

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")

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	
ABN	Quarter ended ("current quarter")
69 085 166 721	30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,336	9,336
1.2 Payments for		
(a) exploration & evaluation	(120)	(334)
(b) development ¹	(222)	(26,284)
(c) production	(13,294)	(13,294)
(d) staff costs	(984)	(3,072)
(e) administration and corporate costs	(511)	(1,608)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	60	144
1.5 Interest and other costs of finance paid	(124)	(270)
1.6 Income taxes paid	-	-

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1.7	Other – Merger and demerger costs	(566)	(998)
1.8	Net cash from / (used in) operating activities	(6,425)	(36,380)

Note 1: Cash receipts from customers of \$4,309,465 received during the first 6 months of the year have been offset against associated development cash outflows during the same period preceding commercial production.

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(37)	(73)
	(b) tenements (see item 10)	-	(97)
	(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 – Contributions received from Joint	1,594	1,991
	Operation Partner not expended	(750)	(750)
	–Cash disposed as part of Cowan Lithium demerger		
2.6	Net cash from / (used in) investing activities	807	1,071

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	4,878	24,878
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	710	2,095
3.4	Transaction costs related to issues of shares, convertible notes or options	(161)	(1,384)
3.5	Proceeds from borrowings	-	5,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(200)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	5,427	30,389
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,614	16,375
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,425)	(36,380)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	807	1,071
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,427	30,389
4.5	Effect of movement in exchange rates on cash held	(19)	(51)
4.6	Cash and cash equivalents at end of period	11,404	11,404

5.	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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	11,404	11,614
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,404	11,614

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

160

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

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	5,000	5,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	10,199	10,199
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.		

8.1 In March 2018, the Company drew down in full on a \$5m secured loan facility with Red Coast Investment Limited, an investment company nominated by Weier Antriebe und Energietechnik GmbH. The loan agreement formed part of a \$25m funding package to support works at the Bald Hill Project. Interest is payable quarterly in arrears at a rate of between 11% and 13% with a maturity and single repayment date of 30 June 2020.

8.3 In April 2017, the Company signed a prepayment 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). No interest is payable in respect of the prepayment and it is unsecured. Tawana shall repay the outstanding prepayment through 15% of the value of each shipment of lithium concentrate until such time as Burwill has been reimbursed in full for the aggregate amount of the prepayment.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(75)
9.2 Development	(2,876)
9.3 Production	(24,680)
9.4 Staff costs	(1,111)
9.5 Administration and corporate costs	(550)
9.6 Other (Capital/debt raising costs, merger costs)	(2,000)
9.7 Total estimated cash outflows	(31,292)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Western Australia, P15/5465 P15/5466 P15/5467 Western Australia, E28/2702 E15/1526 E15/1503 E15/1502 E15/1446 E15/1377 E15/1205	Beneficial Interest Beneficial Interest	50% 100%	0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

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: Company Secretary
Print name: Joanna Kiernan

Date 31 October 2018

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.

31 October 2018

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd