

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

For the quarter to 31 March 2017

### Highlights

*All graphics have been removed for SENS purposes. Please refer to Tawana's website*

#### Bald Hill Lithium & Tantalum Project

- Larger scale metallurgical test work delivered exceptional results which will allow for a simple, low-capital, low-risk startup operation and a short construction period for the planned commissioning at the Bald Hill Lithium and Tantalum Mine in October 2017.

Key findings include:

- Ability to consistently produce grades well in excess 6% Li<sub>2</sub>O at good mass yields and acceptably low iron content; and
- Ability to reject 60-70% of the feed mass after a first pass Dense Media Separation (DMS), thus reducing processing costs.
- Infill drilling was completed and a Maiden Resource estimate should be available in May 2017. Numerous high grade lithium and tantalum intercepts include 21m at 1.44% Li<sub>2</sub>O and 319ppm Ta<sub>2</sub>O<sub>5</sub> from 61m in LRC0146; 20m at 1.38% Li<sub>2</sub>O from 59m Li<sub>2</sub>O in LRC0148; 6m at 1.11% from 71m and 16m at 1.44% from 99m in LRC209; 12m at 2.38% Li<sub>2</sub>O from 136m in LRC077 and 12m at 2.09% Li<sub>2</sub>O from 54m in LRC0257.
- Extensional step-out drilling intercepted the most significant lithium and tantalum results to date, including:
  - 35m at 1.35% Li<sub>2</sub>O from 71m, incl. 10m at 1.62% Li<sub>2</sub>O, 6m at 1.61% Li<sub>2</sub>O and 6m at 1.75% Li<sub>2</sub>O in LRC0247; 28m at 1.34% Li<sub>2</sub>O and 343ppm Ta<sub>2</sub>O<sub>5</sub> from 92m incl. 12m at 2.06% Li<sub>2</sub>O and 464ppm Ta<sub>2</sub>O<sub>5</sub> in LRC0226;
  - Tantalum pentoxide: 4m at 14,782ppm (14.78kg/t) Ta<sub>2</sub>O<sub>5</sub> and 9,974ppm Nb<sub>2</sub>O<sub>5</sub> from 78m in LRC0237; 8m at 2,468ppm Ta<sub>2</sub>O<sub>5</sub> from 27m including 2m at 7,022ppm (7.02kg/t) Ta<sub>2</sub>O<sub>5</sub> and 0.82% Li<sub>2</sub>O in LRC0317.
- The feasibility study is nearing completion with the metallurgical and process engineering aspects of the study essentially completed and the detailed mining engineering is underway. Though the cash flow is yet to be finalised, Tawana and Alliance Mineral Assets ("AMA") have given go-ahead for the commencement of detailed design and final long lead item equipment selection.
- All agreements necessary for the joint exploration and exploitation of lithium and other minerals at Bald Hill with AMA were finalised and concluded.

- In April, Tawana signed a binding long-term exclusive lithium concentrate offtake agreement with a 100% owned subsidiary of Burwill Holdings Ltd (Burwill), a company listed on the main Board of The Stock Exchange of Hong Kong Limited.

### Cowan Lithium Project

- Tawana exercised its option to acquire 100% of the four tenements which comprise the Cowan Lithium and Yallari Lithium Projects; all which are highly prospective for lithium.

### Uis Lithium Project

- Metallurgical testwork and a Resource estimate has commenced; results of which will be due by the end of the June quarter.

### Corporate

- As at 31 March 2017, Tawana held \$3.1 million in cash.
- Tawana engaged Canaccord Genuity (Australia) Limited to provide corporate advisory services.
- In April, Tawana announced that it had 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 and funds will primarily be used to advance the Bald Hill Lithium and Tantalum Project.

### Bald Hill Lithium & Tantalum Project

The Bald Hill Project area is located 50km south east of Kambalda in the Eastern Goldfields. It is located approximately 75km south east of the Mt Marion Lithium project and is adjacent to the Company’s Cowan Lithium Project. The Project comprises four mining leases, eight exploration licences, eight prospecting licences and five tenement applications totalling 791.3km<sup>2</sup>. It is owned by Australian-incorporated, Singapore Exchange-listed Alliance Mineral Assets Limited.

#### *Agreements*

In February 2017, Lithco No. 2 Pty Ltd, a 100%-owned subsidiary of Tawana, and AMA finalised the farm-in agreement regarding joint exploration and exploitation of lithium and other minerals at Bald Hill.

The Farm-in Agreement reflected the Binding Terms Sheet which require Tawana to spend:

1. 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 (including administrative and other overhead costs in relation thereto) (“Expenditure Commitment”); and
2. By 31 December 2019, \$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”).

Upon completion of the Expenditure Commitment, Tawana shall be entitled to 50% of all rights to lithium minerals from the tenements comprising the Project.

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).

On 11 April, Tawana announced that it had finalised the Lithium Rights Joint Venture Agreement (“Lithium JV”) with respect to the Bald Hill Project (“Project”) for the purpose of joint exploration and exploitation of lithium.

On 18 April 2017, Tawana announced that it had finalised the Bald Hill Joint Venture Agreement (“Bald Hill JV”) with respect to the Bald Hill Lithium and Tantalum Project in Western Australia for the purpose of joint exploration and exploitation of lithium and other minerals.

All agreements necessary for the joint exploration and exploitation of lithium and other minerals at Bald Hill with AMA were finalised and concluded.

#### *Feasibility Study*

Tawana Resources commenced a Feasibility Study for the Bald Hill Lithium and Tantalum Mine which will include capital costs to an accuracy of +/- 15% and operating costs to an accuracy of +/-25%.

The processing content of the feasibility study was awarded to Primero Group, who are experienced lithium processing plant engineers and constructors. Primero have now finalised the plant flow sheet and developed a detailed 3-D model of the plant and site infrastructure.

Primero is in the advanced stages of completing a feasibility study with the metallurgical and process engineering aspects of the study completed and the detailed mining engineering underway.

Cashflow modelling will be completed when the key areas of the study are completed. However, Tawana and AMAL have given go-ahead for the commencement of detailed design and final long lead item equipment selection.

#### *Metallurgical Testwork*

Following on from the excellent results obtained from the variability test work (*refer ASX release 13 February 2017*), larger scale tests were done on a 160kg composite of core used in the variability tests (*refer ASX release 7 April 2017*).

The sample was crushed to 10mm and screened at 1mm. The -1mm fines have been retained for later testing. The +1mm fraction was further screened at 5.6mm to assist the DMS gravity processing. The -5.6+1mm fraction was processed in a reflux classifier to remove mica, and then both -10+5.6mm and -5.6+1mm fractions were processed in a 100mm DMS cyclone.

The results of this phase of the test work were:

**Table 1 | Feed Composition**

<b>Feed</b>	<b>Mass Yield %</b>	<b>Cont. Li</b>
-1mm screened out after 10mm crushing	17	14.7%
Mica/gangue minerals removed in reflux classifier	5	1.5%
Composite treated through DMS	78	83.8%
Head grade of composite 1.41% Li <sub>2</sub> O		

These results demonstrated that the amount of fines produced was limited to 17% by coarse crushing at 10mm and that over 80% of the contained lithium was available for processing via the cheaper gravity DMS route.

The results obtained from DMS processing were:

**Table 2a | Coarse fraction (-10+5.6mm) at SG 2.8 (55% of DMS feed)**

<b>Fraction</b>	<b>% Mass Yield</b>	<b>% Li<sub>2</sub>O</b>	<b>% Cont. Li</b>	<b>% Fe<sub>2</sub>O<sub>3</sub></b>
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SG 2.8 Sinks	17	6.30	78.9	0.76
SG 2.8 Floats	12	2.56	13.3	0.56
SG 2.7 Floats	71	0.16	7.8	0.29

