

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
("the Company" or "Tawana")

Merger Update

Tawana Resources NL (ASX: TAW) (**Tawana**) provides the following update on the proposed merger (**Merger**) between Tawana and Alliance Mineral Assets Limited (SGX:40F) (**Alliance**) as announced on 5 April 2018.

Alliance Listing on the ASX

As outlined in the Scheme Booklet despatched to shareholders on 24 August 2018, the Merger is subject to a number of conditions precedent, including the admission of Alliance to the Official List of ASX Limited (**ASX**) and Official Quotation of Alliance Shares on ASX (**ASX Listing Condition**).

The boards of directors of Tawana and Alliance have determined that the ASX's Emphasis of Matter Requirement¹ would not be capable of satisfaction within the current timetable for the Merger, and have therefore agreed to waive the ASX Listing Condition.

The Directors of both Tawana and Alliance are of the opinion that Alliance should be in a position to satisfy the Emphasis of Matter Requirement in due course, and accordingly Alliance will continue to work towards an ASX listing as soon as practicable following completion of the Merger.

As a consequence of waiving the ASX Listing Condition, Alliance will not seek admission to the Official List of ASX in connection with the Merger at this time and will remain listed on SGX-ST.

Subject to the required orders being made by the Federal Court of Australia in connection with the above matters, supplementary disclosure will be lodged with ASX and sent to all shareholders in due course.

Both Alliance and Tawana remain committed to completing the Merger, and subject to satisfying the remaining conditions precedent (including approval from the shareholders of both Tawana and Alliance, and approval of the Federal Court of Australia), it is anticipated that the Merger will be completed by the end of October 2018.

Tawana Managing Director Mark Calderwood commented:

"The decision to waive the ASX Listing Condition was not taken lightly by the Board. However, the Board considers that the Merger is an outstanding opportunity for shareholders to continue to participate in the future benefits of the Bald Hill Mine under the simplified ownership and operational structure and a larger entity. Following implementation of the Merger, Alliance shares will be able to be traded on SGX-ST which has strong liquidity, particularly in the metals and mining sectors, whilst a dual listing is pursued in due course."

Scheme Meeting

Given the above matters, the Chairman intends to adjourn the Scheme Meeting of Tawana Shareholders scheduled to be held at 1pm on Wednesday, 26 September 2018 until a later date.

Tawana intends to seek orders from the Federal Court of Australia in connection with the adjournment of the Scheme Meeting, and a further notice of meeting will be sent to all shareholders in due course.

In order to receive correspondence more expediently, please consider updating your email preferences by visiting Computershare's Investor Centre on <https://www.computershare.com.au/easyupdate/taw>

Board Recommendation

The Board of Tawana continues to be of the view that the Merger represents a compelling opportunity to consolidate and simplify the operational management of the Bald Hill Joint Venture, enhance the Merged Group's balance sheet and position the Merged Group as a significant producer of high demand lithium concentrate.

As such, the Tawana Board continues to unanimously recommend that all Tawana shareholders vote in favour of the Scheme, and each Tawana Director intends to vote the Tawana Shares that they own or control at the time of Scheme Meeting (if any), and will direct any Tawana proxies placed at their discretion, in favour of the Scheme in the absence of a superior proposal.

Share Sale Facility

Subject to regulatory approvals, Alliance intends to implement a share sale facility for certain shareholders who do not wish to hold Alliance shares that are exclusively listed on SGX-ST. The share sale facility will be voluntary and will operate on SGX-ST after the Merger. Additional information relating to the share sale facility will be provided to shareholders in due course as part of the supplementary disclosure.

Indicative Timetable

Tawana and Alliance are working towards completion of the Merger by the end of October 2018. Tawana will provide updated timetable details following the approval of the Federal Court of Australia in connection with the adjournment of the Scheme Meeting.

For further information please contact:

Tawana Investor Hotline

1300 223 071 (within Australia)

+61 3 9415 4032 (outside Australia)

Monday to Friday between 9:00am and 5:00pm (ASWT)

Notes

¹ As mentioned in Section 3.4 of the Scheme Booklet, as a condition of Alliance being granted approval for admission to the Official List of ASX there was a prospect of ASX requiring the "emphasis of matter" regarding the Merged Group's ability to continue as a going concern (expressed in the Pro Forma Historical Financial Information in Section 6.5 of the Scheme Booklet, and the Independent Limited Assurance Report in Annexure B to the Scheme Booklet) to be alleviated ("**Emphasis of Matter Requirement**"). A similar "emphasis of matter" note was included Tawana's 2017 Annual Report, Alliance's 2017 Annual Report and Alliance's unaudited HY2018 Financial Statements, and is not uncommon for resources companies listed on ASX at similar stages of production. Following despatch of the Scheme Booklet to Tawana Shareholders in late August 2018, Alliance sought confirmation from ASX that the Emphasis of Matter Requirement would not prevent Alliance being granted approval for admission to the Official List of ASX. Notwithstanding Alliance's submissions, ASX declined to provide that confirmation.

19 September 2018

Sponsor PricewaterhouseCoopers Corporate Finance (Pty) Ltd