

31 July 2018

## Bald Hill Achieves Commercial Lithium Production

### Operations now in commercial production with commissioning of the plant completed

Joint venture partners Tawana Resources NL (TAW:ASX) (**Tawana**) and Alliance Mineral Assets Limited (SGX:40F) (**AMAL**) (together the **JV parties**) are pleased to announce that commercial production has been achieved at the Bald Hill Lithium Mine (**Bald Hill Mine** or **Project**) located in the eastern goldfields of Western Australia.

#### Highlights:

- Commissioning and ramp-up to commercial production of Stage 1 Dense Media Separation (**DMS**) circuit at Bald Hill Mine completed
- Plant has produced premium high-quality lithium concentrates even at low feed grades
- Three shipments of lithium concentrate completed, with the 4<sup>th</sup> due to be completed within the next few days
- Lithium concentrate production of 18,800t between 14 March and 30 June 2018
- Plant recoveries achieving nameplate capacity of 65%
- Mining is supplying ore consistently and crushing performance has been increased

The JV parties are targeting to produce 60,000 to 75,000 tonnes of spodumene concentrate for the 6 months between July and December 2018.

Plant performance has achieved higher than the 161 tonnes per hour (tph) nameplate, with rates averaging 206tph in recent weeks having reached up to 230tph. The plant is performing better than expected and continues to be optimised. Further modifications are being planned with the view to achieve average throughput rates of up to 240tph. The JV parties are assessing the viability of the construction of a second DMS circuit in addition to the proposed fines circuit.

Tawana Managing Director Mark Calderwood said: *“This confirms the successful ramp up of the plant and the achievement of commercial production within five months of commencement of ore commissioning. Operational focus has shifted to plant optimisation and the review of options to further increase throughput in the existing plant and add a second DMS circuit in addition to a fines circuit. Bald Hill has established a reputation of producing quality lithium concentrates low in impurities including iron, sodium and potassium.”*



### Stage 1 Bald Hill DMS Throughput Rates

Period (2018)	Target (t) Throughput	Actual (t) Throughput	Average tph	Operating hours	Net utilisation %
14 March - 13 April	22,500	50,042	148.2	337.6	45
14 April - 13 May	45,000	75,612	157.0	481.7	67
14-May - 13 June	82,800	92,550	180.3	513.4	69
14 June - 13 July	96,700	102,698	197.6	519.8	72

*Note - Nameplate target is 161 tph and 100,000t/month average.*

### About the Bald Hill Mine

The Bald Hill Mine is in the southeast of the Goldfields-Esperance Region of Western Australia, approximately 105km south-southeast of Kalgoorlie. Kalgoorlie is the main hub in the region providing access to the Project which can be accessed from Perth by air, rail and road.

The principal road access to the Project is via the (sealed) Coolgardie-Esperance Highway (National Highway 94), and then the Binneringie Road from Widgiemooltha, a distance of 65km of unsealed shire road. The Project is approximately 350km by road from the Port of Esperance.

The Bald Hill Mine currently consists of an open pit, a Dense Media Separation and Spiral Circuits, waste rock dumps, stores, a camp (including administrative and living quarters) and associated infrastructure. Lithium concentrate is hauled via Binneringie Road to the Port of Esperance.

Tawana and AMAL executed separate offtake agreements in April 2017 (and subsequent variations thereto) for the supply of lithium concentrate from Bald Hill Mine over a five-year term with pricing for 2018 and 2019 of US\$880/t (A\$1,173) (FOB Esperance) for 6% Li<sub>2</sub>O concentrates. The offtake agreement provides for an attractive fixed price in US dollars per dry metric tonne for the first 2 years of production, and shipping costs are borne by the offtake party. Refer to ASX announcement of 26 April 2017 and SGX announcement of 4 May 2017.

### Forward Looking Statements

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither AMAL nor Tawana guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

Neither Tawana nor AMAL provide any financial or investment 'advice' as that term is defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002.

Investors should exercise caution when dealing in the securities of Tawana and AMAL. In the case of any doubt, they should seek their own professional advice and consult with their own bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser.