

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 Securities Exchange Limited: TAW
ASX ISIN: AU000000TAW7
("the Company" or "Tawana")

Quarterly Activities Report

PLEASE NOTE: ALL GRAPHICS HAVE BEEN REMOVED FOR SENS PURPOSES. PLEASE REFER TO TAWANA WEBSITE FOR THE COMPLETE ANNOUNCEMENT.

Highlights

Mt Belches Lithium Projects

- Tawana acquired Mount Belches Pty Ltd ("Mt Belches"), which has one tenement application and rights (via an option agreement) to acquire 100% of three exploration licences and one exploration licence application, all of which are highly prospective for lithium and located in the Goldfields region of Western Australia.
- The Cowan Lithium Project covers approximately 26km strike of two belts containing a large number of rare element pegmatites.
- Prior shallow exploration and previous small scale mining focused on tantalum and tin only.
- Anomalous lithium assayed in wide spaced geochem & rock chip sampling.
- A number of spodumene-rich pegmatites mapped and a large number of drill-ready lithium geo-chemical anomalies identified in previous exploration data.
- Recent rock-chip sampling returned grades of up to 1.85% Li (3.99% Li₂O) from spodumene-rich pegmatite.
- Drilling to test the known spodumene pegmatites and lithium geochemical anomalies is planned for September 2016.
- The purchase consideration for Mt Belches will be the issue of 40,000,000 Tawana shares to shareholders of Mt Belches.

Mofe Creek Iron Ore Project

Project Studies - Mine, Logistics, Infrastructure and Approvals

- The Mineral Development Agreement (MDA) for Tawana's 100% owned Mofe Creek Project, incorporating both the northern and southern tenements and a potential early start-up project for Direct Shipping Ore (DSO), continues to be under review by Liberia's Inter-Ministerial

Concessions Committee (IMCC) and a response is anticipated in the September 2016 quarter. The Company is conducting minimal exploration work on the Mofe Creek Project until the MDA has been received.

Corporate

- As at 30 June 2016, Tawana Resources had A\$1.2 million in cash.
- Mark Calderwood appointed Chief Executive Officer who has significant corporate credentials and relevant exploration experience.
- The Company completed a one for one non-renounceable rights issue at an issue price of \$0.015 per share which raised \$1.1 million before costs.
- On 8 April 2016, the Company's shareholders approved a one-for-twenty consolidation of its issued capital.
- In July 2016, the Company received commitments for a placement to raise \$1.75 million at an issue price of \$0.025 per share.

Cowan Lithium Project¹

Cowan Lithium Project

The Cowan Lithium Project ("Project") area 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.

Geology

The Project area comprises Archaean quartz-biotite metasediments and amphibolites of the Eastern Goldfields Terrane of the Yilgarn Craton. These metasediments trend north-south and have been intruded by large numbers of pegmatites.

Two main belts of rare element Lithium-Caesium-Tantalum type ("LCT") pegmatites are known in the Project area. LCT type pegmatites are derived from highly siliceous, peraluminous (S-Type, 'fertile' granites) as highly fractionated granitic melts. These fractionated melts contain the rare elements (Be, Rb, Cs, Sn, Nb, Ta etc) and a high volatile content (H₂O, F, B, P and Li). Petr Černý's pegmatite classification (Černý 1991) is the accepted standard. Under this pegmatite classification scheme the Project area is prospective for:

- i) LCT Albite-spodumene: These are typically unzoned, homogeneous pegmatites with subhedral spodumene in a quartz-albite matrix. The Mt Marion pegmatites (located 75km to the northwest) are examples of this subclass.
- ii) LCT Albite: Zoned albite pegmatites have a fine grained albite and quartz border zone with albite, often of the cleavelandite variety, as the central pegmatite zone. Small quartz lenses and scattered pods of coarsely crystallized quartz, microcline with accessory minerals of beryl and phosphates with mica are found irregularly within the albite central zones. Tantalum minerals are found disseminated within the albite.
- iii) LCT Complex: There are considered to be four subclasses depending upon which Li-bearing mineral is dominant in the pegmatite.
 - a) Spodumene: spodumene-dominant lithium-bearing pegmatites that are zoned and mineralogically complex (e.g. the Greenbushes and Mt Cattlin pegmatite deposits).
 - b) Petalite: Zoned pegmatites dominated by petalite and/or its alteration products

- (e.g. the Londonderry pegmatites, located 105km to the west-northwest).
- c) Lepidolite: Pegmatites simple or zoned with are rich in lepidolite (e.g. the Mt Deans pegmatites located 105km to the southwest).
 - d) Amblygonite: Amblygonite-rich pegmatites (Ubini pegmatite, located 130km to the west-northwest).

The two large LCT pegmatite belts defined within the Project area are:

1) Mt Belches - Bald Hill (“MBBH Belt”)

This pegmatite belt striking north to northwest extends for at least 15km, however the pegmatite belt likely extends for at least 25km under transported cover. A large number of albite rich and LCT type Albite-Spodumene pegmatites occur over a width of about 4km. Previous exploration and exploitation has been focused on tantalum and tin. About 10km strike of the pegmatite belt is located on the Mount Belches tenements.

2) Claypan Dam- Madoonia (“CDM Belt”)

This less explored northeast-southwest oriented LCT pegmatite belt has a strike of at least 22km and width of at least 7km. The belt is known to contain LCT Albite pegmatites with tantalite and tin and potentially hosts LCT Albite-Spodumene pegmatites. A significant portion of the belt is covered by the Mount Belches tenements.

(Černý 1991) is reference to Černý, P., 1991 - Rare-element granitic pegmatites Part 1: anatomy and internal evolution of pegmatite deposits: Geoscience Canada, V. 18:2, p 49-67

(Jacobson et al 2007) is reference to Jacobson, M. I., Calderwood M. A. and Grguric B. A., 2007 Guidebook to Pegmatites of Western Australia p299-308

The pegmatites occur as gently dipping sheets and as steeply dipping veins which are all elongate in a northerly direction, parallel to the regional foliation. They range in thickness from a few metres to as much as 30 metres and in some instances occur as multiple, parallel dykes or swarms separated by a few metres of sheared metasediments (Jacobson et al 2007).

The unweathered pegmatites as exposed in the Bald Hill South pit (south of the Project area) are composed of two zones, a quartz-spodumene-albite zone and a quartz-microcline-muscovite-albite zone. From inspection, cassiterite, columbite-tantalite are present as accessory minerals in the quartz-spodumene-albite zone. The zoning is so poorly defined that these pegmatites can be classified as unzoned albite-spodumene pegmatites (Jacobson et al 2007).

Outcrops of exposed schist and pegmatites are restricted to limited areas; most of the tenement area is concealed by bluebush floodplain and sandplain and wash zones. Remnants of Eocene sediments also mask bedrock.

Previous Work

Prior exploration by tantalum explorers on the tenements has essentially been limited to:

- A) Wide spaced (~200m x 400m) shallow RAB (and minor RC) drilling for bottom of hole geochemistry including lithium assays. Within the project area 419 holes averaging 12.9m were drilled and sampled within part of the MBBH Belt and 257 holes averaging 16.1m were drilled and sampled within part of the CDM Belt. The resulting lithium geochemical database has resulted in the identification of a significant number of anomalies worthy of follow-up drilling. Based on the entire regional database lithium assays of schist with 40ppm (85ppm Li₂O) are considered anomalous, 80ppm (170ppm Li₂O) strongly anomalous and 120ppm (260ppm Li₂O) highly anomalous. Background lithium levels within the schist hosting the two pegmatite belts is about 3ppm. A summary of drill hole geochemical results are provided in Table 1 and shown on Figures 3 to 6. Selected individual drill hole geochemical results are provided in Table 4. A summary of anomalous rock chip results from previous exploration are provided in Table 2. These rock chip results are shown on Figures 3 to 6 as pegmatite locations.

Table 1 | Summary of Bottom of Hole RAB and RC Geochemical Sampling

Pegmatite Belt	Holes Sampled	Holes +/- 40ppm Li	Holes +/- 80ppm Li	Holes +/- 120ppm Li
MBBH	419	206 (49%)	81 (19%)	39 (9%)
CDM	257	77 (30%)	11 (4%)	4 (2%)

- B) Rock chip sampling, prior explorers collected more than 226 pegmatite samples from within the Project area of which 219 were assayed for Li. A total of 95 (42%) of the rock chip samples contained anomalous levels of one or more of Li, Cs, Ta or Sn.

Table 2 | Summary of Anomalous Previous Rock Chip Geochemical Sampling

Pegmatite	Li ₂ O +100ppm	Cs ₂ O +100ppm	Ta ₂ O ₅ +50ppm	SnO ₂ +50ppm	Na ₂ O >4%
# of samples	41	37	47	37	129
% of total	19%	17%	21%	16%	65%
Average grade (ppm)	1,041	189	192	118	5.4%

- C) The extensive shallow auger and soil sampling is considered to be of limited value due to the unknown regolith profile and extensive transported Archaean derived regolith or in-situ Eocene sediments and the likely leaching of lithium from the weathered sampling medium.
- D) RC drilling of 24 pegmatites (or pegmatite clusters) was undertaken however lithium was not analysed in pegmatite samples. A total of 70 RC and RAB holes intercepted pegmatites within the Cowan Project area. RC drill hole BHC1013 intercepted 14.5m of pegmatite with spodumene logged throughout. RC drill hole BHR882 contained a 4m intersection of pegmatite which was logged as containing spodumene and a bottom of hole (BOH) schist sample contains 2,019ppm Li₂O.

Prior production within the Project Area is limited to a small amount of tin and/or tantalum from eluvials at the Mount Belches workings. Soft and hard rock mining for tantalum with associated accessory tin has been undertaken at the Bald Hill and the Dawn View mines on adjoining tenements and at Saint John workings on excised licences.

Recent Work

Recent mapping and rock chip sampling of outcropping spodumene bearing pegmatites located within E15/1446 in the Mount Belches area, has returned lithium values from 15 samples of pegmatite. Lithium values range from 3,762 ppm (0.81% Li₂O) in pegmatite containing moderate spodumene content up to 18,545 ppm (3.99% Li₂O) in pegmatites with high spodumene content. Results of the 15l samples are contained in Table 5, sample locations and details of sampling are contained in Appendix 1 Section 2 and the Li₂O results are shown on Figure 4.

Initial Exploration Planned by Tawana

The Company plans to undertake initial RC drilling of existing drill targets. Concurrently with drilling the Company will undertake further mapping and sampling within the pegmatite belts not previously explored. Mineralogy will be undertaken on pegmatites to better define their LCT type pegmatite classification.

Yallari Project¹

The Yallari Project is located 25km southeast of Coolgardie and about 10km west of Mt Marion. The project areas cover portions of the greenstone sequence that hosts the Mt Marion and Londonderry pegmatite fields. Numerous pegmatites have been mapped by nickel and base metal explorers however there are no records on the rare element content of the pegmatites. These pegmatites based on their mineralogy are probably derived from a peraluminous and possible 'fertile' granite. The geological setting of the pegmatites and the proximity to the Mt Marion and Londonderry lithium bearing pegmatite fields is encouraging.

Sampling is required to define the pegmatite type(s) and their potential for mineralisation. Based on the currently known pegmatite mineralogy the most prospective area for lithium enriched pegmatites will be further from the source granite (Figure 8). Three recent samples of pegmatite scree from near access tracks returned anomalous lithium result from one sample (Refer Table 6).

Table 3 | Tenement Summary

Cowan Project		
Tenement number	Km ²	Grant Date
E15/1205	5.9	10-03-2011
E15/1377	95.7	12-11-2014
E15/1446	57.6	18-08-2014
Yallari Project		
Tenement number	Km ²	Grant Date
E15/1401	41.2	Pending
E15/1525	58.8	Pending

Table 4 | Cowan Project, Selected Significant BOH (1m) Assays MBBH Pegmatite Belt

HOLE ID	EAST	NORTH	From (m)	To (m)	Cs ppm	Li ppm	Rb ppm	Li ₂ O ppm
BHR0878	421,087	6,515,272	21	22	26	491	171	1,057
BHR0880	421,187	6,515,309	24	25	2,366	938	6,973	2,019
BHR1941	417,687	6,518,557	16	17	84	241	170	519
BHR1971	419,637	6,517,457	2	3	36	311	84	670
BHR2050	416,237	6,522,957	1	2	57	471	78	1,014
BHR2075	416,637	6,522,557	0	1	121	1,248	193	2,687
BHR2076	416,437	6,522,557	0	1	35	1,656	118	3,565
BHR2100	418,537	6,521,757	0	2	7	382	79	823
BHR2101	418,487	6,521,757	1	2	45	375	56	808
BHR2105	417,637	6,521,732	2	3	21	388	76	835
BHR2134	417,237	6,520,957	21	22	6	245	72	527
BHR2159	417,637	6,519,557	9	10	19	341	134	734
BHR2165	418,637	6,519,357	2	3	8	283	245	609
BHR2184	418,137	6,518,107	20	21	2,505	1,606	1,073	3,457
BHR2186	418,237	6,518,157	18	19	10	366	96	788
BHR2199	418,687	6,517,557	23	24	5	249	63	536
BHR2237	419,337	6,517,532	0	1	6	246	70	530
BHR2244	419,437	6,517,857	1	2	6	260	126	560

Table 5 | Cowan Project 2016 Pegmatite Rock Chip Sampling (results in ppm unless stated)

Ref	Description	Cs	K	Li	Li ₂ O %	Nb	Rb	Sn	Ta
P10	pegmatite outcrop spodumene rich	59.7	1.11	10,799	2.32	68	487	60	91
P11	pegmatite outcrop spodumene rich	49.2	0.89	8,706	1.87	79	417	70	86
P13	pegmatite outcrop spodumene rich	64.9	1.35	9,264	1.99	54	717	135	43
P16	pegmatite outcrop with spodumene	34.9	0.62	3,762	0.81	94	327	94	97
P17	pegmatite outcrop spodumene poor	96.2	1.25	3,507	0.75	87	622	135	175
P18	pegmatite outcrop visible Ta/Sn?	210.2	2.15	75	0.02	92	2,175	637	283
P22	Cymatolite after spodumene? in pegmatite from trench dump	265.7	3.01	146	0.03	17	1,150	274	23
P23	pegmatite spodumene rich from trench	101.6	0.73	18,545	3.99	20	251	213	42
P24	pegmatite spodumene rich from trench	97.6	1.19	11,913	2.56	61	347	213	60
P33	pegmatite outcrop spodumene rich	25.7	0.64	10,894	2.35	58	214	43	51
P36	pegmatite outcrop spodumene rich	35.3	1.18	9,555	2.06	43	406	48	41
P37	pegmatite outcrop spodumene rich	32.8	0.46	13,136	2.83	63	214	70	42
P42	pegmatite outcrop spodumene rich	79.5	1.21	8,293	1.79	58	612	140	115
P45	pegmatite outcrop spodumene rich	52.1	0.43	10,817	2.33	82	188	98	136
P49	pegmatite outcrop spodumene rich	30.2	0.44	11,366	2.45	79	179	75	73

Table 6 | Yallari Project 2016 Pegmatite Rock Chip Sampling (results in ppm unless stated)

Ref.	Location	Description	Cs	K %	Li	Li ₂ O %	Nb	Rb	Sn	Ta
P04	E15/1526	pegmatite scree	59.5	3.66	22	0.00	43	913.6	8	14.4
P06	E15/1401	pegmatite scree	8.7	2.46	37	0.01	58	567.7	10	7.2
P09	E15/1401	pegmatite scree	12.9	2.62	832	0.18	17	515.6	5	6.6

Terms of the Tenement Option Agreement

The terms of the option agreement for Mt Belches to acquire 100% of the Cowan Lithium Project tenements are as follows:

- An option payment of \$100,000 which was paid by Tawana on 6 July 2016;
- \$2,000,000 in cash or Tawana shares (based on the 30 day VWAP) any time up to 4 March 2017. The choice of cash or shares or a combination of the two is at the election of the grantor of the Option; and
- 2% gross revenue royalty on any production.

Consideration for the Purchase of Mt Belches Pty Ltd

The consideration for Tawana to acquire Mt Belches is the issue of 40,000,000 Tawana shares to the shareholders of Mt Belches, none of whom are related parties of the Company. This is subject to shareholder approval on 23 August 2016.

Mofe Creek Iron Ore Project

Mineral Development Agreement (MDA)

The Company is awaiting a formal response from Liberia's IMCC with regard to the first pass submission of Tawana Liberia Inc.'s Mineral Development Agreement. A response is anticipated in the September 2016 quarter. Activities on the project have been limited until a formal response on the MDA has been received.

The MDA is an agreement outlining the technical, commercial and social/environmental commitments to be undertaken to build, operate and sustain a project within Liberia, and is a legislative document passed as a bill in parliament for a term of 25 years.

