

12 January 2017

## Bald Hill on track to start lithium concentrate production this quarter

Tawana Resources NL (TAW:ASX) (**Tawana**) and Alliance Mineral Assets Limited (SGX:40F) (**AMAL**) are pleased to advise that the construction and development at the Bald Hill Lithium and Tantalum Mine, in the Eastern Goldfields region of Western Australia, is on track with lithium concentrate production to commence this Quarter. The Bald Hill project (**the Project**) is a joint project between Tawana and AMAL.

### Highlights

DMS Plant construction activities have advanced significantly since the last update on 28 November 2017.

- Steelwork installation nearing completion.
- Piping and electrical cabling advancing.
- Power station installed and partly commissioned.
- ROM pad and crusher pad near completion.
- Mining ramping up with daily movements reaching 16,000m<sup>3</sup> per day.
- Personnel levels on site peaking at over 200.
- On schedule to commence production this Quarter.
- Work on reserve upgrade underway and results also expected this Quarter.
- Tantalum offtake negotiations are progressing.

Tawana's Managing Director Mark Calderwood said *"The transformation on site since our last update on 28 November has been amazing, with construction pushing through the Christmas period. We are now entering the home straight with commissioning expected to commence within two months."*

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#### **EPC-DMS**

- Structural steelwork, walkway, handrail and chute installation nearing completion
- Installation of mechanical equipment well-advanced
- HDPE pipework in DMS area underway
- Electrical cabling installation well-advanced

#### **Mining Operations**

- Construction of haul roads and laydown areas including SMS laydown yard, ROM, COS and magazine pad essentially complete
- Drill and blast, excavate, load and haul ramping up with more than 400,000m<sup>3</sup> mined to date.
- Grade Control drilling ongoing
- 22 pieces of heavy equipment and 5 Drill and Blast and Grade Control drill rigs on site

#### **Non-Process Infrastructure**

- Power plant installed and partly commissioned
- Fuel farm concrete pads completed and ready to receive fuel tanks in January
- New stores shed concrete poured

#### **About the Bald Hill Project**

The Bald Hill Project comprises four mining leases, one mining lease application, 12 exploration licences, eight prospecting licences and one general purpose lease totalling 774km<sup>2</sup>. The project is owned 50:50 by Tawana and AMAL.

The first lithium concentrate production is targeted for the first quarter of 2018 and first delivery anticipated in April 2018. The Project is fully funded to first shipment.

Each of Tawana and AMAL executed an offtake agreement in April 2017 (and subsequent variations thereto) for the supply of lithium concentrate from Bald Hill over a five-year term with pricing for 2018 and 2019 of US\$880/t (FOB Esperance) for 6% Li<sub>2</sub>O. The prepayments from the aforesaid offtake agreement are being used towards the capital costs of the Project.

The Project is located 50km southeast of Kambalda in the Eastern Goldfields of Western Australia, and approximately 75km southeast of the Mt Marion Lithium project. Refer Figure 1.

A current Indicated and Inferred lithium Mineral Resource of 18.9 million tonnes at 1.18% Li<sub>2</sub>O, and 149ppm Ta<sub>2</sub>O<sub>5</sub> at a 0.5% Li<sub>2</sub>O cut-off for the Project was calculated by CSA Global Pty Ltd.<sup>1</sup>

The Project remains significantly underexplored and significant drilling is planned for 2018.

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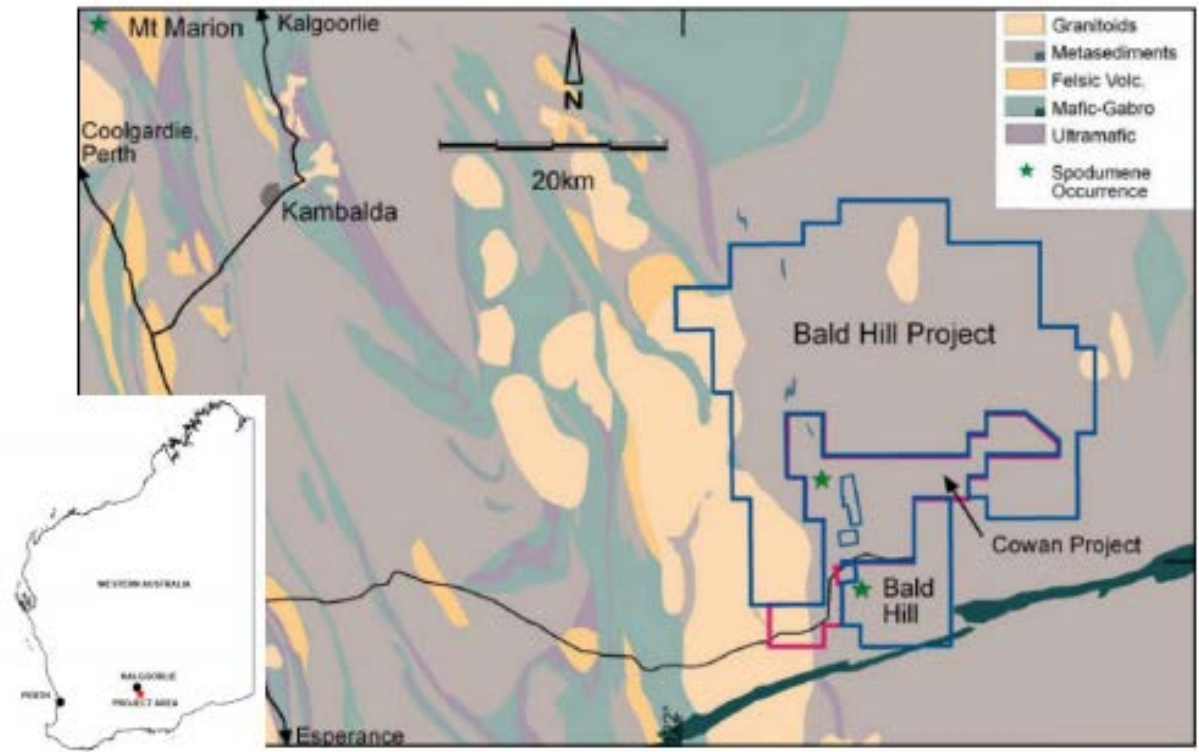


Figure 1 | Project Location map



Figure 2 | Plant overview (DMS in foreground) - December 2017

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Figure 3 | DMS Plant – December 2017



Figure 4 | Piping and Electrical Work – January 2018

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Figure 5 | Arrival of mine trucks – December 2017



Figure 6 | Truck loading – January 2018

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Figure 7 | ROM and crusher pad – December 2017

### 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 as representation or warranty, express or implied, of Tawana Resources NL and/or Alliance Mineral Assets Limited. 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 and/or Alliance Mineral Assets Limited. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

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### End Notes

1. All material assumptions and technical parameters underpinning the Mineral Resource estimates in the ASX announcement dated 11 October 2017 / SGX announcement dated 12 October 2017 continue to apply and have not materially changed since it was last reported.

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