

Tawana Resources NL
(Incorporated in Australia)
(Registration number ACN 085 166 721)
Share code on the JSE Limited: TAW
JSE ISIN: AU0000TAWDA9
Share code on the Australian Stock Exchange Limited: TAW
ASX ISIN: AU000000TAW7
("the Company" or "Tawana")

OFFER DOCUMENT REGARDING A PRO RATA NON-RENOUNCEABLE RIGHTS OFFER

A pro rata non-renounceable Rights Issue to Eligible Shareholders is being made on the basis of 1 New Share for every 1 existing Share held by Eligible Shareholders on the Record Date at an issue price of \$0.015 (ZAR0.16268) per New Share to raise approximately \$1,106,441 (before costs) (**Offer**).

The Offer opens in both Australia and South Africa on 18 May 2016 and closes in Australia at 5:00pm (WST) and in South Africa at 12.00 midday (Johannesburg time) on 27 May 2016 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

Shareholders are reminded that the securities of the Company are listed on ASX as well as on JSE. Due to the fact that the primary listing of the securities of the Company is ASX, with JSE being a secondary listing, the content of this document has been compiled in accordance with mandated Listing Rules of ASX and the Australian Corporations Act. Notwithstanding, the Offer Document has been reviewed and approved by JSE from a corporate actions perspective.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document, dated 4 May 2016, has been prepared by Tawana Resources NL and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Class Order 08/35. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. This Offer Document is being made available to JSE Limited (**JSE**) in South Africa for review in connection with its issue to South African Eligible Shareholders of the Company. No action has been taken to lodge this Offer Document in any other jurisdiction.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, South Africa and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would

be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

United States Shareholders

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

Further detail in relation to foreign jurisdictions is set out in this Offer Document.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.5 Notice to nominees and custodians

Shareholders resident in Australia, New Zealand or South Africa holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Offer Document.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Michael Bohm (Non-Executive Chairman)
Michael Naylor (Executive Director)
Rob Benussi (Non-Executive Director)

Joint Company Secretaries

Michael Naylor
Melanie Li

Registered Office

288 Churchill Avenue
Subiaco WA 6008

Telephone: + 61 8 9489 2600
Facsimile: +61 8 9489 2600

Email: admin@tawana.com.au
Website: www.tawana.com.au

ASX & JSE Code

TAW

Share Registry - Australia*

Computershare Investor Services Pty
Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Share Registry – South Africa*

Computershare Investor Services
Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
South Africa

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

JSE Sponsor

PricewaterhouseCoopers Corporate
Finance (Pty) Limited
2 Eglin Road
Sunninghill, 2157
South Africa

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of 1 New Share for every 1 Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.015 (ZAR0.16268) per Share. Based on the capital structure of the Company as set out in Section 3.7 of this Offer Document, a maximum of approximately 73,762,751 Shares will be issued pursuant to this Offer to raise up to approximately \$1,106,441.

As at the date of this Offer Document, the Company has 1,125,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 3.7 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Minimum Subscription

There is no minimum subscription.

3.3 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$1,106,441 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

Item	Allocation	\$	%
A	Mofe Creek Iron Ore Project maintenance and associated Liberian administration costs	341,061	30.83
B	Company and administration expenses ¹	241,250	21.80
C	Potential acquisition opportunities	150,000	13.56
D	Working capital ¹	334,130	30.20
E	Expenses of the Offer	40,000	3.61
	Total	1,106,441	100

Note:

1. Funds allocated to this item will be used for administration expenses of the Company over the next 15 months, including Director's remuneration (\$151,250), company secretarial, accounting and CFO services (\$90,000).

In the event that the Company raises less than the full subscription of \$1,106,441 (and after accounting for Offer costs), any funds raised will be allocated proportionately between items A and B. Any remaining funds will then be used to

examine potential opportunities (item C) and then for general working capital (item D).

