

24 October 2017

Tawana Completes Earn in to Bald Hill

Tawana Resources NL (TAW:ASX) (Tawana or the Company) and **Alliance Mineral Assets Limited (SGX:AMA) (AMAL)** are pleased to announce that Lithco No. 2 Pty Ltd (**Lithco**), a 100% owned subsidiary of Tawana Resources NL, has spent the required \$12,500,000 to earn a 50% interest in the Bald Hill Project (being all minerals from the tenements and the processing plant and infrastructure at Bald Hill, located in the Eastern Goldfields, Western Australia).

As the conditions in the farm-in agreement entered into between Lithco and AMAL on 23 February 2017 have been satisfied, the Bald Hill Joint Venture Agreement has come into effect, as verified by independent auditor, Ernst & Young on 20 October 2017. Consequentially, the Bald Hill Joint Venture Agreement supersedes the Lithium Rights Joint Venture Agreement and Tawana (via Lithco) and AMAL each have an equal 50:50 legal and beneficial interest in the Bald Hill Project.

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

- A robust prefeasibility study¹ for the Bald Hill mine, which is expected to deliver outstanding cash flows and returns.
- Awarding of the engineering, procurement and construction (EPC) agreement.
- Commencement of construction on the lithium plant.
- First lithium shipment targeted for Q1 2018.
- Appointment of senior operations and development personnel.
- Significantly updated Indicated and Inferred Mineral Resource² of:
 - High-grade lithium resources of 18.9Mt at 1.18% Li₂O and 149ppm Ta₂O₅ at a 0.5% Li₂O cut-off; and
 - Additional tantalum resources of 6.4Mt at 330ppm Ta₂O₅ at a 200ppm Ta₂O₅ cut-off.

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

About the Bald Hill Project (AMAL:50%, TAW:50%)

A Pre-Feasibility Study (PFS)¹ 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. Key findings from the study included initial annual production of 155,000tpa of spodumene concentrate from the DMS, and 260,000Lbs of tantalum pentoxide from the TPF. Further feasibility work is being undertaken on a lithium fines circuit (LFC) to treat stockpiled fines and middlings which has potential to add significantly to production and reduce costs.

The first shipment of lithium concentrate is targeted 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% Li₂O. The prepayments from the aforesaid offtake agreement will be used towards the capital costs of the Project.

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 project. Refer Figure 1.

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 current Indicated and Inferred lithium Mineral Resource of 18.9 million tonnes at 1.18% Li₂O, and 149ppm Ta₂O₅ at a 0.5% Li₂O cut-off for the Project was calculated by CSA Global Pty Ltd.²

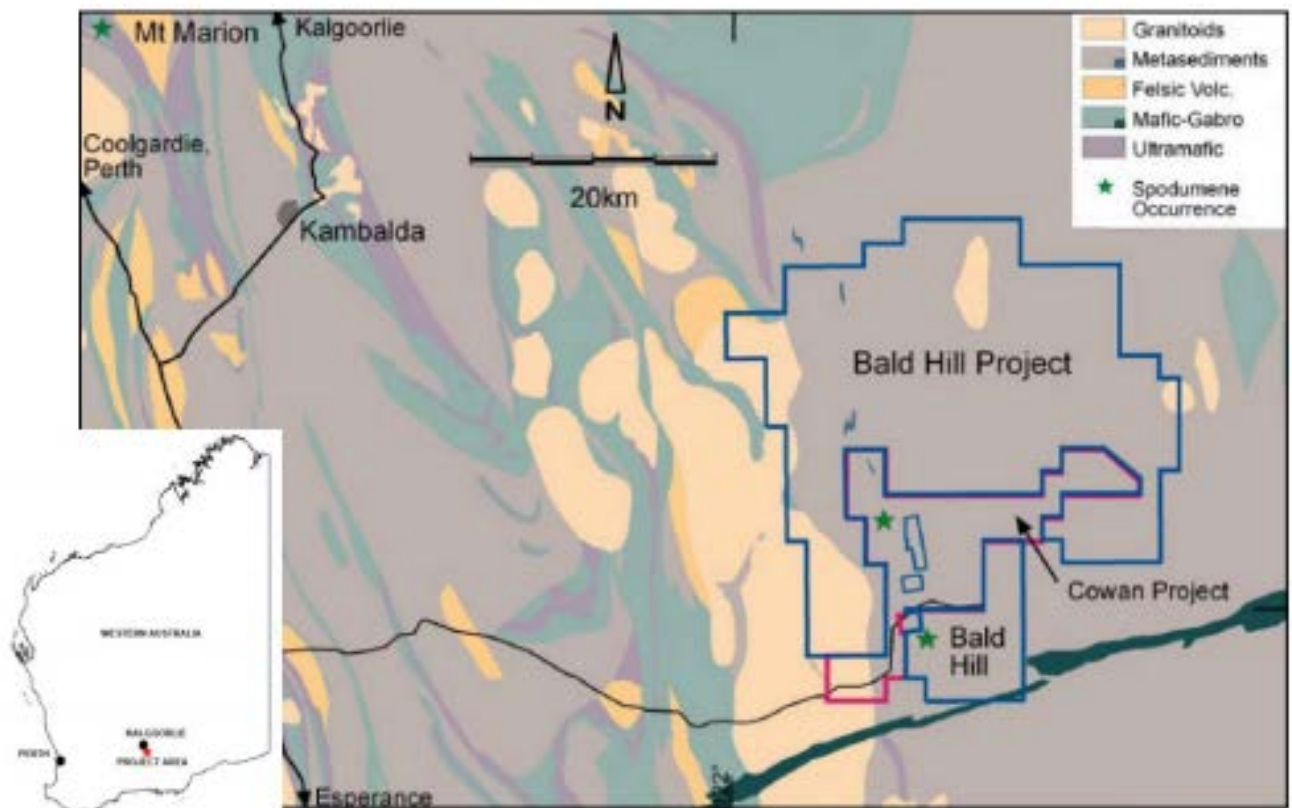


Figure 1 | Project Location map

Forward Looking Statement

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

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End Notes

1. Refer ASX announcement dated 11 July 2017 and SGX on 8 August 2017. All material assumptions underpinning the Production Targets detailed in this report (including all financial information derived from those production targets) are detailed in the ASX announcement dated 11 July 2017 and Tawana confirms those assumptions continue to apply and have not materially changed.
2. All material assumptions and technical parameters underpinning the Mineral Resource estimates in the ASX announcement dated 11 October 2017 and SGX announcement dated 12 October 2017 continue to apply and have not materially changed since it was last reported. The Indicated Resource is 8.0Mt @ 1.18% and the Inferred Resource is 10.9Mt @1.18%. AMAL will issue an independent qualified person report in relation to the aforesaid as soon as practicable.