

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

Section 708 Notice

Tawana Resources NL (ASX: TAW) - Secondary Trading Notice Pursuant To Section 708A(5)(E) Of The Corporations Act 2001

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Act").

The Company has issued fully paid ordinary shares in the capital of the Company and options to acquire ordinary fully paid shares in the capital of the Company ("**Securities**") as per the Appendix 3B lodged with the ASX today.

The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

(a) the provisions of Chapter 2M of the Act as they apply to the Company; and

(b) section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

For further information:

Winton Willesee
Joint Company Secretary
Tawana Resources NL

31 July 2014

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd

Appendix 3B New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and

documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

TAWANA RESOURCES NL

ABN

69 085 166 721

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (i) Fully Paid Ordinary Shares
(ii) Class E Incentive Options (3.2 cents, 2 Jun 2017) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 10 million Fully Paid Ordinary Shares
(ii) 5 million Class E Incentive Options (3.2 cents, 2 Jun 2017) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) Fully Paid Ordinary Shares
(ii) Terms and conditions of the Class E Incentive Options are attached. |
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | (i) Yes.
(ii) No – the Class E Incentive Options represent a new class of security.

Shares issued upon the exercise of the incentive options will rank equally with existing fully paid ordinary shares. |

5	Issue price or consideration	<p>(i) \$0.0001 per fully paid ordinary share upon the exercise of 10,000,000 Class A Performance Options.</p> <p>(ii) Incentive Options were issued for nil cash consideration as part of the remuneration package offered to a Company employee.</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>(i) Shares issued upon the exercise of 10,000,000 Class A Performance Options which were approved by Shareholders at the General Meeting held on 12 December 2013 and which vested on 22 July 2014.</p> <p>(ii) Incentive Options were issued as part of the remuneration package offered to a Company employee.</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 May 2014
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	5 million Class E Incentive Options (3.2 cents, 2 Jun 2017)
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	10,000,000 Fully Paid Ordinary Shares

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	216,287,558 remaining under LR7.1 147,525,039 remaining under LR7.1A	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	31/07/2014	
		Number	+Class
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	1,475,250,387	Ordinary Fully Paid Shares
		Number	+Class

9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	5,000,000	Options (5c, 9 Sept 2014)
		1,250,000	Options (5c, 10 Nov 2015)
		28,500,000	Options (3.6c, 30 April 2015)
		0	Options (1.8c, 12 Dec 2016)
		10,000,000	Class B Performance Options
		0	Class C Performance Options
		10,000,000	Class A Incentive Options
		0	(1.5c, 12 Dec 2016)
		10,000,000	Class B Incentive Options
		0	(4.6c, 12 Dec 2016)
		30,750,000	Class C Incentive Options
		0	(3.9c, 20 Jan 2017)
		10,000,000	Class E Incentive Options
0	(3.2c, 2 June 2017)		
1,000,000			
5,000,000			

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged
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Part 2 - Bonus issue or pro rata issue

- | | | |
|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |

18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders

25 If the issue is contingent on +security holders' approval, the date of the meeting

26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled

27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders

28 Date rights trading will begin (if applicable)

29 Date rights trading will end (if applicable)

30 How do +security holders sell their entitlements *in full* through a broker?

31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought

- 39 Class of +securities for which quotation is sought

- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:
 - the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 31 July 2014
 (Company secretary)

Print name: Winton Willesee

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital																						
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated																						
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	926,629,043																					
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"></td> <td style="width: 20%; text-align: center;">13/08/2013</td> <td style="width: 40%; text-align: right;">50,000,000</td> </tr> <tr> <td></td> <td style="text-align: center;">18/10/2013</td> <td style="text-align: right;">244,000,000</td> </tr> <tr> <td></td> <td style="text-align: center;">18/12/2013</td> <td style="text-align: right;">5,000,000</td> </tr> <tr> <td></td> <td style="text-align: center;">6/03/2014</td> <td style="text-align: right;">25,750,000</td> </tr> <tr> <td></td> <td style="text-align: center;">14/04/2014</td> <td style="text-align: right;">200,000,000</td> </tr> <tr> <td></td> <td style="text-align: center;">13/05/2014</td> <td style="text-align: right;">13,871,344</td> </tr> <tr> <td></td> <td style="text-align: center;">31/07/2014</td> <td style="text-align: right;">10,000,000</td> </tr> </table>		13/08/2013	50,000,000		18/10/2013	244,000,000		18/12/2013	5,000,000		6/03/2014	25,750,000		14/04/2014	200,000,000		13/05/2014	13,871,344		31/07/2014	10,000,000
	13/08/2013	50,000,000																				
	18/10/2013	244,000,000																				
	18/12/2013	5,000,000																				
	6/03/2014	25,750,000																				
	14/04/2014	200,000,000																				
	13/05/2014	13,871,344																				
	31/07/2014	10,000,000																				
<i>Note:</i> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 																						
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-																					
“A”	1,475,250,387																					
Step 2: Calculate 15% of “A”																						
“B”	0.15 <i>[Note: this value cannot be changed]</i>																					
Multiply “A” by 0.15	221,287,558																					

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>31/07/2014 5,000,000</p>
“C”	5,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	221,287,558
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	5,000,000
<p>Total [“A” x 0.15] – “C”</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>	216,287,558

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	1,475,250,387
Step 2: Calculate 10% of “A”	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>

Multiply "A" by 0.10	147,525,039
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	-
"E"	-
Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	147,525,039
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	-
Total ["A" x 0.10] – "E" <i>Note: this is the remaining placement capacity under rule 7.1A</i>	147,525,039

**Terms & Conditions
Class E Incentive Options**

1. General

- 1.1 No monies will be payable for the issue of the Incentive Options.
- 1.2 Each Incentive Option shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 1.3 Subject to these terms, the Incentive Options will automatically vest upon the completion of two consecutive years of full time employment with the Company (**Vesting Date**) and are exercisable at any time after the Vesting Date until 2 June 2017 (**Expiry Date**).

- 1.4 The Options are forfeited if the Incentive Optionholder's employment with the Company ceases prior to the Options vesting.
- 1.5 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Optionholder**) to the balance of the Incentive Options held by the Incentive Optionholder.
- 1.6 The exercise price of each Class E Incentive Option will be 135% of the 5 day VWAP of Shares traded on the ASX as at 2 June 2014, being 3.2 cents (**Exercise Price**).
- 1.7 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.
- 1.8 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:
 - (a) the option certificate for those Incentive Options for cancellation by the Company; and
 - (b) payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.
- 1.9 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.
- 1.10 Incentive Options may be exercised into Shares to be held in the name of the Incentive Optionholder's nominee.
- 1.11 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.
- 1.12 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.13 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.
- 1.14 The Incentive Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Optionholder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares. The Company must give the Incentive Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.
- 1.15 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

- 1.16 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.
- 1.17 If, prior to the expiry of any Incentive Options, there is a reorganisation of the issued capital of the Company, then the rights of the Incentive Optionholder (including the number of Incentive Options to which each Incentive Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 1.18 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

2. **Lapse of Incentive Options**

- 2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Incentive Optionholder dies, the deceased Incentive Optionholder's legal personal representative may:
- elect to be registered as the new holder of the deceased Incentive
- (a) Optionholder's Incentive Options;
- (b) whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Optionholder of them; and
- (c) if the deceased Incentive Optionholder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.
- 2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Optionholder resigns as an employee of the Company, or is terminated by the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or termination.
- 2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company:
- (a) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
- (c) a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Optionholder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply