

14 March 2018

Lithium Production Commences at Bald Hill

Highlights

- **Lithium concentrate production commenced following commissioning of a new Dense Media Separation (DMS) circuit at Bald Hill**
- **Practical completion achieved and first concentrate produced**
- **DMS circuit ramping up to full production run rate over several months**

Tawana Resources NL (TAW:ASX) (**Tawana**) and Alliance Mineral Assets Limited (SGX:40F) (**AMAL**) are pleased to advise the commencement of lithium production at the Bald Hill Lithium and Tantalum Mine in the Eastern Goldfields region of Western Australia.

The spodumene (lithium) concentrate production is the result of ore commissioning through the newly constructed Dense Media Separation (**DMS**) circuit. The DMS will be ramped up to full production run rate over several months. Bald Hill, a joint venture project between Tawana and AMAL, is the first Australian mine to commence spodumene production since 2016.

Highlights

DMS Plant construction activities have reached ore commissioning and spodumene production stage:

- Completion of water commissioning.
- Practical completion achieved by EPC contractor - Primero Group.
- Ferrosilicon media introduced to the plant and stabilised.
- Crusher commissioned and 20,000 tonnes of crushed ore stockpiled.
- Commencement of first ore feed into the processing plant.
- First spodumene concentrate produced.

Tawana's Managing Director Mark Calderwood said *"It is a great effort by everybody involved to take Bald Hill from maiden lithium resource to production in nine months including only seven months of construction from the ground up."*

The focus now is to achieve steady state production from the Stage 1 DMS circuit and optimise lithium yields. Concurrently, the JV will work on completion of the Stage 2 lithium fines circuit design and re-commissioning of the tantalum circuits."

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Figure 1 | Ore Feed



Figure 2 | DMS plant

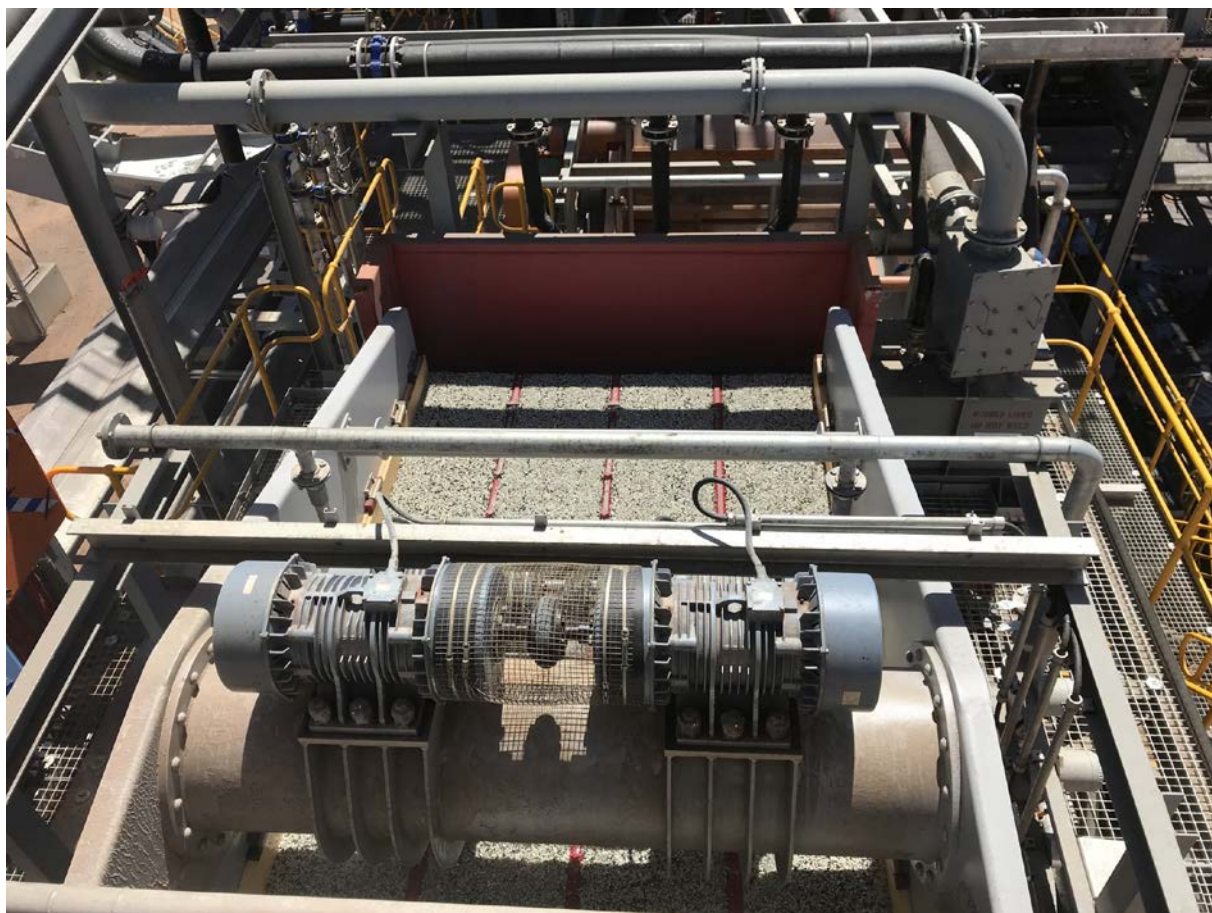


Figure 3 | Screening



Figure 4 | Stockpiles



Figure 5 | Spodumene concentrate

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 774km². The project is owned 50:50 by Tawana and AMAL.

First lithium concentrate product delivery is anticipated in April 2018.

Each of Tawana and AMAL executed separate offtake agreements 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% Li₂O. The prepayments from the offtake agreements 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.

A current Indicated and Inferred lithium Mineral Resource of 18.9 million tonnes at 1.18% Li₂O, and 149ppm Ta₂O₅ at a 0.5% Li₂O cut-off for the Project was calculated by CSA Global Pty Ltd.¹

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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.