TAWANA
RESOURCES NL
ACN 085 166 721

SCHEME BOOKLET

In relation to a proposal from Alliance Mineral Assets Limited (**AMAL**) to acquire all of the issued shares in Tawana Resources NL (**Tawana**).

VOTE IN FAVOUR

The Tawana Directors unanimously recommend that you **vote in favour** of the Scheme in the absence of a Superior Proposal

Financial adviser

CANACCORD Genuity

Legal adviser

KING&WOOD MALLESONS

This is an important document and requires your immediate attention. You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser. If you have recently sold all of your Tawana Shares, please ignore this document.

IMPORTANT NOTICES

GENERAL

Shareholders are encouraged to read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

PURPOSE OF SCHEME BOOKLET

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to Shareholders under Part 5.1 of the Corporations Act in relation to the Scheme.

RESPONSIBILITY FOR INFORMATION

The information contained in this Scheme Booklet (other than the AMAL Information, the Independent Limited Assurance Report and the Independent Expert's Report) has been prepared by Tawana and is the responsibility of Tawana. None of AMAL, its directors, officers or advisers assume any responsibility for the accuracy or completeness of the Tawana Information.

The AMAL Information has been prepared by AMAL and AMAL is responsible for the accuracy and completeness of the AMAL Information. None of Tawana, its directors, officers or advisers assume any responsibility for the accuracy or completeness of the AMAL Information.

BDO has prepared the Independent Expert's Report in relation to the Scheme contained in Annexure A and takes responsibility for that report. None of Tawana, AMAL nor their respective directors, officers and advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

Ernst & Young Transaction Advisory Services Limited has prepared the Independent Limited Assurance Report contained in Annexure B and takes responsibility for that report. None of Tawana, AMAL nor their respective directors, officers and advisers assume any responsibility for the accuracy or completeness of the Independent Limited Assurance Report.

ASIC AND ASX

A copy of this Scheme Booklet was provided to ASIC under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the hearing on the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

JSE AND SOUTH AFRICAN EXCHANGE CONTROL

A copy of this Scheme Booklet has been made available to JSE in South Africa for review in connection with its issue to SA Holders. This Scheme Booklet does not constitute or involve an offer of securities to the public for the purposes of Chapter 4 of the South African Companies Act, 71 of 2008. Accordingly, this Scheme Booklet does not, nor does it intend to constitute, a "registered prospectus" in terms of Chapter 4 of the South African Companies Act, 71 of 2008.

The treatment of SA Holders under the Scheme has been approved by the South African Reserve Bank. Nevertheless, SA Holders should seek their own advice in respect of the applicability of the South African Exchange Control Regulations 1961. Refer to Section 3.9 for further details.

COURT

The Court is not responsible for the contents of this Scheme Booklet and, in ordering that the Scheme Meeting be held, the Court does not in any way indicate that the Court has approved or will approve the terms of the Scheme. An order of the Court under section 411(1) of the Corporations Act is not an endorsement of, or any other expression of opinion on, the Scheme.

FUTURE MATTERS AND INTENTIONS

Certain statements in this Scheme Booklet relate to the future. These statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Tawana, AMAL or the Merged Group to be materially different from future results, performance or achievements expressed or implied by those statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, the price of lithium, anticipated costs and mining, operational and development risks. These statements only reflect views held as at the date of this Scheme Booklet.

Other than as required by law neither Tawana, AMAL nor any other person gives any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. You are cautioned about relying on any such forward looking statements in this Scheme Booklet.

Additionally, statements of the intentions of AMAL in relation to the Merged Group reflect AMAL's present intentions as at the date of this Scheme Booklet and may be subject to change.

NO INVESTMENT ADVICE

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation and particular needs of individual Shareholders. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme or your Tawana Shares. Before making an investment decision in relation to the Scheme or your Tawana Shares, including any decision to vote for or against the Scheme, you should consider, with or without the assistance of a financial adviser, whether that decision is appropriate in the light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do, you should consult your legal, financial or other professional adviser before making any investment decision in relation to the Scheme or your Tawana Shares.

SHAREHOLDERS OUTSIDE AUSTRALIA

This Scheme Booklet complies with the disclosure requirements applicable in Australia, which may be different to those in other countries. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place where (or to any person who) it would not be lawful to make such an offer.

A Scheme Participant whose address shown in the Register on the Record Date is a place outside Australia and its external territories, New Zealand, Hong Kong and Singapore will be an Ineligible Shareholder for the purposes of the Scheme, unless AMAL and Tawana agree, acting reasonably, that it is lawful and not unduly onerous or impracticable to issue or provide such Scheme Participant with AMAL Shares under the Scheme. Scheme Participants should refer to Section 3.9 to determine whether they are Ineligible Shareholders.

Ineligible Shareholders will not be able to receive AMAL Shares as Scheme Consideration under the Scheme. Instead, Ineligible Shareholders will receive the net proceeds of sale of the AMAL Shares which they would have otherwise received (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).

Ineligible Shareholders should refer to Sections 3.9 and 7.5 for further information. The net proceeds will be paid to you in Australian dollars, unless you are an SA Holder, in which case the net proceeds will be paid to you in South African Rand (net of foreign currency exchange costs).

If Tawana or AMAL determine (acting reasonably) that such treatment is required in order for AMAL to comply with its obligations under the Withholding Law, a Scheme Participant that has a registered address outside Australia or that AMAL reasonably believes is a "relevant foreign resident" may be treated as an Ineligible Shareholder for the purposes of the Scheme and AMAL may withhold and remit to the Australian Taxation Office up to 12.5% of that Scheme Participant's entitlement to net proceeds of sale of AMAL Shares by the Sale Agent (as referred to in Section 3.9). Refer to Section 9.4 for further information.

NOTICE TO TAWANA SHAREHOLDERS IN SINGAPORE

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of AMAL Shares have not been and will not be registered as a prospectus with the Monetary Authority of Singapore (MAS).

The AMAL Shares issued as part of the Scheme Consideration will be issued pursuant to an exemption under the Securities and Futures Act, Chapter 289 of Singapore (SFA), and will generally not be subject to any resale restrictions under Singapore securities laws. There is no restriction on the transfer of fully-paid AMAL Shares except where required by law, or the listing rules of, or by-laws and rules, governing the SGX-ST and the ASX, and AMAL's constitution.

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of AMAL Shares may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to AMAL Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Neither this Scheme Booklet nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This Scheme Booklet is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this Scheme Booklet may not be suitable for you and it is recommended that you consult with your own financial and legal advisors if you are in doubt about such investments or investment services and with respect to any restrictions on the transfer of AMAL Shares issued as part of the Scheme Consideration.

Nothing in this Scheme Booklet constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

As an issuer listed on the SGX-ST, AMAL is required to comply with the listing rules of the SGX-ST, which includes observing the relevant continuing listing obligations thereunder, and other Singapore laws, which may be applicable to a foreign issuer listed on the SGX-ST. In particular, substantial shareholders, directors and the chief executive officer of AMAL are required to give notice of particulars of their interest in AMAL Shares, and, where relevant, changes or cessation in such interest(s), to AMAL. Following such notification, AMAL is required to announce the information in the notice to the SGX-ST.

Neither AMAL or Tawana is in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, AMAL and Tawana are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

NOTICE TO TAWANA SHAREHOLDERS IN NEW ZEALAND

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013. The offer of AMAL Shares under the Scheme is being made to existing Tawana Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

NOTICE TO TAWANA SHAREHOLDERS IN HONG KONG

WARNING – The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) (Companies (Winding Up and Miscellaneous Provisions) Ordinance)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any

securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (Securities and Futures Ordinance).

Accordingly, unless permitted by the laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder. No person allotted any securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Tawana Shareholders in connection with the Scheme, and this Scheme Booklet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and

Miscellaneous Provisions) Ordinance, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance. No action has been taken in Hong Kong to authorise or register this Scheme Booklet or to permit the distribution of this Scheme Booklet or any documents issued in connection with it.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Scheme by the person to whom this Scheme Booklet is addressed.

FINANCIAL INFORMATION

The basis of preparation of the financial information in this Scheme Booklet in respect of Tawana, AMAL and the Merged Group is outlined in Sections 4.10, 5.4 and 6.5 respectively. The financial information in this Scheme Booklet is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

TAXATION IMPLICATIONS OF THE SCHEME

Section 9 provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Tawana Shareholders who dispose of their Tawana Shares to AMAL in accordance with the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of individual Tawana Shareholders.

Tawana Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

PRIVACY

Tawana, AMAL and their respective registries or agents may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, contact details and security holdings of Tawana Shareholders and the names of persons appointed by Tawana Shareholders as proxies, attorneys or corporate representatives at the Scheme Meeting. The collection of some of this personal information is required or authorised by the Corporations Act.

The primary purpose of collecting this personal information is to assist Tawana in the conduct of the Scheme Meeting and to enable the Scheme to be implemented by Tawana in the manner described in this Scheme Booklet. The personal information may be disclosed to AMAL's Australian Share Registry, AMAL's Singapore Share Registry, print and mail service providers, authorised securities brokers and any other service provider to the extent necessary to effect the Scheme. Some of these recipients are likely to be located in overseas countries, including Singapore.

If the information outlined above is not collected, Tawana may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

Tawana Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Tawana Share Registry on 1300 555 159 (within Australia) or +61 3 9415 4062 (outside Australia) if they wish to exercise these rights.

Tawana Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of the matters outlined above.

NOTICE OF SCHEME MEETING

The Notice of Scheme Meeting is set out in Annexure F.

NOTICE OF SECOND COURT DATE

At the Second Court Date, the Court will consider whether to approve the Scheme following the vote at the Shareholder Meeting.

Any Tawana Shareholder may appear at the Second Court Date, expected to be 2 October 2018 at 9:00am.

Any Tawana Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Tawana a notice of appearance in the prescribed form, together with any affidavit that the Tawana Shareholder proposes to rely on.

TAWANA AND AMAL WEBSITES

The content of Tawana and AMAL's respective websites do not form part of this Scheme Booklet and Tawana Shareholders should not rely on their content.

Any references in this Scheme Booklet to a website is a textual reference for information only and no information in any website forms part of this Scheme Booklet.

SUPPLEMENTARY INFORMATION

If you have any further questions or require further information in relation to this Scheme Booklet or the Scheme please contact Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032, between 9:00am to 5:00pm (Perth, Australia time) Monday to Friday, or visit the website: www.tawana.com.au. Tawana Shareholders should consult their legal, financial or other professional adviser before making any decision regarding the Scheme.

In certain circumstances, Tawana may provide additional disclosure to Tawana Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, Tawana Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Scheme.

EFFECT OF ROUNDING

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

INTERPRETATION

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 11. The documents reproduced in the annexures to this Scheme Booklet may have their own defined terms, which are sometimes different from those in the Glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet. All numbers are rounded unless otherwise indicated.

Unless otherwise specified, all references to $, A$, AUD and cents are references to Australian currency, all references to S$ are references to Singaporean currency and all references to US$ are references to the currency of the United States of America.

All references to times in this Scheme Booklet are references to time in Perth, Western Australia, unless otherwise stated.

DATE

This Scheme Booklet is dated 20 August 2018.

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IMPORTANT DATES

14 September 2018	**For SA Holders only**: Date for determining entitlement to vote at the Scheme Meeting for Dematerialised SA Holders
10:00am (South Africa Standard Time) on 21 September 2018	**For SA Holders only**: Latest time and date for receipt by Strate of voting instruction forms for Scheme Meeting from the CSDP or broker of Dematerialised SA Holders
Not later than 24 September 2018	AMAL Shareholders' meeting to vote on the AMAL Shareholder Resolutions
1:00pm on 24 September 2018	Latest time and date for receipt of Proxy Forms for Scheme Meeting (including from Certificated SA Holders)
5:00pm on 24 September 2018	Time and date for determining eligibility to vote at the Scheme Meeting
1:00pm on 26 September 2018	Tawana Shareholders' meeting to vote on the Scheme

If the Scheme is approved by Tawana Shareholders

2 October 2018	Second Court Hearing for approval of the Scheme
3 October 2018	Court order is lodged with ASIC and Scheme takes effect (**Effective Date**) Last day of trading in Tawana Shares on ASX and JSE
Close of trading on 3 October 2018	Suspension of Tawana Shares from trading on ASX and JSE
4 October 2018	ASX Listed Shares expected to commence trading on ASX on a deferred settlement basis
5:00pm on 8 October 2018	Deadline for receipt of Election Forms from Tawana Shareholders
5:00pm on 10 October 2018	Determination of entitlement to receive Scheme Consideration (**Record Date**)
17 October 2018	Implementation of the Scheme (**Implementation Date**) Issue of the Scheme Consideration
17 October 2018	Last day of deferred settlement trading of ASX Listed Shares on ASX
18 October 2018	AMAL Shares expected to commence trading on ASX and SGX-ST on a normal settlement basis

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other Regulatory Authorities. Any changes to the above timetable (which may include an earlier Second Court Hearing) will be announced through ASX and notified on http://www.asx.com.au/asx/statistics/announcements.do.

All references to times in this Scheme Booklet are references to time in Perth, Western Australia, unless otherwise stated.

NOTES FOR SA HOLDERS:

If you are a Dematerialised SA Holder, including an 'own name' holder, you should provide your CSDP or broker with your voting instructions in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker in order to allow your CSDP or broker to meet this timing requirement.

Movements of Tawana Shares between the Australian register and South African branch register will not be permitted after 26 September 2018.

SA Holders will not be permitted to have Tawana Shares dematerialised into Strate or re-materialised after 5 October 2018.

LETTER FROM THE CHAIRMAN OF TAWANA

Dear Shareholder

On 5 April 2018, Tawana Resources NL (**Tawana**) announced a proposal to merge with Alliance Mineral Assets Limited (**AMAL**) by way of a scheme of arrangement under Part 5.1 of the Corporations Act pursuant to which AMAL would acquire all of the issued shares in Tawana. Each Tawana Share will be acquired by AMAL in exchange for 1.1 AMAL Shares.

The implementation of the Scheme is subject to a number of conditions, including court approval, the approval of Tawana Shareholders, approval from the Australian Securities Exchange and the Singapore Securities Exchange, and the approval of AMAL Shareholders.

Your directors believe that the Scheme is in the best interests of Tawana shareholders. The directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal.

The key reasons for your directors' recommendation of the Scheme are set out in Section 1.1 of this Scheme Booklet. In particular:

- increased scale of the Merged Group will enhance its capital markets profile and liquidity and provide greater access to capital with potential for re-rating;
- the transaction simplifies the ownership structure and operational management of the Bald Hill Project, with potential for efficiency benefits to the Merged Group;
- the Merged Group will have a pro forma market capitalisation of approximately $433 million[1], placing the Merged Group on the radar of a greater number of domestic and global institutional investors and securities firms; and
- the transaction enhances the financial capacity of the Merged Group and improves the Merged Group's balance sheet, to fund future exploration and growth initiatives.

Each Tawana Director intends to vote the Tawana Shares that they own or control at the time of the Scheme Meeting (if any), and will direct any Tawana proxies placed at their discretion, in favour of the Scheme in the absence of a Superior Proposal. The Independent Expert, BDO, has concluded that the Scheme is fair and reasonable to Tawana Shareholders and therefore is in the best interests of Tawana Shareholders, in the absence of a superior proposal. The full report of the Independent Expert (including a technical specialist report prepared by SRK Consulting) is set out in Annexure A. The AMAL Board has, in accordance with its regulatory requirements, separately commissioned a valuation report for the Bald Hill Project - refer to Section 10.7 for more information.

Your Directors consider that there is a compelling rationale for the Scheme, however, there are some possible disadvantages and risks relating to the Scheme (see Section 8.1) and to the Merged Group (see Section 8.3). The possible reasons not to vote for the Scheme are set out in Section 1.2 of this Scheme Booklet. I encourage you to read this Scheme Booklet (including the report of the Independent Expert) carefully in full and, if required, to seek your own legal, financial or other professional advice.

