those extreme transactions. These outliers include all transactions where the announced control premium was in excess of 100% and all transactions where the acquirer obtained a controlling interest at a discount (i.e. less than 0%). We note that the median announced control premium over the review period was 37%.

In the case of Tawana, we have taken the following considerations into account:

- The current market capitalisation of Tawana is considerably smaller than a number of the sample companies determined above. We note that larger transactions tend to have higher control premiums; and
- As a mineral exploration company, Tawana does not currently have nay revenue generating operations.

In determining a notional control premium to be paid by Tawana if the Transaction was a control transaction, we have taken the above analysis into account. We consider an appropriate notional control premium to be in the range from 20% to 30%.



Appendix 4 - Independent Technical Assessment and Valuation Report





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Report prepared for

Client Name	Tawana Resources NL
Project Name/Job Code	TAWVAL03
Contact Name	Mark Calderwood
Contact Title	CEO
Office Address	288 Churchill Avenue

Report issued by

CSA Global Office	CSA Global Pty Ltd Level 2, 3 Ord Street West Perth, WA 6005 AUSTRALIA
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Author and Reviewer Signatures

Coordinating Author	Trivindren Naidoo M.Sc., B.Sc., Pr,Sci.Nat, MGSSA, MAu	ISIMM
Contributing Author:	Ralph Porter MSc, BSc Geology, MAIG, MSEG	
Contributing Author:	Andre Vorster BSc Hons, MSc, MBA (cum Laude)	
Contributing Author:	Wayne Ghavalas BScEng:Mining, GDipAppFinInv, MAu	ısIMM
Contributing Author:	Ivy Chen B AppSc, MAusIMM, GAICD	
Peer Reviewer and CSA Global Authorisation	Graham M. Jeffress BSC(Hons), FAIG, RPGeo, FAusIMM, FSEG	Decirons settleme not for displication. Decrease, repeasure and Incidentiation. Decirons separate out for displication. Decirons replicate not not displaced to the control of the control

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Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) requested CSA Global Pty Ltd (CSA Global) complete an Independent Technical Assessment and Valuation Report on the Mineral Assets of Tawana Resources NL (Tawana) and Alliance Mineral Assets Ltd (AMAL), for inclusion in an Independent Expert's Report concerning a proposed corporate transaction. The valuation date will be 10th October 2016.

CSA understand that the BDO Independent Expert's Report will address Tawana's option to purchase Lithco No 2 Pty Ltd ('Lithco') for a consideration of 50,000,000 Tawana shares with the option to be exercisable on or before 31 December 2016.

Tawana is a resources focused company listed on the ASX and the JSE. Tawana's current projects include lithium exploration ground in Western Australia, a scoping-level iron ore project in Liberia, and a lithium tailings project in Namibia.

AMAL is a Perth-based, SGX listed mining company primarily engaged in the business of developing and producing Tantalite Mineral Resource in Australia. AMAL owns the Bald Hill Project in Western Australia, which consists of the Bald Hill Tantalite Mine, the surrounding tenements, and a treatment plant.

Collectively, the Western Australian lithium assets to be considered comprise three (3) projects named Yallari, Cowan and Bald Hill located in the Eastern Goldfields Province of Western Australia (Figure 1). The Yallari and Cowan projects have recently been reviewed and valued by CSA Global.

Yallari Project

The Yallari Project comprises two Exploration License applications covering approximately 102 km² located some 22 km south and southeast of Coolgardie in the Eastern Goldfields Province of Western Australia (Figure 13). The Yallari tenements are located in a regional geological setting favourable for LCT-type rare-element pegmatites, as demonstrated by the nearby Lepidolite Hill/ Londonderry lithium occurrences and the Mount Marion lithium mine. However, while the Yallari tenements contain several pegmatite occurrences, no rare-element mineralisation is recorded in the pegmatites and therefore the tenements are assigned little value. The Yallari Project tenements have been recently reviewed valued by CSA Global.

Cowan Project

The Cowan Project comprises 3 tenements namely E15/1205, E15/1377 and E15/1446 covering an area of approximately 174 km². These tenements are located immediately west, north and northeast of the AMAL Bald Hill tantalite mine area located with M15/400. The Cowan tenements are considered by CSA Global to be highly prospective for lithium mineralisation in the form of spodumene. These tenements are labelled Tawana Cowan tenements on Figure 1. The Cowan Project has been recently reviewed and valued by CSA Global.

Bald Hill

CSA Global has reviewed drill hole, auger and surface sampling data provided by Tawana, and is satisfied that it is fit for purpose to evaluate the Bald Hill Project.

The amount of data relating to lithium mineral content is sparse within the key areas of future mining proposals i.e. the Central pit. Drill holes analysed for lithium are mostly located peripheral to the key areas of future mining focus for tantalum and lithium. Tawana is aware of these deficiencies and has negotiated an option period to verify that lithium minerals, mainly in the form of spodumene are present in economically significant quantities either as a standalone commodity or in conjunction with any tantalum or tin recovered within the mining pits proposed by AMAL.



The Bald Hill Project historically has been a tantalum mining and recovery operation. Lithium minerals such as spodumene were not recovered in previous processing operations for tin and tantalum. Any spodumene processed is now understood to be located in tailings placed into backfilled open pits or residing in the tailing storage facility. It is understood the two pits backfilled with tailings and containing unknown quantities of spodumene are the previous Hillsend and North pits. Tawana have estimated somewhere between 825,000t and 895,000t of tailings reside in the two pits and a further 500,000t to 600,000t of tailings reside in the TSF1 tailings storage facility.

During re-commissioning of the AMAL processing plant, using mostly weathered pegmatite and tailings, an unknown quantity of spodumene was recovered and is stored in bulka bags on-site (pers. comm. Mark Calderwood). The presence of spodumene in the bulka bags was confirmed during a CSA Global site visit.

Due to the focus of previous companies on tin and tantalum very little information in terms of lithium mineral (spodumene) quantity and geochemical analyses for lithium are available in key areas of current focus by Tawana, and only a high-level review was possible. CSA Global is satisfied that there is sufficient prospectivity indicated by the visual presence of spodumene either in surface outcrops, or logged in a limited number of drill holes by previous operators, and where available geochemical analytical values for lithium, to warrant further investigation by Tawana . The Bald Hill model which formed the basis for the Mineral Resource and Ore Reserves declared on 31st March 2016 was not directly accessible and was reviewed via an independent qualified persons report prepared for AMAL, and released on 12th August 2016 on the SGX platform.

CSA Global has used information available to rank each tenement within the Cowan and Bald Hill Western Australian lithium projects in terms of the potential for containing economic lithium mineralisation. (Table 5, Table 6 and Figure 5). Overall only the Cowan and the AMAL tenements covering the Bald Hill tantalum mine pegmatites and extensions of this pegmatite field to the north and northwest are regarded as having moderate to high or high potential. The remaining tenements have moderate to low potential.

Uis Project

The Uis Tailings Project consists of various tailings dumps in the vicinity of the abandoned Uis tin mine in Namibia. The Uis tin mine was mined by IMCOR (on behalf of ISCOR, South Africa) between 1924 and 1990. It seems that about 20 Mt were mined, screened into a +1mm and -1mm fraction and the tailings dumped near site.

At least some of the pegmatites treated during this time contained the lithium minerals spodumene, petalite and amblygonite. Historical drilling results suggest potentially economic Li₂O values of 0.5–0.9% on the tailings, however sampling was not representative. No mineralogical studies have yet been done.

CSA Global understand that lithium mineralisation has been noted in some of the tin pegmatites that were mined at Uis, however the presence, abundance and mineralogy of lithium minerals in the tailings dumps has not as yet been established, although limited drilling of the dumps has indicated the presence of Li₂O in the tailings.

Mofe Creek Project

The Mofe Creek Project was assessed as a project with defined Mineral resources. A Scoping study completed for Tawana by Tenova in 2014 considered the potential for the Mofe Creek Project to sustain Ore Reserves, but it is too premature to be able to consider these resources in terms of a potential income stream in this assessment.

On balance the project had merit, and if the development capital had already been sunk, it was possible the project might have gone into production. Given the current market conditions however investors would seem unlikely to invest the capital to develop the Mofe Creek Project; the current iron ore price is likely to just cover operating expense, and will unlikely be able to provide an adequate return on capital, or cover cost the



of capital. The reduction in iron ore price since the study was conducted, has eroded most of the operating margin out of the project as it was assessed in the 2014 Scoping Study. The existing almost 62 Mt of Indicated and Inferred itabirite iron mineral resources were assessed for their value and potential instead.

Valuation opinion

CSA Global's approach to the valuation of the AMAL and Tawana mineral assets is summarised in Table 1. Note that CSA Global as adopted at least one market approach in considering each asset.

Table 1: Valuation methods adopted for each project

Mineral Asset	Stage	Licence Area (km²)	Declared Resource base	Valuation Methods considered
AMAL Bald Hill Project - Tantalum	Development	-	1,084 t Ta ₂ O ₅	Transactions-Resource, Yardstick
AMAL Bald Hill Project - Lithium	Advanced Exploration	789		Transactions- exploration, Kilburn
Tawana Mount Belches Project	Advanced Exploration	276	1	Transactions- exploration, Kilburn
Tawana Uis Project	Advanced Exploration	1.8 #	-	Transactions— exploration, Yardstick
Tawana Mofe Creek Project	Pre-development	285	20.4Mt Fe	Transactions–Resource, Yardstick,

[#] Tailings material does not fall under Minerals Act in Namibia, area considered is twice the footprint of the dumps

CSA Global considered the results of the assorted methods used to assess the value of the various projects, and determined Preferred Valuation Range and Preferred Value for each project (Table 2). CSA Global's basis for these ranges are discussed for each project in Section 8.8 of this report. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Table 2: Summary of Preferred Values

Company	Asset	Low (A\$ Million)	High (A\$ Million)	Preferred (A\$ Million)
	Bald Hill Mine	3.0	8.0	7.0
AMAL	Bald Hill Tenement	4.0	14.0	9.0
	Total	7.0	22.0	16.0
	Cowan	6.0	10.0	8.0
	Yallari	0.3	1.2	0.8
Tawana	Uis Tailings	0.2	1.8	1.0
	Mofe Creek	0.5	3.0	1.7
l	Total	7.0	16.0	11.5

The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.



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Introduction 1

Context, Scope and Terms of Reference 1.1

BDO Corporate Finance (WA) Pty Ltd (BDO) requested CSA Global Pty Ltd (CSA Global) complete an Independent Technical Assessment and Valuation Report on the Mineral Assets of Tawana Resources NL (Tawana) and Alliance Mineral Assets Ltd (AMAL), for inclusion in an Independent Expert's Report concerning a proposed corporate transaction. The valuation date will be 10th October 2016.

The Report is compliant with the VALMIN Code¹. In preparing the Report, CSA Global:

- Adhered to The VALMIN Code as closely as possible.
- Took due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports and ASIC Regulatory Guide 112 – Independence of Experts.
- Requested access to all material information relating to the Projects.
- Requested access to independent tenure reports confirming that Tawana and AMAL hold adequate security of tenure for exploration and assessment of the Projects to proceed.
- Obtained an indemnity to the effect that Tawana will indemnify and compensate CSA Global in respect of preparing the Report against any and all losses, claims, damages and liabilities to which CSA Global or its associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Tawana or any of its directors or officers knowingly providing CSA Global with any false or misleading information.
- Obtained an indemnity that Tawana will compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions or public hearings arising from the Report.
- Reserves the right to refuse to provide an opinion or report where it is impossible or impractical to obtain sufficient accurate or reliable data or information.
- Will keep records of discussions with Tawana, a list of all documents to be referred to in the Report, copies of all material source documents and due diligence notes.
- Will rely on the accuracy and completeness of the data provided to it by Tawana, and that Tawana made CSA Global aware of all material information in relation to the projects.
- Has independently verified the data used to prepare this report and concludes that the data provide reasonable grounds for CSA Global's conclusions reached in this report.

1.2 Compliance with the JORC and VALMIN Codes

The Report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM),

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code, 2015 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.



the JORC Code² and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Experts' Reports (IERs).

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.2.1 Tenure

CSA Global have relied on the independent opinion of Hetherington Exploration and Mining Title Services, as stated in a letter titled *Tawana Resources Limited Tenement Review*, dated 26 October 2016, with regards to the tenure status of Tawana's Mount Belches Project.

CSA Global have relied on the independent opinion of Hetherington Exploration and Mining Title Services, as stated in a letter titled *Lithco No.2 Pty Ltd Tenements Review*, dated 4 November 2016, with regards to the tenure status of AMAL's Bald Hill tenements.

With regards to tenure for the Uis Tailings Project, CSA Global rely on the independent opinion of Namibian attorneys Koep and Partners, as detailed in their letter to Tawana, dated 14 June 2016 and titled *Namibian Mining Project (Uis Tailings)*, in addition to legal agreements sighted by CSA Global, as detailed in Section 5.1 of this report.

With regards to tenure for the Mofe Creek Project, CSA Global rely on the independent opinion of Liberian attorneys Tubman Law Firm, as detailed in their letter to BDO, dated 11 November 2016 and titled Independent Legal Report on Tawana Resources and Mofe Creek Project.

1.2.2 Site Visits

Andre Vorster of CSA Global visited the Uis Tailings Project site in Namibia in mid-August 2016.

Ralph Porter of CSA Global visited AMAL's Bald Hill Project minesite and Tawana's Cowan Project on 24th June 2016.

CSA Global have not conducted a site visit to the Mofe Creek Project in Liberia. CSA Global understand that there is currently no site work being conducted at the Mofe Creek Project. CSA Global has relied on current CSA Global staff with experience of neighbouring itabirite iron ore projects in Liberia. CSA Global has been provided with detailed technical information and reports compiled by independent consultants to Tawana, including site visits carried out whilst the site work was being conducted, and CSA Global believe that no additional information material to this valuation would be obtained from a current visit to the Mofe Creek site.

1.3 Principal Sources of Information

The Report has been based upon information available up to and including 10 October 2016. The information was provided to CSA Global by Tawana or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Tawana and AMAL's projects.

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² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).



1.4 Authors of the Report

CSA Global is privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This report has been prepared by a team of consultants sourced principally from CSA Global's Perth office. The individuals who have provided input to the ITAV report have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The Consultants preparing this ITAV report are specialists in the fields of geology, exploration and Mineral Resource estimation and classification.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons (CP), as defined in the JORC Code (2012), for this report. The CP's individual specific areas of responsibility are presented below:

- Contributing author Ralph Porter (Associate Principal Consultant Geologist with CSA Global in Perth, Western Australia) responsible for Section 2 pertaining to the West Australian projects.
- Andre Vorster (Principal Geologist) responsible for Section 3, as it pertains to the Uis Project in Namibia
- Contributing author Ivy Chen (Principal Consultant) responsible for Section 5 of the Report, as it pertains to Mineral Resources.
- Contributing author Wayne Ghavalas (Principal Mining Engineer) responsible for Section 6 pertaining to mining.
- Contributing author Trivindren Naidoo (Principal Geologist Valuation) responsible for Sections 8 and 9 as they pertain to the valuation.
- Principal authors Trivindren Naidoo and Ivy Chen compiled this report.

Principal authors Trivindren Naidoo and Ivy Chen compiled this report. Peer review was completed by Graham Jeffress who has been involved in much of CSA Global's valuation work.

1.5 Prior Association and Independence

The authors of this report have no prior association with Tawana in regard to the Mineral Assets. Neither CSA Global, nor the authors of this report, have or have had previously, any material interest in Tawana or the mineral properties in which Tawana have an interest. CSA Global's relationship with Tawana is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. The fee for the preparation of this report is approximately \$50,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Tawana. No member or employee of CSA Global has, or has had, any shareholding in Tawana. There is no formal agreement between CSA Global and Tawana to CSA Global conducting further work for Tawana.



2 Western Australian Projects

The Western Australian projects held by Tawana and AMAL are situated near Kambalda in the Eastern Goldfields, approximately 630 km east of Perth (Figure 1). Tawana's Mount Belches Project comprises the Yallari group of tenements and the Cowan group of tenements located adjacent to AMAL's Bald Hill tenements.

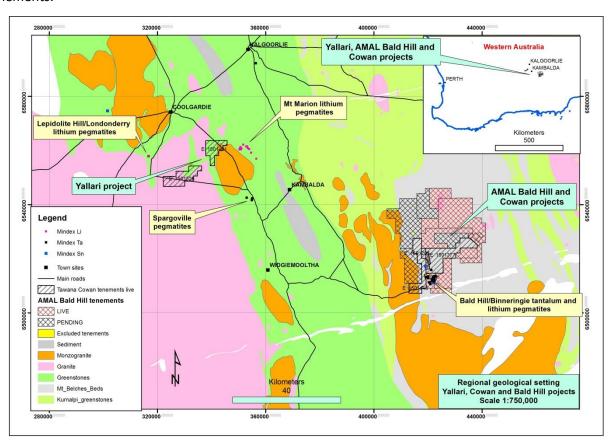


Figure 1: Regional geological setting Yallari, Cowan and AMAL Bald Hill Projects (simplified geology based on GSWA 500k digital geology)

2.1 General model for lithium-bearing pegmatites

The Lithium-Caesium-Tantalum (LCT) family of rare element pegmatites are derived from highly siliceous (>70% SiO₂), peraluminous (S-Type, 'fertile') granites as highly fractionated granitic melts. These fractionated melts contain the rare elements (Be, Rb, Cs, Sn, Nb, and Ta) and a high volatile content (H_2O , F, B, P and Li), which reduces the melt viscosity and allows the pegmatite melt to move up to 10 km from the parent granite prior to crystallisation.

The pegmatites of economic interest for lithium and associated minerals of economic value such as tin and tantalum are mostly hosted within greenstone belts comprising upper greenschist to amphibolite metamorphic grade volcanics and sediments.

The generalised model for pegmatite types and position relative to the parent granite is shown in Figure 2.



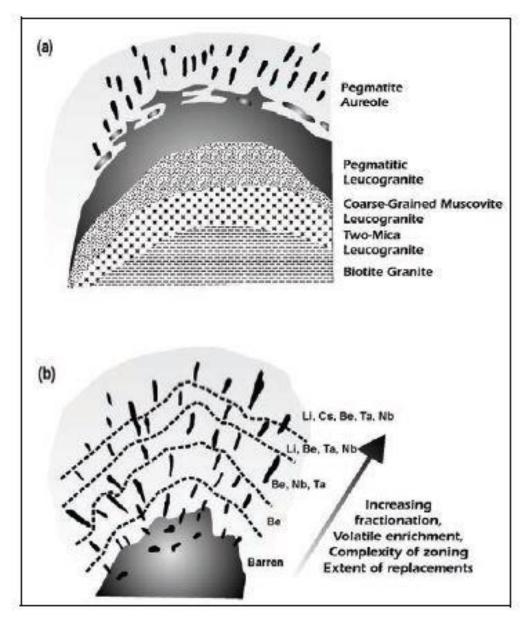


Figure 2: Generalised pegmatite zoning pattern in relation to the pegmatite parent granite (after Černý, 1989, 1991)

It should be noted that compilations of the approximate percentage of the main mineral assemblages in LCT-type pegmatites (based on the Kings Mountain pegmatite fields in the United States, the Tanco Deposit in Canada, Greenbushes Deposit in Australia and recently published drilling results in the Pilbara region) are typically as follows.

The Kings Mountain pegmatites contain 20% spodumene (Li), 32% quartz, 41% feldspar, 6% muscovite and 1% trace elements (Sn, Ta, etc.). These percentages also seem to be applicable to the Pilgangoora pegmatites located in the Pilbara region of Western Australia. The Tanco Deposit, Canada is some 1.5 km long x 1 km wide x 100 m deep and contains some 26% quartz, 46% feldspar, 22% petalite (Li), 1.9% spodumene (Li), 1.3% amblygonite (Li) and 0.7% eucryptite (Li) total 26% lithium minerals. Greenbushes Deposit in Western Australia, which is about 3 km long x 250 m wide x unknown total depth, contains about 25% Li minerals.

Therefore, in an LCT-type pegmatite the lithium mineral content is likely to range from 15–25 volume percent of the pegmatite body.



6

3 AMAL Bald Hill Project

The Bald Hill Project is in Western Australia approximately 50 km due east of Widgiemooltha, 62 km southeast of Kambalda and 105 km southeast of Kalgoorlie (Figure 3). Access to site is via a well-made gravel road for 60 km from the Coolgardie-Esperance Highway. The site is accessible all year round except during periods of high rainfall when the gravel access road maybe closed by the shire for short periods to prevent damage.

The AMAL Bald Hill Project cover an area of some 450 km² and the pending tenements comprise an area some 339 km² (Figure 3). Note overlapping tenements have been excluded from the calculated tenement area. CSA Global has reviewed drill hole and surface sampling data provided by Tawana, and is satisfied that it is fit for purpose to evaluate the Bald Hill Project.

The amount of data relating to lithium mineral content is sparse within the key areas of future mining proposals i.e. the Central pit. Drill holes analysed for lithium are mostly located peripheral to the key areas of future mining focus for tantalum and lithium. Tawana is aware of these deficiencies and has negotiated an option period to verify that lithium minerals, mainly in the form of spodumene are present in economically significant quantities either as a standalone commodity or in conjunction with any tantalum or tin recovered within the mining pits proposed by AMAL.

The Bald Hill Project historically has been a tantalum mining and recovery operation. Lithium minerals such as spodumene were not recovered in previous processing operations for tin and tantalum. Any spodumene processed is now understood to be located in tailings placed into backfilled open pits or residing in the tailing storage facility. It is understood the two pits backfilled with tailings and containing unknown quantities of spodumene are the previous Hills End and North pits. Tawana have estimated somewhere between 825,000 t and 895,000 t of tailings reside in the two pits and a further 500,000 t to 600,000 t of tailings reside in the TSF1 tailings storage facility.

During re-commissioning of the AMAL processing plant, using mostly weathered pegmatite and tailings, a quantity of spodumene was recovered and is stored in bulka bags on-site (pers. comm. Mark Calderwood). The presence of spodumene in the bulka bags was confirmed during the CSA site visit.

Due to the focus of previous companies on tin and tantalum, very little information in terms of lithium mineral (spodumene) quantity and geochemical analysis for lithium is available in key areas of current focus by Tawana, and only a high-level review was possible. CSA Global is satisfied that there is sufficient prospectivity indicated by the visual presence of spodumene either in surface outcrops, or logged in a limited number of drill holes by previous operators, and where available geochemical analytical values for lithium, to warrant further investigation by Tawana.



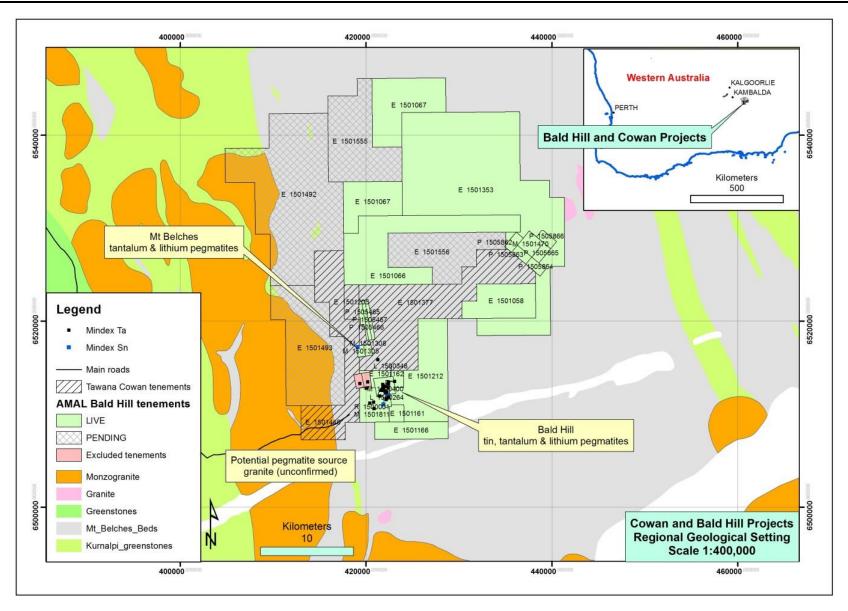


Figure 3: Geological setting Cowan and Bald Hill Project tenements



3.1 Tenure

CSA Global have relied on the independent opinion of Hetherington Exploration and Mining Title Services, as stated in a letter titled *Lithco No.2 Pty Ltd Tenements Review*, dated 4th November 2016, with regards to the tenure status of AMAL's Bald Hill tenements.

The Bald Hill tenement holding comprises 21 granted exploration licences (Table 3) and five licence applications (Table 4). The granted licences comprise eight Exploration Licences, four Mining Leases, eight Prospecting Leases and one Retention Licence. The licence applications consist of four Exploration Licence applications and one Mining Lease application. CSA Global understand that the Mining Lease application overlaps the Retention Licence, and will replace the Retention Licence, once granted.

The tenement package also includes nine General and Miscellaneous Licences, which support infrastructure such as access roads, pipelines, camp buildings, etc. CSA Global has excluded these from consideration as they do not pertain to mineral rights.

Table 3: Granted AMAL tenements (Combined Reporting Number 31/2011)

Holdors	Statu	Aron	Application	Term	Grant
noiders	s	Area	Date	Term	Date
ALLIANCE MINERAL ASSETS	Live	9 RI	03-Jan-08	5 Years	12-Mar-
LIMITED	LIVE	<i>y b c</i>	05 3411 00	· ' '	09
	Live	23 BL	26-Feb-08		20-Aug-
				· · · · · · · · · · · · · · · · · · ·	09
	Live	23 BL	26-Feb-08		20-Aug- 09
					09
LIMITED	Live	1 BL	17-Sep-09		25-Jan-11
ALLIANCE MINERAL ASSETS	1.5	2.01	47.6 00	5 Years	40 1 44
LIMITED	Live	3 BL	17-Sep-09	(Extended)	10-Jan-11
ALLIANCE MINERAL ASSETS	Livo	5 RI	24-Sen-09	5 Years	31-Aug-
LIMITED	LIVE	3 00	24 3CP 03	· · · · · · · · · · · · · · · · · · ·	10
	Live	16 BL	03-May-10		02-May-
			,	(Extended)	11
	Live	70 BL	18-Oct-12	5 Years	05-Aug- 13
			19-Nov-99	21 Years	
LIMITED	Live	97.89 HA			29-Dec-00
ALLIANCE MINERAL ASSETS	Live	92.53 HA	26-Nov-99	21 Years	30 Dag 00
LIMITED					29-Dec-00
ALLIANCE MINERAL ASSETS	Live	400 HA	04-Jun-04	21 Years	13-May-
LIMITED	LIVE				10
	Live	501 HA	15-Mar-88		08-Sep-88
	Live	149 HA	22-Sep-09		21-Jul-10
		150 HA	22-Sep-09		21-Jul-10
LIMITED	Live				
	1	450	22.5 00	4 Years	1
LIMITED	Live	150 HA	22-Sep-09	(Extended)	21-Jul-10
ALLIANCE MINERAL ASSETS	Livo	199.8208	04-Oct-13	A Vears	15-Oct-14
LIMITED	LIVE	HA	04-001-13	4 16015	15-001-14
	Live	199.8018	04-Oct-13	4 Years	15-Oct-14
LIMITED		HA			25 000 14
	Live		04-Oct-13	4 Years	15-Oct-14
	1				
	Live		04-Oct-13	4 Years	15-Oct-14
	LIMITED ALLIANCE MINERAL ASSETS	ALLIANCE MINERAL ASSETS LIMITED ALLIANCE MINERAL ASSETS LIWE ALLIANCE MINERAL ASSETS LIWE	ALLIANCE MINERAL ASSETS LIMITED ALLIANCE MINERAL ASSETS LIWE 199.8208 HA ALLIANCE MINERAL ASSETS LIWE 199.8564 HA ALLIANCE MINERAL ASSETS LIWE 199.8589	ALLIANCE MINERAL ASSETS LIMITED ALLIANCE MINERAL ASSETS LIMITED	ALLIANCE MINERAL ASSETS LIMITED ALLIANCE MINERAL ASSETS LIMITED



Tenement ID	Holders	Statu s	Area	Application Date	Term	Grant Date
P15/5866	ALLIANCE MINERAL ASSETS LIMITED	Live	198.8084 HA	04-Oct-13	4 Years	15-Oct-14
#R15/1	ALLIANCE MINERAL ASSETS LIMITED	Live	973 HA	17-Apr-09	3 Years (Renewed)	09-Jun-10

[#] To be replaced by application M15/1811

Nine General and Miscellaneous licences excluded as not pertaining to mineral rights

Table 4: AMAL tenement applications

Tenement ID	Holders	Status	Area	Lodge Date
E15/1492	ALLIANCE MINERAL ASSETS LIMITED	Pending	51 BL	11-Nov-15
E15/1493	ALLIANCE MINERAL ASSETS LIMITED	Pending	26 BL	11-Nov-15
E15/1555	ALLIANCE MINERAL ASSETS LIMITED	Pending	20 BL	15-Aug-16
E15/1556	ALLIANCE MINERAL ASSETS LIMITED	Pending	16 BL	15-Aug-16
M15/1811	ALLIANCE MINERAL ASSETS LIMITED	Pending	972.6945 HA	24-Apr-14

3.2 Regional prospectivity

Tawana have compiled data from WAMEX reports and have produced a summary of the distribution pegmatites within AMAL and Cowan tenements as shown on Figure 4. CSA Global has reviewed the AMAL and Cowan tenements and ranked the tenements in terms of the pegmatite process model for LCT rare element pegmatites, particularly focussing on the lithium potential and this ranking information is summarised in Table 5 and Table 6, and illustrated on Figure 5

As a generalisation, the main potential for lithium-bearing pegmatites is considered by CSA Global to be within the northwest-trending corridor extending from Bald Hill to the northwest (Figure 5).



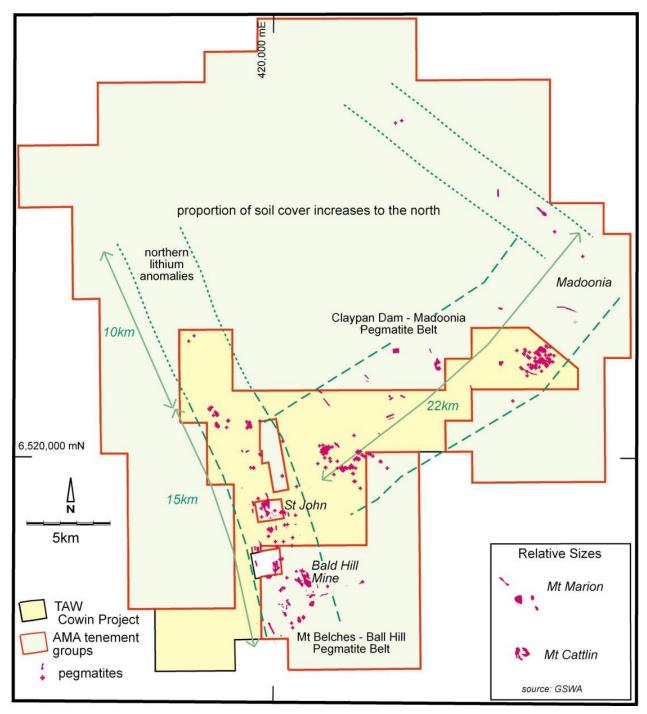


Figure 4: Distribution pegmatites within the AMAL Bald Hill and Cowan tenements (source Tawana)



Table 5: AMAL tenement ranking in terms of potential for lithium-bearing pegmatites

Tenement	Status	Area km²	Comments	Potential ranking for lithium
E15/1161	Live	3	Immediately south of Bald Hill pegmatite group	High
E15/1162	Live	9	Several pegmatites and anomalous lithium geochemistry	High
M15/400	Live	0.05	Several pegmatites and anomalous lithium geochemistry	High
R15/1	Live	0.0973	Will be replaced by M15/811 Several pegmatites and anomalous lithium geochemistry	High
M15/1811	Pending		Refer to R15/1	High
E15/1058	Live	27	One known pegmatite minor lithium geochemical anomalism	Low
E15/1066	Live	69	No known pegmatites. Minor auger with one low level anomaly	Low
E15/1067	Live	69	No known pegmatite or lithium geochemical anomalism	Low
M15/1470	Live	0.04	No known pegmatite or lithium geochemical anomalism	Low
P15/5865	Live	0.0200	No known pegmatite or lithium geochemical anomalism	Low
P15/5866	Live	0.0199	No known pegmatite or lithium geochemical anomalism	Low
E15/1555	Pending	60	No known pegmatite or lithium geochemical anomalism	Low
E15/1556	Pending	48	One known pegmatite. Some lithium geochemical anomalism	Low-Moderate
E15/1353	Live	210	Minor pegmatite occurrences no anomalous lithium geochemistry	Low-moderate
M15/1305	Live	0.0098	Minor pegmatite occurrences no anomalous lithium geochemistry	Low-moderate
M15/1308	Live	0.0093	Minor pegmatite occurrences no anomalous lithium geochemistry	Low-moderate
E15/1166	Live	15	Pegmatites present and anomalous lithium geochemistry	Moderate
E15/1212	Live	48	Pegmatites present and anomalous lithium geochemistry	Moderate
E15/1492	Pending	153	Pegmatites present and anomalous lithium geochemistry	Moderate
E15/1493	Pending	78	Favourable geology – no known pegmatites	Moderate
P15/5465	Live	0.015	Pegmatites present and anomalous lithium geochemistry	Moderate-High
P15/5466	Live	0.015	Pegmatites present and anomalous lithium geochemistry	Moderate-High
P15/5467	Live	0.015	Pegmatites present and anomalous lithium geochemistry	Moderate-High
P15/5862	Live	0.0200	Adjacent to area of known pegmatites and lithium geochemistry	Low-Moderate
P15/5863	Live	0.0200	Adjacent to area of known pegmatites and lithium geochemistry	Low-Moderate
P15/5864	Live	0.0200	Adjacent to area of known pegmatites and lithium geochemistry	Low-Moderate



Table 6: Cowan tenement ranking in terms of potential for lithium-bearing pegmatites

Tenement	Status	Area km²	Comments	Prospectivity ranking for lithium
E15/1205	Live	6	Several pegmatites and anomalous lithium geochemistry	High
E15/1466	Live	60	Several pegmatites and anomalous lithium geochemistry	High
E15/1377	Live	108	Several pegmatites and anomalous lithium geochemistry	Moderate-High

3.3 Bald Hill mine area local geology

The Bald Hill (and Cowan) Project tenements cover the Archaean Mount Belches Beds, a sequence of turbiditic metasediments. These are intruded along the western boundary of the project area by an unnamed monzogranite. The monzogranite intrusion is the mostly likely, but unconfirmed, source of the pegmatites intruding the Mount Belches Beds and located within the Bald Hill Project (Figure 5).

Within the Bald Hill mine area tantalum mineralisation is present in several pegmatite sills. At least 11 partially overlapping pegmatite sills and numerous dykes have been identified by mapping and drilling (Figure 6). The sills mostly dip shallowly (<35°) to the west and east and plunge in a southwesterly direction, although some pegmatite sills dip to the shallowly to the southeast. The sills range in thickness from a few metres up some 20m. The main pegmatites identified to date are shown on Figure 6.

3.4 Lithium mineralisation

The distribution of lithium mineralisation principally in the form of spodumene, although the presence of widespread green mica suggests to CSA Global that lithium muscovite may also contribute to some of the lithium content where geochemical analyses are available. This is not well understood; mainly due to past lack of focus on lithium mineralisation.

Data compilation by Tawana indicate that most drill holes that were analysed for lithium lie marginal to the main area of focus for future proposed mining activity for tantalum. Drilling logs also are not comprehensive in recording the presence or absence of spodumene. This implies that the lack of lithium assays in some of the drilling may not be indicative of the absence of lithium mineralisation.

Figure 7 shows the distribution of RCP drill holes, RCP drill holes analysed for lithium, and RCP drill holes with spodumene recorded in relation to previous and then future proposed pits.



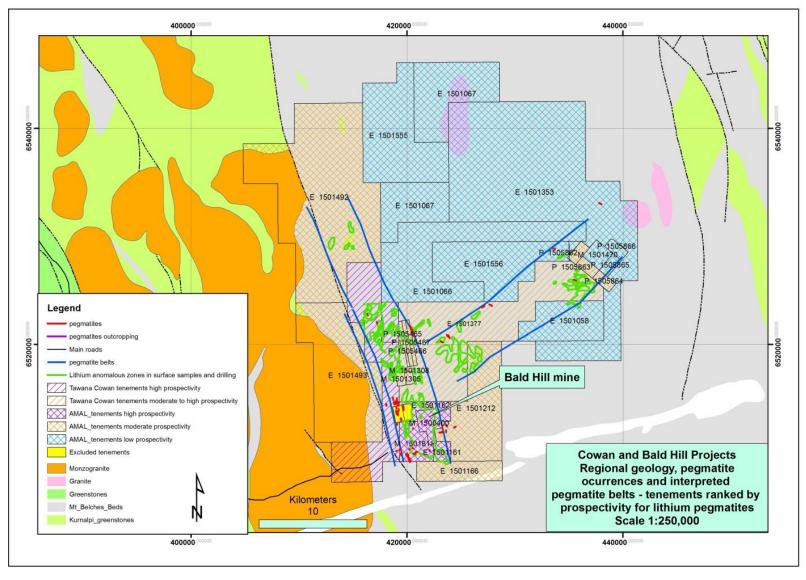


Figure 5: AMAL Bald Hill and Cowan tenements ranked by potential for lithium mineralisation



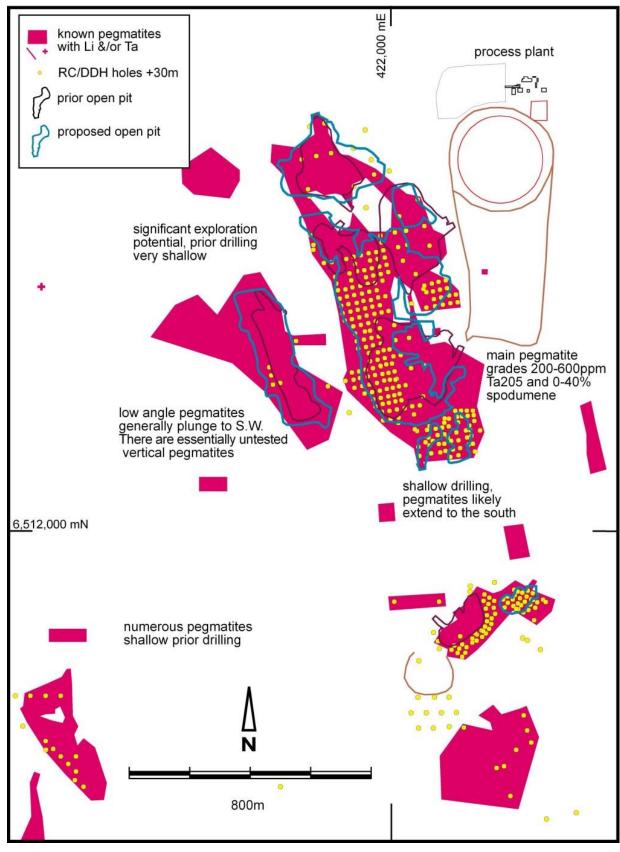


Figure 6: Pegmatites located within M15/400 and M15/813 (source Tawana)



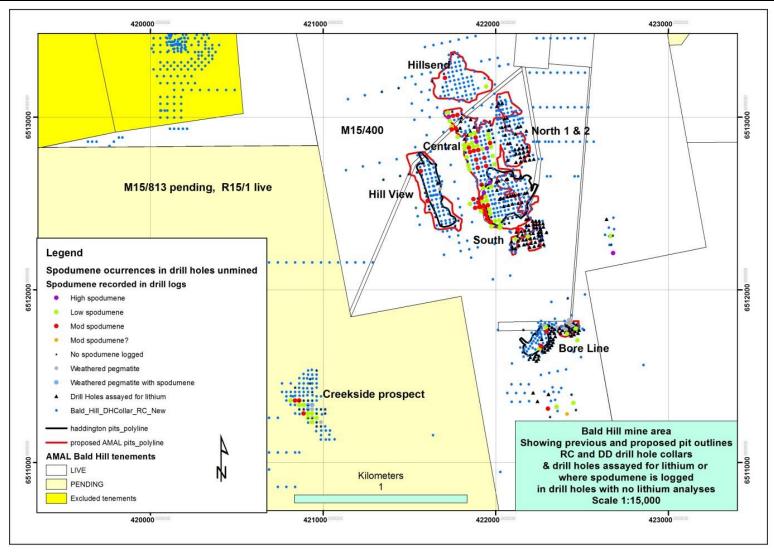


Figure 7: RCP drill holes

RCP drill holes analysed for lithium and RCP drill holes with spodumene recorded in relation to previous and then future proposed pits (source drill hole databases and compilations by Tawana from WAMEX reports)



Tawana are in the process of compiling geological sections of the pegmatites that are currently proposed to be mined. Figure 8 shows a longitudinal section and cross sections through the proposed Central pit illustrating the pegmatite and mineral content as currently understood.

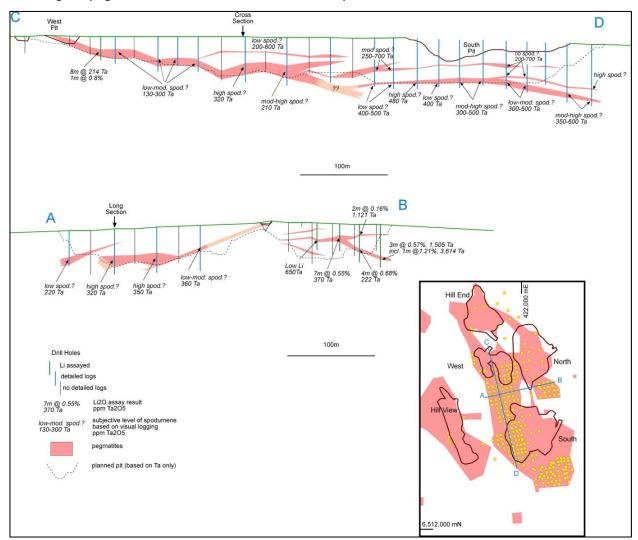


Figure 8: Longitudinal section and cross section through the proposed Central pit illustrating the pegmatite and mineral content as currently understood (source Tawana)

3.5 Bald Hill Tantalum Mineral Resources

3.5.1 Risk qualification

The Bald Hill block model and interpreted mineralisation wireframes were not available for review. This assessment of the Bald Hill Mineral Resource is a prima facie assessment, based on the following information:

- public domain reports accessed via the SGX announcements platform;
- 2. independent qualified person's reports prepared by Mr Al Maynard of Al Maynard and Associates (AM&A) in August 2016 and July 2015, and
- 3. unpublished mineral estimation reports prepared for AMAL, by Mr Ray Varley of Geological Resource Management (GRM) in June 2014 and updated in March 2015.

Mr Maynard of AM&A is the Competent Person for AMAL's exploration results and mineral resources as published at 31 March 2016; it is unclear from the existing information if Mr Maynard is also the Competent Person for AMAL's ore reserves as of the same date.



The risk associated with this lack of verification has resulted in a significant impairment to CSA Global's technical assessment of the Bald Hill mineral resource estimate, which flows through to the associated Ore Reserve estimate. The following assessment, and CSA Global's comments, are presented on this qualified basis.

3.5.2 Project History

Tantalum exploration at Bald Hill commenced in the early 1980s and continued via campaigns by several companies until 2009. Tantalum mining and processing was undertaken from 2001 to 2005, by Haddington International Resources Limited ("Haddington"), when mining operations ceased due to Sons of Gwalia going into administration and terminating the sole exclusive off-take agreement with Haddington. Haddington placed the mine site under care and maintenance in 2005, but continued to undertake exploration until 2009.

Living Waters Mining (Australia) Pty Ltd ("Living Waters") acquired the project from Haddington in 2009 and the project was transferred to HRM Resources Australia Limited ("HRM") in 2011. On 13 March 2014, HRM changed its name to Alliance Mineral Assets Limited. Since 2009, Living Waters, and subsequently, HRM/AMAL have undertaken work aimed at recommissioning the process plant (+90% completed) and site preparations for mining the remaining mineral resources. Some limited exploration north and east of the main mining area has also been completed.

The amount of data relating to lithium mineral content is sparse within the key areas of future mining proposals i.e. the Central pit. Drill holes analysed for lithium are mostly located peripheral to the key areas of future mining focus for tantalum and lithium. Tawana is aware of these deficiencies and has negotiated an option period to verify that lithium minerals, mainly in the form of spodumene are present in economically significant quantities either as a standalone commodity or in conjunction with any tantalum or tin recovered within the mining pits proposed by AMAL.

The Bald Hill Project historically has been a tantalum mining and recovery operation. Lithium minerals such as spodumene were not recovered in previous processing operations for tin and tantalum.

The Bald Hill tantalum mineral resource estimate was updated in July 2015 by Geological Resource Management (GRM) based on recent RCP drilling data completed in November 2014 and historical drilling data contained within the drilled areas. The estimate was completed using ordinary kriging and inverse distance estimations of 1m sample composites constrained within a closed 3D pegmatite wireframe based on the geological understanding of the area.

The resource modelling and estimation was commissioned by AMAL and completed by GRM in June 2014 and updated in March 2015 (outside pits Central and Boreline). Mr Alex Verischeff of AMC completed a resource estimate in 2014 for the resources in the Central mine areas adjacent to the 5 existing open pits (from the period the project was operated by Haddington, 2001-2005) and the Creekside deposit. The resulting resource was then reviewed by Mr Al Maynard of Al Maynard and Associates (AM&A), who is the Competent Person for the Bald Hill tantalum resource estimate. At the time, a small Ore Reserve was also declared.

The 2015 resource was updated following mine planning completed by Mr Gary McCrae of Minecomp Pty Ltd (Minecomp), and the current Mineral Resource Estimate and Ore Reserve declared in March 2016. Table 7 summarises the current Mineral Resource and Ore Reserves (resources are exclusive of reserves), and does not include approximately 27,000 t mined Boreline Oxide in April 2015; this tonnage was used to commission AMAL's gravity processing plant at Bald Hill.



Table 7: Summary of ore reserves and mineral resources, as at 31 March 2016 (Note: mineral resources are exclusive of ore reserves, source: AMAL 2016)

	Classification	Mtonnes	Ta₂O₅	
Reserves	Proved	-	-	
	Probable	1.69	303	
	TOTAL	1.69	303	
Resources	Measured	-	-	
	Indicated	0.65	306	
	Inferred	1.1	339	
	TOTAL	1.74	326	

Notes: Resource and reserves summary for Bald Hill, reported outside mined pits. Central and Boreline reported within whole of pegmatite nominally interpreted to represent a 160ppm Ta2O5 cutoff, Varley 2015; Creekside reported above 100 ppm Ta $_2O_5$ lower cut off, AMC Consultants 2014.

3.5.3 Assessment of drilling and estimation database

AM&A reviewed the Bald Hill Project in August 2016 (Maynard, 2016), and found that there were missing data, particularly in relation to assays other than tantalite. AM&A reconstructed the database by downloading all the historic exploration annual reports filed in the Department of Mines and Petroleum WAMEX web site for all the Company's tenements (and adjacent tenements owned by other parties along strike of the pegmatites at Bald Hill). AM&A describes the reconstructed database as including a set of lithium assays from Haddington's regional RAB drilling program which were used to test several lithium anomalies with exploration potential.

AM&A compared the recreated database to original log sheets, collar locations, drill hole depths, geological logging and assay results for a portion of the database from the 2014 drilling completed by AMAL and no material errors were detected. Table 8 summarises AM&A's findings in relation to the reconstituted database.

Table 8: Summary of AM&A database

Туре	Number	Metres Drilled	Average Depth
RCP	1,150	28,580	24.9
Diamond	29	412	14.2
RAB	490	8,375	17.1
Auger	82	190	2.3
Costean	62	1,610	26
Vacuum	631	1,426	2.3
Total	2,444	40,593	16.6

^{*} a compilation by AM&A of data from AMAL leases and adjacent tenements owned by other parties along strike of the pegmatites and not purely AMAL data (source: Maynard, 2016)

AMAL provided the drill hole data to GRM who loaded and validated the data. Errors were addressed in conjunction with AMAL staff. GRM found that high grade Ta2O5 assays and all associated assays and zero or blank assay intervals had been removed from the Haddington section of the historical database. The database was corrected by re-loading the missing assays. Historical drilling data was also loaded and validated, which also added 332 drill holes to the database. (Varley, 2015_1 and 2015_2).

CSA Global was able to review the exploration drill hole and surface sampling data provided by Tawana, and is satisfied that it is sufficient and fit for purpose to evaluate the Bald Hill Project, within the limited context described earlier. The estimation database used by GRM was however not available for verification.



GRM completed reviews of the quality assurance and control on the laboratory standards, drill sample duplicate and laboratory repeat assays from the 2014 AMAL drilling campaigns in July-August 2014 and November 2014. AM&A reviewed the QAQC analyses completed by AMC in 2014, and GRM in 2015 and concluded that the quality of data used for the AMAL 31 March 2016 resource and reserves update was fit for purpose. CSA Global accept this assertion on a prima facie basis, that the data distribution, sample quality, analyses and quality monitoring described by AM&A and GRM are consistent with industry practice. CSA Global remain concerned that risk is heightened by the lack of verifiable data in this November 2016 assessment.

Data from these drill holes were used to estimate the Central and Boreline mineral resources outside the existing pits. GRM conclude that the results indicate that the sample assays were within acceptable tolerances for resource estimation (Varley, 2015_1 and 2015_2). CSA Global accepts this assertion on face value, for the purpose of this assessment, and will make allowances for the increased risk.

GRM created a new assay table for estimation purposes, eliminating zeros and negative values which were previously adopted to represent assays below the detection limit. Assays below the detection limits were set to half the detection limits. All oxide calculations for Ta2O5 and Nb2O5 were made from Ta and Nb and back calculated where only oxide values existed. These calculations were made using a Ta to Ta2O5 factor of 1.221 and Nb to Nb2O5 factor of 1.431 (Varley 2015_1, 2015_2). The basis for this factoring was not disclosed, and CSA Global recommends that the basis be investigated and documented. For the purpose of this assessment, the omission is noted and will form part of the overall consideration of value.

AM&A noted that the majority of the drill holes used for resource estimation were vertical and nominally spaced on a 20m x 20m rectangular grid. Some of the holes prior to 2014 were closer spaced. Figure 9 illustrates the drill coverage and the location of the existing pits and deposits.

The drill hole spacing was considered by AM&A to be adequate for Mineral Resource estimation at the classifications reported. The 31 March 2016 resource estimate is based on the corrected database compiled for all drilling to the end of 2014. CSA Global concurs that on face value, the database appears to be suitable for use for resource estimation purposes, but remains concerned that it not possible to verify any of AM&A's conclusions.



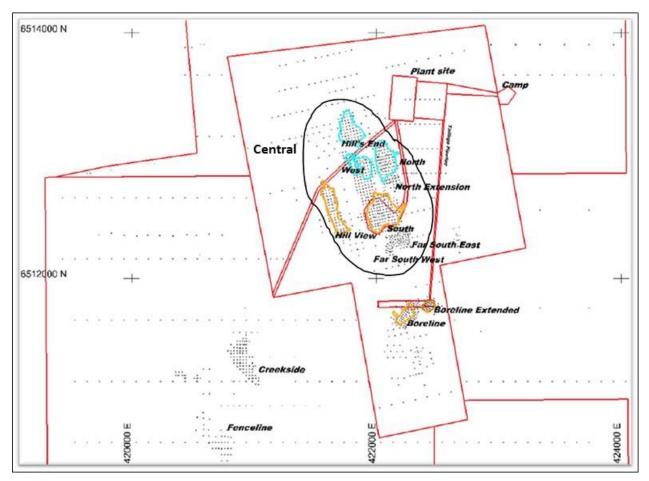


Figure 9: Bald Hill Deposits, and drill collar locations

Note: string line delineating Central area is approximate only (source: after Maynard 2016)

3.5.4 Assessment of resource estimates

Mention is made by AM&A of a 2014 resource estimate for Creekside by Mr Alex Virisheff of AMC; it is unclear if AMC estimates were then superseded by the GRM estimates in 2015. For the purpose of CSA Global's assessment, we have assumed that the 31 March 2016 AMAL declared mineral resources are based only on GRM's estimates.

The GRM reports for the July-August 2014 Boreline area, November 2014 Central area resource estimates were made available for CSA Global review, and provided confirmation for the AM&A 12 August 2016 IQPR assessment. CSA Global notes that this provides a degree of assurance that the two Competent Persons, independent of one another (Mr R Varley of GRM and Mr A Maynard of AM&A) were satisfied that the AMAL 31 March 2016 declared Mineral Resource estimates appropriately reflected the tonnage, grades and classification categories reported.

CSA Global remain concerned that risk is heightened by the absence of models, estimation data and estimation wireframes for verification by CSA Global.

AM&A reviewed and endorsed bulk density values applied by Haddington (1.92t/m3 for oxide pegmatite, 2.36t/m3 for transitional pegmatite and 2.63t/m3 for fresh pegmatite) which were applied to tonnage estimation in AMAL's declared resources. The weathering profile logging of the 2014 drill holes was used to create base of oxidation and top of fresh rock surfaces for assigning bulk densities to blocks bounded by the oxide, transitional and fresh weathering profile surfaces. CSA Global accepts that these bulk density values are appropriate to use for tonnage estimation in a pegmatite hosted tantalite deposit, and notes GRM's



reservations that the interpreted weathering surfaces based on a limited number of 2014 drill holes are not entirely reliable.

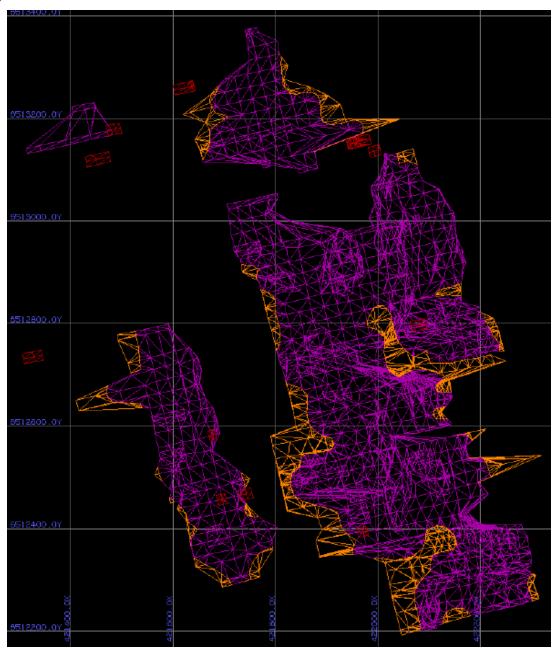


Figure 10: Interpreted Central Pegmatite mineralisation

Note: primary estimation wireframe (magenta) single hole pegmatites (red) potential pegmatite (orange)

The estimation and validation processes described by GRM (and evaluated by AM&A) appear on a prima facie basis to be of standard industry practice. GRM describe the estimate as completed using a combination of ordinary kriging and inverse distance estimations of 1m sample composites, constrained within interpreted 3D pegmatite wireframes constructed to represent the geological understanding of mineralisation controls.

GRM relied on sectional pegmatite outlines interpreted by AMAL staff geologist P Jones. The pegmatite wireframes were interpreted using logged drill hole lithology indicating pegmatite. The sectional interpretations were snapped to drill hole traces for locational accuracy; the total pegmatite wireframe was interpreted as a continuous flat undulating pegmatite sheet striking approximately 165° and dipping towards 255° at approximately -10° (+/-5°). The interpretations included areas of potential pegmatite and single hole



pegmatite; the estimation wireframe was trimmed to extend just beyond the informing drill holes, and intersected with existing pits. Figure 10 illustrates the GRM estimation wireframes.

GRM modelled variograms to examine mineralisation continuity, which were used to weight samples in the kriging of Ta2O5 ppm. GRM describes the use of a top-cut applied at the 97.5th percentile, or 1100 ppm Ta₂O₅.

GRM estimated tantalite grades using ordinary kriging, and all other elements using inverse distance squared estimation as GRM was of the opinion there were insufficient data to model reliable variograms for kriging in these elements. The search ranges used by GRM (700 x 900 x 10) for Ta2O5 appear to be long; but without the capacity to complete any verification, CSA Global can only comment that we may have interpreted a different set of ranges, based on the variograms depicted.

CSA Global cautiously endorses the overall estimation approach described by GRM, but remains concerned that the model and estimation data are not available for verification.

CSA Global further notes that AM&A (2016) have described the tantalite price used for the Ore Reserves by Minecomp in 2016 was US\$100/lb or Aud\$250.50/kg. While this appeared to be appropriate for when the Ore Reserves were declared on 31 March 2016, the current tantalite price is significantly lower at approximately Aud\$170/kg, which will impact on CSA Global's assessment of the potential of the Mineral Resources to Ore Reserves conversion in terms of the valuation.

There is a degree of mitigation to CSA Global's concerns regarding the potential conversion of Mineral Resources to Ore Reserves provided by the progress that AMAL has towards mining. CSA Global notes that AMAL have announced the commencement of trial mining (AMAL, 2015_1 and 2015_2) and the commissioning of the Bald Hill plant and tailings facility, with the mining and processing of approximately 27,000t from the Boreline Oxide reserves. AMAL announce that several tantalite concentrates were produced during the plant commissioning and that the concentrates were acceptable to two of their leading Japanese customers. Further in November 2015, AMAL (AMAL 2015_3) announced it had signed its first individual contract to supply Tantalite concentrate under the terms of the distribution agreement signed with Mitsubishi Corporation RtM Japan Ltd.

These announcements collectively lend support to the economic viability of the resource as declared on 31 March 2016, but do not entirely mitigate the concerns that CSA Global have regarding the current lower tantalite price. These considerations will impact on whether an income approach is an appropriate method to value the 31 March 2016 Ore Reserves.

3.6 Bald Hill Mining

The information contained in the independent qualified person's report on the Bald Hill Tantalum Project dated 12 August 2016 was reviewed. Of the three potentially economic minerals (tantalite lithium and tin) it appears that AM&A only reviewed sufficient information was provided for the contained tantalite to be evaluated as a revenue stream. Any revenue and additional processing and selling costs that could be attributed to the other minerals would need to be evaluated to determine if they add or detract value from the project.

Only a small amount of the assumptions that would have been employed in the Bald Hill Ore Reserves estimate were included in the AM&A independent qualified person report. As far as CSA Global was able to ascertain, all mining considerations and costs appear on the face of it, to be reasonable, most of which are based on historic information.

However, significant weakening of the Tantalum price has continued and the historic price used in the report (A\$ 250/kg) valid at the time the Ore Reserves were declared on 31 March 2016, is well above the recent price range, as shown in the image below.



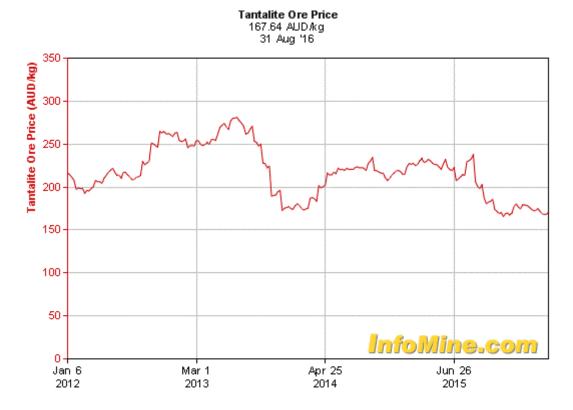


Figure 11: Current tantalite price

Tantalite is a commodity that is not commonly traded, and has few transactions and low market volumes. It is difficult to source sufficient data with which to assess or predict market pricing and demand. It is possible that the current lower price may be temporary. Additionally, the quality of any potential contained lithium and tin in the declared Bald Hill Ore Reserves has not been reviewed.

In CSA Global's opinion, the current uncertainty makes it difficult to assess the value of the Bald Hill Project in terms of an Ore Reserve using an income-based approach. We have elected to assess the Bald Hill Project as a medium to high confidence Mineral Resource instead.

A simple cash flow model was created and based on the current Tantalum price and it was found that the study price used equated to the breakeven price of the project if no revenue is obtained from the other minerals. At the current metal price, the Bald Hill Project is expected to generate an annual negative cashflow.



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4 Tawana WA Lithium Pegmatite Projects

4.1 Tenure

CSA Global have relied on the independent opinion of Hetherington Exploration and Mining Title Services, as stated in a letter titled *Tawana Resources Limited Tenement Review*, dated 26th October 2016, with regards to the tenure status of Tawana's Mount Belches Project.

Tawana's Mount Belches tenement holding (Table 9) consists of three granted exploration licences, which together comprise the Cowan Project, as well as two exploration licence applications, which together make up the Yallari Project (Figure 1).

E15/1526 is a licence application made by Mount Belches Pty Ltd, and CSA Global understand that all of the other tenements are subject to an option and purchase agreement granting Mount Belches Pty Ltd (formerly called Lithco Pty Ltd) the right to acquire them. Mount Belches Pty Ltd is a wholly-owned subsidiary of Tawana Resources NL.

Table 9: Tawana Mount Belches tenement holding

Tenement ID	Holders	Status	Area	Application Date	Term	Grant Date
E15/1205	STRINDBERG, Maxwell Peter	Live	2 BL	07-Apr-10	5 Years (Extended)	10-Mar-11
E15/1377	ABEH PTY LTD	Live	36 BL	21-Mar-13	5 Years	12-Nov-14
E15/1446	STRINDBERG, Brooke Louise	Live	20 BL	13-Oct-14	5 Years	18-Aug-15
E15/1401	ABEH PTY LTD	Pending	14 BL	13-Sep-13		
E15/1526	MOUNT BELCHES PTY LTD	Pending	20 BL	25-May-16		

CSA Global understand that the licences are in good standing, all rents have been paid, and expenditure commitments have been met or exceeded for all granted licences.

4.2 Geological Setting

The Tawana Western Australia lithium projects are in the Eastern Goldfields Province, which is divided into a number of geological terranes. The Yalarri tenements are located within the central portion of the Kalgoorlie terrane, and the Cowan and AMAL Bald Hill tenements within the southern portion of the Kurnalpi terrane (Figure 12). The Mount Marion lithium mine and the Coolgardie (Lepidolite Hill, Londonderry and Tantalite Hill) lithium-bearing pegmatites are also located in the Kalgoorlie terrane. Mount Marion has JORC resource of 77.8Mt at 1.37% Li₂O (Mineral Resources Limited, 2016) contained in 6 pegmatite deposits.

The Yallari group of tenements are located east and west of the Coolgardie and Mount Marion lithium-bearing pegmatites respectively and cover portions of greenstone sequences adjacent to the late tectonic granites one of which labelled the Depot granodiorite on Figure 2 is the likely source granite to the Mount Marion lithium pegmatites (Figure 12 and Figure 1).

The Cowan group of tenements are located immediately west, north and northwest of the Bald Hill and Dawn View pegmatite deposits and contain known spodumene bearing pegmatites (CSA Global site visit, 2016).

The AMAL Bald Hill tenement group covers the Bald Hill tantalum mine deposits and extensive areas to the north and east (Figure 1). The Bald Hill tantalum mine produced some 814,708 lb of tantalum between 2001 and 2005 from 1,348,669 t of ore at a recovered grade of around 270 ppm Ta_2O_5 (Haddington Resources production records).



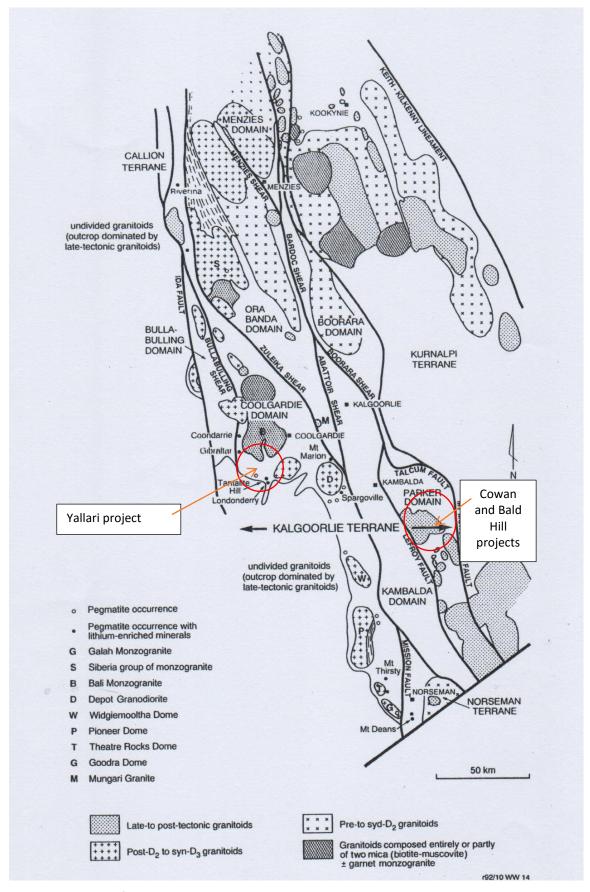


Figure 12: Eastern Goldfields Superprovince geological terranes

Showing pegmatite occurrences with the red circles showing the general location of the Yallari Project and Cowan-Bald Hill Projects. (base plan Witt, 1992)



4.3 Yallari Project

The Yallari Project comprises two Exploration License Applications covering approximately 102 km² located some 22 km south and southeast of Coolgardie in the Eastern Goldfields Province of Western Australia (Figure 13).

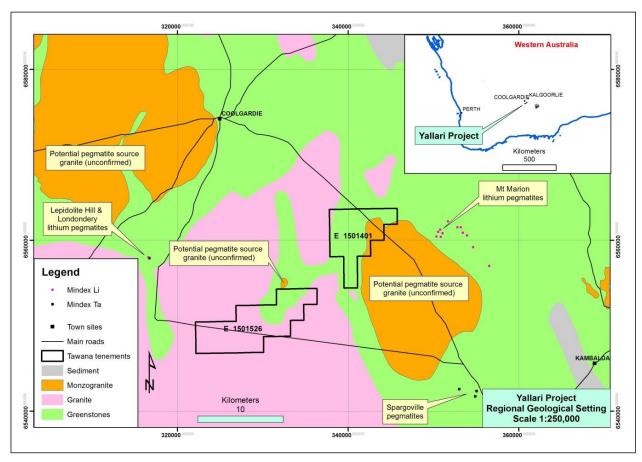


Figure 13: Local scale Yallari Project tenements and regional geological setting (simplified geology based on GSWA 500K digital geology)

Investigation of previous exploration activities by the author, based on WAMEX reports provided by Tawana Resources, are summarised by tenement below. The Yallari tenement applications, while located in a geological region regarded by the author as being prospective for LCT-type pegmatites, do not contain any confirmed rare-element pegmatites. Pegmatites identified within the Yallari tenements, as compiled by Tawana are shown on Figure 14.

4.3.1 *ELA15/1526 (Coolgardie area)*

Report A55370 (Barrier Exploration NL and Jimberlana Pty Ltd JV) mentions numerous pegmatites are present in the area of the old Mining Claims MC's 15/4029-4041 hosted by the volcanic sequences (Refer to geology plan page 13 of report and Appendix 1- Figure 1). These pegmatites are described as being medium- to coarsegrained quartz-feldspar-muscovite with minor biotite and garnet. The pegmatites, from this description, are likely to be common pegmatites sourced from a peraluminous granite. No rare element mineralisation is recorded in the pegmatites; sampling is therefore required to define the pegmatite type(s) and their potential for lithium and other rare element mineralisation.



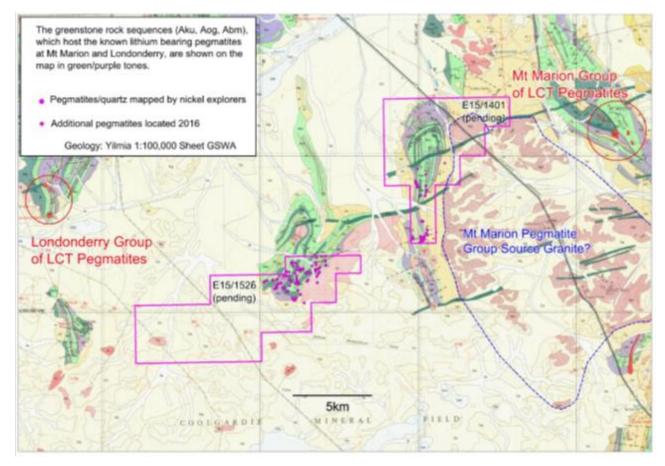


Figure 14: Yallari Project showing distribution of known pegmatite occurrences (source Tawana)

4.3.2 *ELA15/1401* (Coolgardie area)

Report A2947 (MC15/330 to MC15/341- CEC Pty Ltd- Roper Nickel prospect) shows mapped pegmatites within MC15/334, 335, 338, 339, 346, 348 and 349 and located within the area of E15/1401. The pegmatites are located near or within the Horse Rock Granite; described as a quartz-feldspar-biotite granite. Pegmatites are described as comprising quartz 30% - albite 60% with minor muscovite (locally up to 20%) with minor garnet layers. These pegmatites are likely to be common pegmatites derived from a peraluminous granite. Overall the pegmatites appear to be very close to their possible source granite which is not encouraging for lithium-bearing pegmatites. Sampling is required to define the pegmatite type(s) and their potential for lithium and other rare element mineralisation.

Report A41415 (EL15/307 - Mining Project Investors Pty Ltd) indicates numerous pegmatites are located within the southern region of the EL15/307. These lie to the south of ELA15/1401. Previous angled drilling by Mining Project Investors Pty Ltd within EL15/307 (report a41415) intersected pegmatites which appear to be wide (>100 m on some drill sections) and sill-like. Most of these intersections are open at depth and along strike. No information on the rare-element content of these pegmatites is provided.

4.4 Cowan Project

The Cowan Project comprises 3 tenements namely E15/1205, E15/1377 and E15/1446 covering an area of approximately 174 km². These tenements are located immediately west, north and northeast of the AMAL Bald Hill tantalite mine area located with M15/400. These tenements are labelled Tawana Cowan tenements on Figure 15.



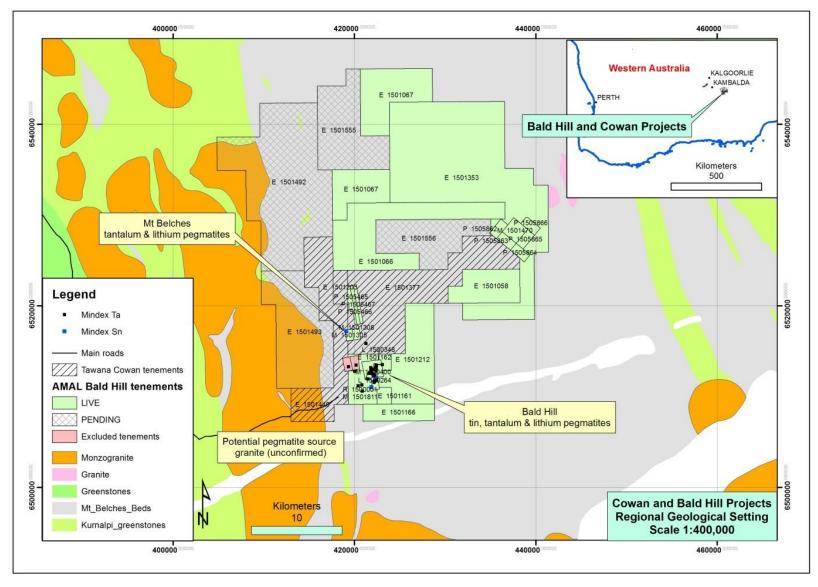


Figure 15: Bald Hill and Cowan Projects regional geological setting and tenements (simplified geology based on GSWA 500K digital geology)



4.4.1 EL15/1446 (Bald Hill West)

Tenement E25/1446 covers a north-south block of ground located west and northwest of the Bald Hill pegmatites and tantalum mine.

Previous exploration by Gwalia Minerals NL (Gwalia) within previous EL15/135 (report A26496) and largely within the area covered by E15/1446 includes rock chip sampling and mapping. Numerous pegmatites are mapped within the tenement, hosted by quartz-biotite (\pm amphibolite) schist. While most pegmatites mapped by Gwalia are described as quartz-microcline-muscovite pegmatites; some of the pegmatites are recorded as containing quartz-microcline-muscovite-spodumene. Gwalia analysed rock samples for Ta₂O₅, Nb₂O₅, Sn, K, Cs and Rb.

Previous exploration by Haddington Resources Ltd in JV with Mincor Resources NL included rock chip sampling, RAB drilling and limited RCP drilling with E15/791 (report A073249). This work was mainly focussed on defining economic Ta mineralisation, which was not encountered in this work.

Rock chip sampling by Haddington of pegmatites located within E15/1446 returned nine anomalous (>100 ppm lithium) with three samples returning lithium values ranging from 1,509 ppm to 12,765 ppm $(0.32\% \text{ Li}_2\text{O} \text{ to } 2.75\% \text{ Li}_2\text{O})$ (Figure 14).

Vertical RAB drilling (286 drill holes for 3,822 m) averaging 14 m depth returned anomalous lithium values (>100 ppm to 1,656 ppm Li) from 40 holes along a 8 km trend extending from the Cotters North prospect to the SE. Given the likelihood of lithium being leached from weathered lithium-bearing minerals, such as spodumene, these results are encouraging (Figure 16).

Limited shallow RCP drilling (seven holes for 128 m) located in the Cotters North area intersected pegmatite up to 6 m in thickness down-hole (WAMEX Reference A073249).



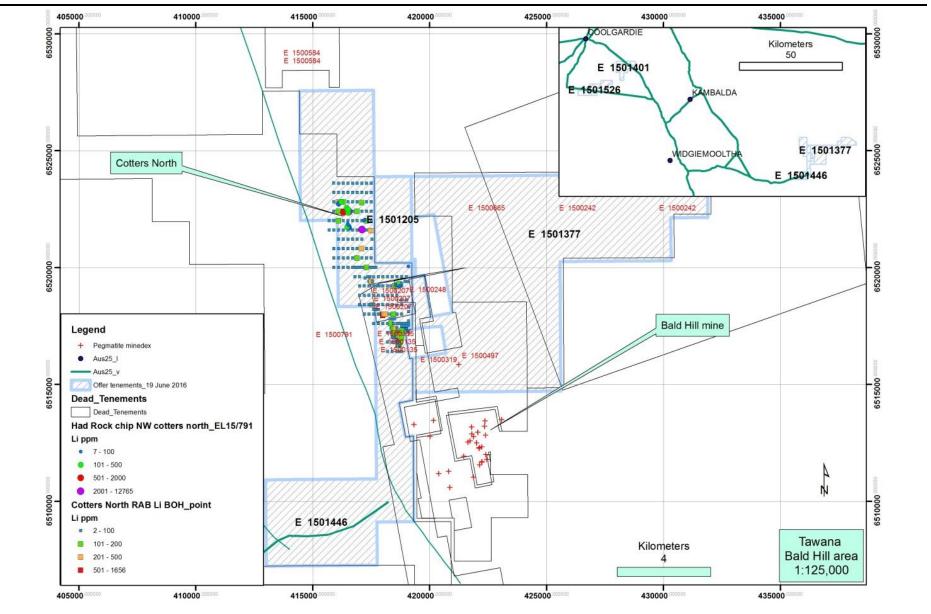


Figure 16: Rock chip and RAB bottom of hole (BOH) lithium geochemical results EL15/144



Recent rock chip sampling by Tawana Resources of spodumene bearing pegmatites within the Cotters North prospect area, located within E15/1446, has returned lithium values from 16 pegmatite exposures ranging from 3,762ppm Li in pegmatite containing moderate spodumene content up to 18,545ppm in pegmatites with reported high spodumene content. According to Mark Calderwood (CEO of Tawana Resources) there seem to be at least 3 types of pegmatite type and geometry:

- Narrow (1-10m), sub-vertical, with estimated strike lengths of about 1 km maybe up to +3 km Albite-Spodumene pegmatites unzoned to poorly zoned but sometimes very high in Spodumene content with modest tantalum content
- Sub-horizontal, generally narrow (1-20m), poorly zoned to unzoned Albite and Albite-Spodumene.
 Spodumene generally low to moderate content with some higher zones, and localised high tantalum content.
- 3. Irregular dipping swarms of pegmatites with various dips, content and mineral varying from Albite, Albite-Quartz, Albite-Spodumene, these zones potentially may have reasonable tonnage.

Tawana is currently RCP drill testing lithium several geochemical anomalies and known pegmatites within E15/1446 and initial logging of drill chips indicate spodumene has been intersected in a number of drill holes with the best intercept to date in drill hole YRCO27 of some 20m of spodumene bearing pegmatite downhole (pers comm. Mark Calderwood).

4.4.2 EL15/1377

Past exploration work, which includes soil and rock chip sampling and localised RAB did not define significant lithium-bearing pegmatites in this area; however, two areas of anomalous auger Li geochemistry are located within the NW and NE eastern portions of the EL15/1377 (Figure 17).

North and northeast of Bald Hill respectively surface geochemical results for Ta and Li are low and not significant, however RAB drilling by Haddington intersected anomalous Li values in the western and eastern portions of E15/1377 which warrant follow up exploration (Wamex Reference a038469).

Previous exploration work in the 8 Mile Dam area, situated immediately north of the Bald Hill mine, located generally thin pegmatites (1m-3m maximum widths), one rock chip sample returned an elevated Ta value and minor green lithium muscovite occurs near a pegmatite quartz core. Two pegmatite localities were recommended for follow up exploration (Wamex Reference a38920).

4.4.3 EL15/1205

No previous exploration results relevant to lithium exploration have been sighted.



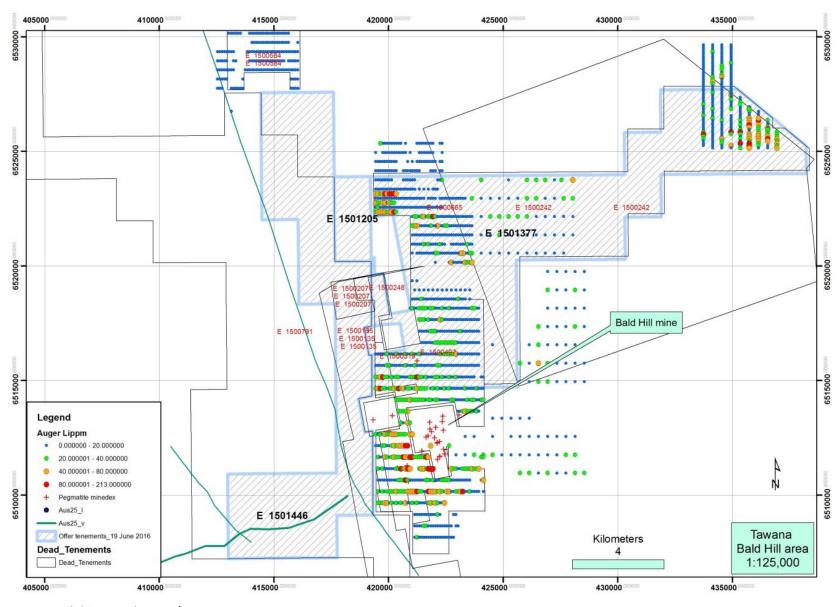


Figure 17: Auger lithium results EL15/1377



5 Tawana Uis Project

The Uis Project in Namibia comprises large coarse and fine tailings stockpiles from the old Uis tin pegmatite mine that operated between 1924 and 1990. The project is located close to the former mining town of Uis, 270 km north-west of the capital Windhoek (Figure 18).



Figure 18: Uis Project location map Source: Tawana

5.1 Tenure

CSA Global rely on the independent opinion of Namibian attorneys Koep and Partners, as detailed in their letter to Tawana, dated 14 June 2016 and titled *Namibian Mining Project (Uis Tailings)*. They conclude the following:

- Namibia Silica CC (NS) currently validly holds all rights in respect of the tailings, and is authorised to exploit the tailings and acquire ownership of any resources it extracts from the tailings.
- NS is authorised to transfer all rights that it holds in respect to the tailings.
- The Minerals Act does not apply to tailings



CSA Global understand, and have seen documentation to the effect that, NS has agreed to sell "the right to extract and sell lithium and other minerals excluding mica contained within the tailings" to Lithium Africa No.1 Pty Ltd (now a 100% subsidiary of Tawana). The consideration to be paid includes a cash component of US\$1.5M (in five tranches related to successful achievement of specific milestones) and a royalty of 5% of net profits from production.

5.2 Location and Access

The Namibia international airport (Hosea Kutako International) in the capital, Windhoek (Figure 18), is readily accessible via 90mins flight from OR Tambo International airport in Johannesburg, South Africa.

The project can be accessed by road from Windhoek. The 340 km or so to site consists mainly of well-maintained sealed bitumen road where a speed limit of 120 km/h is easily maintained. The last 117 km of the route is a graded gravel road and speeds of 80-100 km/h are acceptable. Travelling time from the airport to site varies between 3.5 to 4 hrs.

The project and the town of Uis can also be reached via chartered flight from Hosea Kutako airport in Windhoek as small aircraft can readily access the landing strip of 1800m x 25m. Flying time for the 270 km should be around 90mins.

5.3 Infrastructure

Walvis Bay is Namibia's largest commercial port, receiving approximately 3,000 vessel calls each year and handling about 5 Mt of cargo. In order to deal with even higher levels of throughput, Namport have steadily improved its cargo-handling facilities. http://www.namport.com.na/.

Transport from Uis to Walvis Bay (Figure 18) would be heading southwest by road on the C35 towards Henties Bay and then turning South on the C34 passing Swakopmund and then another 30 km to Walvis Bay. A total distance of about 226 km.

Groundwater is available on site and although not potable, seems acceptable for mining/tailing treatment. From locals in the area as well as hydro-geological maps, the depth to groundwater is about 25m. Groundwater boreholes have been drilled in the past and although none are equipped or tested, this can easily be done. New boreholes may be required.

There are a few dams (rain and groundwater filled pits) that have ample water. It would be ideal if water from these pits can be used for processing. It should be noted that in certain areas of the dams tilapia are being grown. The impact on the fish should be considered and relevant stakeholders consulted should the use of this water be considered.

A 66/11kV substation is situated near the tailing dumps, however a new transformer may be required. Plugging into the state power grid may be a viable option, however to obtain consistency of supply, the use of diesel generators should not be ignored and should be incorporated into a financial model.

5.4 Geological Setting

Tin- and lithium-tin-niobium-tantalum-bearing pegmatites are found in the Uis area. They are located in the Cape Cross – Uis Pegmatite Belt, also known as the Northern Tin Belt, which is located in the Northern Pegmatite Zone (Figure 19), with its western-most extension located in the Southern Kaoko Zone. The belt is 24 km wide and extends 120 km inland in a northeasterly direction from Cape Cross on the Namibian coast (Diehl, 1990; 1992a, 1993); it represents a half graben, bounded to the southeast by the Autseib Fault, which formed in a tensional environment and may have been active since Proterozoic times (Richards, 1986; Wagener, 1989; Diehl, 1992a; Diehl, 1993).



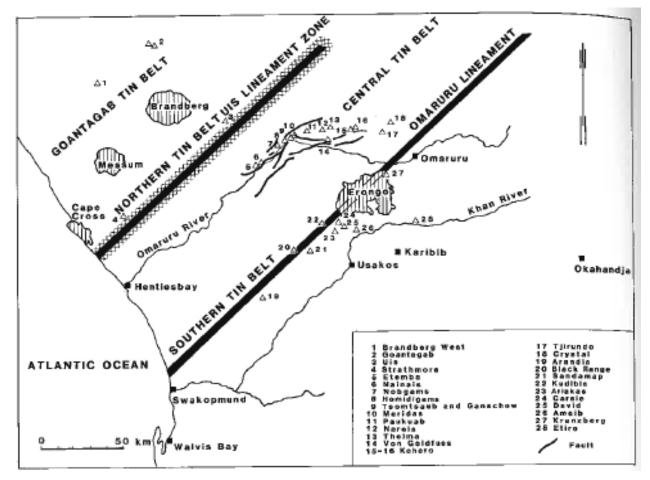


Figure 19: Location of the Sn, Li, Be and Nb-Ta pegmatite belts of the Damaran orogeny, Namibia (Olilla, 1986).

The Li enrichment in Lithium-Caesium-Tantalum (LCT) pegmatites results from the melting of mica-rich metamorphic rocks at the pegmatite source, and causes the crystallisation of the Li-Al silicates, spodumene and petalite, and somewhat less frequently in lepidolite, amblygonite-montebrasite, or elbaite (London, 1995; 2005; 2008; Černý et al., 2012). Cs enrichment is evident in rare-element pegmatites containing pollucite that also results from the melting of micas, predominantly biotite and muscovite, at the pegmatite source (London, 1995, 2005). The source of Ta enrichment in LCT pegmatites is poorly understood, however London (2008) suggests that micas or minor quantities of ilmenite in mica schists may act as a possible source for Ta in LCT pegmatites (Ashworth, 2014).

It is plausible to assume that not all pegmatites that occur in the Cape Cross – Uis belt are lithium-bearing. However according to literature the lithium rich pegmatites show spodumene, petalite and ambygonite (London and Burt, 1982). Lithium rich pegmatites with well developed zoning and quartz cores are exposed in the Strathmore area and occur, together with cassiterite pegmatites in the Cape Cross – Uis northeast – southwest trending swarm. Lithium rich pegmatites have also been recorded in the central portion of the swarm i.e. Karlowa area. The Uis pegmatites also contain some lithium and accessory petalite also occurs within the cassiterite pegmatites (Diehl, 1986).

One of the more useful reviews on the geology of the lithium-bearing pegmatites of the Cape Cross - Uis swarm is by Diehl (1993). It is not the aim of this report to quote the geology verbatim and the interested reader is referred to this review. Suffice to say that pegmatites from various sources were treated for tin extraction at the Uis mine. Some of them would likely have been obtained from lithium-bearing sources.



5.5 Uis Tin Mine

The Uis tin deposit was discovered in 1911 and since then it has been mined for cassiterite using both alluvial and hard rock mining techniques. In 1924 ISCOR started mining and published production records. At the height of production in 1988/89 the IMCOR Tin opencast mine (owned and managed by ISCOR) produced 140 000 kg of tin concentrate i.e. 67.5% metallic tin per month from 85,000 t of ore mined from eight pegmatite bodies.

Using public domain production figures and grades of 1,000–1,500ppm and back-calculation, a tonnage range of 23.5–35.2 Mt of pegmatite mined is obtained. It is plausible to assume that most of this material (excluding the fines used for the brickworks) is still on site. From production figures, the following calculation can be made regarding tonnage mined Table 10.

Table 10: Estimated tonnage mined and remaining material on the dumps.

Cassiterite grade (ppm)	Tons pegmatite mined		
At 1,000ppm cassiterite	35.2 Mt		
At 1,500ppm cassiterite	23.5 Mt		

Once mined, the ore was crushed and two different size fractions were treated. The +1mm and -1mm fractions were also dumped in two different tailing piles resulting in the "sand" tailings consisting of the +1mm fraction and the -1mm "slimes" tailings (Figure 20, Figure 21).

The product was transported to ISCOR's steel manufacturing operations in Transvaal (currently Gauteng) where much of the resulting steel was used for industry, agriculture and military applications.

The mine was one of the largest hardrock tin mines in the world. "Proved reserves" of 72 Mt to a depth of 75m (IMCOR 1988) has been published. The Uis tin mine was closed down in September 1990 due to a combination of low grades and low tin prices.





Figure 20: Coarse material from the dumps as pictured at surface and in section





Figure 21: Photos of Uis Dumps

Clockwise from top left: Fines tailings dumps mined for brickworks. Fines 1 and fines 2. View of old mine infrastructure.

5.6 Recent Work and planned Work

Albert Weitz has completed no exploration work for lithium minerals since the acquisition of the surface and mineral rights, however he has conducted a survey of the tailings.

Subsequent to the survey, the owners entered into an agreement with Lithium Africa No.1 (now a whollyowned subsidiary of Tawana) who completed four shallow auger holes to a depth of about 3 m each.

Two holes were drilled into the "sands" and two into "slimes". The composite result yielded Li_2O results of 0.5-0.6% (5,000–6,000 ppm) Li_2O in the "sands" and 0.8-0.9% (8,000–9,000ppm) in the "slimes".

No metallurgical test-work has been conducted on these samples. From literature lithium minerals spodumene, petalite and amblygonite are present, however these studies were of a purely academic nature, and need to be confirmed by sampling the dumps.

CSA Global understands that Tawana have planned an aircore program to sample the dumps.



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6 Tawana Mofe Creek Project

The information discussed in this chapter is primarily sourced from the *Mofe Creek Iron Ore Project Scoping Study Report (COO19-0760-001)* prepared by Tenova Mining and Minerals for Tawana Resources NL, dated 1st July 2014.

The Mofe Creek Project is a greenfields iron ore project in Liberia, West Africa. The Project hosts high-grade friable itabirite and intermixed itabirite/amphibolite mineralisation which Tawana was looking at processing and upgrading to an iron ore product of +65% Fe.

6.1 Tenure

CSA Global rely on the independent opinion of Liberian attorneys Tubman Law Firm, as detailed in their letter to BDO, dated 11 November 2016 and titled *Independent Legal Report on Tawana Resources and Mofe Creek Project*.

Tawana Liberia Inc. holds two exploration licenses in the Mofe Creek area (Table 11) The Project is located on MEL12029, which covers an area of $289 \ \text{km}^2$ and was granted on the 13 December 2012 by the Ministry of Lands, Mines and Energy (MLME) for a 3 year term, extendable for an additional 2 years for a total licence period of 5.

Table 11: Mofe Creek tenure summary

License Code	Holder	Grant Date	Minerals	Area (km²)	Term
MEL 12029	Tawana Liberia Inc.	13/12/2012	Iron Ore	289	3 years
MEL 1223/14	Tawana Liberia Inc.	11/09/2014	Iron Ore	186	3 years

Tubman Law Firm (2016) confirm that "both licenses are validly held by Tawana Liberia Inc. The initial three (3) year terms of MEL 12029 has expired but the area has been retained and is included in the negotiations of the MDA with the government." They add that "There is no fixed term for the negotiation of an MDA in the Mining Act so the period once begun may continue indefinitely after the end of the term of the Exploration License."

6.1.1 Location and Access

The Project is located approximately 80 km northwest of the capital city of Monrovia, Liberia and 20 km to the nearest point on the coast. The location of the ore bodies in relation to existing ports and coast line are shown in Figure 22.

6.2 Geological Setting

Liberia is dominated by a series of NE-SW trending Palaeo - to Mesoarchaean granite greenstone faults of the Archaean Man Shield, part of the West African Craton (2.7 – 3.4 billion years old), characterised by interspersed iron-bearing formations (Figure 22). The Mofe Creek Project Area lies within Precambrian gneisses in the far west of the country. The tenement straddles the northwest-trending Todi Shear Zone (TSZ), a regional scale structure that marks the boundary between the Liberian age province (~2.7 Ga) in the east and the (re-worked) western Pan-African age province (~500Ma) along the Liberian coast. The TSZ is defined by a series of faults and broad mylonite zones.



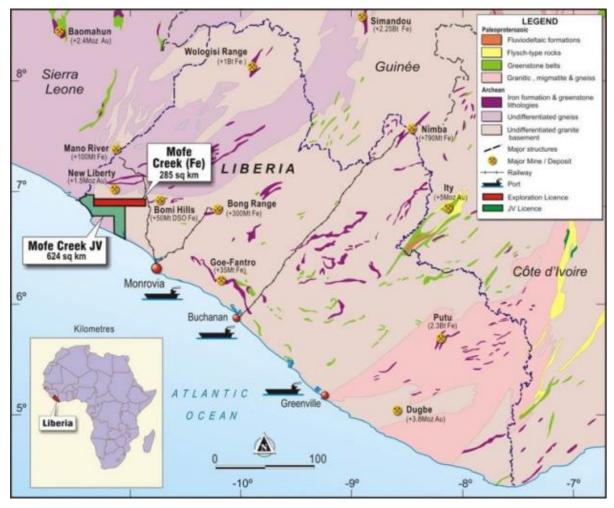


Figure 22: Mofe Creek locality map Source: Tawana

The Mofe Creek Project is located within one of Liberia's historic iron ore mining districts, 10 km along strike from the historic Bomi Hills iron ore mine (Figure 23). The Bomi Hills prospect consists of a chain of magnetite banded iron formation ridges comprising coarse-grained magnetite containing roughly 20% hematite and averaging between 62% and 68% total iron. The Project consists of a minimum of 5 prospects: Gofolo West, Gofolo Main, Gofolo North East, Zaway and Koehnko. For the purpose of this preliminary report, Gofolo Main, Zaway and Koehnko deposits have been considered.

At the Mofe Creek Project iron mineralisation is hosted within itabirite units of Archaean or Palaeoproterozic age with cross-cutting and interbedded mafic intrusives and interbedded quartzites, uncomfortably overlying granitic gneiss basement of the West African Archaean Craton (Figure 24). Three significant mixed oxide and silicate facies iron formations exist. The majority of mineralisation is hosted within oxide facies iron formation and units are folded and faulted and are locally partially re-crystallised (Figure 25 and Figure 26). Recrystallisation caused coarsening and potential enrichment of magnetite within the parent iron formation while deep tropical weathering caused surface enrichment and oxidation of magnetite to hematite and maghemite with variable hydration to goethite and limonite within weathered silicate iron facies units and towards the surface. Depth of weathering is partially controlled by structural preparation including folding and faulting causing deeper enrichment profiles.



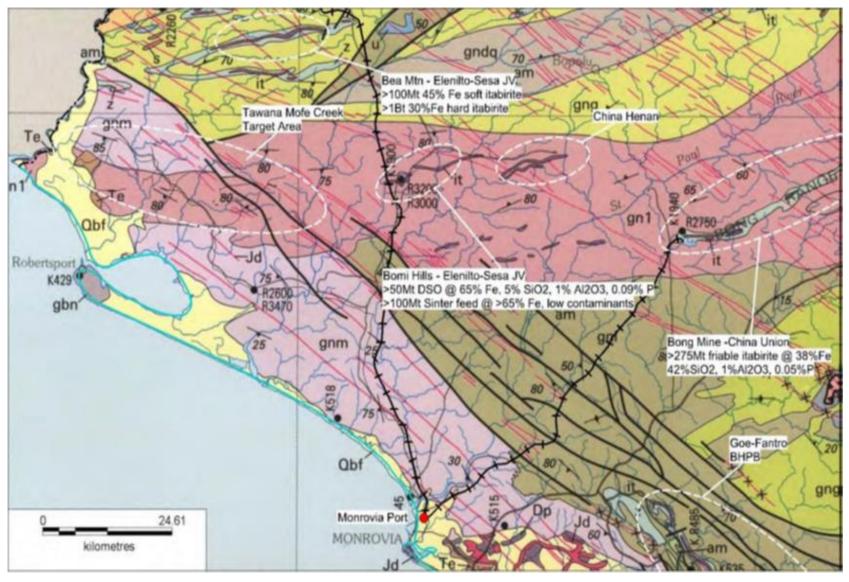


Figure 23: Mofe Creek Regional Geological Setting Source: Tawana



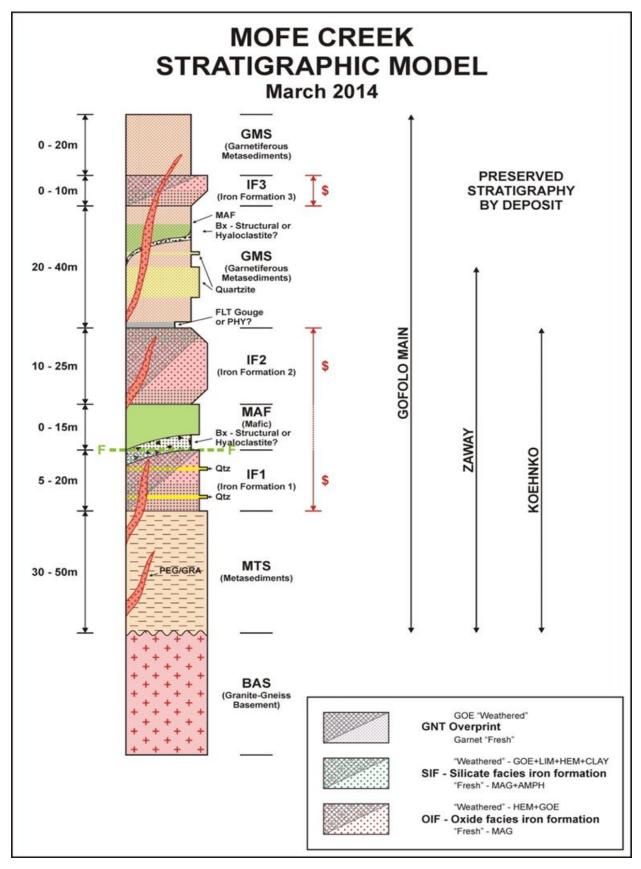


Figure 24: Stratigraphic column for Mofe Creek Source: Tawana



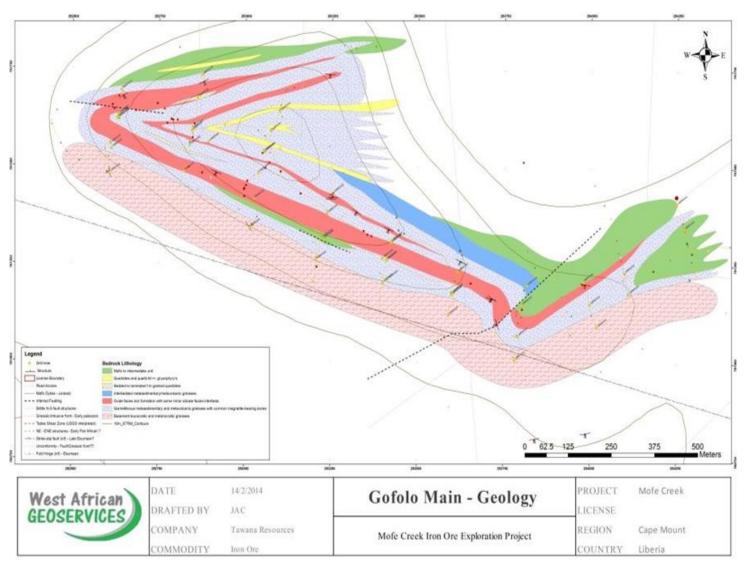


Figure 25: Surface mapping geological interpretation of Gofolo main Source: Tawana



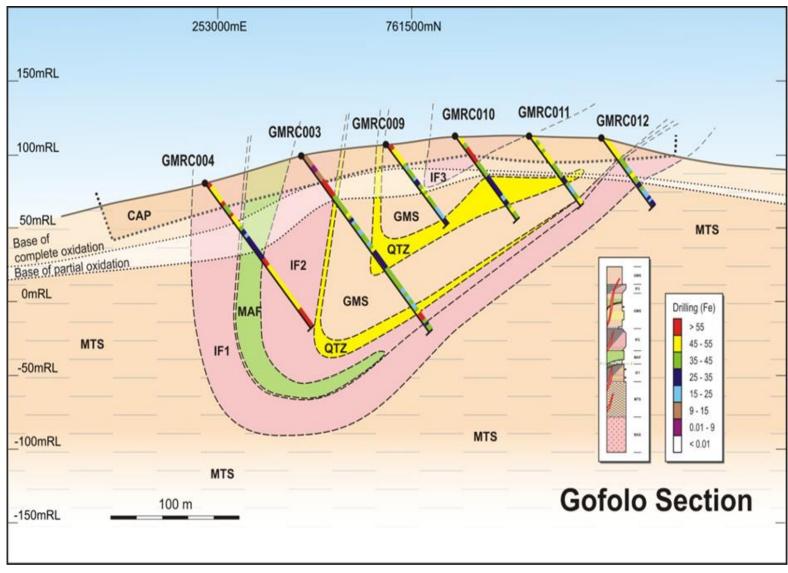


Figure 26: Type geological cross-section through Gofolo Main (looking west)
Source: Tawana



6.3 Mofe Creek Mineral Resources

The Mofe Creek maiden Mineral Resource estimate of 61.9Mt at 33% Fe, including an Indicated Mineral Resource of 16.2Mt at 35.4% Fe, was completed in March 2014. The resource is summarised in Table 12. The estimate was completed by I Macfarlane of Coffey Mining.

The project, located within one of Liberia's historic iron ore mining districts, is characterised by coarse grained, high-grade itabirite with potential to deliver a high-grade beneficiated product (63%Fe – 68%Fe) at a coarse crush sizing, and potentially favourable mine stripping ratios and some free-dig material.

Table 12: Mofe Creek Mineral Resource Estimate (March 2014) Source: Tawana, 2014, and Macfarlane (2014)

Project Sub-area and Classification	Tonnes	Fe	SiO2	Al203	Р	LOI	MnO	S	TiO2
	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Indicated Zaway	6	33.4	43.3	4.4	0.03	1.7	0	0	0.2
Indicated Gofolo Main	10.2	36.5	38.8	3.4	0.05	2.9	0.1	0.1	0.1
Total Indicated	16.2	35.4	40.5	3.8	0.04	2.5	0.1	0.1	0.1
Inferred Koehnko	16	31	42.5	7.9	0.04	3.4	0	0	0.2
Inferred Zaway	6.3	33.7	40.9	5.7	0.03	3.3	0	0	0.3
Inferred Gofolo Main	23.4	32.5	36.3	8.4	0.04	5.8	0.1	0.1	0.3
Total Inferred	45.7	32.1	39.1	7.9	0.04	4.6	0.1	0.1	0.3
TOTAL Indicated + Inferred	61.9	33	39.5	6.8	0.04	4	0.1	0.1	0.2

The information in this table that relates to in situ Mineral Resources for Mofe Creek is based on information compiled by Mr Iain Macfarlane, a full time employee and consultant working for Coffey Mining Ltd and was engaged by Tawana Resource NL to prepare the documentation for the Mofe Creek Iron Ore Project (Gofolo Main, Zaway and Koehnko Prospects) in Liberia, on which the Report is based, for the period ended 30 March 2014. During the relevant period, Mr Macfarlane was a Member of the Australian Institute of Geoscientists and has sufficient experience, which was relevant to the style of mineralisation and type of deposit under consideration, and to the activity he was undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Mr Macfarlane consented to the inclusion of this information in the form and context, as it appeared in the Coffey report dated 28 May 2014.

The Mofe Creek deposits consist of a series of approximately 1–2 km strike length semi-contiguous hills with coincident magnetic anomalies within an approximate 65 km strike length of prospective magnetic anomalies. The hills tested to date and included within the Maiden Mineral Resource estimate are the Gofolo Main, Zaway and Koehnko deposits (Figure 27), with additional hills yet to be tested.

Iron mineralisation is hosted within steeply to gently dipping, folded and faulted coarse, partially recrystallised itabirite units of both oxide and minor silicate composition of likely Archaean or Palaeoproterozic age. Three significant iron formation units (IF) are recognized;

- a lower mixed oxide and silicate facies unit ("IF1"),
- middle and most significant oxide dominant unit ("IF2"), and
- upper mixed oxide and silicate facies unit ("IF3").

The iron formations occur within a mixed bedded to massive metasedimentary sequence with cross-cutting intrusives, which unconformably overlies granitic gneiss basement of the West African Archean Craton.



Secondary recrystallisation of the itabirite units has caused recrystallisation, coarsening and potential enrichment of the magnetite within the parent iron formation. Deep, tropical weathering has caused surface enrichment of the iron formation and oxidation of magnetite to hematite and variable hydration to goethite and limonite.

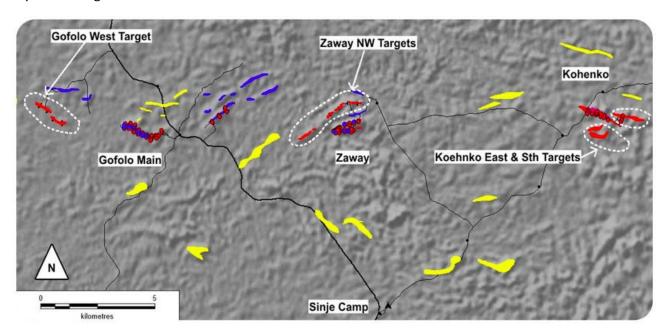


Figure 27: Mofe Creek Deposits (source: Tawana ASX, 29 July 2014)

Mineralogical work carried out as part of the early metallurgical test-work indicates that the dominant iron oxides present are hematite (after oxidised magnetite) and subordinate magnetite within the weathering profile, with goethite and limonite more prevalent within weathered silicate iron facies units and towards the surface within a ferruginous 'hard-cap', and magnetite dominant below base of oxidation. In terms of iron ore potential, Mofe Creek lies at a juncture of two regional iron formation-bearing belts (both containing historical iron mines) which coalesce in a broad dextral drag feature towards the Todi Shear Zone.

The Mofe Creek deposits were sampled using reverse circulation percussion (RCP) and HQ3 diamond drill holes (DD) on a nominal 200 m x 60 m grid spacing. 97 RCP drill holes were drilled for 7,781 m during two phases of drilling in 2013 and 2013–2014.

RCP drill hole depths ranged from 36 m to 162 m from surface. RCP drilling was sampled at 1 m intervals using a rotary splitter. These samples were manually composited to 2 m intervals for assay. Coffey considered the 2 m sample interval sufficient to define geological and grade continuity for the mineral resource definition. CSA Global concurs with this finding.

Diamond drilling was used for metallurgical samples, geotechnical logging and to 'twin' the RCP drill holes. 17 DD drill holes were drilled for 1,229.73 m during the 2012–2013 programme. DD core orientation was completed within more competent zones where possible using the pencil and spear method. The poor quality of the core being recovered in the first 20 m within the weathering profile resulted, in much of the core in these zones not being able to be oriented. However, outcrop and surface structural mapping provided confidence that drilling was completed perpendicular to structures. No diamond drill holes were used for the resource estimation study, the assay results not being available at the time.

Coffey noted that three DD holes to twin RCP holes were drilled, two at Gofolo and one at Zaway. This represented approximately 3% which is low in percentage term; ideally between 5–10% is optimal.



Analysis of the twinned drill hole results provided sufficient confidence that the RCP drilling was comparable to the diamond drilling

Two geotechnical DD holes were completed at each prospect in the opposite orientation to all other RCP and DD holes to avoid possible geotechnical sampling bias.

Estimated RCP recovery averaged 30-40% for the top 20m and 70% below 20 m. Diamond drill core recovery averaged 85% in the main mineralised sections, and 88% overall.

The quality of sampling and assaying were reviewed independently by Coffey in 2014 and found to be fit for purpose. CSA Global would concur with this opinion.

60 density measurements of representative core for the various lithologies and degree of weathering (Table 13) were taken from full HQ3 core metallurgical samples utilising the wax immersion method. Coffey was of the opinion that the current data was fit for purpose for resource estimation but only as far as Indicated level of confidence. CSA Global agrees with the Coffey assessment and recommends that density measurements continue to be collected as more drilling is done.

Table 13: Dry Insitu Bulk Densities Assigned to Block Models

	Hi Alum Iron Formation	Iron Formation	Carapace	Mafic	Metasediments	Qtz
Oxide	2.8	3.2	2.4	2.8	1.8	2.3
Fresh	3.1	3.5	n/a	3.7	2.8	2.5

(source: Macfarlane, 2014)

The interpreted geological model was based on a combination of detailed surface geological mapping, sectional interpretation by Tawana Resources and West African Geoservices (WAGS) and is considered by CSA Global to be adequate, and fit for purpose.

The geological interpretation and mineralisation wirefames were based on:

- downhole multi-element geochemistry and magnetic susceptibility.
- a review of diamond drill holes using high-resolution core photographs, magnetic susceptibility and down hole assays.
- surface geological mapping,
- sectional geological and structural interpretation,
- down-hole multi-element geochemistry and magnetic susceptibility.

Iron and contaminant grades were estimated using ordinary kriging (OK). High grade cuts were not used. RCP analytical data only was used for the estimation, the results from the diamond drilling sampling not being available at time of estimation.

Distance of extrapolation was described as generally in the order of 50 m or less. Parent block size was 100 m along strike, 30 m down dip and 5 m normal to the plane of mineralisation for all deposits. Subcells were a minimum of 2 m x 2 m x 1 m, define the geometry of thinner geological units.

Block estimates were validated using visual and statistical comparison of input sample versus estimated block grades, number of samples used, average distance to informing samples and block kriging efficiency. Tonnage estimates are based on insitu dry bulk density measurements.

Selective mining units were not defined at this stage and the estimation is considered a global in situ resource model fit for conceptual mining studies. The level of confidence associated with key resource classification criteria are set out in Table 14.



Table 14: Confidence Levels of Key Criteria

Item	Discussion	Confidence
Drilling	Techniques Mostly RCP drilling.	Moderate
Logging	Good logging practices being carried out.	High
Drill Sample Recovery	Poor in upper portions for both DD and RCP drilling.	Moderate
Sub-sampling Techniques and Sample Preparation	Mineralised material being sampled appropriately. Wet RCP drilling and spear sampling occurring on occasions.	Moderate to High
Quality of Assay Data	Analysis of the quality assurance data showed acceptable precision and accuracy; laboratory is aware of which samples are standards. QAQC is not being routinely assessed.	Moderate
Verification of Sampling and Assaying	QAQC programme is underway; limited diamond twins	Moderate to High
Location of Sampling Points	Collar positions have been located by DGPS. Downhole surveyed holes show only moderate deflection. Drillholes are mostly shallow.	High
Data Density and Distribution	The prospects have been drilled mostly on a 200m x 60m grid. The current drill spacing provides a reasonable coverage of the mineralised horizons for Indicated and Inferred Resource classification	Moderate
Audits or Reviews	Site was visited during diamond drilling only.	Moderate

(source: Macfarlane, 2014)

Block model validation plots completed by Coffey (Macfarlane, 2014) provided confirmation that the estimation had adequately represented the input drilling data. The level of smoothing is acceptable, and there is satisfactory correlation between input data and estimated model across all domains, iron and the contaminant elements.

CSA Global is satisfied that the Mofe Creek model is based on data that has been collected, validated and managed to an acceptable standard, that the estimation and resulting model is fit for purpose to support this valuation.