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.4 Indicative Timetable regarding ASX and JSE actions on ASX and JSE

JSE Declaration Date	Wednesday, 4 May 2016
Announcement of Rights Issue and lodgement of Appendix 3B, cleansing notice and Offer Document with ASX	Wednesday, 4 May 2016
Despatch in Australia of notices to Optionholders informing them of the Rights Issue	
Dispatch in Australia of notices to Shareholders informing them of the Rights Issue and Appendix 3B details on ASX	Thursday, 5 May 2016
Last day to trade in shares on JSE in order to be entitled to participate in the non-renounceable Rights Issue	Friday, 6 May 2016
Shares trade "ex-rights" on the JSE	Monday, 9 May 2016
Shares trade "ex-rights" on ASX	Thursday, 12 May 2016
<i>In South Africa, no dematerialisation or rematerialisation of Tawana share certificates may take place between Monday, 9 May 2016 and Friday, 13 May 2016, both dates inclusive, nor may transfers between the Australian register and the South African register take place between the aforementioned dates</i>	
Record Date to determine entitlements under the Rights Issue on the JSE	Friday, 13 May 2016
Record Date to identify security holders entitled to participate in the offer (ASX)	Friday, 13 May 2016
Offer opens - Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders on ASX	Wednesday, 18 May 2016
Offer opens - Offer Document and Entitlement and Acceptance forms despatched to Eligible Shareholders on JSE	Wednesday, 18 May 2016
Announcement on ASX and the JSE that dispatch of Offer Document and Entitlement	

and Acceptance Forms complete
Offer Opening Date

Last day to extend the offer Closing Date Tuesday, 24 May 2016

Offer Closing Date Friday, 27 May 2016

(5:00 pm WST for ASX and 12.00 midday
Johannesburg Time for JSE)

New Shares quoted on ASX on a deferred
settlement basis Monday, 30 May 2016

Entitlement Shares begin trading and
New shares listed on the JSE Tuesday, 31 May 2016

Notify ASX of under subscriptions Wednesday, 1 June 2016

Issue Date - Deferred settlement trading ends
on ASX Friday, 3 June 2016

Normal (T+2) trading for New Shares on ASX
commences (provided the entity tells ASX by
noon on the issue date that the issue has
occurred) Monday, 6 June 2016

Allotment and issue of New Shares (JSE) at
commencement of trading on JSE Tuesday, 7 June 2016

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Shareholders are advised that trading in shares in Tawana on the JSE is settled within the Strate environment five business days following a trade. As the New Shares acquired as a result of the Rights Offer will only be issued on Tuesday, 7 June 2016, those shares may only be traded in South Africa from Tuesday, 31 May 2016 for settlement five (5) business days later.

** These dates are indicative only and are subject to change.

3.5 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

3.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX or the JSE and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.7 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	73,762,751
New Shares offered pursuant to the Offer ¹	73,762,751
Total Shares on issue after completion of the Offer¹	147,525,502

Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Options (ASX only)

Options	Number
Options currently on issue:	
Unquoted exercisable at \$0.30 on or before 12/12/2016	75,000
Unquoted exercisable at \$0.36 on or before 12/12/2016	500,000
Unquoted exercisable at \$0.178 on or before 26/5/2018	550,000
Total	1,125,000

The capital structure on a fully diluted basis as at the date of this Offer Document would be 74,887,751 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be 149,775,502 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.8 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Michael Naylor ¹	40,000	0.05	40,000	600.00
Robert Benussi	22,500	0.03	22,500	337.50
Michael Bohm	Nil	Nil	Nil	Nil

Notes:

1. Mr Naylor also holds 150,000 options exercisable at \$0.178 on or before 26 May 2018 which will provide an additional Entitlement should they be exercised prior to the Record Date.

Each of Messrs Naylor and Benussi have agreed to take up their Entitlements in full.

3.9 Effect of the Offer on control and voting power in the Company

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all eligible shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the

Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer; and

- (b) in the event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in section 3.11.

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%) ¹	Entitlement	\$
Gryphon Minerals Limited	6,752,500	9.15	6,752,500	101,287.50

Notes:

1. The voting power in the table is prior to settlement of the Offer.

3.10 Underwriting

The Offer is not underwritten.