**Table 2b | Finer fraction (-5.6+1mm) at SG 2.9(mica removed) (45% of DMS feed)**

Fraction	% Mass Yield	% Li <sub>2</sub> O	% Cont. Li	% Fe <sub>2</sub> O <sub>3</sub>
SG 2.9 Sinks	16	6.55	73.4	0.90
SG 2.9 Floats	21	1.53	21.8	0.57
SG 2.7 Floats	63	0.11	4.9	0.33

These results highlighted two key characteristics of the Bald Hill mineralisation:

- The ability to produce grades well in excess of 6% Li<sub>2</sub>O at good mass yields with acceptably low iron content.
- The ability to reject 60-70% of the feed mass after a first pass DMS, thus reducing processing costs appreciably.

The product grade obtained in the coarser fraction using a density of 2.9 was over 7% Li<sub>2</sub>O and, whereas this is an excellent result, it is generally way above market requirements. Hence a lower medium density of 2.8 was adopted to increase the mass yield. This resulted in a mass yield of 17% at a grade of 6.3% Li<sub>2</sub>O at SG 2.8.

The middlings fraction, or 2.8 floats, still had a grade of 2.56% Li<sub>2</sub>O and a further test was done by re-crushing this to 3.35 mm to determine additional DMS recovery. This test resulted in a further mass yield of 4% at a grade of 6.14% Li<sub>2</sub>O to the sinks.

**Table 2c | Weighted recovery through DMS**

Fraction	% Mass Yield	% Li <sub>2</sub> O	% Cont. Li	% Fe <sub>2</sub> O <sub>3</sub>
Primary Concentrate	16.5	6.43	76.4	0.82
Secondary Concentrate (middlings)	16.1	1.95	17.1	0.56
Waste	67.4	0.14	6.5	0.31

**Table 2d| Weighted Recovery of Total Plant Feed**

Fraction	Mass Yield %	% Li <sub>2</sub> O	% Cont. Li
Primary Concentrate	12.9	6.43	63.4%
Stockpile for stage two processing <sup>(1)</sup>	28.5	1.40	28.2%
Waste <sup>(2)</sup>	58.2	0.20	8.2%

Notes

- 1) Comprises 44% Secondary Concentrates and 56% Fines after de-sliming.
- 2) Waste product containing high Ta<sub>2</sub>O<sub>5</sub> will be stockpiled for future recovery.

The test work has demonstrated that, after allowing for the removal of -1mm fines and mica, 78% of the ore fed to the plant, containing 83% of the lithium, is available for gravity DMS processing.

The overall mass yield from gravity processing of the +1mm fraction was 16% of the total feed at a concentrate grade of 6.4% Li<sub>2</sub>O.

Additional significant lithium and tantalum value is contained in the Fines and Secondary Concentrates representing 28.5% of plant feed. Further design engineering will be undertaken on a circuit to treat this ore after final design for the Stage One DMS has been completed.

### *Resource Drilling*

Tawana's resource drilling program focused on the area at Bald Hill where a maiden lithium resource would be estimated was nearing completion.

The program had returned numerous high grade lithium and tantalum intercepts Refer ASX announcement on 3 March 2017)<sup>1</sup>. Best results include:

- 21m at 1.44% Li<sub>2</sub>O and 319ppm Ta<sub>2</sub>O<sub>5</sub> from 61m in LRC0146;
- 20m at 1.38% Li<sub>2</sub>O from 59m Li<sub>2</sub>O in LRC0148;
- 6m at 1.11% Li<sub>2</sub>O from 71m and 16m at 1.44% from 99m in LRC209;
- 12m at 2.38% Li<sub>2</sub>O from 136m in LRC077; and
- 12m at 2.09% Li<sub>2</sub>O from 54m in LRC0257.