6.4 Mofe Creek Mining

The information contained in the Mofe Creek Iron Ore Project scoping study report (July 2014) was reviewed. This detailed study considered all the major components that would be required to turn the project into an operating mine. It was decided not to value the project using a discounted cashflow for the following reasons:

- Two operating strategies have been considered. The first, a low tonnage strategy, consists of 47
 Mt of Indicated and Inferred Resources being mined. The second strategy assumes exploration
 success and increases this mining inventory to 187 Mt. Improved certainty of this increased mining
 inventory is required as it is believed that volume will be the main value driver of this project.
- This project requires a significant capital investment in infrastructure. The current estimates range between \$240m to \$660m dependent on which strategic operating approach is chosen and which option is chosen to transport the ore from the mine site to the new port facility.
- The reduction in iron ore price since the study was conducted, as per the image below, has eroded most of the operating margin out of the project.



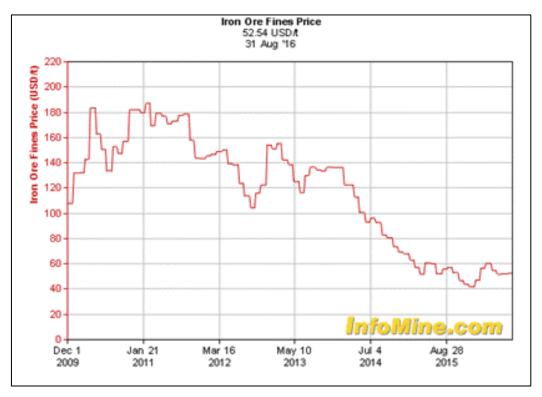


Figure 28: Current iron ore fines price



7 Risks

The high-level risks considered by CSA Global to be material to the valuation of the Tawana and AMAL assets are listed below.

7.1 Bald Hill

CSA Global have not had access to underlying technical data underpinning resource and reserve estimates, and therefore did not have the opportunity to interrogate or verify them.

CSA Global is therefore unable to properly assess the inherent risks in these estimates. Consequently, CSA Global must assume a relatively high degree of risk in the estimates, as we are unable to prove otherwise.

The Mineral Reserve was estimated using a tantalite price of AUD250/kg, which was reasonable at the time. The current price of approximately AUD170/kg may result in the reserves not being economic.

7.2 Cowan

CSA Global believe that the risks associated with the Cowan Project are generic to most early stage exploration projects, and primarily revolve around maintaining tenure in good order, and accessing capital to progress projects.

7.3 Yallari

The Yallari tenement holding consists entirely of licence applications, which have not as yet been granted. CSA Global is not aware of any competing applications. There is a risk that the applications may not be granted, or may be granted over a reduced area, or may be granted subject to environmental, social or other conditions.

7.4 Uis

The Uis Tailings Project is at an early stage of investigation, and there are still many technical questions that require investigation. Chief amongst these are understanding the contents of the dumps, most importantly chemistry (Li₂O content), mineralogy, and beneficiation options for the dump materials.

CSA Global also stress that the likely value of the project is highly dependent on the state of knowledge of the project, which is likely to change significantly with comparatively little further work, i.e. sampling the dumps.

7.5 Mofe Creek

The technical work completed on this project appears to be of good quality, and appropriate to the current stage of development.

CSA Global believe that the major risks currently inherent in the project relate to the iron ore market and the perceived sovereign risk attached to projects requiring the development of infrastructure in Liberia.



8 Valuation

Valuation of Mineral Assets is not an exact science; and many approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are several generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience.

Refer to Appendix 1 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the Valmin classification of Mineral Assets.

8.1 Valuation Approach

CSA Global's approach to the valuation of the AMAL and Tawana mineral assets is summarised in Table 15. Note that CSA Global as adopted at least one market approach in considering each asset.

Table 15: Valuation methods adopted for each project

Mineral Asset	Stage	Licence Area (km²)	Declared Resource base	Valuation Methods considered
AMAL Bald Hill Project - Tantalum	Development	-	1,084 t Ta ₂ O ₅	Transactions- Resource, Yardstick
AMAL Bald Hill Project - Lithium	Advanced Exploration	789		Transactions- exploration, Kilburn
Tawana Mount Belches Project	Advanced Exploration	276	-	Transactions- exploration, Kilburn
Tawana Uis Project	Advanced Exploration	1.8#	-	Transactions– exploration, Yardstick
Tawana Mofe Creek Project	Pre-development	285	20.4Mt Fe	Transactions– Resource, Yardstick,

[#] Tailings material does not fall under Minerals Act in Namibia, area considered is twice the footprint of the dumps

8.1.1 Bald Hill Project

CSA Global believe that AMAL's Bald Hill Project has value both as a Tantalum mine and as a lithium exploration project, and we have considered the value of these components separately. CSA Global believe that the value of the lithium exploration potential is additional to the value of the tantalum development project, on the basis that AMAL have demonstrated that the current process plant at the Bald Hill mine site is capable of producing a lithium concentrate from the pegmatite material.

CSA Global have considered the value of the Bald Hill tantalum development project by considering the limited set of comparable transactions, as well as a Yardstick methodology in assessing the value of the Bald Hill tantalum mine.

CSA Global has considered comparable area-based lithium transactions, as well as the Kilburn method, in assessing the value of the Bald Hill project in terms of lithium exploration.



8.1.2 Mount Belches Project

CSA Global have considered comparable transactions of lithium exploration ground, as well as the Kilburn method, in assessing the value of the Mount Belches Project. CSA Global have considered the value of the Cowan project licences and the Yallari Project licence applications separately.

8.1.3 Uis Tailings Project

The area-based approach was applied based on treating the project as roughly equivalent to an early stage lithium play, e.g. analogous to an outcropping spodumene pegmatite (the key difference being the pegmatite has unknown grade and unknown size, whereas Uis has unknown grade and known size). The comparative transactions approach was used to derive a value.

The Yardstick approach was applied based on the characterisation of tailings as a low-grade stockpile. This was predicated on several assumptions to also derive a value for the possible spodumene content of the dumps, appropriately discounted for the high degree of uncertainty at this stage of the project.

8.1.4 Mofe Creek Project

In assessing the value of the Mofe Creek pre-development project, CSA Global has considered comparable transactions and a Yardstick cross-check.

8.2 Market Considerations

CSA Global have considered recent market conditions for lithium, tantalum and Liberian iron ore in assessing the value of the AMAL and Tawana mineral assets.

8.2.1 Lithium

CSA Global note that lithium is currently a "hot" metal, with numerous junior exploration companies focusing on exploration for this metal. Consequently, there have been a number of market transactions involving lithium projects in 2016. This includes projects in Australia, Canada, Argentina, and various African countries.

CSA Global note the recent increase in the Mount Marion resource base to 1.07Mt contained Li_2O (Mineral Resources Limited, 2016). This has further fed the market appetite for WA-based lithium exploration projects.

Lithium can be processed to form a variety of chemicals for example lithium carbonate, lithium bromide, lithium chloride, butyl lithium and lithium hydroxide, in addition to being used as mineral concentrates.

Lithium minerals and lithium compounds are priced mainly according to purity specifications (Table 16) and may range between US\$170-US\$265 per tonne of petalite (4.2% Li_2O) and US\$755-US\$780 per tonne of spodumene concentrate (>7.5% Li_2O). Lithium carbonate and lithium hydroxide, which are manufactured from lithium minerals, command far higher prices and have recently ranged up to about US\$8,500 per tonne of lithium carbonate (large biannual contracts, 99-99.5% Li2CO3) and up to US\$11,000 per tonne of lithium hydroxide (large contracts, 56.5-57.5% LiOH).

It is clear that such substantial product price ranges could have a significant impact on the economics of a lithium pegmatite project, requiring a thorough understanding of the product/s likely to be produced from a potential mine.



Table 16: Lithium mineral and compound pricing

Lithium compounds	Price Date	Low	High
Lithium carbonate, min 99-99.5% LiC2O3, large contracts, del continental US, \$/lb	13 Oct 2016	3	3.52
Lithium hydroxide, 56.5-57.5% LiOH, large contracts, packed in drums or bags, del Europe or US, \$/kg	13 Oct 2016	8.5	11
Lithium hydroxide, 56.5-57.5% LiOH, Chinese, packed in drums or bags, large contracts, del Europe, \$/kg	13 Oct 2016	8.3	10
Lithium carbonate, min 99-99.5% LiC2O3, large contracts, del continental US, \$/kg	13 Oct 2016	6.5	8.5
Lithium carbonate, min 99-99.5% LiC2O3, large contracts, packed in bags, CIF Asia, \$/kg	13 Oct 2016	6.5	8.5

Lithium minerals		Low	High
Spodumene concentrate, >7.5% Li2O, bulk, CIF Asia, \$/tonne	13 Oct 2016	755	780
Spodumene concentrate, 5% Li2O, CIF Asia, \$/tonne	13 Oct 2016	350	410

Source: Industrial Minerals Magazine

8.2.2 Tantalum

CSA Global note that there is currently more deal volume in the lithium space than the tantalum space, with pegmatite tin and tantalum mines effectively becoming lithium plays.

The recent tantalite ore price history is illustrated in Figure 29. CSA Global note that the recent tantalite ore price of AUD169.19/kg is significantly higher than it was five years ago. It is however also significantly lower than the peak price of around AUD275/kg in mid-2013, and shows signs of stabilising at around the current price.

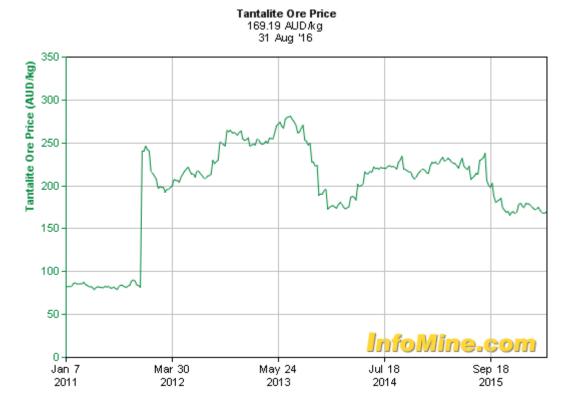


Figure 29: Tantalite ore price history Source: Infomine



8.2.3 Iron Ore

The recent iron ore price history is illustrated in Figure 30. The price of iron ore fines has dropped from around US\$180/t in early 2011 to a low of around US\$40/t early this year, before slowly recovering to the current level of around US\$55/t.

This has resulted in lower investor appetite for iron ore projects, and many smaller, low grade or otherwise "difficult" projects have been starved for capital.

CSA Global note that the Liberian iron ore projects have taken a particularly hard hit. BHP has divested its Liberian iron ore assets, with the consideration undisclosed. Subsequent to agreeing to sell its Liberian iron ore assets to Mineraux Limited in September 2014, West Peak announced that the transaction was terminated and the leases were relinquished.



IRON ORE FINES PRICE - IRON ORE PELLETS PRICE Jan 7, 2011 - Aug 26, 2016

Figure 30: Iron ore price history Source: Infomine

8.3 Tantalite Resource Transactions

In analysing the transactions, all amounts were converted to A\$ at the relevant exchange rate at the time of the transaction announcement. Share considerations were treated at a 10% discount to cash, and share prices at the time of the transaction were considered, unless the shares were issued at a particular deemed price. Contingent payments were risk-weighted, and the timing of payments was also considered.

The transactions considered were announced post-January 2010, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions.

CSA Global considered three recent transactions involving tantalum resources in WA. These transactions are summarised and analysed in Appendix 2. Unfortunately, the transaction price of the



Pilbara Minerals acquisition of the Pilgangoora Project in May 2014 was not publicly disclosed, and CSA Global was not able to analyse this transaction in terms of A\$/t of contained Ta₂O₅.

Sufficient information was available in the public domain to allow CSA Global to analyse Pilbara minerals' initial earn-in to the Tabba Tabba Project in October 2013, and it's subsequent consolidation of 100% interest in the project in September 2015.

CSA Global notes that the Tabba Tabba Project was considerably more advanced at the time of the second transaction, with the resource base increasing from 211,000 t to 318,100 t, and the categorisation of the resources going from only Inferred in 2013, to Reserves with Measured, Indicated and Inferred resources in 2015, with 70% of the resource classified above the Inferred category.

CSA Global believe that the Tabba Tabba Project in WA is a suitable comparison for the Bald Hill Tantalite Mine. CSA Global note that the Bald Hill resource base is larger than the Tabba Tabba resource base, and the tantalite grade of Bald Hill is higher, however Tabba Tabba now includes Measured Resources, which Bald Hill does not. The percentage of the resource classified above Inferred is similar for the current Bald Hill resource and the September 2015 Tabba Tabba resource. CSA Global also note that the September 2015 transaction was highly strategic for Pilbara Minerals as it consolidated ownership of the project, and would have included a control premium.

Based on the two Tabba Tabba transactions, CSA Global consider that A\$6,898/t contained Ta_2O_5 would be a suitable low valuation factor, and A\$16,853/t contained Ta_2O_5 would be a suitable high valuation factor for a WA tantalite mine. CSA Global consider that the average of these two factors (A\$11,875/t) would be a suitable preferred valuation factor, recognising that the Bald Hill resource is superior in size and grade to the Tabba Tabba resource, as well as the fact that the later transaction included a significant premium.

8.3.1 Market-based valuation of Bald Hill Mine

CSA Global has recognised the technical risk associated with CSA Global not being allowed the opportunity to assess or verify the Bald Hill resource and reserve by impairing the market-based valuation by 30%.

After impairing the resource base and applying the valuation factors discussed above, CSA Global considered that a valuation of the Bald Hill Tantalum Mine based on comparable market transactions (Table 17) would lie within the range of A\$5.2M to A\$12.8M, with a preferred value of A\$9.0M.

Table 17: Resource-based Comparable Transaction valuation of Bald Hill Tantalite Mine

Project	Tonnage Ta ₂ O₅	Low	High	Preferred
	contained	(A\$ Million)	(A\$ Million)	(A\$ Million)
Bald Hill Mine	1,083 t	5.2	12.8	9.0

Low factor: A\$6,898/t, High factor: A\$16,853/t, Preferred factor: A\$11,875/t, Impairment 30%

8.4 Iron Ore Resource Transactions

In analysing the transactions, all amounts were converted to US\$ at the relevant exchange rate at the time of the transaction announcement. Share considerations were treated at a 10% discount to cash, and share prices at the time of the transaction were considered, unless the shares were issued at a particular deemed price. Contingent payments were risk-weighted, and the timing of payments was also considered.



The transactions considered were announced post-January 2010, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions. The implied US\$/t transaction price was normalised to US\$56.67/t³.

CSA Global has considered four recent transactions involving itabirite iron ore projects in West Africa. These transactions are summarised and analysed in Appendix 2. Two of these transactions involved projects in Liberia, with the other projects situated in Mauritania and the Republic of Congo.

When considering all four transactions, the range in implied US\$/t contained iron transaction price was US\$0.02/t to US\$0.26/t, with a median of US\$0.10/t, a mean of US\$0.12/t and a weighted average of US\$0.19/t. When normalised to the September 2016 iron ore price of US\$56.67/t, this changed to a range of US\$0.02/t to US\$0.11/t, with a mean and median of US\$0.07/t, a weighted average of US\$0.08/t.

When considering only the two Liberian projects, the range was US\$0.15/t to US\$0.26/t, with a mean and median of US\$0.20/t and a weighted average of US\$0.26/t. When normalised to the September 2016 iron ore price of US\$56.67/t, this changed to a range of US\$0.10/t to US\$0.11/t, with a mean and median of US\$0.10/t and a weighted average of US\$0.11/t.

From this analysis, CSA Global consider that in assessing the value of the Mofe Creek Project using comparable market transactions, a suitable low valuation factor would be US\$0.02/t and a suitable high valuation factor would be US\$0.11/t, with a preferred valuation factor of US\$0.06/t. CSA Global believe that this addresses the apparently low market appetite for Liberian iron ore projects.

8.4.1 Market-based valuation of Mofe Creek Project

In considering the value of the Mofe Creek Project based on the comparative transactions, CSA Global has applied the valuation factors discussed above to the Mofe Creek resource base of 20.4Mt contained Fe (Table 18). CSA Global used an exchange rate of US\$0.76:A\$1.00⁴ to derive the A\$ valuation of A\$0.5M to A\$2.9M, with a preferred value of A\$1.7M.

Table 18: Resource-based Comparable Transaction valuation of Mofe Creek Project

Project		Tonnage Fe contained	Low (A\$ Million)	High (A\$ Million)	Preferred (A\$ Million)	
	Mofe Creek	20.4 Mt	0.5	2.9	1.7	

Low factor: US\$0.02/t, High factor: US\$0.11/t, Preferred factor: US\$0.06/t, Exchange rate US\$0.76:A\$1.00

8.5 Lithium Exploration Ground Transactions

In analysing the transactions, all amounts were converted to A\$ at the relevant exchange rate at the time of the transaction announcement. Share considerations were treated at a 10% discount to cash, and share prices at the time of the transaction were considered, unless the shares were issued at a particular deemed price. Contingent payments were risk-weighted, and the timing of payments was also considered.

The transactions considered were announced post-January 2016, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions. CSA Global did not normalise the implied transaction prices as all transactions were announced over a comparatively short period of time.

CSA Global considered 20 transactions announced in 2016 involving lithium exploration areas, where sufficient information was available in the public domain to enable analysis of the transactions. 18 of

³ Average September 2016 China import Iron Ore Fines 62% Fe spot (CFR Tianjin port) – Source IndexMundi.com

⁴ RBA exchange rate for 30 September 2016



these transactions involved lithium pegmatite projects. CSA Global focused on the 10 transactions within this set that involved lithium pegmatite exploration projects within Western Australia (Appendix 3). In addition, CSA Global considered one recent transaction (November 2016) involving a small, focused exploration area in the Northern Cape Province of South Africa, adjacent to the Namibian border.

When considering transactions involving only the pegmatite projects, excluding the South African project, the range in implied transaction prices was A\$792/km² to A\$769,347/km², with a median of A\$10,000/km², a mean of A\$62,148/km² and a weighted average of A\$5,017/km².

The high outlier was the Mount Hope Project in WA, which was a single granted mining lease, and hence a very small, focused area. It was also a highly strategic acquisition, as it provided Marindi with walk-up targets within its larger project area.

When this was excluded, and only the 9 remaining transactions involving pegmatite projects in WA was considered, the range in implied values changed to A\$2,264/km² to A\$46,790/km², with a median of A\$11,839/km², a mean of A\$16,983/km² and a weighted average of A\$11,157/km².

From this analysis, CSA Global consider that a suitable valuation range for assessing the value of WA lithium exploration ground with regards to comparable market transactions would be A\$5,017/km² to A\$16,983/km², with a preferred value of A\$11,157/km².

In considering a suitable valuation range for assessing the value of the area covered by the Uis Tailings project in Namibia, CSA Global note the following:

- The recent transaction (announced 4 November 2016) involving the Blesberg Lithium-Tantalum Project in the Northern Cape province of South Africa, bordering Namibia, involves a single prospecting right covering 887 Ha, including the entire historic Blesberg Hill mine and infrastructure. This is conceptually similar to the Uis Project, in that it is a focussed area associated with previous pegmatite mining. It is also in the same geographic area, and a similar mining / sovereign risk regime. CSA Global consider that the implied transaction value of A\$1,061,568/km² may be a suitable high valuation factor for the Uis Project.
- In considering the Uis Project as analogous to an early stage lithium pegmatite project, and taking into consideration the focused nature of the Uis Project, the weighted average of the WA lithium pegmatite project transactions (A\$11,157/km²) would seem to be reasonable as a minimum value (low valuation factor), on the basis that the value of the Uis Project should be higher than this.
- A preferred valuation factor should lie within these two extremes, and CSA Global consider that the lower tercile of the range, A\$357,575/km², is a suitable preferred factor. This compares favourably to the implied Mount Hope transaction price of A\$769,347/km², which was excluded from consideration for the WA lithium pegmatite ground analysis.

8.5.1 Market-based valuation of West Australian Li Exploration Ground

In considering the value of the Cowan and Yallari Projects (collectively Tawana's Mount Belches Project) and the Bald Hill tenure based on comparative transactions, CSA Global has applied the valuation factors discussed above to the respective tenure areas (Table 19). In addition, the value of the Yallari Project was discounted by 30% to account for the risk of the licence applications not being granted, or that they could be granted over smaller areas.

This resulted in a valuation range of A\$4.0M to A\$13.4M with a preferred value of A\$8.7M for the AMAL Bald Hill tenement holding, a range of A\$0.9M to A\$3.0M and a preferred value of A\$1.9M for the Cowan Project, and a range of A\$0.4M to A\$1.2M with a preferred value of A\$0.8M for the Yallari Project.



Table 19: Area-based Comparable Transactions valuation of WA Li exploration projects

Project	Area (km²)	Low (A\$ Million)	High (A\$ Million)	Preferred (A\$ Million)	
Bald Hill Tenement	789	4.0	13.4	8.7	
Cowan	174	0.9	3.0	1.9	
Yallari	102	0.4	1.2	0.8	

Low factor: A\$5,017/km², High factor: A\$16,983/km², Preferred factor: A\$11,157/km²

8.5.2 Market-based valuation of Uis Tailings Project

In considering an area-based comparable transaction valuation of the Uis Tailings Project, CSA Global have utilised the valuation factors derived above, and applied these to an area of 1.8 km² (Table 20), which represents twice the footprint of the tailings dumps, to allow for a working buffer around the dumps. This gives a valuation range of A\$0.02M to A\$1.9M, with a preferred value of A\$0.6M.

Table 20: Area-based Comparable Transactions valuation of Uis Tailings Project

Project	Area	Low	High	Preferred
	(km²)	(A\$ Million)	(A\$ Million)	(A\$ Million)
Uis Tailings Project	1.8	0.02	1.9	0.6

Low factor: A\$11,157/km², High factor: A\$1,061,568/km², Preferred factor: A\$357,575/km²

8.6 Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist, and which may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012). This approach ascribes a heavily discounted in situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4–3 per cent is used for base metals and PGM, whereas for gold and diamonds a range of 2–4.5 per cent is used. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The following commonly-used Yardstick factors of the spot price may be considered:

• Not in reported resource: <0.5%

Inferred Resources: 0.5 % to 1 %
 Indicated Resources: 1 % to 2 %

• Measured Resources: 2 % to 5 %

• Ore Reserves: 5 % to 10 %

8.6.1 Bald Hill

In considering a Yardstick cross-check for the Bald Hill tantalite resource valuation, CSA Global used a spot price⁵ of AUD169.19/kg Ta₂O₅.

As CSA Global did not have the opportunity to interrogate or verify the underlying technical data underpinning the declared tantalum Resources and Reserves, the additional risk inherent in accepting these numbers at face value was dealt with by assuming that an acceptable level of confidence for

⁵ Source: Infomine.com – Tantalite ore price 31 August 2016



each Resource and Reserve category was at least equal to the level below the one stated. Therefore the Yardstick factor used for Reserves was equivalent to that normally used for Measured Resources, and the Yardstick Factor used for Indicated Resources was equivalent to that normally used for Inferred Resources.

Therefore, CSA Global utilised the following yardstick valuation factors in considering the value of the Bald Hill Mine Tantalum Resources and Reserves:

Inferred Resources: 0.5% to 1% of spot price
 Indicated Resources: 0.5% to 1% of spot price
 Ore Reserves: 2% to 5% of spot price

When applied to the Bald Hill tantalite resource and reserve base of 1.08 t of contained Ta_2O_5 (Table 21), this gives a range of approximately A\$2.2M to A\$5.3M.

Table 21: Yardstick valuation of Bald Hill tantalum resource base

Tonnage Ta ₂ O ₅ contained	Low (A\$ Million)	High (A\$ Million)
1.08 t	2.2	5.3

8.6.2 Uis Tailings Project

CSA Global have considered the Uis tailings dumps as analogous to low grade stock piles. As Mineral Resources have not been declared for the tailings dumps, and an Exploration Target has likewise not been declared, Yardstick factors in the range of 0.2-0.3 per cent of the spot price may be appropriate.

In order to consider the Uis Project in light of the Yardstick methodology, numerous assumptions, with only limited support, have to be made. These include:

Tonnage of tailings available: 15Mt Tailings Grade Li_2O : 0.5% Concentrate yield for spodumene @ 5% Li_2O : 70%

Based on the limited grade and tonnage information available, CSA Global consider these assumptions to be reasonable, and note that they are suitably conservative.

Using these assumptions, 1.05Mt of spodumene concentrate @ 5% Li₂O can be postulated for the dumps. Using a spot price of US\$420/t for Spodumene concentrate⁶ at 5% Li₂O and Yardstick factors of 0.2% to 0.3% of the spot price, a postulated value range of US\$882,000 to US\$1,323,000 may be derived. Using an exchange rate of US\$0.76: A\$1.00 7 , this would imply a range of approximately A\$1.2M to A\$1.7M (Table 22).

Table 22: Yardstick valuation of Uis Tailings Project

Tonnage spodumene concentrate	Low (A\$ Million)	High (A\$ Million)
1.05Mt	1.2	1.7

⁶ Source: Industrial Minerals Magazine; September 2016: Spodumene concentrate 5% Li₂O CIF US, \$/s.ton US\$420-450

⁷ Source: RBA, A\$/USD 0.7630 for 30 September 2016



8.6.3 Mofe Creek

In considering a Yardstick cross-check for the Mofe Creek resource valuation, CSA Global used a spot price of US\$56.67/tonne⁸, and an exchange rate of US\$0.76: A\$1.00⁹.

In addition, CSA Global utilised the following commonly used yardstick valuation factors:

Inferred Resources: 0.5% to 1% of spot price
 Indicated Resources: 1% to 2% of spot price

When applied to the Mofe Creek resource base of 20.4Mt contained Fe (Table 23), this gives a range of approximately US\$7.4M to US\$14.8M, which equates to approximately A\$9.8M to A\$19.6M.

Table 23: Yardstick valuation of Mofe Creek Project

Tonnage contained Fe	Low (A\$ Million)	High (A\$ Million)
20.4Mt	9.8	19.6

8.7 Geoscientific Factor Method – 'Kilburn' Method

The Geoscientific Factor Method of valuation requires the consideration of those aspects of a mineral property, which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Factor method described by Kilburn (1990) is the derivation of the Base Acquisition Cost (BAC) that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC, which represents the average cost to identify, apply for and retain a base unit of area of tenement.

A BAC for West Australian exploration licences has been estimated using the following data:

- Based on DMP tenement data for West Australia as of August 2015 and the West Australian mining code, it is determined that the average age of Exploration Licences in West Australia is 4 years, and the average size of these licences is approximately 81 km².
- An average cost to identify an area of interest of A\$10,000 was chosen, as well as A\$20,000 for the cost of landowner notices, negotiations, legal costs and compensation.
- An application fee of A\$1,290.25 per licence is payable.
- The holding cost includes a rent of A\$40.7 per km² per annum for the initial 3 years and A\$63.3 per km² for the fourth year.
- West Australian mining law includes a minimum annual expenditure requirement of A\$333.33 per km² for the initial 3 years and A\$500 per km² for the fourth year.

Altogether, this gives a BAC for the average West Australian Exploration Licence of A\$2,170 per km², as shown in Table 24.

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⁸ Source: IndexMundi.com – China import Iron Ore fines 62% Fe spot (CFR Tianjin port), September 2016.

⁹ Source: RBA, A\$/USD 0.7630 for 30 September 2016



Table 24: Estimation of the BAC for West Australian Exploration Licences (non-pastoral land)

Statistic	Unit	Value A\$
Average Licence size	km²	81
Average licence age	Years	4
Application fee	A\$ per licence	1290.25
Annual Rent Year 1-3	A\$ per km²	40.7
Annual Rent Year 4	A\$ per km²	63.3
Minimal Annual Expenditure Year 1-3	A\$ per km²	333.33
Minimal Annual Expenditure Year 4	A\$ per km²	500
Deemed Cost of Identification of a licence	A\$ per licence	10,000
Costs of Landowner notices, negotiations, legal costs and compensation	A\$ per licence	20,000
Annual costs of Local Govt rates	A\$ per licence	2,000
BAC of Average licence	A\$ per km²	2,170

CSA Global considered the various factors indicated in Table 29 (Appendix 1) in assessing the Technical Value of each project area. The ratings for each project are indicated in Appendix 4. Note the licences in application were discounted by 30% to reflect the lack of certainty over grant. Also note that CSA Global specifically considered the exploration potential of the individual licences in terms of pegmatite-hosted lithium mineralisation.

A Market Factor of 1.2 was applied in deriving a Fair Market Value from the Technical Value obtained from the rating matrix.

This factor was chosen such that the average value per square kilometre for the tenement package considered is consistent with the range of valuation factors obtained from the analysis of comparative transactions. CSA Global is of the view that this adequately accounts for market factors on an empirical basis, and accounts for the current market appetite for lithium exploration ground.

A summary of the considerations of value employing the Kilburn method for the AMAL Bald Hill tenement holding and Tawana's Cowan and Yallari Projects is provided in Table 25.

Table 25: Summary of Kilburn Valuations

Project	Area (km²)	Low (A\$ Million)	High (A\$ Million)	Preferred (A\$ Million)
Bald Hill Tenement	789	4.2	14.9	9.5
Cowan	174	5.7	15.8	10.7
Yallari	102	0.3	1.2	0.8

BAC: A\$2,170/km², Market factor: 1.2

8.8 Preferred values

8.8.1 AMAL's Bald Hill Mine

CSA Global assessed the possible value of the tantalum resource base of the Bald Hill Mine by considering comparable market transactions and by considering the Yardstick cross-check on value (Figure 31). Generally, CSA Global place more reliance on the market comparatives approach, as it considers actual market transactions of reasonably comparable assets. The Yardstick cross-check is very general in nature, and takes a market-wide view of a commodity. It does not consider specifics of asset type or quality, or any geographic factors.



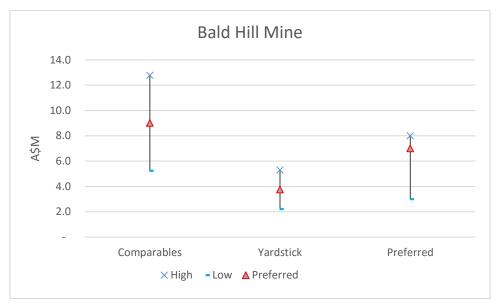


Figure 31: Summary of Preferred Value for Bald Hill Mine

There is risk in this valuation, in that the comparable transaction valuation was informed by a very small number of transactions. CSA Global nevertheless believe that this gives a reasonably accurate reflection of current market sentiment.

For a project at this stage of development, standard practice would normally involve considering a cashflow-based (DCF) valuation of the project, which would provide a project-specific view on value. This was not possible, as CSA Global did not have the opportunity to assess or verify the technical data underpinning the declared Mineral Reserve.

CSA Global note that the Preferred value is towards the higher end of the valuation range. This reflects the unquantifiable upside potential of the lithium content of the pegmatites, as confirmed by AMAL's demonstrated ability to produce a lithium concentrate when processing the pegmatite ore.

8.8.2 AMAL's Bald Hill Tenement Holding

CSA Global are of the opinion that the Bald Hill tenement holding has value additional to that attributable to the tantalum resource by virtue of its exploration potential for lithium. AMAL have demonstrated the value of this potential by preparing a lithium concentrate whilst processing pegmatite ore for tantalum through their existing plant.

CSA Global have assessed this value by considering a valuation based on transactions involving comparable exploration properties, as well as by considering a Geoscientific Factor (Kilburn) valuation of the tenement holding (Figure 32).





Figure 32: Summary of Preferred Value for Bald Hill Tenement

CSA Global generally place more reliance on the market-based approach, however in this case CSA Global consider that the Kilburn valuation supports the market-based valuation very well.

8.8.3 Tawana's Yallari Project

CSA Global have also assessed the value of Tawana's Yallari Project by considering area-based comparable transactions and a Kilburn assessment of value (Figure 33). In this case as well, the Kilburn valuation supports the market-based valuation very well.

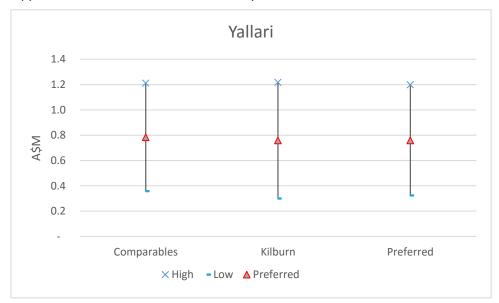


Figure 33: Summary of Preferred Value for Yallari Project

8.8.4 Tawana's Cowan Project

Similarly to the Bald Hill tenements and the Yallari Project, CSA Global has assessed the value of the Cowan Project by considering comparable market transactions, as well as using the Kilburn method Figure 34.



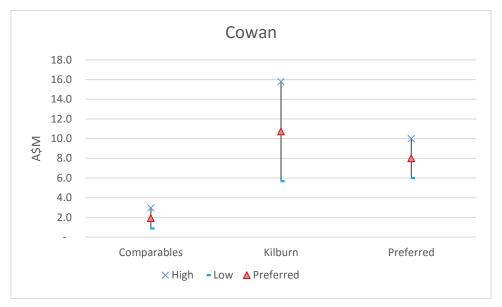


Figure 34: Summary of Preferred Value for Cowan Project

In this case, the market method and the Kilburn method provide very different results, with the Kilburn method suggesting a higher value, and a greater valuation range. CSA Global consider that in this case, the Kilburn method is more accurately reflecting the value of the groundholding due to the exploration potential for lithium-bearing pegmatites. It is worth noting that the Kilburn valuation of the Cowan Project was carried out in conjunction with the Kilburn valuations of the Bald Hill and the Yallari groundholdings. The same datasets, personnel and rating methodology was followed. CSA Global therefore have confidence that the higher value is based on enhanced exploration potential.

CSA Global have therefore set the preferred value range within the range implied by the Kilburn valuation, but have restricted it to the lower portion of the large implied range. This acknowledges the exploration potential whilst allowing for the effects of large individual licences "smearing" high ratings over a large area.

8.8.5 Tawana's Uis Tailings Project

CSA Global assessed the value of the Uis Tailings Project by considering an area-based valuation (based on characterising the project as analogous to an early-stage exploration play), and by considering the potential value of contained lithium (conceptualising the dumps as low grade stockpiles).

Considering the potential value of the Uis Project in terms of exploration transactions would imply a potential value range of A\$11,000 to A\$1.9M due to the limited area of the project and the high value of the transaction that informs the high end of the range (Figure 35). Considering the potential value of the project in terms of potential spodumene contained (analogous to a low grade stock pile) could possibly imply a value range of approximately A\$1.2M to A\$1.8M.

CSA Global suggest that a suitable value for the Uis Project may lie within the range of A\$0.2M to A\$1.8M, with a preferred value of A\$1.0M. This comparatively large value range and low bottom end reflect the comparatively high uncertainty, with large potential upside.



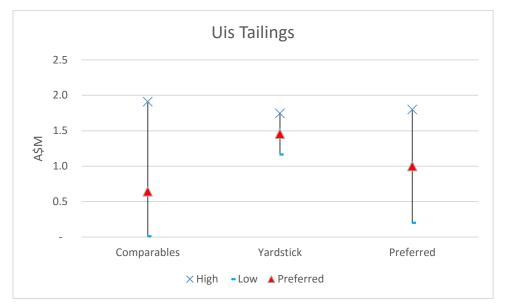


Figure 35: Summary of Preferred Value for Uis Tailings Project

8.8.6 Tawana's Mofe Creek Project

In assessing the value of the Mofe Creek Project, CSA Global considered a valuation based on comparable market transactions, as well as a valuation based on Yardstick valuation factors (Figure 36).

In this case, the implied values diverged significantly, with the Yardstick valuation implying a much higher value than the market-based approach. CSA Global generally prefer the market-based approach, as this is based on actual transactions that are reasonably comparable to the asset under consideration, whereas the Yardstick approach takes a market-wide approach to the commodity, and does not consider project styles, geographic regions, etc.

CSA Global has based its valuation range and preferred value on the outcomes of the market-based approach, as this better accounts for current market sentiment towards Liberian itabirite iron ore. CSA Global does not consider the Yardstick valuation to be a reasonable reflection of the value of the project in these circumstances.

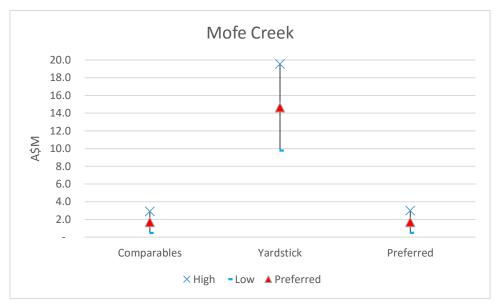


Figure 36: Summary of Preferred Value for Mofe Creek Project



9 Conclusions

9.1 AMAL's Bald Hill Mine

CSA Global considered AMAL's Bald Hill tenement holding in terms of current tantalum Resources and Reserves associated with the Bald Hill Mine, as well as in terms of the lithium exploration potential of the larger tenement holding as a whole.

9.1.1 Tantalum Reserves and Resources

CSA Global did not have access to the technical data underlying the declared tantalum Mineral Reserves and Mineral Resources of Bald Hill Mine. It was therefore not possible to assess or verify these resources and reserves, or to assess the level of risk associated with them.

On a prima facie basis, the project has merit, and AMAL has committed capital and resources to recommissioning the plant on site, and has demonstrated that a lithium concentrate can also be produced from the pegmatite material mined. This delivers a currently unquantifiable upside to the potential value of the project.

The drop in tantalite ore price to around AUD170/kg will impact the declared Reserves, which were established on the basis of a AUD250/kg tantalite price. CSA Global were not able to assess this impact.

9.1.2 Lithium Exploration Potential

CSA Global believe that the Bald Hill tenement holding has value in addition to that of the declared Mineral Resources and Reserves, as it is moderately to highly prospective for pegmatite-hosted lithium mineralisation. Combining Tawana's adjacent Cowan tenement holding with the Bald Hill tenements will yield value-accretive synergies.

9.2 Tawana's Mount Belches Project

The Mount Belches Project consists of the Cowan and the Yallari tenement groups.

9.2.1 Cowan

The Cowan tenement holding is adjacent to the AMAL Bald Hill tenement holding, and straddles much of the strike length of the highly prospective ground. This makes the project highly prospective for pegmatite-hosted lithium mineralisation. Combining this groundholding with AMAL's Bald Hill groundholding will likely facilitate systematic exploration, and will provide a processing facility with a demonstrated ability to produce lithium concentrate.

9.2.2 Yallari

The Yallari tenement holding is currently in application. Pegmatites are known to occur in the area, but LCT pegmatites are not currently known on the property.

9.3 **Uis Tailings Project**

The Uis Tailings Project is at an early stage of investigation. It is conceptually similar to a low grade stock pile. There are many technical questions to resolve, but CSA Global believe that Tawana's planned sampling programme is likely to answer many of these questions, such as the likely lithium grade of the dumps, the mineralogy of the ore minerals, the consistency of grade, and whether or not a lithium concentrate can be easily produced.



9.4 Mofe Creek Project

The Mofe Creek Project in Liberia is currently dormant. The current iron ore price and market sentiment make it unlikely that capital will be allocated to developing it in the near future. The mineral resource and the technical work completed for the scoping study do add value to the project, but current market conditions will place limitations on how much of this value can be realised through selling the project.

9.5 Opinion on Value

CSA Global considered the results of the assorted methods used to assess the value of the various projects, and determined Preferred Valuation Range and Preferred Value for each project (Table 26). CSA Global's basis for these ranges are discussed for each project in Section 8.8 of this report. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Table 26: Summary of Preferred Values (100% basis)

Company	Asset	Low (A\$ Million)	High (A\$ Million)	Preferred (A\$ Million)
	Bald Hill Mine	3.0	8.0	7.0
AMAL	Bald Hill Tenements	4.0	14.0	9.0
	Total	7.0	22.0	16.0
	Cowan	6.0	10.0	8.0
	Yallari	0.3	1.2	0.8
Tawana	Uis	0.2	1.8	1.0
	Mofe Creek	0.5	3.0	1.7
	Total	7.0	16.0	11.5

The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.



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11 Glossary

For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org



Appendix 1: Valuation Approaches

Background

Mineral Assets are defined in the VALMIN Code¹⁰ as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA Global has identified what it considers to be comparable transactions that have been used in assessing the values to be attributed to the Mineral Assets.

Valuation Methods for Exploration Projects

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have welldefined Ore Reserves, as listed below:

¹⁰ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code, 2015 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.



- "Early-stage Exploration Projects" tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- "Advanced Exploration Projects" tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- "Pre-Development Projects" tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made.
- "Development Projects" tenure holdings for which a decision has been made to proceed with
 construction or production or both, but which are not yet commissioned or operating at design
 levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- "Production Projects" tenure holdings particularly mines, wellfields and processing plants that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by four general approaches: Cost; Market; Geoscience Factor or Income.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past expenditure through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 27 lists the PEM factors and criteria used in this Report.

Table 27: Prospectivity Enhancement Multiplier (PEM) Factors

Tuble 27:	Prospectivity Enhancement Multiplier (PEM) Factors
PEM Range	Criteria
0.2-0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5–1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0-1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3–1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5-2.0	Scout drilling (RAB, aircore, RCP) has identified interesting intersections of mineralisation
2.0-2.5	Detailed drilling has defined targets with potential economic interest
2.5–3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0-4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0-5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment



Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Geoscience Factors

Geoscience Factor Method seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.



Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The Geoscientific Factors method is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies:
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued:
- Number and relative position of anomalies on the property being valued;
- Geological models appropriate to the property being valued.

The Geoscientific Factor method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 29).

The Basic Acquisition Cost (BAC) is an important input to the Geoscientific Factors Method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) Methods are commonly used where a Mineral Resource remains is in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and PGM, whereas for gold and diamonds a range of 2% to 4.5% is used. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

Income

The Income Approach is relevant to exploration properties on which undeveloped Mineral Resources have been identified by drilling. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining a NPV.

The Income Approach is not appropriate for properties without Mineral Resources.



Valuation Approaches by asset stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

The table below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 28: Valuation Approaches for different Types of Mineral Properties (VALMIN, 2015)

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

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Table 29: Geoscientific Factor Ranking

Rating	Address/Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
Natilig	, , ,	1 /	•	
0.5	Very little chance of mineralisation;	Very little chance of mineralisation;	Extensive previous exploration with poor	Generally unfavourable lithology
	concept unsuitable to the environment	concept unsuitable to the environment	results	No alteration of interest
	Exploration model support;	Exploration model support;	Extensive previous exploration with	Deep Cover;
1	Indications of prospectivity	Indications of prospectivity	encouraging results	But generally favourable
	Concept validated	Concept validated	Regional targets	lithology/alteration (70%)
	Recon (RAB/AC) drilling with some	Exploratory Sampling with	Covered early stage targets outlined from	Shallow cover
1.5	scattered favourable results	encouragement	Several early stage targets outlined from	Generally favourable lithology/alteration
	Minor Workings		geochemistry and geophysics	50-60%
	Several Old Workings	Several Old Workings	Coursel well defined to weets accompanyed	
2	Significant RCP drilling leading to	Recon drilling or RCP drilling with	Several well defined targets supported	Exposed favourable lithology/alteration
	advanced project	encouraging intersections	by recon drilling data	
	Abundant Workings	Abundant Workings	Carrant and defined to a describe	
2.5	Grid drilling with encouraging results on	Core drilling after RCP with	Several well defined targets with	Strongly favourable lithology, alteration
	adjacent sections	encouragement	encouraging drilling results	
			Consolidation if the state of t	Generally favourable lithology with
3	Mineral Resource areas defined	Advanced Res Def. drilling (early stages)	Several significant sub-economic targets	structures along strike of a major mine;
			No indication of 'size'	Very prospective geology
	Abundant Workings/mines with		Several significant sub-economic targets	
	significant historical production	Abundant Workings/mines with	Potential for significant 'size'	
3.5	Adjacent to known mineralisation at PFS	significant historical production	Early stage drilling	
	stage	Mineral Resource areas defined	, , ,	
_	Along strike or adjacent to Resources at	Adjacent to known mineralisation at PFS	Marginally economic targets of	
4	DFS stage	stage	significant 'size' advanced drilling	
	9	Along strike or adjacent to Resources at	Marginal economic targets of significant	
4.5	Adjacent to development stage project	DFS stage	'size' with well drilled Inferred Resources	
	Along strike from operating major		Several significant ore grade co-relatable	
5	mine(s)	Adjacent to development stage project	intersections	



Appendix 2: Resource Transactions

Recent West Australian Tantalite resource transactions

Transaction	Project	Date Announced	Tantalite Price (A\$/kg)	A\$/USD	Buyer	Seller	Synopsis	Equity	Tons	Grade Ta2O5	Contained Ta ₂ O ₅ t	Resource Class	% above Inferred	\$/t	Normalised	Comment
Pilbara acquisition of Pilgangoora	Pilgangoora	May-14	175	0.9319	Pilbara Minerals Limited	Global Advanced Metals Wodgina Pty Ltd	In late May 2014, Pilbara announced the acquisition of the Pilgangoora tantalum-lithium project, comprising three mining leases and two exploration licences covering 31 km2, and including a historic database of 100 RCP drillholes for 7,757m. Within weeks, Pilbara announced a maiden resource for Pilgangoora, based on the historical drilling, Pilbara announced an inferred Resource of 10.4Mt @ 0.024% Ta2O5 for 5.5Mlbs ta2O5. This also included an Inferred Resource of 8.6Mt @1.01% Li2O (spodumene) for 87,000 t of lithium	100%	10,400,000	0.024%	2,496	Inferred	0%			Transaction price not disclosed.
Pilbara consolidation of Tabba Tabba	Tabba Tabba	Sep-15	200	0.701	Pilbara Minerals Limited	Valdrew Nominees Pty Ltd trading as Nagrom and Co	In September 2015, Pilbara announced that it had acquired the remaining 50% interest in the Tabba Tabba Joint Venture from JV partner Nagrom. The tenements are 100% owned by Global Advanced Metals (GAM), with the joint venture having a Mining and Processing Agreement with GAM.	50%	318,100	0.095%	302	Reserves, Measured, Indicated, Inferred	70%	19,922	16,853	Tenure wholly owned by third party, which has granted a Mining and Processing Agreement with the JV
Pilbara earn- in to Tabba Tabba	Tabba Tabba	Oct-13	225	0.949	Pilbara Minerals Limited	Valdrew Nominees Pty Ltd trading as Nagrom and Co	In October 2013, Pilbara announced an agreement with Nagrom, whereby Pilbara would earn a 50% interest in the Tabba Tabba Project, whose main asset is a mining and processing agreement with GAM, the 100% owners of the tenure.	50%	211,000	0.124%	262	Inferred	0%	9,173	6,898	



Recent African Itabirite iron ore transactions

Transaction	Project	Country	Date	Iron ore Price (USD/t)	A\$/US D	Buyer	Seller	Synopsis	Equity	Tons (Mt)	Grade	Contained (Mt)	Resource Class	% above Inferred	\$/t	Norma lised	Comment
West Peak divestment of Liberian Projects	Bomi South, Bobo Creek, Mount Koklun	Liberia	Sep-14	82.27	0.8752	Mineraux Limited	West Peak Iron Limited	In September 2014, West Peak announced an agreement with Mineraux Limited for the sale of its Liberian assets, consisting of the Bomi South, Bobo Creek and Mount Koklun iron ore projects. An initial interest of 17% would be granted following payment of US\$50,000, with an additional 17% (34% aggregate) to be earned by sole funding US\$100,000 by 31 December 2014, and a further 17% (51% aggregate) by sole funding US\$150,000 by 30 June 2015. A final 49% interest (100% aggregate) would be granted on written notice before 30 June 2015 if the 49% earn-in had been achieved. The agreement was terminated and the licences were relinquished prior to Mineraux attaining 34% equity.	17%	11.1	36%	4.036	Inferred	0%	0.15	0.10	Terminated and licences relinquished. Small.
Al Rawda earn-in to Askaf	Askaf	Mauritania	Sep-15	56.43	0.701	Al Rawda Resources Limited	Sphere Minerals Limited	In September 2015, Sphere announced that it had granted an exclusive 3 month option to AI Rawda to purchase an 80% interest in the Sphere vehicle which owns 90% of the Askaf Project. The purchase price if the option is exercised is US\$10M in cash, plus a mine royalty of 2.5% of FOB revenue. The cash is payable in three equal tranches - firstly on completion of the transaction documents, secondly on taking a deciosion to mine (after completion of a Feasibility Study) and finally on commencement of production.	72%	570	35%	198.6	Measure d, Indicated, Inferred	63%	0.05	0.05	Agreement varied and restated in March 2016, extending the option period from 3 months to 1 year, and allowing for a Feasibility Study prior to exercise of option.
Equatorial divestment of Mayoko	Mayoko	Republic of Congo	Aug- 15	55.38	0.7149	Midus Global Ltd	Equatoria Resource s Ltd	In August 2015, Equatorial announced a conditional sale agreement with Midus, a subsidiary of Interalloys Trading limited, whereby Midus would acquire the mayoko-Moussondji Project in the Republic of Congo. Consideration would be A\$5M in cash and a royalty of 2% of the receipts from sales of all iron ore extracted, produced or sold from any mining operations at Mayoko-Moussondji. A Pre-Feasibility Study had previously been completed in 2014, and Interalloys stated the intention of rapidly advancing development, with the ambition of small scale production in 2016.	100%	917	31%	287.9	Reserves, Indicated, Inferred	30%	0.02	0.02	Hematite. High-level financial modelling of similar order - opex ~US\$40/t, product 64.1% Fe fines. Resource base much larger.

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Transaction	Project	Country	Date	Iron ore Price (USD/t)	A\$/US D	Buyer	Seller	Synopsis	Equity	Tons (Mt)	Grade	Contained (Mt)	Resource Class	% above Inferred	\$/t	Norma lised	Comment
Afferro divestment of Putu	Putu	Liberia	Dec-11	136.46	1.0156	Lybica Holdings B.V.	Afferro Mining Inc.	In December 2011, Afferro announced that it would sell its 38.5% stake in the Putu iron ore project in Liberia to lybica, which held the remaining 61.5% interest in the project. Consideration for the transaction was US\$115M cash, with US\$65M as an upfront payment, and a deferred payment of US\$50M, with additional consideration should Lybica sell the project to a third party before 31 March 2015.	39%	3,240	34%	1,111	Indicated, Inferred	58%	0.26	0.11	Massive resource. 1.89 Bt itabirate in indicated category

Shading key – Green : Liberian projects



Appendix 3: Exploration Area Transactions

Lithium exploration project transactions announced in 2016

Project Name	Asset summary	Country	Date of transaction	Selling Company	Purchasing Company	Transaction Details	Area (km²)	Implied Value/km2 (A\$)	Comments
Pilbara Lithium- Gold Project	A 29 km2 package adjacent to Pilbara Minerals' Pilgangoora lithium-tantalum project and Altura Minings' lithium project. Small gold resource of 49.5koz (993,000t @ 1.65g/t), with a prior production history of 125koz.	Australia	Jan-16	Tyranna Resources	Mining Projects Group Limited	Initial cash payment of A\$20,000. Further payment of A\$200,000 and 200M shares on completion, with a further 100M shares when the tenements are granted. Further contingent consideration of: 80M shares on establishing a mineral resource of at least 5Mt @1.2% Li2O or 500,000 oz of gold within 3 years of Completion Date, and a further 80M shares on establishment of a resource of at least 15Mt @1.2% Li2O or 1Moz of gold within 5 years of the Completion Date.	29	46,790	Tenement not granted at time of transaction
Donnelly Lithium Project	Greenbushes Mineral Field	Australia	Apr-16	entity associated with Paul Askins and Helen Ansell	Pioneer Resources Ltd	\$10,000 for exclusive option to transact on Tenements once granted When tenememnts are granted / Pioneer withdraws, Tenement holders to be paid \$25,000 Annually thereafter \$35,000 annual extension option payment to vendors and Pioneer to maintain tenements in good standing Pioneer may exercise the option to acquire 90% interest inthe tenements at any stage for \$1 mil,after which Vendor may enter JV and contribute to further expediture on pro-rata basis (10%) or revert to 1.5% royalty.	220	5,051	

Mineral Assets of Tawana Resources NL and Alliance Minerals Assets Ltd



Project Name	Asset summary	Country	Date of transaction	Selling Company	Purchasing Company	Transaction Details	Area (km²)	Implied Value/km2 (A\$)	Comments
Pilbara (Shaw River Group, South Yule Group, Railway Group, and Corunna Downs Prospect)	Acquire Shaw River Lithium Pty Ltd, the holder of 13 prospecting licence applications in the Pilbara region of Western Australia. 14 specific targets within 13 prospecting licence applications across 4 locations with 2,534 hectares covered.	Australia	May-16	Shaw River Lithium Pty Ltd	Capital Mining	Aud\$150,000 in shares and further \$150,000 to be issued on grant of at least 50% of the licence applications (30 million shares at a deemed issue price of \$0.005 at completion of the acquisition and a further 30 million shares at a deemed issue price of \$0.005 upon at least 50% of the licence applications being granted)	25.34	11,839	
Lake Percy	A single granted exploration licence covering 41 km2, with historical exploration recording large pegmatites, in a greenstone belt with known lithium-bearing pegmatites.	Australia	Jun-16	White Cliff Minerals Limited	Liontown Resources Limited	-Commitment to spending A\$50,000 on exploration before having the right to withdraw from the JV - Expenditure of A\$1M within 3 years to earn 51% equity, with the option to increase equity to 70% by spending an additional A\$750,000 before the 4th anniversary of the JV agreement	41	39,602	
Lake Johnston project	Lithium rights over two granted exploration licences covering 300 km2 adjacent to LIT's tenement holding. Known LCT pegmatites on holding, with recent positive results on adjacent tenure.	Australia	Jun-16	US Masters Holdings	Lithium Australia NL	LIT to pay USH 9M fully paid ordinary shares in LIT for the lithium rights to the 2 granted tenements.	300.3	6,743	
Cowan and Yallari projects	A 259 km2 package consisting of 3 granted Els (Cowan project) and 2 applications (Yallari project), in the Goldfields region of WA. The Cowan project licences are adjacent to the Bald Hill mine.	Australia	Jul-16	Mount Belches Pty Ltd	Tawana Resources NL	Tawana acquired Mount Belches by issuing 40M Tawana shares. In addition, Tawana paid A\$100,000 as an option agreement for Mount Belches to acquire the tenements, and agreed to pay a further A\$2M in cash or shares any time up to 4 March 2017.	259.2	11,901	
Kathleen Valley	Rare metal rights to a 45 km2 package comprising 15 granted Mining Leases. The leases were mined for gold, but contain known pegmatites that returned lithium and tantalum values from rock chip sampling. Ramelius will retain exclusive gold rights and	Australia	Aug-16	Ramelius Resources Limited	Liontown Resources Limited	Liontown will issue 25M fully paid shares. In addition, Liontown will pay Ramelius 1% of gross sales of resulting concentrate produced from pegmatite-hosted ores processed, and A\$0.50 per tonne of rare metal pegmatite-hosted ore mined and milled	45	10,000	



Project Name	Asset summary	Country	Date of transaction	Selling Company	Purchasing Company	Transaction Details	Area (km²)	Implied Value/km2 (A\$)	Comments
	uninhibited access for gold- mining related activities.								
Yalgoo	Exclusive Li and other rare earth minerals rights over two granted exploration licences covering an area of 191 km2 in the Yalgoo region of WA, in proximity to McArthur's existing Edah Hill lithium tenements. Tenements include mapped and drill-intersected pegmatites.	Australia	Aug-16	Private company	Macarthur Minerals	Initial cash payment of A\$30,000 upon satisfaction of conditions precedent in the Purchase Agreement, followed by a cash payment of A\$50,000 upon the first anniversary of the commencement of the Purchase Agreement. A further contingent payment of A\$250,000 upon defining a 5 million tonne JORC resource of >1.2% Li2O, andA\$500,000 upon defining a 15 million tonne JORC resource of >1.2% Li2O. Also a net smelter royalty of 2.5% for lithium concentrate produced on the Yalgoo Acreage, and 50% of Western Australian Department of Minerals and Petrleum royalty rate for other rare earth minerals.	191	2,264	
Mount Hope mining lease	Granted mining lease covering 73Ha adjacent to Marindi's priority 1 Li area within its Forrestania Lithium Project tenement holding. The mining lease includes several known LCT pegmatites, and includes the Gem pegmatite, which was mined for tantalum, tin and semi-precious stones in the 1980's.	Australia	Sep-16	Private company	Marindi Metals Ltd	Marindi to pay \$50,000 for a six-month option On exercise of the option Marindi will pay a further \$50,000 in cash and \$100,000 in shares plus spend \$300,000 on exploration over the next 24 months to earn a 51% interest Marindi has the right but not the obligation to spend a further \$150,000 on exploration to earn up to a 70% interest within 30 months of exercise of the option and issue a further \$40,000 in shares Once Marindi has earnt its 70% interest it can purchase the remaining 30% on terms to be mutually agreed.	0.7353	769,347	Very small, focused area. Highly strategic, as it provides Marindi with walk-up targets within its larger project area.

