

RELEASE
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CONTINUED STRONG METALLURGICAL RESULTS AT THE BALD HILL MINE

Up to 93.4% Recovery and 7.1% Concentrate Grade

BALD HILL MINE JOINT VENTURE (AMAL 100%, TAW Earning 50%)

Tawana Resources NL (“Tawana” or the “Company”) and Alliance Mineral Assets Limited (SGX: AMAL) are pleased to provide an update to ongoing metallurgical test work from the Bald Hill Mine.

The confirmation of the exceptional recoveries and high concentrate grades from the Bald Hill Mine further demonstrates the strong position of Tawana and AMAL to become a spodumene producer in 2017 with a moderate upfront capital cost.

Highlights

- Variability test work from multiple locations and grade ranges has confirmed consistent and unusually high gravity recoveries and high concentrate grades.
- Low grade feed also produces high grade concentrates and recoveries and the apparent lithium grades within light fractions are low.
- Dense Media Separation (DMS) test work at 10mm crush size returned exceptionally high primary concentrate grade indicating relative insensitivity of Bald Hill material to crush size.
- Ongoing test work is being undertaken to complete a flow sheet design and a six tonne bulk sample is being collected to produce a DMS concentrate for final product evaluation by a number of potential offtake parties.
- Feasibility study is due for completion by the end of March 2017 with the aim of commissioning of the spodumene concentrator to commence in October 2017.
- The highly favourable, simple metallurgy requirements of Bald Hill mineralisation has increased confidence that the Joint Venture will commence commissioning of the DMS circuit later this year.

Bald Hill Project (AMAL 100%, TAW Earning 50%)

The Bald Hill Project ("Project") area is located 50km south east of Kambalda in the Eastern Goldfields of Western Australia. It is located approximately 75km south east of the Mt Marion lithium project and is adjacent to the Company's Cowan Lithium Project. The Project, owned by AMAL, includes a permitted tantalum (pegmatite) mine, processing facility and associated infrastructure.

Tawana has entered into a Farm-In and Joint Venture arrangement (earning 50%) with SGX-Listed Alliance Mineral Assets Limited (AMAL) for the purpose of exploration and joint exploitation of lithium and other minerals at the Bald Hill Mine, which includes a processing plant, existing infrastructure and permitted mining licences.

Metallurgical Test Work

Initial metallurgical test work results previously announced (refer ASX Announcements 24 October 2016 and 17 November 2016) show excellent performance from the initial samples at 3.35mm and 6.3mm crush sizes.

Recent metallurgical test work has been focused on laboratory scale heavy liquid separation (HLS) variability test work on samples from a number of locations using material at varying grade ranges.

The results showed remarkably consistent and high recoveries from the different grade ranges with high recovery at the low grade end of the spectrum.

Tables 1a to 1d | Summary of Variability Test Work

Table 1a | High Grade Samples

ROM-HG		SG: +2.9 (main concentrate)				SG: 2.9-2.7 (middlings)			SG: -2.7 (lights)		
Sample	Head Grade % Li ₂ O	Mass Yield %	Grade % Li ₂ O	Grade % Fe ₂ O ₃	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Unrec. %
1-100	1.07	14.1	7.07	0.48	93.4	5.0	0.73	3.4	80.8	0.04	3.2
6-177	1.05	15.1	5.90	0.45	84.8	5.6	1.88	10.1	94.8	0.07	5.1
42-120	1.25	13.6	7.34	0.54	79.7	7.0	1.94	10.8	79.7	0.15	9.5
42-134	1.64	19.2	7.41	0.40	87.1	5.1	2.22	6.9	87.1	0.13	6.0
Average	1.25	15.5	6.95	0.44	86.1	5.7	1.72	7.8	78.9	0.10	6.1

Table 1b | Low Grade Samples

ROM-LG		SG: +2.9 (main concentrate)				SG: 2.9-2.7 (middlings)			SG: -2.7 (lights)		
Sample	Head Grade % Li ₂ O	Mass Yield %	Grade % Li ₂ O	Grade % Fe ₂ O ₃	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Unrec. %
2-33	0.64	8.3	6.20	0.31	80.7	8.3	1.07	13.8	83.4	0.04	5.5
42-148	0.87	9.9	6.71	0.45	76.6	6.8	1.72	13.5	83.2	0.10	9.9
43-117	0.63	7.6	6.66	1.25	79.3	7.8	1.23	7.8	84.6	0.04	12.9
43-131	0.84	12.6	5.93	1.00	88.7	15.6	0.38	7.0	71.8	0.05	4.3
43-166	0.76	9.1	6.42	0.74	77.3	6.1	1.30	10.5	84.8	0.11	12.2
Average	0.75	9.5	6.36	0.77	80.6	8.9	0.99	10.5	81.6	0.07	8.9

Table 1c | Very Low Grade Samples

VLG		SG: +2.9 (main concentrate)				SG: 2.9-2.7 (middlings)			SG: -2.7 (lights)		
Sample	Head Grade % Li ₂ O	Mass Yield %	Grade % Li ₂ O	Grade % Fe ₂ O ₃	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Unrec. %
1-146	0.31	3.5	5.45	1.03	61.7	13.3	0.58	24.9	83.2	0.05	13.4
39-116	0.30	2.7	5.60	0.65	51.2	4.9	1.60	26.5	92.3	0.07	22.3
43-117	0.36	7.6	5.63	0.92	79.3	7.8	0.92	15.1	84.6	0.14	5.6
Average	0.32	4.6	5.58	0.72	65.0	8.7	0.88	21.8	86.7	0.09	13.2

Table 1d| Sub-Grade Samples

Sub-grade		SG: +2.9 (main concentrate)				SG: 2.9-2.7 (middlings)			SG: -2.7 (lights)		
Sample	Head Grade % Li ₂ O	Mass Yield %	Grade % Li ₂ O	Grade % Fe ₂ O ₃	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Rec. %	Mass Yield %	Grade % Li ₂ O	Li Unrec. %
3-68	0.12	1.4	5.89	0.45	67.2	3.5	0.34	9.6	95.1	0.03	23.2
4-34 ⁷	0.13	0.1	2.15	3.64	1.6	0.1	0.34	25.0	95.1	0.11	73.4

Notes

- 1) Samples P100 3.35mm +1mm
- 2) SG = specific gravity
- 3) Rec. = percentage of total contained lithium contained within heavier concentrate
- 4) Unrec. = percentage of total contained lithium not recovered into heavier concentrates
- 5) ROM-HG= high grade, ROM-LG = low grade, VLG very low grade or marginal
- 6) +2.9 SG "Main concentrate" are spodumene rich, 2-7-2.9 SG "middlings" represent spodumene attached to gangue minerals and lithium within "-2.7 SG ("lights") comprises spodumene attached to gangue minerals and potentially other lighter lithium bearing minerals such as petalite.
- 7) Concentrate 4-34, SG +2.9 contained 31.8% Ta₂O₅ and 3.03% SnO₂

Dense Media Separation (DMS) test work undertaken at P100 10mm +1mm returned significant primary concentrate grades of up to 7.1% Li₂O and high overall recovery of 90.4%. To reduce the amount of spodumene reporting to the middlings the likely initial crush size will be 6.3mm.

Tables 2 | Summary of DMS Test Work Results

P100 mm	Primary Concentrate		Middlings		Total Recovery %	Fines %
	% Li ₂ O	Recovery %	% Li ₂ O	Recovery %		
10	6.87	33.4	3.81	57.0	90.4	15.1
6.3	6.00	82.0	2.43	11.6	93.7	28.0
3.35	6.89	80.6	2.63	13.7	94.3	50.3

Notes

- 1) P100 mm = crush size in millimetres.
- 2) Recovery = percentage of total contained +1mm lithium contained within concentrate
- 3) Fines = percentage of total material below 1mm at the given crush size

Competent Persons Statement The information in this news release that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Mark Calderwood, an employee of the Company. Mr Calderwood is a member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood has sufficient experience relevant to the style of mineralisation under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calderwood consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Metallurgy The information in this release that relates to metallurgy and metallurgical test work has been reviewed by Mr Noel O'Brien, FAusIMM, MBA, B. Met Eng. Mr O'Brien is not an employee of Tawana, but is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, and he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context as it appears.

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