Drilling clearly defined near-surface spodumene pegmatites located 800m from the process plant site and within the current fully permitted pit limit. Shallow intercepts included:

- 13m at 1.74% Li<sub>2</sub>O and 318ppm Ta<sub>2</sub>O<sub>5</sub> from 19m in LRC0253;
- 7m at 1.21% Li<sub>2</sub>O and 683ppm Ta<sub>2</sub>O<sub>5</sub> from 25m in LRC135;
- 11m at 1.62% Li<sub>2</sub>O from 29m including 8m at 2.05% Li<sub>2</sub>O in LRC0265; and
- 11m at 1.02% Li<sub>2</sub>O and 247ppm Ta<sub>2</sub>O<sub>5</sub> from 14m in LRC0132.

The Maiden lithium Resource which should be available in May 2017, will be another significant milestone as the Company pursues spodumene production in 2017.

Tawana has been approached by several potential off-take partners, all of whom have requested 40-80 kg parcels of typical concentrate to be produced at Bald Hill. It was decided to produce approximately 600-800kg of concentrate to satisfy these requirements, which in turn, required 4-5 tonnes of pegmatite to be processed. This material was obtained from existing pits.

This sample was crushed to 20mm and delivered to Nagrom Laboratory at the end of February. The sample has been further crushed to 10mm and processed according to the proposed plant flow sheet, and results are expected early May 2017. The sample has a head grade of 2.14% Li<sub>2</sub>O.

### *Step Out Exploration*

Tawana announced exceptional results from step-out drilling in April 2017. The results came from 115 resource and sterilization RC drill holes totaling 13,652m were completed between 20 February 2017 and 31 March 2017. The exceptional results are extensions to the initial Resource estimation which is expected to be completed by the end of April along with the Feasibility Study.

Significant lithium intercepts included:

- 35m at 1.35% Li<sub>2</sub>O from 71m, including 10m at 1.62% Li<sub>2</sub>O, 6m at 1.61% Li<sub>2</sub>O and 6m at 1.75% Li<sub>2</sub>O in LRC0247;
- 28m at 1.34% Li<sub>2</sub>O and 343ppm Ta<sub>2</sub>O<sub>5</sub> from 92m including 12m at 2.06% Li<sub>2</sub>O and 464ppm Ta<sub>2</sub>O<sub>5</sub> in LRC0226;
- 12m at 1.16% Li<sub>2</sub>O from 95m and 11m at 1.96% Li<sub>2</sub>O from 131m including 5m at 3.14% Li<sub>2</sub>O in LRC0237 (also see tantalum intercepts below)
- 26m at 1.13% Li<sub>2</sub>O and 309ppm Ta<sub>2</sub>O<sub>5</sub> from 17m including 5m at 1.99% Li<sub>2</sub>O in LRC0187; and
- 12m at 1.64% Li<sub>2</sub>O and 219ppm Ta<sub>2</sub>O<sub>5</sub> from 85m in LRC0229.

Significant tantalum pentoxide intercepts included:

- 4m at 14,782ppm (14.78kg/t) Ta<sub>2</sub>O<sub>5</sub> and 9,974ppm Nb<sub>2</sub>O<sub>5</sub> from 78m in LRC0237;
- 8m at 2,468ppm Ta<sub>2</sub>O<sub>5</sub> from 27m including 2m 7,022ppm (7.02kg/t) Ta<sub>2</sub>O<sub>5</sub> and 0.82% Li<sub>2</sub>O in LRC0317;
- 4m at 1,246ppm Ta<sub>2</sub>O<sub>5</sub> from 47m including 1m at 4,211ppm Ta<sub>2</sub>O<sub>5</sub> in LRC0318;
- 11m at 729ppm Ta<sub>2</sub>O<sub>5</sub> and 1.72% Li<sub>2</sub>O from 134m in LRC0222; and
- 6m at 976ppm Ta<sub>2</sub>O<sub>5</sub> and 1.63% Li<sub>2</sub>O from 154m in LRC0224.

Resource work is currently underway to facilitate starter pit design and mine scheduling. These results are outside the starter pit design and are expected to significantly increase the initial Resource.

Tawana increased the drilling fleet to five rigs as the extent of the spodumene pegmatites continued to expand.

#### *Marketing and Off-Take*

On 26 April 2017, Tawana announced it had signed a binding long-term exclusive lithium concentrate offtake agreement (Agreement) with a 100% owned subsidiary of Burwill Holdings Ltd (Burwill), a company listed on the main Board of The Stock Exchange of Hong Kong Limited (stock code 0024). *Refer ASX Release 26 April 2017.*

The Agreement is for the supply of lithium concentrate from the Bald Hill Project in Western Australia over an approximate initial five year term at a fixed price in the first 2 years of US\$880 per tonne (6% Li<sub>2</sub>O).

A\$12,500,000 prepayment is part of the agreement, of which A\$3,750,000 has already been received, with the final two instalments to be received on 15 July 2017 and 15 September 2017 respectively.

Funds are to be used towards the capital and operational costs of the Bald Hill Project.

#### **Cowan Lithium Project (100%)**

The Cowan Lithium Project is located 50km south-east of Kambalda in the Goldfields region of Western Australia, approximately 75km south-east of the Mt Marion lithium project and comprises three tenements totalling 159km<sup>2</sup>. The tenements are adjacent and surrounded by the Bald Hill Mine (Tawana earning 50%), at which the Company is expected to commence lithium production in 2017. The Cowan Project contains many LCT pegmatites some of which are proven to contain significant spodumene.

In March 2017, Tawana exercised its option to acquire 100% of the four tenements which comprise the Cowan Lithium Project, all which are highly prospective for lithium. The Company paid the vendors of the Cowan and Yallari Lithium Projects (refer ASX announcement 27 March 2017) \$1,000,000 in cash and \$1,000,000 in Tawana shares (50% escrowed for 12 months).

#### **Yallari Project (100%)**

During the quarter, Tawana exercised its option (refer above) to acquire the Yallari project located 6km west of the Mt Marion lithium mine (75km northwest of the Cowan Project). The tenement contains numerous pegmatites in the same host-rock sequence as Mt Marion and located close to the Depot Hill granodiorite.

No exploration for lithium has been undertaken to date, however the project is considered highly prospective.

## Uis Project, Namibia (Option to Purchase 100%)

In September 2016, Tawana entered an agreement to acquire mining rights to the giant Uis pegmatite tailings stockpile in Namibia. The Uis Project located in Namibia comprises large coarse and fine tailings stockpiles from the Uis tin mine which operated between 1924 and 1990. The Project is located close to the former mining town of Uis some 165km NNE of the coast city of Swakopmund, 270km NW of the capital Windhoek.

The stockpile hosts an estimated 20Mt of tailings stockpile derived from one of the largest pegmatite tin mines in the world and limited sampling to date has indicated potentially attractive lithium grades present.

Metallurgical testwork has commenced (samples have arrived at Nagrom in Perth) and a Resource estimate will be completed by the end of June 2017.

## Mofe Creek Iron Ore Project (100%)

The Company is negotiating with the Government of Liberia Tawana's Mineral Development Agreement ("MDA").

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.

## Corporate

### Cash

As at 31 March 2017, Tawana Resources held \$3.1 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

### Corporate Advisor Appointment

Tawana engaged Canaccord Genuity (Australia) Limited to provide it with corporate advisory services, given the level of interest from both the capital markets and potential offtake partners to be involved in financing the development of the Bald Hill Project.

### Capital Raising

Tawana announced on 27 April 2017 that it had 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. *Refer ASX Release 27 April 2017.*

The Placement is to 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), which will be issued on Monday, 8 May 2017.
- Tranche 2 - comprising 24,100,000 shares, raising A\$6,025,000, which will be issued following shareholder approval, which is expected to be sought at a General Meeting on or around Tuesday, 30 May 2017.

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.