Infrastructure & Logistics

On 18 May 2015, Tawana and WISCO CAD (Hong Kong) Mining Company Limited (WISCO) signed a non-binding memorandum of understanding (MoU)² to negotiate in good faith, a potential definitive Cooperation Agreement between the parties in relation to access and use of WISCO CAD's port facilities in the port of Freeport, Monrovia.

Negotiations remain ongoing.

Exploration

Bomi Hills Analogue and Significance of Drilling Program

Initial geological observations from drilling (refer ASX announcement on 18 February 2016) at the Goehn Prospect highlights the similarities in lithology and mineralisation setting as reported at the Bomi Hills mine.

The Goehn Prospect is along strike from the abandoned Bomi Hills iron ore mine which was in production from 1951 to 1977. Historic production at Bomi Hills is poorly documented; however estimated historic production by the Government of Liberia is

50Mt of high-grade DSO lump magnetite in addition to high-grade beneficiated sinter feed concentrate. DSO magnetite averaged 64.5% Fe, 4.5% SiO₂, 1.5% Al₂O₃ and 0.13% P, of which 53% formed lump material (average 11-37mm) and 47% formed fines (<11mm). Friable iron formation was beneficiated through Humphrey Spirals and a magnetic separator to produce sinter feed concentrate averaging 64% Fe, 6% SiO₂ and 0.04-0.05% P (Gruss, 1973).

The genesis of the Bomi Hills magnetite deposit is not clearly understood, however, general consensus is that it is hypogene and represents an itabirite that has come into direct contact with rising gneissic fronts causing enrichment to coarse massive magnetite by metamorphic differentiation (Gruss, 1973). Magnetite mineralisation is in direct contact with gneissic basement and is partially blind.

The Bomi Hills cross section at figure 10 has striking similarities between the lithologies intersected at Goehn.

Drilling at Goehn has intersected a similar package of friable iron formation transitioning into hard iron formation from surface, through mafic schist and into footwall gneiss basement. DSO has been intersected within and directly below the mafic schists over variable widths and to a current average of 15m.

Potential DSO Start Up

The DSO mineralisation defined within the Goehn Prospect falls within 6km of the bitumen road between the Mofe Creek Project area and the operational port of Monrovia; only 85km away (Refer Figure 9). This new discovery represents a strategic opportunity to structure an early-start-up operation with minimal capital intensity, using the existing highway and a working port within Monrovia. The mineralisation is readily accessible and presents from surface.

The Goehn Prospect also supports the opportunity for a potential early start-up, low-capital intensity mining and trucking operation within the initial years of production and project life cycle. Due to the hematite DSO style mineralisation discovered, a beneficiation process may not be required at start-up and will only be introduced as the mineralisation transitions from DSO into friable itabirite mineralization. This mining methodology ensures the delayed capital requirements of a processing facility and allows the wet plant to be potentially funded from cashflow and/or strategic debt, once the Company is operational and generating an income.

This potential development is further enhanced by the infrastructure sharing MoU executed between the Company and WISCO-CAD; the owner-operator of the Monrovia port iron ore handling facilities (refer ASX announcement of 18 May 2015).

The Company continues to explore a range of potential options to unlock value for shareholders, including joint venture or outright sale options.

Corporate

Cash and Fiscal Management

As at 30 June 2016, Tawana Resources held \$1.2 million in cash. The company maintained stringent fiscal management programs in order to minimise expenditure at a corporate and project level.

The Company completed a 1 for 1 pro rata non-renounceable rights issue at an issue price of \$0.015 raising \$1,106,441 before costs.

Appointment of Chief Executive Officer

Mark Calderwood was appointed Chief Executive Officer (“CEO”) of the Company effective 11 July 2016. He has extensive experience in mineral exploration and production management, he is an authority on pegmatites and was a co-author of the ‘Pegmatites of Western Australia’. Mr Calderwood was CEO of Perseus Mining Limited for 9 years and is currently non-executive director of three junior gold explorers. Mr Calderwood has the requisite 5 years’ experience for reporting on the results of rare metal pegmatite exploration.

Placement

In order to fund planned exploration programs, the Company has received commitments to raise \$1,750,000 by issue of shares at a price of \$0.025 per share.

In July, Tranche 1 of the capital raising was completed and 19,620,000 ordinary shares at an issue price \$0.025 per share were issued to sophisticated investors.

Tranche 2 of 50,400,000 shares at an issue price of \$0.025 per share is subject to shareholder approval on 23 August 2016 as outlined in the Notice of General Meeting announced on 21 July 2016.

Share Consolidation

On 8 April 2016, the Company completed a one-for-twenty consolidation of its issued capital. The consolidation resulted in the shares on issue being reduced from approximately 1,475.3 million to 73.8 million (before any subsequent capital raising).

All outstanding options were also consolidated on the same ratio which will resulted in a total of 1.12 million options on issue.

Mark Calderwood

Chief Executive Officer

Tel +61 8 9489 2600

Detailed information on all aspects of Tawana’s projects can be found on the Company’s website www.tawana.com.au

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Mark Calderwood. Mr Calderwood is a member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calderwood consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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. 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. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Tawana Resources NL does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither TAW or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of TAW, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

Notes

¹ All exploration results referred to in these sections were outlined in ASX Announcement on 11 July 2016. Tawana is not aware of any new information or data that materially affects the information included in the said announcement.

² **Disclaimer:**

- (i) the MOU represents a non binding intention of the parties to negotiate a formal cooperation agreement in good faith. The parties are yet to agree on any definitive operational, commercial and/or legal terms (including tonnage capacity or delivery schedules) for the cooperation agreement;
- (ii) the obligation to negotiate in good faith comes to an end on the earlier of execution of a definitive cooperation agreement or 31 December 2015; and
- (iii) there is no certainty or assurance that parties will reach a final agreement on the terms of the cooperation agreement.
- (iv) Refer to ASX announcement on 18 May 2015 for further information.

Appendix 1 | Tawana Resources NL Tenements

Tenement	Location	Structure
MEL-12029 Mofe Creek	Liberia	100% Tawana Resources through its 100% owned Liberian subsidiary
MEL-1223/14 Mofe Creek Sth	Liberia	100% Tawana Resources through its 100% owned Liberian subsidiary

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

The following tenements are to be acquired which are subject to shareholder approval at a general meeting on 23 August 2016.

Tenement	Location	Structure
Cowan Lithium Project		
E15/1205	Western Australia	Subject to an option agreement with Mt Belches
E15/1377	Western Australia	Subject to an option agreement with Mt Belches
E15/1446	Western Australia	Subject to an option agreement with Mt Belches
Yallari Project		
E15/1401	Western Australia	Pending and subject to an option agreement with Mt Belches
E15/1525	Western Australia	Pending and owned by Mt Belches

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Tawana Resources NL

ABN

69 085 166 721

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(24)	(87)
(b) development	-	-
(c) production	-	-
(d) administration	(170)	(569)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 R&D refund	-	-
1.7 Other	-	-
Net Operating Cash Flows	(192)	(651)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	46	71
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	46	71
1.13 Total operating and investing cash flows (carried forward)	(146)	(580)



1.13	Total operating and investing cash flows (brought forward)	(146)	(580)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,077	1,077
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	(44)	(44)
	Net financing cash flows	1,033	1,033
	Net increase (decrease) in cash held	887	453
1.20	Cash at beginning of quarter/year to date	357	788
1.21	Exchange rate adjustments to item 1.20	(2)	1
1.22	Cash at end of quarter	1,242	1,242

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	50
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' salaries, director fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A



Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	225
4.2 Development	-
4.3 Production	-
4.4 Administration	380
Total	605

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,242	357
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,242	357

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			



Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities	-	-		
7.2 Changes during quarter				
7.3 +Ordinary securities	147,525,502 (Note that a 20:1 share consolidation took place during the quarter)	147,525,502 (Note that a 20:1 share consolidation took place during the quarter)		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	73,762,751	73,762,751	\$0.015	\$0.015
7.5 +Convertible debt securities				
7.6 Changes during quarter				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted options	500,000	-	\$0.36	12 December 2016
Unlisted options	75,000	-	\$0.30	12 December 2016
Unlisted options	550,000	-	\$0.178	26 May 2018
Unlisted options	2,500,000	-	\$0.035	15 June 2018
7.8 Issued during quarter	2,500,000	-	\$0.035	15 June 2018
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures	-	-		
7.12 Unsecured notes	-	-		



Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 28 July 2016
Company secretary

Print name: Michael Naylor

Sponsor

28 July 2016

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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