

TAWANA EXERCISES COWAN LITHIUM PROJECT OPTION

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ASX:TAW

CORPORATE DIRECTORY

Non-Executive Chairman
Robert Benussi

Managing Director
Mark Calderwood

Executive Director, CFO & Co. Sec.
Michael Naylor

Tawana Resources NL (“Tawana” or the “Company”) is pleased to announce it has exercised its option to acquire 100% of four tenements which are all highly prospective for lithium.

Highlights

Cowan Project

The Cowan Project comprises three tenements totalling 159km². The tenements are adjacent and surrounded by the Bald Hill Mine (Tawana earning 50%), which the Company is expected to commence lithium production in 2017. The Cowan Project contains a large number of LCT pegmatites some of which are proven to contain significant spodumene.

Yallari Project

The fourth tenement is a 41.2km² application which forms part of the Company’s Yallari project located 6km west of the Mt Marion lithium mine (75km NW of the Cowan Project). The tenement contains numerous pegmatites in the same host-rock sequence as Mt Marion and located close to the Depot Hill granodiorite. No exploration for lithium has been undertaken to date, however the project is considered highly prospective.

Managing Director Mark Calderwood stated: *“Although we are currently focussed on drilling out a maiden lithium resource/reserve at the Bald Hill Mine in preparation for mining, the neighbouring Cowan Lithium Project includes a significant portion of the same large rare metal pegmatite belt with targets for future resource drilling. Over time I expect the pegmatite belt to prove one of the most important producers of lithium and tantalum in Western Australia.*

The Yallari Project is an excellent grass roots project located between the Mt Marion lithium mine and the old Londonderry feldspar/lithium mine. Numerous pegmatites have been mapped in the same host sequence as Mt Marion and Londonderry.”

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Cowan Project

The Cowan Project comprises three granted exploration licences totalling 159km² located 55km south-east of Kambalda.

The Cowan Project covers about 10km strike of the 15-25km long Mt Belches-Bald Hill pegmatite belt that hosts the Bald Hill Mine and numerous other LCT pegmatites. The Project also covers a significant portion of the Claypan Dam- Madoonia pegmatite belt that extends for at least 22km (refer to ASX announcement on 11 July 2016 for further details).

From September to December the Company undertook scout drilling on several target areas. A total of 189 wide spaced RC holes were completed for 14,419m. Results from the Mt Belches prospect indicated widespread pegmatites containing spodumene, tantalum and tin over an area 1.9km by 0.8km and is open in all directions (refer ASX announcement on 31 January 2017 for full results). The pegmatites appear to show increasing fraction towards the north where increasing soil cover has prevented mapping.

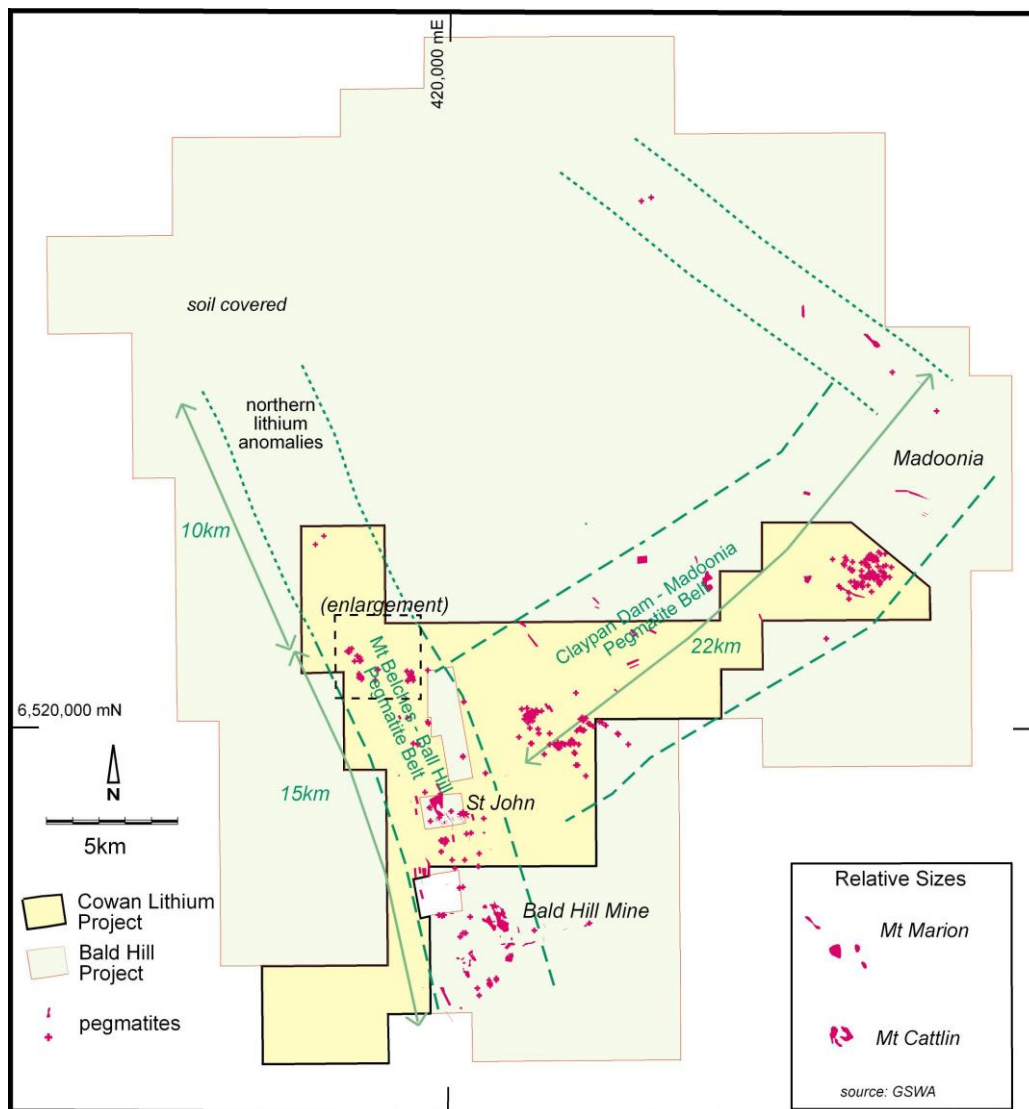


Figure 1 | The Cowan Lithium Project Area

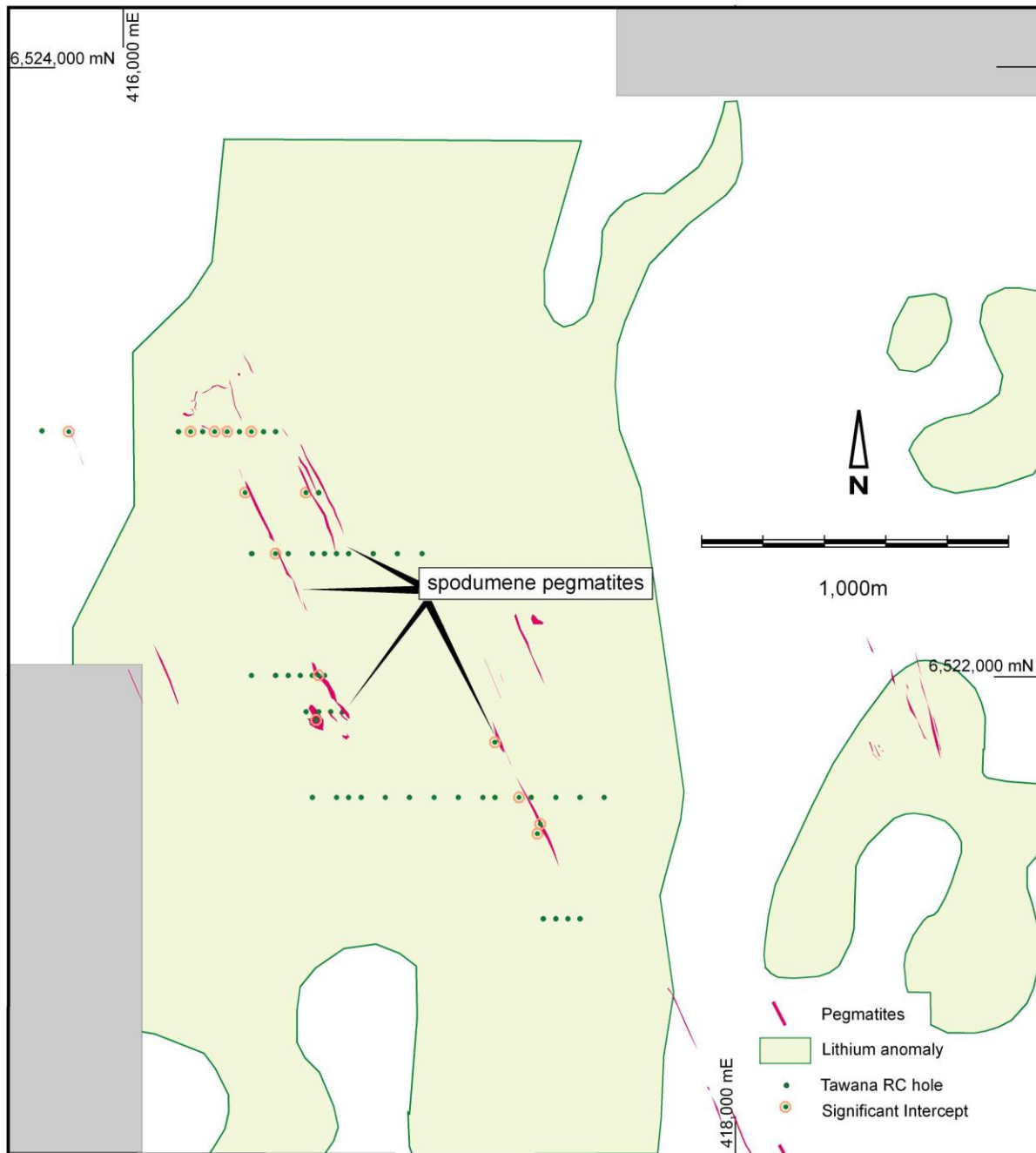


Figure 2 | Mt Belches Spodumene Pegmatites, Cowan Lithium Project

Yallari Project

The Yallari Project comprises one granted exploration licence and one exploration licence application totalling 110km² located 5-15km west of the Mt Marion lithium mine. Numerous pegmatites have been mapped by nickel and base metal explorers however there is no records of rare element content of the pegmatites. In addition, the proximity to the Mt Marion and Londonderry lithium bearing pegmatite fields is encouraging. The exploration licence application E15/1401 totalling 41.2 km² forms part of the package of four tenements is particularly prospective due to its close proximity to the Depot Hill granodiorite, the likely source of the Mt Marion pegmatites. The application area covers part of a timber reserve and consent will be required from the Department of Parks and Wildlife, prior to granting.

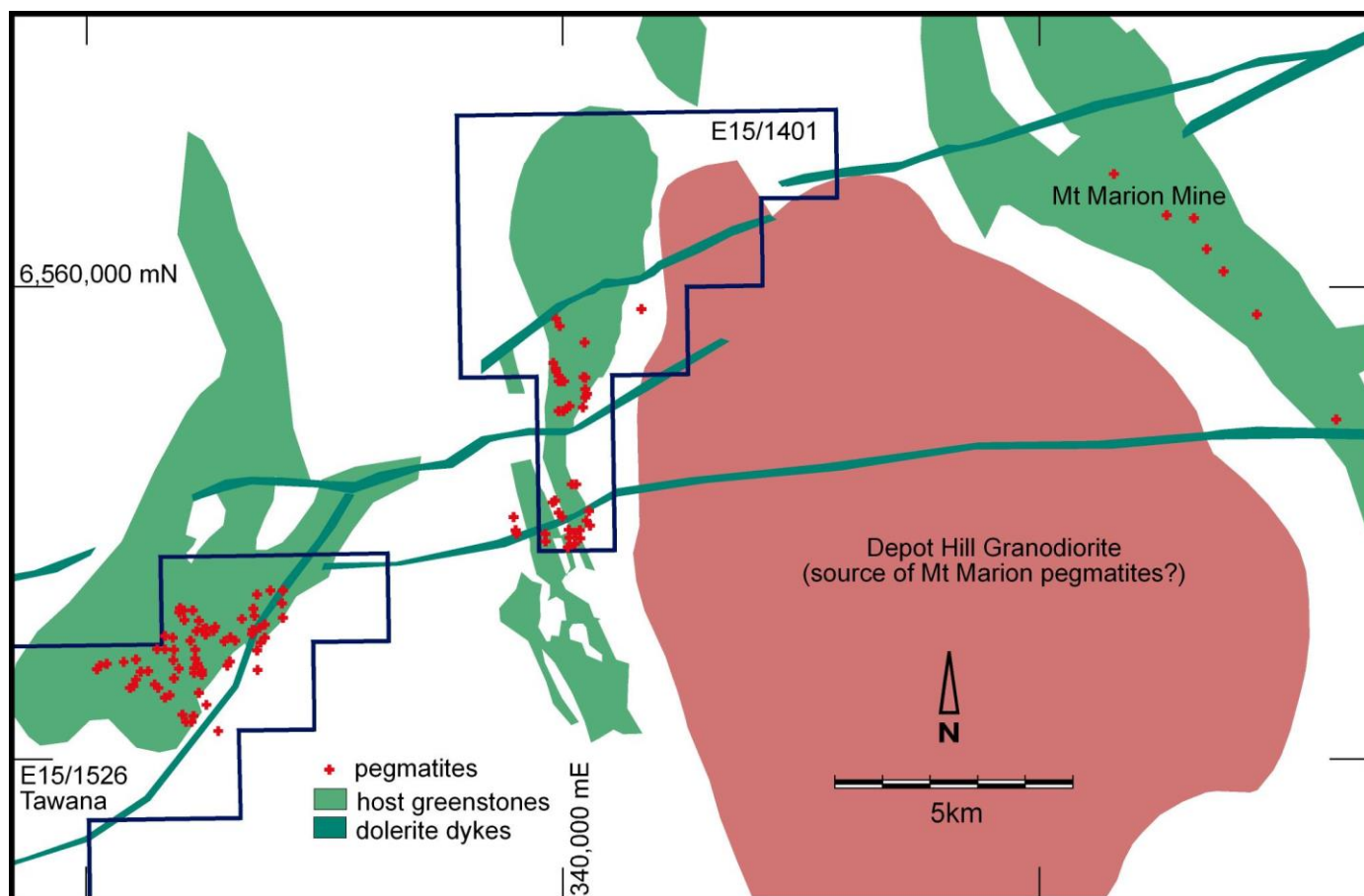


Figure 3 | Yallari Project Location

The vendors of the Cowan lithium tenements have been notified that Tawana has exercised the option and they can now elect to receive \$2 million in cash or shares (or a combination). The company will make an announcement when it has been notified.

About Tawana (ASX & JSE: TAW)

Tawana Resources NL, is focussed on becoming a spodumene producer in 2017 with its high-quality lithium projects in Western Australia and Namibia.

Tawana's principal projects are the Bald Hill Lithium and Tantalum Mine (earning a 50% interest) and the surrounding and adjacent Cowan Lithium Project. The projects have numerous high quality spodumene-rich pegmatites, some of which have been historically mined and processed for tantalum at the existing Bald Hill processing facility.

The Company also owns rights to the giant Uis pegmatite tailings stockpile in Namibia, estimated to be 20 million tonnes. Drilling has been completed confirming the presence of lithium. Metallurgical test work to confirm acceptable recoverable grades has commenced and if favourable, there is potential for a low capex/opex operation.

The Company also owns the Mofe Creek Iron Ore Project in coastal Liberia. The deposits are characterised by exceptionally coarse grained, high-grade free-dig, itabirite that have the potential to deliver a premium, low cost product. The Company is completing a Mineral Development Agreement ("MDA") with the Government of Liberia and is considering initially collaborating with owners of the under-utilized port of Monrovia or others with a desire to develop a low capital cost DSO operation.

