

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")

\$15 MILLION CAPITAL RAISING COMPLETED TO COMMENCE CAPITAL WORKS AND LIFTING OF TRADING HALT

Further to the announcement of 26 April 2017, shareholders are hereby advised that the trading halt on the securities of Tawana is hereby lifted with immediate effect. Shareholders are also referred to the details below regarding the capital raising by the company.

Tawana Resources NL ("Tawana" or the "Company") is pleased to announce that it has received commitments to raise A\$15.0 million (before costs) via the issue of 60 million new fully paid ordinary shares in the Company at an issue price of A\$0.25 per share ("Placement"). The Placement was strongly supported by domestic and offshore institutional investors.

The placement follows Tawana's announcement it had signed a binding five-year exclusive lithium concentrate offtake agreement with Hong Kong-listed Burwill Holdings Ltd. The agreement included a prepayment of \$25 million (Tawana's share is \$12.5 million) (Refer ASX announcement 26 April, 2017).

The Placement will take part in two tranches:

- Tranche 1 - comprising 35,900,000 shares, raising A\$8,975,000 (which is within the Company's 15% placement capacity), will be issued on Monday, 8 May 2017.
- Tranche 2 - comprising 24,100,000 shares, raising A\$6,025,000, will be issued following shareholder approval, which is expected to be sought at a General Meeting on or about Tuesday, 30 May 2017.

The Placement price of A\$0.25 per share represents less than a 7.4% discount to Tawana's last traded price of \$0.27 on 20 April 2017 and a 3.2% discount to the 10 day trading VWAP of A\$0.258.

The funds raised under the Placement will primarily be used to advance the Bald Hill Lithium and Tantalum Project in order to meet the projected start of commissioning in late 2017. In particular, the funds will be used to complete resource drilling, ordering long lead capital items, complete detailed design and commence engineering on the DMS circuit, civil works, earthworks, mechanical and electrical works, mobilisation of engineers, site establishment and associated project works.

In addition, the funding also provides certainty to complete Tawana's obligations under the Bald Hill Joint Venture Farm-in Agreement.

Tawana's Managing Director, Mr Mark Calderwood stated, "We are extremely pleased with the level of support from the Placement, particularly from some existing domestic institutional shareholders and new Australian and international institutions who have joined the register. These funds, in conjunction with the offtake prepayment, gives us the funding required for the capital component of the Dense Media Separation Plant as we rapidly progress towards spodumene production."

Canaccord Genuity (Australia) Limited acted as the Lead Manager to the placement.

For and on behalf of the Board

Mark Calderwood
Managing Director

Bald Hill Project (AMA 100%, TAW Earning 50%)

The Bald Hill 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 and is adjacent to Tawana's Cowan Lithium project. The Project, owned by Alliance Mineral Assets Limited (AMA), includes a permitted tantalum (pegmatite) mine, processing facility and associated infrastructure.

Through Tawana's 100% owned subsidiary Lithco No. 2 Pty Ltd (**Lithco**), Tawana entered into a Farm-In Agreement on 23 February 2017 with Alliance Mineral Assets Limited with respect to AMA's Bald Hill project in Western Australia for the purpose of joint exploration and exploitation of lithium and other minerals.

The commercial terms require Tawana:

1. to spend, by 31 December 2017 (or such later date as may be agreed between the parties), a minimum of \$7.5 million on exploration, evaluation and feasibility ("Expenditure Commitment"); and at its election
2. to spend, \$12.5 million in capital expenditure required for upgrading and converting the plant for processing ore derived from the Project, infrastructure costs, pre-stripping activities and other expenditures including operating costs ("Capital Expenditure") by 31 December 2019.

Upon completion of the Expenditure Commitment, Tawana shall be entitled to 50% of all rights to lithium minerals from the tenements comprising the Project ("Tenements"). AMA and Lithco had on 10 April 2017 entered into a lithium rights joint venture agreement.

Upon completion of the Expenditure Commitment and Capital Expenditure, Tawana will be entitled to a 50% interest in the Project (being all minerals from the tenements and the processing plant and infrastructure at Bald Hill). The portfolio of mineral tenements, comprising mining leases, exploration licences, prospecting licences, miscellaneous licences, a general-purpose lease, and a retention lease are in good standing. AMA and Lithco had on 18 April 2017 entered into a Bald Hill Joint Venture Agreement.

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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28 April 2017

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PricewaterhouseCoopers Corporate Finance (Pty) Limited