Tawana Resources NL
(Incorporated in Australia)
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("the Company" or "Tawana")

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

TAWANA COMMENCES DRILLING COWAN LITHIUM PROJECT

Tawana Resources NL ("Tawana" or the "Company") is pleased to announce it has commenced drilling on the Cowan lithium project, located in the Goldfields region of Western Australia. Phase 1 of the drilling program will consist of at least 10,000m of RC drilling within the large LCT_1 pegmatite belt and has been planned to test:

- Areas containing outcropping LCT pegmatites, including spodumene rich pegmatites previously reported.
- Areas without outcrops but anomalous bottom of hole lithium geochemical anomalies from prior shallow RAB drilling.
- Areas of gravity anomalies from a recent close spaced trial gravity survey with the aim of calibrating sub-surface geology.

Approximately 140 holes are expected to be completed on wide spaced drill traverses (refer figure 3). The angled holes are expected to average 80m depth and spaced at between 40 and 80m along the traverses. A further 90 hole locations (phase 2) have been marked, however final locations will vary dependent on the geology encountered in initial drilling.

Preparations during August have included outcrop and scree mapping, rock chip and spot soil sampling and a close spaced trial gravity survey. Results of mapping broadly confirm previous results with several additional LCT pegmatites identified including an apparent extension of 3.3km to the known extent of the western LCT pegmatite belt. Gravity images are showing fabric which appears to align with limited outcropping pegmatites, drilling will assist in final interpretation of the gravity surveys.

CEO Mark Calderwood said "With the key areas of interest within the pegmatite belt being mostly soil covered the initial drill program will help us gain an understanding of the underlying geology and the distribution of sub-vertical and flat lying pegmatites within our extensive LCT pegmatite belt. The program will also give us insight into the various types of LCT pegmatites and the distribution of the lithium mineral spodumene."

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1Lithium-Caesium-Tantalum type ("LCT") pegmatites are derived from highly fractionated granitic melts and contain higher levels of the rare elements (Be, Rb, Cs, Sn, Nb, Ta etc) and a high volatile content (H2O, F, B, P and Li).

Cowan Project
The Cowan 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 amphibolite 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. The two large LCT type 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 a further 10km 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. At least 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.

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.

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 was essentially limited to:

A) Wide spaced (~200m x 400m) shallow RAB (and minor RC) drilling for bottom of hole geochemistry including lithium assays. The resulting lithium geochemical database has resulted in the identification of a significant number of anomalies worthy of follow-up drilling.
B) Rock chip sampling, prior explorers collected more than 226 pegmatite samples from with 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.
C) The extensive shallow auger/vacuum drilling and soil sampling is considered to be of limited value due to the unknown regolith profile 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 intercept pegmatites within the Cowan Project area.

Refer to ASX announcement on 11 July 2016 for further information on previous exploration programs.

Mapping and rock chip sampling of outcropping spodumene bearing pegmatites located within the Cowan Project area, completed in the June Quarter 2016 returned lithium values from 15 samples of pegmatite. Lithium values range from 3,762 ppm (0.81% Li_2O) in pegmatite containing moderate spodumene content up to 18,545 ppm (3.99% Li_2O) in pegmatites with high spodumene content. Refer to ASX announcement on 11 July 2016 for details of the previous samples.

Competent Persons Statement
The information in this news release that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Mark Calderwood, an employee of the Company. 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 they are 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.

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