TAWANA RESOURCES NL

Mineral Assets of Tawana Resources NL and Alliance Minerals Assets Ltd



Project Name	Asset summary	Country	Date of transaction	Selling Company	Purchasing Company	Transaction Details	Area (km²)	Implied Value/km2 (A\$)	Comments
Lynas Find lithium project	A 268 km2 package of 2 granted Els and a granted PL, as well as 4 EL applications adjacent to Pilbara's Pilgangoora lithium-tantalum project. Core granted licences include Indicated and Inferred Resource of 7.3Mt @1.25% Li2O, 85ppm Ta2O5 and 0.99% Fe2O3.	Australia	Oct-16	Dakota Minerals	Pilbara Minerals Limited	Cash cost: - A\$4M for the core tenements with the mineral resource, with an additional A\$1M payable upon the grant of an extension of term for E45/3648. Pilbara will also pay a further A\$750,000 (in cash or shares) for each of the additional four exploration tenements currently under application, on their grant and transfer to pilbara within the next 12 months.	268	18,657	
Blesberg Lithium- Tantalum Project	Granted Prospecting Right covering 887 hectares, including the entire historic Blesberg Hill mine and infrastructure. Mineralised pegmatite deposit, with historic production including spodumene concentrate, tantalite, feldspar, bismuth, beryl and mica.	South Africa	Nov-16	Undisclosed	Australian Vanadium Limited	AVL to fund SA Lithium's acquisition of 50.03% in the project by payment of US\$1M in 3 tranches, and funding an exploration earn-in phase of US\$2M by June 2018. AVL to acquire 100% interest in SA Lithium by payment of an option fee of 7M shares, with payment on exercise of the option being 70M shares, 40M performance rights, convertible within 18 months into AVL shares upon AVL electing to proceed with further exploration after drilling at least 2000m, and 40M performance rights convertible within 3 years into AVL shares upon AVL announcing a mineral resource of at least 50,000 t of Lithium Carbonate Equivalent	8.87	1,061,568	Very small, focused area, centred on historic mine, with strong known exploration potential

Shading key – Orange : excluded

Blue: Southern African focused area surrounding historic mine



Appendix 4: Kilburn ratings

Kilburn Ratings for Bald Hill tenements

		Area		Interest	Off Pr	operty	On Pr	operty	Ano	maly	Geo	logy			Value (A\$)	
Licence	Status	(km²)	BAC		Low	High	Low	High	Low	High	Low	High	Market	Low	High	Preferred
E15/1161	Live	3	6,510	100%	2.5	3	1	1.5	1	1	1.5	2	1.2	29,295	70,308	49,802
E15/1162	Live	9	19,530	100%	2.5	3	1.5	2	1	1.5	2	2.5	1.2	175,770	527,310	351,540
M15/400	Live	0.05	109	100%	2.5	3	2.5	3	2.5	3	3	3	1.2	6,103	10,546	8,325
R15/1	Live	0.0973	211	100%	2.5	3	1.5	2	2	3	2.5	3	1.2	4,751	13,682	9,216
M15/1811	Pending		-	70%												
E15/1058	Live	27	58,590	100%	1	1.5	1	1.5	1	1	1.5	2	1.2	105,462	316,386	210,924
E15/1066	Live	69	149,730	100%	1	2	1	1.5	1	1	1	1	1.2	179,676	539,028	359,352
E15/1067	Live	69	149,730	100%	1	1	1	1	1	1	1	1.5	1.2	179,676	269,514	224,595
M15/1470	Live	0.04	87	100%	1	1.5	1	1	1	1	1	1.5	1.2	104	234	169
P15/5865	Live	0.02	43	100%	1	1.5	1	1	1	1	1	1.5	1.2	52	117	85
P15/5866	Live	0.0199	43	100%	1	1.5	1	1	1	1	1	1.5	1.2	52	117	84
E15/1555	Pending	60	130,200	70%	1	1	1	1	1	1	1	1.5	1.2	109,368	164,052	136,710
E15/1556	Pending	48	104,160	70%	1	2	1	1.5	1	1	1.5	2	1.2	131,242	524,966	328,104
E15/1353	Live	210	455,700	100%	1	1.5	1.5	2	1	1.5	1.5	2	1.2	1,230,390	4,921,560	3,075,975
M15/1305	Live	0.0098	21	100%	2.5	3	1.5	2	1.5	2	1.5	2	1.2	215	612	414
M15/1308	Live	0.0093	20	100%	2.5	3	1.5	2	1.5	2	1.5	2	1.2	204	581	393
E15/1166	Live	15	32,550	100%	2.5	3	1	1.5	1	1.5	1.5	2	1.2	146,475	527,310	336,893
E15/1212	Live	48	104,160	100%	2.5	3	1	2	1	1.5	1.5	2	1.2	468,720	2,249,856	1,359,288
E15/1492	Pending	153	332,010	70%	2.5	3	1	1.5	1	1.5	1.5	2	1.2	1,045,832	3,764,993	2,405,412
E15/1493	Pending	78	169,260	70%	2.5	3	1	1.5	1	1	1	1.5	1.2	355,446	959,704	657,575
P15/5465	Live	0.015	33	100%	2.5	3	1	1.5	1	1.5	1.5	2	1.2	146	527	337
P15/5466	Live	0.015	33	100%	2.5	3	1	1.5	1	1.5	1.5	2	1.2	146	527	337
P15/5467	Live	0.015	33	100%	2.5	3	1	1.5	1	1.5	1.5	2	1.2	146	527	337



Licence St	Status	Area	BAC	Interest	Off Pr	operty	On Pr	operty	Ano	maly	Geo	logy	Market		Value (A\$)	
Licence	Status	(km²)	BAC		Low	High	Low	High	Low	High	Low	High	iviarket	Low	High	Preferred
P15/5862	Live	0.02	43	100%	1	1.5	1	1	1	1	1	1.5	1.2	52	117	85
P15/5863	Live	0.02	43	100%	1	1.5	1	1	1	1	1	1.5	1.2	52	117	85
P15/5864	Live	0.02	43	100%	1	1.5	1	1	1	1	1	1.5	1.2	52	117	85

Kilburn Ratings for Cowan Project licences

Licence Status		Area	BAC	Interest	Off Pr	operty	On Pr	operty	And	maly	Geo	logy	Market		Value (A\$)	
Licence	Status	(km²)	BAC		Low	High	Low	High	Low	High	Low	High	Market	Low	High	Preferred
E15/1205	Live	6	13,020	100%	1.5	2	1.5	2	1.5	2	2	2.5	1.2	105,462	312,480	208,971
E15/1466	Live	60	130,200	100%	2.5	3	1.5	2	2.5	3	2.5	3	1.2	3,661,875	8,436,960	6,049,418
E15/1377	Live	108	234,360	100%	1.5	2.5	1.5	2	1.5	2	2	2.5	1.2	1,898,316	7,030,800	4,464,558

Kilburn Ratings for Yallari Project licences

Licence	Status	Area	BAC	Interest	Off Pr	operty	On Pr	operty	Ano	maly	Geo	ology	Market		Value (A\$)	
Licence	Status	(km²)	BAC		Low	High	Low	High	Low	High	Low	High	iviarket	Low	High	Preferred
ELA15/1401	Pending	42	91,140	70%	2.5	3.5	1	1.5	1	1	1	1.5	1.2	191,394	602,891	397,143
ELA15/1526	Pending	60	130,200	70%	1	2.5	1	1.5	1	1	1	1.5	1.2	109,368	615,195	362,282



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Appendix 4 - Independent Asset Valuation Report

A Review of the Bald Hill Metallurgy, Processing and Recovery and Independent Valuation Report of Plant and Equipment

Prepared by Mineral Project Consultants Pty Ltd

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Executive Summary

The Bald Hill processing facility and metallurgical performance has been inspected and reviewed by Mineral Project Consultants Pty Ltd with the following findings.

- The plant remains generally in a robust condition with no major threats to its structural integrity and with only minor surface rust on catwalks and hand rails some of which has already been treated or in the process of being treated.
- Significant quantities of Tantalum product have been recovered by both Haddington and AMAL at a premium grade with very low levels of potentially deleterious metals and at good grades and acceptable recovery.
- Although no production or sales figures have been provided it is understood that significant quantities of Spodumene, high grade garnet, ilmenite and tin concentrates have also been produced as by-products.
- The recent almost 400% increase in the price of lithium carbonate since January 2015 has renewed focus on this mineral and apart from the quantities that have already been produced additional test work to improve recovery and grade of this mineral is currently underway at Nagrom Minerals in Perth.
- The test work program at Nagrom, although incomplete, has so far produced a 7.02% Li₂O product at 80.02% recovery.
- A flotation test work step is still currently underway at Nagrom however the above results to date are considered excellent by both MPC and Nagrom.
- The processing facility has been inspected and valued as it stands at approximately \$6.35M within a range of \$4M to \$7.5M that in the absence of access to an asset register and/or detailed equipment list has been provided to a level of confidence of ±40%.

Haddington Tantalum Production

Historical tantalite production by Haddington International Resources Limited (Haddington) included 369.65 tonnes at a (recovered) grade of 270ppm and 63% overall recovery of Ta_2O_5 from Sept 2001 to December 2005.

Ot.,	Ore Treated	Head	Tantalum Oxide	Tantalum Oxide	Recovered Grade	Calc Rec	Stated Rec	Concentrate	Con Grade
Qtr	(t)	(ppm)	(pounds)	(Kgs)	ppm Ta2O5	%	%	t	% Ta205
Sep-01	25,104	400	12104	5492	215	54			
Dec-01	51,265	533	37654	17084	328	62		215	10.6
Mar-02	50,177	511	33469	15186	298	58		221	10.1
Jun-02	54,218	440	31193	14153	257	58		196	12.3
Sep-02	76,346	359	43604	19784	255	71		283	12.0
Dec-02	78,154	461	45028	20430	257	56		211	16.5
Mar-03	80,168	441	42620	19338	237	54		223	16.0
Jun-03	101,128	398	50035	22702	221	55	58	308	14.7
Sep-03	78,825	378	37467	17000	212	56	54.5	182	19.3
Dec-03	97,889	388	54117	24554	247	64	64	243	18.0
Mar-04	84,639	421	56379	25580	297	71	71.5	262	14.4
Jun-04	87,071	431	54844	24884	281	65	66.6	308	12.6
Sep-04	80,580	437	53732	24379	298	68	69.14	298	12.1
Dec-04	80,117	405	51110	23190	285	70	73	252	14.2
Mar-05	76,200	424	49570	22491	290	68	70	239	14.2
Jun-05	81,456	443	50475	22902	277	62	67	220	16.5
Sep-05	93,614	470	66453	30151	317	67	68	265	15.8
Dec-05	71,718	408	44854	20351	279	68	69	77	41.6
Mar-06									
Total	1,348,669	427	814,708.0	369,650	270	63			

AMAL Tantalum & Lithium Production

The Bald Hill gravity primary and secondary processing plants were successfully commissioned by Alliance Mineral Assets Limited (AMAL) during late 2015/early 2016 using ore mined from the Boreline Oxide pit.

The tantalite concentrate produced during the plant commissioning was very high grade with low levels of contamination with deleterious minerals, as in the table below, and therefore exceeding the minimum specifications for a high value product that commands a premium price. As well as producing a tantalite concentrate, it is understood that spodumene, high grade garnet and ilmenite (titanium) concentrates were also produced at sufficient grade to be sold as by-products although no records of sales for these by products has been sighted. The high quality tantalite description is as below:

Description	Ta2O5 %	Sn %	U %	Nb2O5 %	Fe3O3 %	Li20 %
Final Tantalite Concentrate	25.894	1.622	0.057	17.991	15.55	0.193

Tantalum production by AMAL is as shown below

Draces Sten	Ore	Ta2O5 Assay	Ta2O5 Metal	Recovery
Process Step	(t)	(ppm)	(kg)	(%)
ROM	27,000	159.93	4318.3	
Scats Unprocessed	5,741	105.64	606.48	
Ore Processed	21,259	174.6	3,711	
Primary Plant Recovery				29%
(before VSI installed)				25/0
Primary Concentrate	75.15	9,516	715	
(before VSI installed)	73.13	9,510	/13	
Primary Plant Recovery				52%
(after VSI installed)				J2/0
Primary Concentrate	98.29	6,530	642	
(after VSI installed)	30.23	0,550	042	
Secondary Plant Recovery				95%
Secondary Concentrate	19.9	64,506	1,286	
Beneficiation Recovery				94%
Beneficiated Concentrate	5.8	207,431	1,203	

It is expected that a significant amount of the current plant tailings will also be recovered to reprocess for residual Spodumene.

Plant Valuation

The processing facility has been inspected and valued, as it stands, at approximately 6,343,000(AUD) within a range of 4,000,000(AUD) to 7,500,000(AUD) that in the absence of access to an asset register and/or detailed equipment list has been provided to a level of confidence of 40%.

It is understood a further AUD12,500,000 in capital expenditure required for upgrading and converting the Plant for processing ore derived from the tenement area, infrastructure costs, prestripping activities and other expenditures including operating costs has been allocated.

It is estimated that less than \$5,000,000(AUD) of this allocation of funds will be required to complete the refurbishment and recommissioning of the processing facility including the establishment of a new tailings storage facility (TSF) should the material in the existing TSF require reclaiming and re-establishment and integration of the secondary beneficiation facility.

1.0 Haddington Tantalum Production

Tantalite production by Haddington International Resources Limited (Haddington) included 369.65 tonnes at a (recovered) grade of 270ppm and 63% overall recovery of Ta_2O_5 from Sept 2001 to December 2005.

Only partial historic production records from the Haddington mining and processing operations, are available as in Table 1.1 below. Production records from July 2002 (approximately one year after mining commenced) until November 2005 (when the processing plant ceased operating) indicate that 1,135,000 tonnes of ore was processed by Haddington at an average head grade of 426ppm Ta2O5.

From this ore 3,264 tonnes of concentrate averaging 94,900 ppm (9.49%) Ta2O5was sold to Greenbushes indicating that 64.3% of the Ta2O5 in the ore was recovered in the concentrate with the remaining 35.7% of the Ta2O5 lost in the tailings at an average grade of 153 ppm Ta2O5.

When operations ceased due to Sons of Gwalia (ex ASX: "SGW") going into Administration. SGW had a sole exclusive off-take agreement with Haddington which thereby forced the cessation of operations. During that period this production rate, grade and recovery was considered reasonable as the product produced at Bald Hill, and on-sold to Sons of Gwalia (SOG), was of higher quality and thus a premium product. The low levels of impurities in Bald Hill tantalite allowed SOG to dilute the impurity levels of their own tantalite by incorporating a judicious blending strategy with the Bald Hill product.

Haddington production is as shown in Table 1.1 below:

Qtr	Ore Treated	Head	Tantalum Oxide	Tantalum Oxide	Recovered Grade	Calc Rec	Stated Rec	Concentrate	Con Grade
Qti	(t)	(ppm)	(pounds)	(Kgs)	ppm Ta2O5	%	%	t	% Ta205
Sep-01	25,104	400	12104	5492	215	54			
Dec-01	51,265	533	37654	17084	328	62		215	10.6
Mar-02	50,177	511	33469	15186	298	58		221	10.1
Jun-02	54,218	440	31193	14153	257	58		196	12.3
Sep-02	76,346	359	43604	19784	255	71		283	12.0
Dec-02	78,154	461	45028	20430	257	56		211	16.5
Mar-03	80,168	441	42620	19338	237	54		223	16.0
Jun-03	101,128	398	50035	22702	221	55	58	308	14.7
Sep-03	78,825	378	37467	17000	212	56	54.5	182	19.3
Dec-03	97,889	388	54117	24554	247	64	64	243	18.0
Mar-04	84,639	421	56379	25580	297	71	71.5	262	14.4
Jun-04	87,071	431	54844	24884	281	65	66.6	308	12.6
Sep-04	80,580	437	53732	24379	298	68	69.14	298	12.1
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Sep-05	93,614	470	66453	30151	317	67	68	265	15.8
Dec-05	71,718	408	44854	20351	279	68	69	77	41.6
Mar-06									
Total	1,348,669	427	814,708.0	369,650	270	63			

Table 1.1 Haddington Production from September 2001 to December 2005

2.0 AMAL Tantalum and Lithium Production

During 2015/2016 Alliance Mineral Assets Limited (AMAL) successfully re-commissioned the Bald Hill gravity primary and secondary processing plants using ore mined from the Boreline Oxide pit.

The tantalite concentrate produced during the plant commissioning was very high grade with low levels of contamination with deleterious minerals and therefore exceeding the minimum specifications for a high value product that commands a premium price. As well as producing a tantalite concentrate, spodumene, high grade garnet and ilmenite (titanium) concentrates were also produced at sufficient grade to be sold as by-products.

AMAL production is as shown in Tables 2.1 and Table 2.2 below:

Description	Ta2O5 %	Sn %	U %	Nb2O5 %	Fe3O3 %	Li20 %
Final Tantalite Concentrate	25.894	1.622	0.057	17.991	15.55	0.193

Table 2.1 Final Tantalite Concentrate Produced by AMAL

Dungana Cham	Ore	Ta2O5 Assay	Ta2O5 Metal	Recovery
Process Step	(t)	(ppm)	(kg)	(%)
ROM	27,000	159.93	4318.3	
Scats Unprocessed	5,741	105.64	606.48	
Ore Processed	21,259	174.6	3,711	
Primary Plant Recovery				29%
(before VSI installed)				23/0
Primary Concentrate	75.15	9,516	715	
(before VSI installed)	75.15	9,510	713	
Primary Plant Recovery				52%
(after VSI installed)				J2/0
Primary Concentrate	98.29	6,530	642	
(after VSI installed)	30.23	0,550	042	
Secondary Plant Recovery				95%
Secondary Concentrate	19.9	64,506	1,286	
Beneficiation Recovery				94%
Beneficiated Concentrate	5.8	207,431	1,203	

Table 2.2 AMAL Production 2015/2016

2.1 Basic Process Description

As stated above the existing processing plant, previously operated by Haddington, was refurbished and upgraded by the Company and successfully commissioned during late 2015 and early 2016. This plant screens, pulverises and then, using a bank of spirals, separates out the heavy minerals; including tantalite and cassiterite, to produce a primary concentrate as shown in the primary processing plant flow sheet (Figure 2.1.1) below:

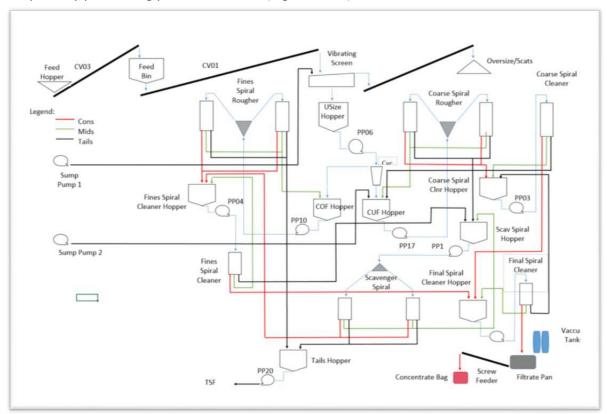


Figure 2.1.1 Primary Plant Flow Sheet

This primary concentrate is then sent to the Secondary Beneficiation Plant to be further processed to produce a saleable 25-30% final concentrate as in Figure 2.1.2 below: The plant installed (2015) as in Figure 2.1.2 below:





Figure 2.1.2 Bald hill Process plant as installed (2015)

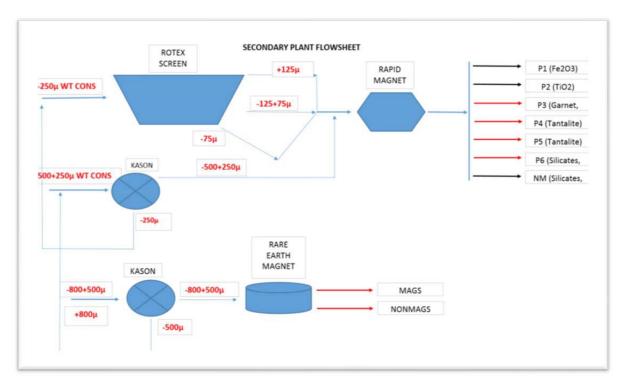


Figure 2.1.2 Secondary Plant Process Flow Sheet

This secondary beneficiation separation plant was initially operating in Perth by Nagrom & Co where it was used to beneficiate the Haddington concentrate. The Company initially re-located this plant at Boulder but, to overcome problems with water availability and material transport, moved this plant and equipment to the Bald Hill site during June-July 2016.

The final concentrates are planned to be sold to customers for further processing to produce pure products that will then be sold to the end users.

3.0 Spodumene Recovery Test Work Program

A preliminary spodumene beneficiation test work program is currently being concluded at Nagrom Mineral Processors in Kelmscott WA. Size by size analysis, wet screening, dense media separation, magnetic separation, cyclone de-sliming and batch reflux classification steps have all been carried out and the results reported below. Comparatively, the results received to date are considered good, by MPC and Nagrom, beneficiating the sample(s) as supplied from an initial head grade of 1.744% Li₂O up to 7.08% Li₂O.

This program has been initiated due to the almost 400% increase in the price of Lithium Carbonate since early 2015 as shown in Figure 3.1 below:

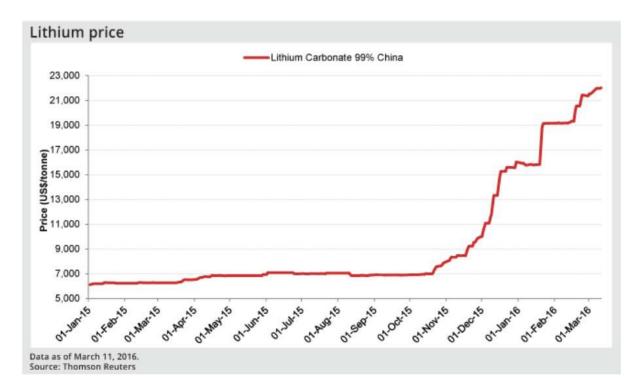


Figure 3.1 Lithium Carbonate (99%) Price Movement from Jan 2015 to March 2016

A summary of test work carried out by Nagrom to date is discussed below, Flotation test work is still currently underway but no results were available at the time of this report.

3.1 Size by Size Analysis

Analysis by size fraction was carried out on samples at crush sizes of 10mm and 6.3mm as in Tables 3.1.1 and 3.1.2 below:

Lithco No	. 2 Pty Ltd			Size by A	Analysis					Rep	ort Date:	October 1	2 2016
AMPLE	Mass	Li ₂ 0	Fe_2O_3	SiO ₂	Ta_2O_5	Nb_2O_5			STAGE	Deportm	ent		
	kg	ppm	%	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205	
Rock A P1	100 10mm												
Assay He	ead	17440	0.609	72.311	0.043	0.010	***************************************						***************************************
Rock A P	100 10mm	Size by Ar	nalysis				00000000000000000000000000000000000000		***************************************				***************************************
Calc. He	5.0101	18283	0.598	72.937	0.042	0.013	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Size (mm)													
+8	0.9937	13740	0.503	74.150	0.033	0.012	19.83%	14.91%	16.69%	18.79%	20.16%	15.74%	
+6.3	0.8322	22820	0.643	72.690	0.056	0.017	16.61%	20.73%	17.87%	16.92%	16.55%	22.37%	
+5.6	0.5294	19360	0.523	73.531	0.033	0.013	10.57%	11.19%	9.25%	10.45%	10.65%	8.38%	
+4.75	0.2144	19270	0.556	73.600	0.038	0.014	4.28%	4.51%	3.98%	4.14%	4.32%	3.91%	
+4	0.3665	18230	0.492	74.655	0.027	0.008	7.32%	7.29%	6.02%	6.99%	7.49%	4.75%	
+3.35	0.2520	18780	0.608	73.569	0.033	0.013	5.03%	5.17%	5.12%	4.94%	5.07%	3.99%	
+2	0.6097	21190	0.498	73.649	0.033	0.006	12.17%	14.10%	10.14%	11.83%	12.29%	9.66%	
+1	0.4538	19970	0.546	73.587	0.042	0.014	9.06%	9.89%	8.27%	8.95%	9.14%	9.15%	
+0.71	0.1603	19790	0.660	71.531	0.059	0.024	3.20%	3.46%	3.53%	3.35%	3.14%	4.54%	
+0.5	0.1256	16620	1.001	69.515	0.050	0.016	2.51%	2.28%	4.20%	2.80%	2.39%	3.01%	
+0.425	0.0362	14140	0.757	68.749	0.055	0.015	0.72%	0.56%	0.92%	0.84%	0.68%	0.96%	
+0.355	0.0540	13820	0.826	67.883	0.060	0.020	1.08%	0.81%	1.49%	1.28%	1.00%	1.55%	
+0.25	0.0979	12860	0.766	67.541	0.057	0.019	1.95%	1.37%	2.50%	2.34%	1.81%	2.68%	
+0.15	0.0788	11870	0.869	67.522	0.070	0.026	1.57%	1.02%	2.29%	1.87%	1.46%	2.65%	
+0.125	0.0147	11460	1.405	67.343	0.070	0.020	0.29%	0.18%	0.69%	0.35%	0.27%	0.49%	
+0.106	0.0254	12500	1.206	67.905	0.073	0.016	0.51%	0.35%	1.02%	0.58%	0.47%	0.89%	
+0.09	0.0206	11270	1.195	68.409	0.060	0.013	0.41%	0.25%	0.82%	0.47%	0.39%	0.59%	
+0.063	0.0289	12240	0.851	68.507	0.076	0.024	0.58%	0.39%	0.82%	0.64%	0.54%	1.05%	
+0.045	0.0228	13050	0.907	68.793	0.074	0.020	0.46%	0.32%	0.69%	0.49%	0.43%	0.81%	
+0.038	0.0092	12190	1.257	69.568	0.074	0.023	0.18%	0.12%	0.39%	0.19%	0.18%	0.33%	
-0.038	0.0840	11750	1.176	68.397	0.062	0.017	1.68%	1.08%	3.30%	1.80%	1.57%	2.50%	

Table 3.1.1 Assay by Size Fraction at 10mm Crush Size

A reasonably even distribution was noted from the size analysis with no particular size fraction yielding a higher grade of lithium for the 10mm crush size.

A similar lack of concentration in a particular size fraction was also observed for the 6.3mm crush size (Table 3.1.2 below).

Lithco No	2 Pty Lt	d		Size by A	Analysis					Repor	t Date: 0	ctober 12 2016
SAMPLE	Mass	Li ₂ 0	Fe_2O_3	SiO ₂	Ta_2O_5	Nb_2O_5			STAGE	Deportme	nt	
	kg	ppm	%	%	%	%	Yield	Li ₂ 0	Fe203	Al ₂ O ₃	SiO ₂	Ta205
Rock A P1	00 6.3m	m										·
Assay He	ad	17440	0.609	72.311	0.043	0.010						
Rock A P	100 6.3m	m Size by A	nalysis									
Calc. He	0.9905	17013	0.600	72.917	0.052	0.017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Size (mm)												
+6.3	0.0000						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
+5.6	0.0979	17010	0.467	74.421	0.029	0.015	9.88%	9.88%	7.69%	9.41%	10.09%	5.55%
+4.75	0.0850	17140	0.496	74.222	0.030	0.013	8.58%	8.65%	7.09%	8.20%	8.74%	4.98%
+4	0.1011	19820	0.474	73.427	0.035	0.014	10.21%	11.89%	8.06%	10.16%	10.28%	6.91%
+3.35	0.0826	18720	0.482	73.550	0.051	0.020	8.34%	9.18%	6.69%	8.17%	8.41%	8.23%
+2	0.1820	19190	0.534	73.610	0.082	0.017	18.37%	20.73%	16.34%	18.06%	18.55%	29.15%
+1	0.1645	17900	0.675	73.943	0.046	0.014	16.61%	17.47%	18.67%	16.01%	16.84%	14.78%
+0.71	0.0543	17240	0.581	73.276	0.033	0.021	5.48%	5.56%	5.30%	5.42%	5.51%	3.50%
+0.5	0.0496	15100	0.553	71.714	0.053	0.014	5.01%	4.44%	4.61%	5.22%	4.92%	5.14%
+0.425	0.0197	13990	0.981	69.892	0.050	0.020	1.99%	1.64%	3.25%	2.19%	1.91%	1.92%
+0.355	0.0206	13120	0.903	69.007	0.057	0.018	2.08%	1.60%	3.13%	2.36%	1.97%	2.29%
+0.25	0.0314	12210	0.727	69.313	0.062	0.023	3.17%	2.28%	3.84%	3.57%	3.01%	3.80%
+0.15	0.0324	11340	0.784	68.990	0.072	0.024	3.27%	2.18%	4.27%	3.71%	3.09%	4.56%
+0.125	0.0059	11260	0.569	68.942	0.069	0.025	0.60%	0.39%	0.56%	0.67%	0.56%	0.80%
+0.106	0.0100	11310	1.144	68.878	0.069	0.024	1.01%	0.67%	1.92%	1.12%	0.95%	1.35%
+0.09	0.0073	10940	1.015	69.237	0.070	0.024	0.74%	0.47%	1.25%	0.81%	0.70%	1.00%
+0.063	0.0116	10960	0.892	69.745	0.073	0.029	1.17%	0.75%	1.74%	1.26%	1.12%	1.65%
+0.045	0.0070	10940	1.041	70.415	0.074	0.022	0.71%	0.45%	1.23%	0.74%	0.68%	1.01%
+0.038	0.0040	11230	0.611	70.355	0.066	0.023	0.40%	0.27%	0.41%	0.42%	0.39%	0.52%
-0.038	0.0236	10700	0.996	69.496	0.062	0.021	2.38%	1.50%	3.95%	2.48%	2.27%	2.86%

Table 3.1.2 Assay by Size Fraction at 10mm Crush Size

3.2 Wet Screening

Wet screening at a crush size of 6.3mm and 3.35mm was then carried out to determine if the lithium could be beneficiated by this technique as shown in Tables 3.2.1 below:

	Pty Ltd		W	et Screeni	ng				Repo	t Date: 0	ctober 12 2
MPLE	Mass	Li ₂ O	Fe_2O_3	Ta_2O_5	Nb_2O_5			STAGE I	Deportme	nt	
	kg	ppm	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205
ock A P100	6.3mm										
Assay Head		17440	0.609	0.043	0.010						
Rock A P100	0 6.3mm W	/et Screen	ing								
Calc. Head	49.3020	18798	0.357	0.044	0.015	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Size (mm)											
+1	35.3901	21060	0.301	0.036	0.011	71.78%	80.42%	60.53%	69.40%	72.87%	58.74%
+0.25	8.2184	14360	0.413	0.059	0.025	16.67%	12.73%	19.29%	17.83%	16.22%	22.36%
-0.25	5.6935	11140	0.624	0.072	0.023	11.55%	6.84%	20.19%	12.76%	10.91%	18.90%
ock A P100	3.35mm	17440	0.000	0.042	0.010						
ock A P100 Assay Head	3.35mm	17440	0.609	0.043	0.010						
				0.043	0.010						
Assay Head				0.043	0.010	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Assay Head	0 3.35mm \	Wet Scree	ning			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Assay Head Rock A P100 Calc. Head	0 3.35mm \	Wet Scree	ning			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rock A P100 Calc. Head Size (mm)	0 3.35mm \ 49.1379	Wet Scree	ning 0.517	0.043	0.015						
Rock A P100 Calc. Head Size (mm) +1	D 3.35mm \ 49.1379 27.5455	Wet Scree 17767 20870	ning 0.517 0.522	0.043	0.015	56.06%	65.85%	56.62%	53.92%	57.12%	41.89%
Assay Head Rock A P100 Calc. Head Size (mm) +1 +0.25	3.35mm \ 49.1379 27.5455 12.9202	Wet Scree 17767 20870 15480	ning 0.517 0.522 0.466	0.043 0.032 0.049	0.015 0.013 0.015	56.06% 26.29%	65.85% 22.91%	56.62% 23.71%	53.92% 27.04%	57.12% 25.96%	41.89% 30.09%
Assay Head Rock A P100 Calc. Head Size (mm) +1 +0.25 -0.25	3.35mm \ 49.1379 27.5455 12.9202	Wet Scree 17767 20870 15480 11320	0.517 0.522 0.466 0.576	0.043 0.032 0.049	0.015 0.013 0.015	56.06% 26.29%	65.85% 22.91%	56.62% 23.71%	53.92% 27.04%	57.12% 25.96%	41.89% 30.09%

Table 3.2.1 Wet Screening at Crush Sizes of 6.3mm and 3.35mm

These results were acceptable with a lithium grade improvement 21% from 1.74% Lithium to 2.1% with a recovery of 80.4% for the +1mm size material.

No additional advantage was observed at the smaller crush size of 3.35mm.

After Dense Media Separation the SG 2.95 DMS 100 cyclone U/F (as below) was also wet screened to yield the following results:

Lithco No. 2 Pty Ltd				Con	iposite ar	nd Wet Sci	een				Repoi	rt Date: O	ctober 12 20
	SAMPLE	Mass	Li ₂ 0	Fe_2O_3	SiO ₂	Ta ₂ O ₅	Nb_2O_5			STAGE 1	Deportme	nt	
		kg	ppm	%	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205
Rock A P100 6.3mm +1	mm SG 2.95 UF Con	nposite P10	00 3.35mm	Wet Scre	en								
Calc. Head		4.9545	60790	0.602	65.765	0.040	0.010	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Size (mm)												
*	+1	4.5335	61240	0.591	65.737	0.040	0.010	91.50%	92.18%	89.87%	91.69%	91.46%	90.54%
Y	-1	0.4210	55950	0.717	66.063	0.045	0.013	8.50%	7.82%	10.13%	8.31%	8.54%	9.46%

Table 3.2.2 Wet Screening of DMS P100 SG 2.95 3.35mm Composite

This produced a 6.12% Li2O concentrate at 92.18% recovery and was considered an excellent result.

3.3 Dense Media Separation (DSM)

The operating parameters for the DMS are as in Table 3.3.1 below:

DMS100 Operating Parameters												
Parameter	SG 2.70	SG 2.95	SG 3.10									
Cyclone Diameter (mm)	100	100	100									
Spigot (mm)	35	25	25									
Media	C60 / 270D / C40	C60 / 270D / C40	C60 / 270D / C40									
Feed Media Density	2.190	2.100	2.460									
Overflow Media Density	1.770	1.960	2.310									
Underflow Media Density	3.030	3.220	3.330									
Feed Rate (kg/h)	16.12	13.00	9.86									
Tracer Size (mm)	5.0	5.0	5.0									

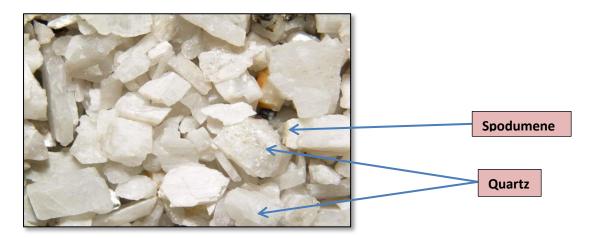
Table 3.3.1 Operating Parameters DMS100 Test

Three densities were selected for the DMS program with both underflow (U/F) and overflow (O/F) of interest for the 3.10 SG and O/F only for the 2.95 and 2.70 SG's on the +1mm material from the wet screening step as in Table 3.3.2 below:

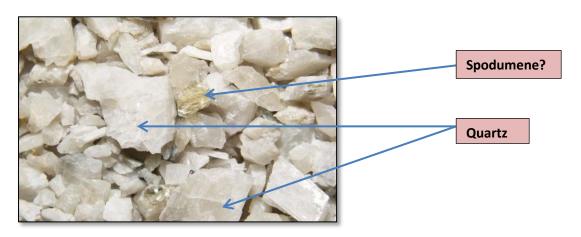
Lithco No. 2 Pty	Ltd	De	nse Media	Separati	on (DMS1	MS100) Report Date: October 12 201							
SAMPLE	Mass	Li ₂ O	Fe_2O_3	Ta_2O_5	Nb_2O_5	STAGE Deportment							
	kg	ppm	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205		
Rock A P100 6.31	nm +1mm												
Assay Head		21060	0.301	0.036	0.011								
Rock A P100 6.3	mm +1mm	Dense Me	dia Separa	ation (DM	S100)								
Calc. Head	35.0763	20052	0.793	0.036	0.010	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		
DMS100													
SG 3.1 Underflow	1.8381	69340	1.165	0.100	0.026	5.24%	18.12%	7.70%	8.43%	4.50%	14.42%		
SG 3.1 Overflow	7.7663	57890	1.045	0.038	0.009	22.14%	63.92%	29.18%	32.21%	19.75%	23.15%		
SG 2.95 Overflow	3.3772	24250	0.879	0.046	0.013	9.63%	11.64%	10.68%	10.59%	9.42%	12.18%		
SG 2.7 Overflow	22.0947	2010	0.660	0.029	0.009	62.99%	6.31%	52.44%	48.77%	66.32%	50.25%		

Table 3.3.2 DMS 100 on -6.3mm +1mm Sample

Combining the DMS SG 3.1 O/F and U/F, 82.04% of the Li_2O reported to 27.28% of the mass at a grade of 6.00% LiO_2 .

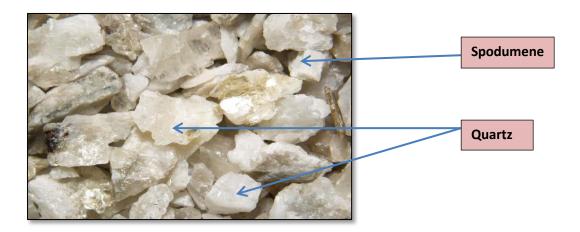


P100 6.3mm SG 3.1 Underflow



P100 6.3mm SG 3.1 Overflow

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P100 6.3mm SG 2.95 Overflow

A second DSM test was carried out on the SG 2.95 U/F composite from the above test under the test conditions as in Table 3.3.3 below:

DMS100	DMS100 Operating Parameters											
Parameter												
Cyclone Diameter (mm)	100	100										
Spigot (mm)	25	25										
Media	C60 / 270D / C40	C60 / 270D / C40										
Feed Media Density	2.259	2.489										
Overflow Media Density	2.092	2.308										
Underflow Media Density	3.309	3.441										
Feed Rate (kg/h)	16.56	7.23										
Tracer Size (mm)	5.0	5.0										

Table 3.3.3 Second DMS Test Operating Conditions

Results were as in Table 3.3.4 below:

Lithco No. 2 Pty	Ltd		Dense M	ledia Sepo	MS100)				Repo	rt Date: 0	ctober 12 2016		
SAMPLE	Mass	Li ₂ O	Fe_2O_3	SiO ₂	Ta_2O_5	Nb_2O_5	STAGE Deportment						
	kg	ppm	%	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205	
Rock A P100 6.3	3mm +1mı	n SG 2.95	UF Comp	osite P10	0 3.35mm	+1mm							
Assay Head		61240	0.591	65.737	0.040	0.010							
Rock A P100 6.	3mm +1mr	n SG 2.95	UF Compo	site P100 3	3.35mm +1	.mm Dens	Media Se	paration	(DMS100)				
Calc. Head DMS100	4.3969	60551	0.837	65.421	0.038	0.009	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
SG 3.1 Underflow	0.9726	73560	1.078	63.221	0.085	0.016	22.12%	26.87%	28.50%	23.97%	21.38%	49.49%	
SG 3.1 Overflow	2.0379	69440	0.790	63.882	0.021	0.004	46.35%	53.15%	43.76%	49.51%	45.26%	25.62%	
SG 2.95 Overflow	1.3864	38360	0.736	69.227	0.030	0.010	31.53%	19.98%	27.74%	26.52%	33.37%	24.90%	

Table 3.3.4 DMS of SG 2.95 U/F Composite at 3.35mm

For the combined SG 3.1 U/F and O/F 80.02% of the Li2O reported to 68.47% of the mass at a grade of 7.07% Li₂O.

Inference

This is considered an excellent result by MPC and Nagrom.

3.4 Dry Magnetic Separation

Dry magnetic separation was carried out on Rock A P100 6.3mm +1mm SG 3.1 Underflow to determine if removal of any (iron) magnetics would beneficiate the spodumene further as in Table 3.4.2 below:

ithco No. 2 Pty Lt	d		Magn	etic Sepai	ation				Repo	rt Date: 0	ctober 12 201		
SAMPLE	Mass	Li ₂ 0	Fe_2O_3	Ta_2O_5	Nb_2O_5	STAGE Deportment							
	kg	ppm	%	%	%	Yield	Li ₂ O	Fe203	Al ₂ O ₃	SiO ₂	Ta205		
Rock A P100 6.3 Assay Head	3mm +1mi	m SG 3.1 U 69340	J nderflov 1.165	V 0.100	0.026								
Rock A P100 6.	3mm +1mr	n SG 3.1 U	nderflow	Dry Magne	etic Separa	ation via R	apid Disc	Magnet		***************************************			
Calc. Head Magnetics	0.6158	72589	0.895	0.085	0.017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		
6400G Magnetic 1	0.0005	51380	4.150	0.011	0.004	0.08%	0.06%	0.38%	0.00%	0.08%	0.01%		
6650G Magnetic 2	0.0001	51380	4.150	0.011	0.004	0.02%	0.01%	0.08%	0.00%	0.02%	0.00%		
Non Magnetic	0.6152	72610	0.892	0.085	0.017	99.90%	99.93%	99.55%	100.00%	99.90%	99.99%		

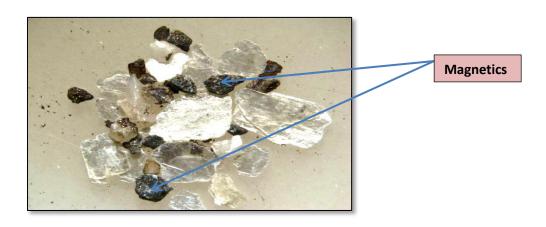
Table 3.4.1 Rapid disc Magnet Test Results

Prior to combining the P100 -6.3mm + 1mm U/F fraction was tested for iron removal utilising a Rapid Disc Magnet. The initial results appeared encouraging improving the grade further from 6.93% Li2O to 7.26% Li2O compared to the assayed head. It can be noted however that the calculated head was 7.259 more in line with the very small amount of iron removed (0.46%).

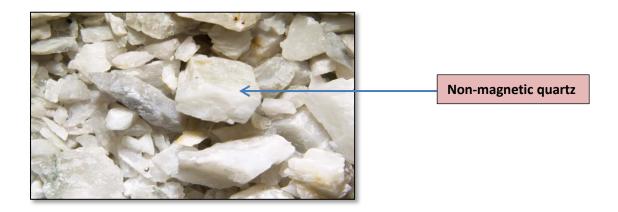
Below microphotographs illustrate removal of some of the magnetic material.



6300G Magnetic 1



6900G Magnetic 2



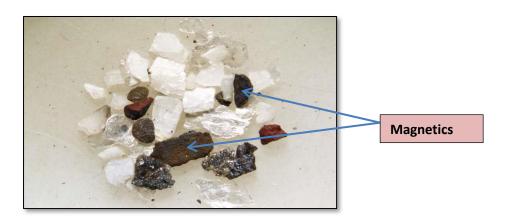
Non Magnetic

The P100 -6.3mm + 1mm O/F fraction was also tested for iron removal utilising a Rapid Disc Magnet. No improvement in grade was observed for this sample.

The Rock A P100 6.3mm +1mm SG 2.95 UF Composite P100 3.35mm +1mm DMS100 SG 3.1 Underflow was also tested for iron removal as in Table 3.4.2 below:

Lithco No. 2 Pty	Ltd		N	Magnetic Separation Report Date: October 12 20									2 2016
SAMPLE	Mass Li ₂ O Fe ₂ O ₃ SiO ₂ Ta ₂ O ₅ Nb ₂ O ₅ STAGE Deportment												
	kg	ppm	%	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205	
D l- A D100 C 2	4	cc a of	UE Carrer	!t- D1/	00 2 2 5	. 1 D	MC400 C	204114.					
Rock A P100 6.3	ımm +1mı	n S G 2.95	Ur comp	osite P10	JU 3.35MM	ע +1mm ד	M2100 20	1 3.1 Unae	ernow				***********
Assay Head		73560	1.078	63.221	0.085	0.016							
Rock A P100 6.3	3mm +1mn	n SG 2.95 l	UF Compos	site P100	3.35mm +1	mm DMS1	00 SG 3.1	Underflow	Dry Mag	netic Sepa	ration via	Rapid Disc I	<u>Ma</u> gne
Calc. Head Magnetics	0.8763	73417	1.071	63.362	0.095	0.028	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
7000G Magnetic 1	0.0005	31860	20.062	39.101	7.032	2.197	0.06%	0.02%	1.07%	0.00%	0.04%	4.24%	
8700G Magnetic 2	0.0002	31860	20.062	39.101	7.032	2.197	0.02%	0.01%	0.43%	0.00%	0.01%	1.70%	
Non Magnetic	0.8756	73450	1.056	63.381	0.089	0.026	99.92%	99.97%	98.50%	100.00%	99.95%	94.06%	

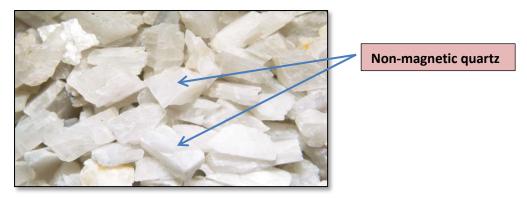
Table 3.4.2 Second Iron Removal Test



7000G Magnetic 1



8700G Magnetic 2



Non Magnetic

Again only a small amount of iron was removed producing a 7.35% Li2O grade by removal of 1.5% of the iron on the SG 3.1 U/F (3.35mm crush size from DMS100)

Inference

This step was not considered successful and was not pursued further.

3.5 Cyclone De-slime

A cyclone de-sliming exercise was executed and demonstrated a slight improvement in grade from 1.114% Li2O to 1.149 with 94.45% recovery as in Table 3.5.1 below. This is considered a marginal improvement only.

Lithco No. 2 Pty Ltd			Сус	lone Desl	ime				Repoi	rt Date: O	ctober 12 2016
SAMPLE	Mass	Li ₂ O	Fe_2O_3	Ta ₂ O ₅	Nb_2O_5			STAGE	Deportme	nt	
	kg	ppm	%	%	%	Yield	Li ₂ O	Fe203	Al ₂ O ₃	SiO ₂	Ta205
Cyclone Operating	Paramete	ers									
Parameter					***************************************	***************************************					***************************************
Cyclone (inch)	2	2									
Vortex Finder (mm)	1	1									
Spigot (mm)	9.	4									
Pressure (kPa)	20	00									
Cut Point	P80 0.	01mm									
% Solids	10	.0									
Rock A P100 6.3mm	-0.25mm										
Assay Head		11140	0.624	0.072	0.023						
Rock A P100 6.3mm	-0.25mm (vclone De	slime		***************************************	***************************************			***************************************		***************************************
Calc. Head	5.3184	11334	0.642	0.051	0.022	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cyclone											
Underflow	5.1124	11490	0.588	0.052	0.022	96.13%	97.45%	88.05%	95.82%	96.45%	97.58%
Overflow	0.2060	7450	1.980	0.032	0.010	3.87%	2.55%	11.95%	4.18%	3.55%	2.42%

Table 3.5.1 Cyclone De-slime Test

This was not considered a beneficial step by MPC and Nagrom on the sample as supplied and tested.

3.6 Batch Reflux Classification

A batch reflux classifier step was tested for further beneficiation at the below test conditions:

Ва	tch RC Parameters			
Parameters	Collection time (min)	Flowrate (L/hr)	 Parameters	Value
Flow 1	30	534	Vessel dimension (mm)	60 x 100
Flow 2	32	876	Channel length (m)	1
Flow 3	35	1080	Inclined angle (°)	70
Flow 4	30	1356	Channel number	13
Flow 5	40	1560	 Plate thickness (mm)	0.55
Flow 6	45	1704	Channel spacing (mm)	4.11
Flow 7	30	1872	Operational mode	Batch
Flow 8	30	2040		
Flow 9 (Remains)				
Flow 10 (Residue)				

Tables 3.6.1/2 Batch RC Classification Test Parameters

Lithco No. 2 Pty Ltd		Batch Reflux Classifier								Repoi	t Date: 0	ctober 12 201
SAMPLE	Mass	Li ₂ O	Fe_2O_3	SiO ₂	Ta ₂ O ₅	Nb_2O_5	STAGE Deportment					
	kg	ppm	%	%	%	%	Yield	Li ₂ O	Fe203	Al_2O_3	SiO ₂	Ta205
ock A P100 6.3mm -0.25mm Cyclone Underflow												
Assay Head		11490	0.588	69.153	0.052	0.022						
Rock A P100 6.3i Calc. Head Batch RC	4.6436	11277	0.795	69.178	0.066	0.023	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Flow 1	0.4481	9090	1.461	66.327	0.036	0.016	9.65%	7.78%	17.74%	9.81%	9.25%	5.24%
Flow 2	0.2595	9750	0.764	68.769	0.031	0.014	5.59%	4.83%	5.37%	5.55%	5.56%	2.61%
Flow 3	0.1359	8420	0.723	66.387	0.027	0.010	2.93%	2.19%	2.66%	3.15%	2.81%	1.19%
Flow 4	1.4343	6600	0.575	69.434	0.014	0.008	30.89%	18.08%	22.35%	30.94%	31.00%	6.52%
Flow 5	0.7989	5980	0.600	71.522	0.012	0.006	17.20%	9.12%	12.99%	15.95%	17.79%	3.11%
Flow 6	0.5550	9000	0.691	72.396	0.011	0.005	11.95%	9.54%	10.39%	10.85%	12.51%	1.98%
Flow 7	0.5162	14920	0.712	70.594	0.015	0.010	11.12%	14.71%	9.96%	11.02%	11.34%	2.51%
Flow 8 (Remains)	0.4307	38030	1.280	62.861	0.391	0.117	9.28%	31.28%	14.94%	11.29%	8.43%	54.66%
Flow 9 (Residue)	0.0650	19970	2.041	64.991	1.051	0.298	1.40%	2.48%	3.60%	1.45%	1.32%	22.17%

Table 3.6.3 Batch Reflux Classifier Test

Inference

No significant improvement in spodumene grade was observed for this test.

Mineral Project Consultant Pty Ltd Tawana Resources Bald Hill Project

4.0 Plant Valuation

The Bald hill processing facility was inspected by MPC on 24 October 2016 and generally remains in a robust condition with no major threats to its structural integrity and with only minor surface rust on catwalks and hand rails some of which has already been treated or in the process of being treated as observed in the figure below:









Figure 4.1 Current Plant Status





Figure 4.2 Mild Surface Corrosion & Remedial Treatment

A breakout of the major items of plant and equipment and ascribed costs for the primary processing facility is given in Table 4.1 below:

The value estimates have come from and/or been based on the following sources.

- FTM Machinery (Hong Kong)
- Orway Mineral Consultants
- Como Engineers
- MPC data base

Bald Hill Plant and Equipment List		
Primary Beneficiation Plant		
	Quantity	Value Estimate
		(AUD)
Primary Feeder (Hopper & Bin)	1	85,000
Primary Crusher		50,000
Cone Crusher		N/A
Primary Mill		N/A
Screen Unit	1	120,000
Cyclones battery & hoppers	1	220,000
Conveyers	5	250,000
Scrubbing Plant (incl conveyer)	1	540,000
VSI Unit	1	180,000
Spirals (9 clusters)	9	1,200,000
Tables	3	320,000
Hoppers, Pumps & Pipework (8+1 Hoppers)	8	320,000
Vacuum Tank & Pump	1	45,000
Filtrate Pan	1	18,000
Sump Pumps	2	20,000
Concrete slabs	1	200,000
Plinths	1	80,000
Structural Steel	1	250,000
Electric Motors		280,000
Spares		600,000
Other Equipment		240,000
MCC		100,000
Cabling		400,000
Instruments		50,000
Equipment Sheds	75,000	
Maintance Shed	35,000	
Sub Total	<u> </u>	5,678,000

 Table 4.1
 Primary Beneficiation Plant Cost Breakout

A breakout of the secondary beneficiation plant with the total valuation is in Table 4.2 below:

		Value Est - CCH
		(AUD)
Washing Trommel		85,000
Kason Screens x 2		160,000
Air Table		140,000
Rapid Magnets x 2		280,000
Secondary Plant	Sub Total	665,000
Primary Plant	Sub Total	5,678,000
	TOTAL	6,343,000

The major items for the secondary beneficiation plant are shown in Figure 4.3 below.



Figure 4.3 Major Secondary Beneficiation Plant Items

The processing facility has been inspected and valued, as it stands, at approximately 6,343,000(AUD) within a range of 4,000,000(AUD) to 7,500,000(AUD) that in the absence of access to an asset register and/or detailed equipment list has been provided to a level of confidence of 40%.

It is understood a further AUD12,500,000 in capital expenditure required for upgrading and converting the Plant for processing ore derived from the tenement area, infrastructure costs, prestripping activities and other expenditures including operating costs has been allocated.

It is estimated that less than \$5,000,000(AUD) of this allocation of funds will be required to complete the refurbishment and recommissioning of the processing facility including the establishment of a new tailings storage facility (TSF), should the material in the existing TSF require reclaiming, and re-establishment and integration of the secondary beneficiation facility.

Qualified Person

This Qualified Persons Report has been prepared in accordance with the requirements of the JORC Code (2012) as adopted by the Australasian Institute of Mining and Metallurgy ('AusIMM').

Chris Campbell-Hicks, a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Charted Professionalwith over 40 years in the industry, has sufficient experience which is relevant to the processing of the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code.

The information presented in this report is based on technical reports provided by Tawana Resources Limited supplemented by a site visit and discussions with relevant site personnel and provides sufficient information to form an opinion as to the current value of the processing facility.

The author does not hold any interests in Tawana or in any mineral properties which are subject to this report. Tawana will be invoiced and expected to pay a fee for the preparation of this report. This fee comprises a normal, commercial hourly rate plus expenses, in accordance to MPC's standard rates and is no way contingent upon the conclusions of this report.