

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")

Grant of ASX Listing Rule Waiver for Tribeca Funding Package

Tawana Resources NL (ASX: TAW) (**Tawana** or the **Company**) is pleased to advise that it has been granted a waiver from ASX Listing Rule 10.1 in respect of the \$20 million debt facility (**Tawana Facility**) to be provided by a consortium of lenders led by Tribeca Investment Partners Pty Ltd (**Tribeca**). The waiver allows the Company to grant security to Tribeca without shareholder approval. The conditions of the waiver are attached as Annexure 1.

As announced on 27 September 2018, the Company secured a conditional \$40 million funding package to strengthen its balance sheet and assist with expediting the ASX listing of Alliance Mineral Assets Limited (**Alliance**). The funding package comprises the Tawana Facility and an additional secured \$20 million line of credit for the Tawana/Alliance group (**Merged Group**), which is conditional on Merger completion and Alliance receiving conditional ASX listing approval.

Tribeca has made available to the Company \$10 million of the Tawana Facility limit on the same commercial terms as the Tawana Facility while the formal documentation and the conditions precedent for the Tawana Facility are being finalised, to be secured by first ranking security over the assets of Tawana and Lithco No.2 Pty Ltd (**Lithco**) (excluding Lithco's 50% interest in the processing plant and shares in Cowan Lithium Ltd held by Tawana). Any such advance is to be rolled over into the Tawana Facility or repaid in due course by 15 November 2018.

As required by the terms of the waiver, the Company provides the following information:

- The Company intends to repay the Tawana Facility in full on or before the expiry of its term (as disclosed in the announcement on 27 September 2018), with the security being discharged as soon as practical after repayment occurs.
- The decision by the Company to obtain debt funding from the Tribeca-led consortium was based on the merits of its proposal when compared to alternative debt funding proposals from third parties unrelated to the Company or Tribeca (including large financial institutions) and reported market transactions. Having regard to those comparisons, the Board was of the view that the Tawana Facility has been entered into on arms' length terms and is fair and reasonable from the perspective of the Company's shareholders.

Mark Calderwood
Managing Director

Annexure 1 - Waiver conditions

Based solely on the information provided, ASX Limited ("ASX") granted Tawana Resources NL (the "Company") a waiver from listing rule 10.1 to the extent necessary to permit the Company to grant a first ranking security over the assets of the Company, and its wholly owned subsidiary Lithco No 2 Pty Ltd ("Lithco"), in favour of a consortium of lenders (the "Consortium") led by Tribeca Investment Partners ("Tribeca") (the "Security") to secure Lithco's obligations under a secured debt facility of \$20,000,000 (the "Facility") provided by the Consortium without obtaining shareholder approval, on the following conditions:

- 1.1. The Security includes a term that if an event of default occurs and the Consortium exercises their rights under the Security, neither the Consortium nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by the Consortium exercising their power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the Lender or any of its associates in accordance with their legal entitlements.
- 1.2. A summary of the material terms of the Facility and the Security is made in each annual report of the Company during the term of the Facility.
- 1.3. Any variations to the terms of the Security which is:
 - 1.3.1. not a minor change; or
 - 1.3.2. inconsistent with the terms of the waiver, must be subject to shareholder approval.
- 1.4. The Company and the Consortium must seek to discharge the Security when the funds advanced to the Company are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further period.
- 1.5. The Company immediately releases to the market an announcement which sets out the terms of this waiver, and:
 - 1.5.1. the Company's plans with respect to the repayment of the funds advanced under the Facility, and discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur; and
 - 1.5.2. a statement of the reasons why the Company has chosen to obtain a financial accommodation from a listing rule 10.1 party, and the steps the Company's board has taken to satisfy itself that the transaction is being entered into on arms' length terms and is fair and reasonable from the perspective of the Company's securityholders.

4 October 2018

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