3.11 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	67.78%	50,000,000	50,000,000	33.89%
Shareholder 2	25,000,000	33.89%	25,000,000	25,000,000	16.95%
Shareholder 3	10,000,000	13.56%	10,000,000	10,000,000	6.78%
Shareholder 4	1,000,000	1.36%	1,000,000	1,000,000	0.68%
Shareholder 5	100,000	0.14%	100,000	100,000	0.07%

Notes:

1. This is based on a share capital of 73,762,751 Shares at the date of this Offer Document.

3.12 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest (on a pre and post Consolidation basis which consolidation took place with effect from Thursday, 14 April 2016 in Australia and Monday 18 April 2016 in South Africa) of the Shares on ASX and JSE during the three months

immediately preceding the date of release of this Offer Document, and last market sale price and the respective dates of those sales were:

ASX	Pre-Consolidation(\$)	Post-Consolidation(\$)	Date
Highest	0.044	0.88	22/4/2016
Lowest	0.001	0.02	17/2/2016
Last	0.041	0.82	2/5/16
JSE	(ZAR)		Date
Highest	0.05	1.00	19/4/2016
Lowest	0.03	0.59	26/4/2016
Last	0.04	0.77	29/4/2016

3.13 Opening and Closing Dates

The Offer opens on the Opening Date, being 18 May 2016, and closes on the Closing Date, being 5:00pm (WST) in Australia or 12.00 midday (Johannesburg time) for JSE on 27 May 2016 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules in Australia and JSE Listings Requirements in South Africa). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.14 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.4 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.4 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.15 ASX and JSE listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.16 CHESS and Strate

The Company is a participant in CHESS (in Australia) and Strate (in South Africa), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS or Strate will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS, Strate and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.17 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.18 South African Exchange Control (Applicable to South African Shareholders only)

In the case of Certificated Shareholders whose registered addresses are outside the Common Monetary Area or where the share certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

(a) Emigrants from the Common Monetary Area

Share certificates bearing the new name will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations and will be sent to the shareholder's authorised dealer in foreign exchange in South Africa controlling his/her blocked assets.

(b) All other non-residents of the Common Monetary Area

Share certificates bearing the new name will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations. With regard to Dematerialised Shareholders whose registered addresses are outside the Common Monetary Area, their Shares will be annotated in the Company's relevant sub register as "non-resident" and statements will be restrictively endorsed in terms of those regulations.

In terms of the Exchange Control Regulations of the Republic of South Africa, non-residents of the Common Monetary Area will be allowed to take up rights allocated in terms of the offer provided that payment is received in foreign currency or in Rand from a Non-Resident Account.

All applications by non-residents for the above purposes must be made through an Authorised Dealer in foreign exchange. Shares subsequently re-materialised and issued in certificated form, will be endorsed "Non-Resident".

Where a right in terms of the offer falls due to a former resident of the Common Monetary Area, which right is based on shares controlled in terms of the Exchange Control Regulations, only emigrant's blocked funds may be used to take up this right.

Applications by emigrants using emigrant's blocked funds for the above purposes must be made through the Authorised Dealer in foreign exchange controlling their blocked assets. Any shares issued pursuant to the use of emigrant blocked funds will be credited to their blocked share accounts at the Central Securities Depository Participant controlling their blocked portfolios. The sale proceeds of letters of allocation, if applicable, will be returned to the Authorised Dealer in foreign exchange for credit to such emigrants' blocked accounts."

3.19 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.20 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.tawana.com.au or the ASX at www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the

laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.21 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 8 9489 2600.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque or arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form (Eligible Shareholders in South Africa, please refer to 4.2 below); or
- (b) **if you only wish to accept part of your Entitlement:**
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at \$0.015 per New Share (Eligible Shareholders in South Africa, please refer to 4.2 below); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (WST) for Australian and New Zealand Eligible Shareholders or 12.00 midday (Johannesburg time) for South African Eligible Shareholders on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Actions required by Eligible Shareholders in South Africa

Eligible Shareholder of dematerialised shares

If you are an Eligible Shareholder and have dematerialised your Shares, you will not receive a printed Entitlement and Acceptance form and you should receive notification from your CSDP or broker regarding the new shares in terms of the offer to which you are entitled.

Your CSDP or broker will credit your account with the total number of rights to which you are entitled and should contact you to ascertain:

- (a) whether you wish to take up your rights in terms of the Rights Issue and, if so, in respect of how many New Shares; and
- (b) if you do not wish to take up all or any of your rights.

CSDP's effect payment in respect of dematerialised Shareholders on a delivery versus payment basis.

If you are not contacted, you should contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Shares in terms of the Offer.

The Company does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the Offer and/or to obtain instructions from you to subscribe for New Shares.

