

10 October 2017

## Bald Hill Offtake and Project Update September 2017

Tawana Resources NL (TAW:ASX) (**Tawana**) and Alliance Mineral Assets Limited (SGX:AMA) (**AMAL**) are pleased to provide this update for the Bald Hill Mine located in the Eastern Goldfields region of Western Australia. The Bald Hill project (**the Project**) is a joint project between Tawana and Alliance Mineral Assets Limited.

### Highlights

- Third prepayment of \$4,375,000 received by Tawana from Burwill Holdings Ltd (**Burwill**) under the offtake agreement.
- AMAL received A\$4,375,000 from Burwill on 30 September 2017 via subscription for equity shares in AMAL in lieu of the third prepayment under its own offtake agreement.
- EPC contract for Lithium DMS circuit gaining momentum:
  - Design approximately 70% complete
  - Concrete works well-advanced
  - Structural steel packages let, first package on site
  - Screens and pumps ordered; starting to arrive on site
  - Majority of mechanical equipment ordered
  - Buried services installation commenced
- Bulk earthworks near completion.
- Additional administration buildings placed.
- Communications towers installed and commissioned.
- Fuel and Power tenders closed and under review.
- Mining tenders closed and three contractors shortlisted. Award expected by mid - October 2017.
- Senior operations and development personnel appointed.

Tawana Managing Director Mark Calderwood stated: *"The rapid progress being made at the Project is very encouraging and gives us great confidence that the Bald Hill Mine will be in production in the quarter ending 31 March 2018."*

*Our EPC contractors, Primero are progressing the Dense Media Separation processing plant on time, with commissioning still expected in the first quarter of 2018.*

*A number of key contracts are expected to be awarded in October 2017 including mining, crushing, fuel and power.*

*In addition, there have been a number of key appointments to further enhance the development, and operational skills as the joint venture moves forward with the development of the Bald Hill Lithium and Tantalum Mine"*

### EPC Update

- Engineering is well-advanced with design more than 70% complete.
- Concrete works well-advanced.
- Buried services (electrical/piping) progressing with conduits & pits being positioned/installed and HDPE pipes being welded ready for installation.
- Steelwork is progressively being detailed and progressing through fabrication and painting. First package of structural steel has arrived and is being erected.
- Procurement of major equipment is progressing with critical orders on track.

### Major Contracts

- Mining tender closed; unit pricing equal to the Pre-feasibility study (PFS). Three contractors shortlisted, with the preferred to be notified by mid October 2017.
- Fuel and Power tenders closed; unit pricing consistent with PFS.
- Crushing tenders closed, currently under review.
- Non-Processing Infrastructure tenders closed; review underway.
- Haul road upgrade tender closed.

### Key Personnel

Each of the Bald Hill Lithium and Tantalum Joint Venture partners has respectively made a number of key recent appointments to further enhance the development, and operational skills as it moves forward with the development of the Bald Hill Lithium and Tantalum Mine in the eastern goldfields of Western Australia . These key appointments are as follows:

#### ***Tony Dominkovich - Project Director, EPC Superintendent (AMAL)***

Tony has 37 years' experience undertaking mining, infrastructure, mineral process and pharmaceutical research projects in Australia, Africa, USA, the Balkans and Asia. Recent projects include Mt Weld Rare Earths (Lynas), Barrick Granny Smith upgrades, Barrick Bulyanhulu and Buzwagi and FMG Christmas Creek. In addition to these projects, Tony has also been consulting to Pela Global on the restart of several brownfield polymetallic mining and process operations in the Balkans.

Other related roles include Directorship of an industry superannuation fund and lecturing contract law and estimating.

Tony undertakes an oversight and review function for AMAL, monitoring all project activities, approvals and expenditure.

#### ***Steve Zaninovich – Project Director (Tawana)***

Steve has 25 years' experience in the development of numerous projects in Australia and West Africa, with his most recent role being VP - Major Projects at Teranga Gold Corporation, notably leading the development of the company's Banfora Gold Project in Burkina Faso. Steve previously worked as COO for Gryphon Minerals (prior to its acquisition by Teranga Gold Corp.), as a Project Director for Lycopodium Minerals, a Non-Executive Director for Centaurus Minerals and Orway Mineral Consultants, and started his career in the construction industry with UGL Limited.

Steve's project management experience includes as Project Director for Newmont's \$1 billion, 7 million ounce Akyem Gold Project in Ghana; Project Manager for the H2S Plant Project at Kwinana Nickel Refinery, Tarkwa Phase IV Project in Ghana, Project Controls Manager at the Ridgeway Gold Project, Commissioning Manager at the Bibiani Upgrade in Ghana, and various studies.

Steve will lead the project development of the Bald Hill lithium and tantalum operation.

### ***Rob Broad – Project Manager***

Robert is a highly experienced Project Manager and Principal Engineer having worked with Worley Parsons, Kaiser, BHPB, Rio Tinto, Worsley Alumina, Alcoa, Hatch, Karara, Nickel West, Gwalia, Woodside, Chevron and Horizon Power, on major resource and infrastructure projects. Robert has been PM Certified by PMI, BHPB and Worley Parsons and has set up project systems for a number of mining and engineering companies.

As a consultant engineer for over 35 years, Rob has designed and built a wide range of refineries and minerals processing plants including lithium (spodumene and carbonate) and tantalum.

### ***Darren Buchholz – Operations Manager***

Darren has a substantial career in mining operations. Before joining Tawana Resources, Darren was most recently a site General Manager for Mineral Resources Limited which included managing the mining operation and associated infrastructure as well as managing the site. Prior to this, Darren was General Manager for Global Advanced Metals where he led and managed mine-site operations and notably led strategies to reduce costs through innovative use of technology and driving efficiencies. In both of these roles Darren led a suite of performance uplifts in the processing plant and tailings dam.

Other previous roles that Darren has held include Processing Superintendent at Talison Tantalum and Senior Processing Coordinator for Sons of Gwalia, both positions held for a number of years.

In addition, the following key personnel have been appointed and have commenced duties on site in the last month to oversee or facilitate construction activities and commence operations readiness preparation as well as take over monitoring activities from contractors:

- Superintendent - Mining
- Superintendent - Health Safety & Environment
- Mine geologist
- Surveyor
- Environmental Advisor and Radiation Safety Officer

### **Accommodation Camp**

In addition to the 40-room existing camp, personnel are also now being housed at the leased 150-person Lanfranchi camp. Tawana is currently assessing the merits of expanding the current 40-room camp at Bald Hill.

### **About the Bald Hill Project**

The Bald Hill Lithium and Tantalum Mine (**Bald Hill Mine** or the **Project**) is owned by Singapore Exchange-listed Alliance Mineral Assets Limited (**AMAL**), with ASX-listed Tawana Resources NL (**Tawana**) holding 50% of the lithium rights. The project is subject to a 50% earn-in to existing infrastructure and tantalum rights by Tawana through the expenditure of A\$12.5m on development costs. Following the 50% earn-in by Tawana, a new Joint Venture will become effective and the Work Program and Budget for remaining project expenditure in excess of the A\$12.5m will be subject to Joint Venture approval.

A Pre-Feasibility Study (**PFS**) finalised in July 2017 confirmed the technical and financial viability of a low capital cost 1.2Mtpa lithium Dense Media Separation circuit (**DMS**) adjacent to the existing tantalum processing facility (**TPF**) at Bald Hill.

The first shipment of lithium concentrate is scheduled for March 2018.

EPC Group Primero mobilised to the Bald Hill Mine in July 2017 and construction work commenced, with bulk earthworks completed and initial cement foundations being poured.

Each of Tawana and AMAL executed an offtake agreement in April 2017 for the supply of lithium concentrate from Bald Hill over a five-year term with pricing for 2018 and 2019 of US\$880/t (FOB Esperance) for 6% Li<sub>2</sub>O. The prepayments from the aforesaid offtake agreement will be used towards the capital costs of the Project. AMAL had entered into a binding term sheet to vary certain terms of the aforesaid offtake agreement and subsequently, a definitive subscription agreement for the issuance of ordinary shares in the capital of AMAL to Burwill; further details of which can be found in AMAL's announcement on the SGXnet dated 4 October 2017.

The Project is located 50km south east of Kambalda in the Eastern Goldfields of Western Australia. It is located approximately 75km south east of the Mt Marion Lithium Mine.

The Project comprises four mining leases, one mining lease application, twelve exploration licenses, eight prospecting licenses and one general purpose lease totalling 790.1km.

A Maiden Indicated and Inferred lithium Mineral Resource of 12.8 million tonnes at 1.18% Li<sub>2</sub>O, and 158ppm Ta<sub>2</sub>O<sub>5</sub> at a 0.5% Li<sub>2</sub>O cut-off for the Project was estimated by CSA Global Pty Ltd and announced in June 2017. The Project remains significantly underexplored as highlighted by significant exploration drill results post the June 2017 resource statement.

Figure 1 | Bald Hill project construction aerial view (September 2017)





Figure 2 | First screen being delivered to Bald Hill site



Figure 3 | Cyclone & Distributors from South Africa





Figure 4 | Concrete works for Thickener



Figure 5 | Feed Bin Wall & Concrete Footings completed





Figure 6 | Structural Steelwork being erected



Figure 7 | New site offices in position

