



Tawana to spin out Cowan, Yallari and Mofe Creek Assets

Spinout to create a new, exploration-focussed company with prospective Lithium and Iron Ore assets

Tawana Resources NL (ASX:TAW) ("**Tawana**" or the "**Company**") is pleased to announce its intention to restructure the Company's assets in order to focus on its flagship Bald Hill Project.

The restructuring will involve the transfer of the Cowan, Yallari and Mofe Creek assets to a wholly owned public company ("**SpinCo**"), before undertaking a capital reduction and distribution by way of in-specie distribution of 85% of all SpinCo shares to Tawana's shareholders (the "**Proposed Transaction**").

The assets to be transferred to SpinCo (collectively the "**Assets**") will include:

- the 100% owned Cowan Lithium Project in Western Australia comprising tenements that are adjacent to the Bald Hill Mine ("**Cowan**");
- the 100% owned Yallari Lithium Project in Western Australia comprising tenements that cover portions of the greenstone sequence that hosts the Mt Marion and Londonderry pegmatite fields ("**Yallari**"); and
- the 100% owned Mofe Creek Iron Ore Project in Liberia ("**Mofe Creek**").

It is not currently intended that an ASX listing of SpinCo will be sought, but this will be considered by the board of SpinCo in due course. Implementation of the Proposed Transaction will be subject to various conditions, including finalisation of transaction due diligence enquiries and approval by Tawana's shareholders.

Commenting on the Proposed Transaction, Tawana Managing Director Mark Calderwood said, "Following the recent commissioning and first spodumene concentrate production at Bald Hill, Tawana's primary focus is to ensure effective ramp-up of production and to ensure exploration activities are focused "near mine" to drive growth in mineable reserves and extend associated mine life at Bald Hill of which the Company has explored less than 5% of the known prospective area. Accordingly, the Board of Tawana has acknowledged that the Assets are unlikely to garner the appropriate management focus and budgetary allocation which they warrant and require for short term advancement."

"Furthermore, the Board of Tawana recognises that the value of the Cowan, Yallari and Mofe Creek projects may be better recognised by the market by demerging these assets from Tawana to form a new standalone exploration company. Following the Proposed Transaction, both companies, Tawana and SpinCo, will be better placed to advance their respective asset portfolios, which are at different stages of maturity. Demerging the prospective Assets should unlock better value for SpinCo shareholders."

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ASX:TAW

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Robert Benussi

Managing Director
Mark Calderwood

Non-Executive Directors
Robert Vassie
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The Proposed Transaction will create two distinct companies:

- Tawana, with its existing Board and management team focussed on production at the Bald Hill Project, positioned as a major supplier of quality lithium; and
- SpinCo, with the Cowan, Yallari and Mofe Creek assets as a lithium and iron ore exploration-focused company.

Tawana will retain a 15% interest in SpinCo, and will initially provide transitional services to SpinCo. In addition, Tawana will reserve to itself certain access and water rights from the Cowan Project which will support operations at Bald Hill.

Process and Timetable

Full details and timing for the Proposed Transaction are currently being finalised and will be set out in a notice of meeting to be sent to Tawana shareholders in Q2 2018.

The target date for the Shareholders Meeting is May 2018 with completion of the Proposed Transaction targeted for June 2018.

SpinCo Key Projects

Cowan Project

The Cowan Lithium Project is located 50km south east of Kambalda in the Eastern Goldfields of Western Australia. The Cowan Project covers a 26km strike of two rare earth pegmatite belts over 721km², which are adjacent to and surround the Bald Hill Mine.

The Cowan Project comprises a number of underexplored tenements which contain a vast number of pegmatites which have been discovered through limited exploration mapping and drilling, some of which contain spodumene.

Yallari Project

The Yallari Project is 6km west of the Mt Marion lithium mine in Western Australia, and 75km northwest of Tawana's Cowan Project.

The tenement contains numerous pegmatites in the same host-rock sequence as Mt Marion and is located close to the Depot Hill granodiorite.

Sampling is required to define the pegmatite type(s) and their potential for mineralisation. Based on the known pegmatite mineralogy, the most prospective area for lithium-enriched pegmatites will be further from the source granite.

Limited exploration for lithium has been undertaken to date, however the project is considered moderately prospective.

Mofe Creek Project

The Mofe Creek Project is located within one of Liberia's historic premier iron ore mining districts. The project is 10km along strike from the abandoned Bomi Hills mine (>50Mt DSO @ 65% Fe), 80km along strike from the historic Bong Mine (>275Mt @ 38% Fe), 45km from the Mano River mine (100Mt @ 52% Fe) and 20km from the Bea Mountain resource (>100Mt @ 45% Fe).

The project is characterised by exceptionally coarse grained, high-grade itabirite that has the potential to deliver a high-grade product (63%Fe – 68%Fe) at a coarse crush sizing, with high mass recoveries, and potentially low mine stripping ratios and free-dig material.



The project is exceptionally well-located being approximately 20km from the coast for potential haul-road trucking or conveyor of product to the coast and transshipment via barge to deeper water for on-shipment or barging to the port of Monrovia. Other possible infrastructure solutions exist: road or rail to the deep water port of Monrovia via a 80km sealed road from the central licence area or a 65km decommissioned standard-gauge iron ore railway alignment from the Bomi Hills mine to the port of Monrovia, 17km east from the easternmost magnetic anomaly.

Proximity to the coast and positive initial metallurgical test-work results suggests the potential for an early start-up, low capital intensity project, with low operating costs.

Detailed information on all aspects of Tawana's projects can be found on the Company's website www.tawana.com.au