4.3 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.4 Payment by cheque/bank draft/ electronic payments

In the case of Australian and New Zealand Eligible Shareholders, all cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Tawana Resources NL" and crossed "Not Negotiable".

In the case of South African Certificated Eligible Shareholders, cheques must be drawn in South African currency on a South African bank and made payable to "Tawana Resources NL" and crossed "Not Negotiable". Electronic Bank Transfers (EFT) will be accepted, kindly contact our Call Centre - Corporate Actions on 0861 100 634 to obtain banking details and reference number for the deposits. Entitlement and Acceptance Form and proof of EFT payment may be faxed to +27 11 688 5210 or e-mailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of the rights only and is not for selling of the rights.

You should then forward your completed Entitlement and Acceptance Form and cheque to the Company's share registry at the addresses set out below by no later than 5:00pm WST (for Australian and New Zealand Eligible Shareholders) or 12.00 midday Johannesburg time (for South African Eligible Shareholders) on the Closing Date:

Australian and New Zealand Eligible Shareholders

Computershare Investor Services Pty Limited
PO Box 505,
Melbourne VIC 3001
Australia

South African Eligible Shareholders

By hand:
Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg,
2001, South Africa
(PO Box 61763, Marshalltown, 2107 South Africa)

By electronic mail to:
c/o Computershare Investor Services
Proprietary Limited
corporate.events@computershare.co.za

By facsimile to:
c/o Computershare Investor Services
Proprietary Limited
+27 11 688 5210

Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Entitlement and Acceptance Forms or owing to Entitlement and Acceptance Form being forwarded to any other facsimile or email address other than those provided above.

Entitlement and Acceptance Forms shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary it is the shareholder's responsibility to ensure that their Entitlement and Acceptance Form is received by Computershare Investor Services Proprietary Limited.

4.5 Payment by BPAY® for Eligible Shareholders in Australia and New Zealand

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares

which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 2:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.015 (ZAR0.16268) being the price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 Company Specific

(a) Exploration Success

The Company's principal project is the Mofe Creek Project located in Liberia, West Africa. The Company is the beneficial owner of two mineral exploration licenses. The licenses are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

As announced in the Company's 2015 Annual Report, a decision was made to reduce project activities and project spend in late 2015 to conserve funds. The Company is currently considering a range of options to continue the advancement of the Mofe Creek Project. There is a risk that delays could occur in respect of restarting operations and/or the ramp up phases of operations, which may have an impact on the Company.

There can also be no assurance that exploration of the licenses, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

In addition, there is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Offer Document are able to be achieved.

(b) Exploration Costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in

practice, which may materially and adversely affect the Company's viability.

(c) **Status of Licences**

The Company's two licences are current and subject to renewal. The Company cannot guarantee that the granted licences will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew these granted licences beyond their current expiry date, the Company's interest in the licences may be relinquished.

5.3 Industry Specific

(a) **Resource estimate risks**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change when new information becomes available. Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. If mineralisation or a formation is different from those predicted by past drilling and mining, resource estimates and mining plans may have to be altered in a way which could either benefit or adversely affect the Company's operations.

5.4 General Risks

(a) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(d) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(e) **Government policy and legislation**

Countries in which the Company operates may be subject to political, economic, contractual and other uncertainties. Future government actions concerning the economy or the operation and regulation of mines could have a significant effect on the Company. The Company's activities may be subject to political, economic and other uncertainties, including the risk of civil rebellion, expropriation, nationalisation, enforceability or renegotiation or nullification of existing contracts, mining licences, permits or other agreements, changes in law or taxation policies, currency exchange restrictions, foreign ownership restrictions and changing political conditions.

(f) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

5.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.4 or such other date as may be determined by the Directors.

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

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for 1 New Share for every 1 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

JSE means JSE Limited, a company duly registered and incorporated with limited liability under the company laws of the RSA under registration number 2005/022939/06, licensed as an exchange under the Securities Services Act.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$0.015 (ZAR0.16268) each on the basis of 1 New Share for every 1 Share held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.4 of this Offer Document.

Record Date means the record date set out in Section 3.4 of this Offer Document.

Section means a section of this Offer Document.

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

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

US Person means a person who receives the Offer when they are located in either the United States of America.

ZAR means a South African Rand.