## Tawana Resources NL Tenements

Tenement	Location	Registered Owner	Structure and Ownership
<b>Mofe Creek Iron Ore Project</b>			
MEL-12029 Mofe Creek	Liberia	Tawana Liberia Inc	100%
MEL-1223/14 Mofe Creek Sth	Liberia	Tawana Liberia Inc	100%
<b>Cowan Lithium Project</b>			
E15/1205	Western Australia	Mt Belches Pty Ltd	100%
E15/1377	Western Australia	Mt Belches Pty Ltd	100%
E15/1446	Western Australia	Mt Belches Pty Ltd	100%
<b>Yallari Project</b>			
E15/1401	Western Australia	ABEH Pty Ltd	Pending, 100%
E15/1526	Western Australia	Mt Belches Pty Ltd	100%
<b>Bald Hill Mine</b>			
M15/400	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
M15/1470	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
M15/1811	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
M15/1305	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
M15/1308	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
M59/714	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
G15/17	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
L15/265	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
L15/266	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
L15/267	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
L15/268	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
L15/269	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
L15/270	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5465	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5466	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5467	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5862	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5863	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5864	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
P15/5865	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%

P15/5866	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
R15/1	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1058	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1212	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1161	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1162	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1166	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1353	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1066	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
E15/1067	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%
M15/1811	Western Australia	Alliance Mineral Assets Limited	0%, Earning in 50%

## Mining Tenements acquired

Tenement	Location	Registered Owner	Structure and Ownership
<b>Cowan Lithium Project</b>			
E15/1205	Western Australia	Mt Belches Pty Ltd	100%
E15/1377	Western Australia	Mt Belches Pty Ltd	100%
E15/1446	Western Australia	Mt Belches Pty Ltd	100%
<b>Yallari Project</b>			
E15/1401	Western Australia	ABEH Pty Ltd	Pending, 100%

Mining Tenements disposed: Nil

Mining Tenements acquired: Refer above

Beneficial percentage interests held in farm in or farm-out agreements: Refer above.

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

28 April 2017

Sponsor  
PricewaterhouseCoopers Corporate Finance (Pty) Limited

## 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 and Mr Gareth Reynolds, both employees of Tawana Resources NL ("Tawana"). Mr Calderwood is a member of The Australasian Institute of Mining and Metallurgy and Mr Reynolds is a member of the Australian Institute of Geoscientists. Mr Calderwood and Mr Reynolds have 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 and Mr Reynolds consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

Mr Calderwood is a significant shareholder in Tawana. Mr Calderwood and Tawana do not consider these to constitute a potential conflict of interest to his role as Competent Person. Mr Calderwood is not aware of any other relationship with Tawana which could constitute a potential for a conflict of interest.

Mr Reynolds is an employee of Tawana. Mr Reynolds is not aware of any other relationship with Tawana which could constitute a potential for a conflict of interest.

**Metallurgy** The information in this release that relates to metallurgy and metallurgical test work has been reviewed by Mr Noel O'Brien, FAusIMM, MBA, B. Met Eng. Mr O'Brien is not an employee of Tawana, but is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, and he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context as 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: Tawana is not aware of any new information or data that materially affects the information included in the said announcement.

## Appendix 5B

### Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

#### Name of entity

Tawana Resources NL	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
69 085 166 721	31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,363)	(2,363)
(b) development	-	-
(c) production	-	-
(d) staff costs	(267)	(267)
(e) administration and corporate costs	(339)	(339)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,946)</b>	<b>(2,946)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(58)	(58)
	(b) tenements (see item 10)	(1,000)	(1,000)
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,058)</b>	<b>(1,058)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	185	185
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(23)	(23)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>162</b>	<b>162</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,960	6,960
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,946)	(2,946)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,058)	(1,058)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	162	162
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,118</b>	<b>3,118</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,118	4,960
5.2	Call deposits	-	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,118</b>	<b>6,960</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	125
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' salaries, directors' fees and superannuation

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	4,727
9.2	Development	-
9.3	Production	-
9.4	Staff costs	618
9.5	Administration and corporate costs	352
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>5,697</b>

<b>10.</b>	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E15/1205 Western Australia		0%	100%
		E15/1377 Western Australia		0%	100%
		E15/1446 Western Australia		0%	100%
		E15/1526 Western Australia		0%	100%

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date 28 April 2017  
(Director/Company secretary)

Print name: Michael Naylor

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.