At the Scheme Meeting, shareholders will be asked to approve the Scheme. The Scheme Meeting will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia, on 26 September 2018 commencing at 1:00pm.

Your vote is important. I strongly encourage you to vote either by attending the scheme meeting in person or by completing and returning the accompanying Proxy Form so that it is received at the address shown on the Proxy Form by 1:00pm on 24 September 2018.

ASIC has advised that it is reserving its position regarding whether any votes cast by the Relevant Shareholders mentioned in Section 1.1(e) should be disregarded. Refer to Section 5.8 for more information.

Shareholders who have any questions relating to the Scheme should contact Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032, between 9:00am and 5:00pm (Perth, Australia time) Monday to Friday.

Yours sincerely

Robert Benussi
Chairman
Tawana Resources NL

[1] Based on the expected number of AMAL Shares on the Implementation Date, using the closing price of AMAL Shares on SGX on the Latest Practicable Date and an exchange rate of S$1:A$0.99.

LETTER FROM THE CHAIRPERSON OF AMAL

Dear Tawana Shareholder,

On behalf of the board of directors and management of Alliance Mineral Assets Ltd (**AMAL**), I am delighted to write to you concerning the opportunity presented by the proposed merger of equals between Tawana Resources NL (Tawana) and AMAL.

The merger of equals between our two companies represents an outstanding and unique opportunity to consolidate the Bald Hill Joint Venture at an exciting time, with the shipping of lithium concentrate having commenced and production at Bald Hill ramping up.

The merger between AMAL and Tawana is unanimously supported by both the AMAL Board and Tawana Board, in the absence of a Superior Proposal. The Independent Expert has also concluded that the Scheme is fair and reasonable to Tawana Shareholders and therefore is in the best interests of Tawana Shareholders, in the absence of a superior proposal.

The Merged Group will benefit from increased scale and efficiencies by bringing together the Bald Hill Joint Venture partners as well as enhancing and strengthening the Merged Group's balance sheet. A stronger balance sheet will facilitate further exploration and potentially swift expansion of the Bald Hill Project.

With a pro forma market capitalisation of approximately $433 million[2], the Merged Group is also likely to attract greater attention from institutional investors. The Group's proposed dual listing on the ASX and Catalist board of SGX will give the Merged Group access to both the Singapore and Australian capital markets with a view to unlocking greater value and liquidity through a more diversified shareholder and investor base.

The benefits of the Merged Group are numerous. Consequently, we encourage you to vote in favour of the merger at the Scheme Meeting on 26 September 2018.

We are very excited about this merger of equals and unlocking the future potential of the Bald Hill Project. We encourage you to vote in favour of the Scheme Resolution and look forward to successfully concluding the transaction, and to our future with you as a shareholder of the Merged Group.

Yours sincerely,

Pauline Gately
Executive Chairperson
Alliance Mineral Assets Limited

[2] Based on the expected number of AMAL Shares on the Implementation Date, and using closing price of AMAL Shares on SGX on the Latest Practicable Date and an exchange rate of S$1:A$0.99.

WHAT IS THE SCHEME?

The Scheme is a scheme of arrangement between Tawana and Scheme Participants. If the Scheme becomes Effective, AMAL will acquire all Tawana Shares and Tawana will become a wholly-owned Subsidiary of AMAL.

A "scheme of arrangement" is a statutory procedure that can be used to enable one company to acquire another company. It requires a vote in favour of the Scheme by the Requisite Majority of Tawana Shareholders (other than Excluded Shareholders, if any) at a meeting of Tawana Shareholders, as well as Court approval.

If you are a Tawana Shareholder (other than an Excluded Shareholder or an Ineligible Shareholder) at 5:00pm on the Record Date, you will receive 1.1 AMAL Shares per Tawana Share you hold on the Record Date. You may elect to receive SGX Listed Shares, otherwise the default position is that you will receive ASX Listed Shares.

The Scheme Resolution must be passed by Tawana Shareholders (other than Excluded Shareholders, if any) by the Requisite Majority, being:

- unless the Court orders otherwise, a majority in number (more than 50%) of Tawana Shareholders who are present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of Tawana Shareholders that are incorporated, by duly appointed corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution.

Implementation of the Scheme is subject to the satisfaction or waiver of the conditions summarised in Section 3.4 and set out in full in schedule 2 of the Scheme Implementation Agreement, which include approval by the Court.

The terms of the Scheme are set out in full in Annexure D.

WHAT SHOULD I DO?

You should read this Scheme Booklet carefully in its entirety and then vote by attending the Scheme Meeting or by appointing a proxy to vote on your behalf. Full details of who is eligible to vote and how to vote are set out in Sections 3.7 and 3.8.

Answers to various frequently asked questions are set out in Section 2. If you have any further questions or require further information in relation to this Scheme Booklet or the Scheme please consult your legal, financial or other professional adviser or contact Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032 between 9:00am to 5:00pm (Perth, Australia time) Monday to Friday, or visit the website: www.tawana.com.au.

WHAT ARE THE CONDITIONS TO THE SCHEME?

The implementation of the Scheme is subject to a number of conditions as set out in schedule 2 of the Scheme Implementation Agreement and Section 3.4. A full copy of the Scheme Implementation Agreement is available on ASX's website at www.asx.com.au and on Tawana's website at www.tawana.com.au/category/asx-announcements/.

As at the date of this Scheme Booklet, implementation of the Scheme remains conditional on:

- ASIC, ASX, SGX and all other relevant regulatory bodies have issued or provide such consents, approvals, waivers, modifications or exemptions (or have done such other acts) which the parties agree are reasonably necessary or desirable to implement the Transaction;
- AMAL Shareholder approval of the AMAL Shareholder Resolutions by the requisite majorities in accordance with all applicable laws;
- Tawana Shareholder approval of the Scheme at the Scheme Meeting by the requisite majorities in accordance with the Corporations Act;
- no restraining order, injunction or other order or decision having been issued;
- Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- the Independent Expert issuing an Independent Expert's Report which concludes that the Scheme is in the best interests of Scheme Participants, and the Independent Expert not withdrawing or adversely modifying that conclusion;
- approval of the listing and quotation of the Scheme Consideration on the official list of the Catalist;

- approval of the admission of AMAL to the Official List of the ASX and approval for Official Quotation on the ASX of AMAL Shares;
- no "Tawana Material Adverse Change" having occurred as stipulated in the Scheme Implementation Agreement;
- no "Tawana Prescribed Event" having occurred as stipulated in the Scheme Implementation Agreement;
- the "Tawana Representations and Warranties" being true and correct in all material respects;
- no "AMAL Material Adverse Change" having occurred as stipulated in the Scheme Implementation Agreement;
- no "AMAL Prescribed Event" having occurred as stipulated in the Scheme Implementation Agreement;
- the "AMAL Representations and Warranties" being true and correct in all material respects; and
- the Scheme Implementation Agreement not being terminated in accordance with clause 20 of the Scheme Implementation Agreement.

HOW DO I VOTE?

If you are registered as a Tawana Shareholder on the Register at 5:00pm on 24 September 2018 and you are not an Excluded Shareholder, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. Registrable transmission applications or transfers of Tawana Shares registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

If Tawana Shares are jointly held, only one of the joint Tawana Shareholders is entitled to vote. If more than one joint Tawana Shareholder votes, only the vote of the Tawana Shareholder whose name appears first in the Register will be counted.

HOW TO VOTE IN PERSON

To vote in person at the Scheme Meeting, Tawana Shareholders must attend the Scheme Meeting to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 26 September 2018 at 1:00pm.

A Tawana Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card upon disclosure of their name and address at the point of entry.

Persons who are attending as an attorney should bring the original or a certified copy of the power of attorney to the Scheme Meeting, unless it has already been noted by Tawana.

Persons who are attending as a corporate representative for a corporation must bring evidence of their appointment. The appointment must comply with section 250D of the Corporations Act. An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their appointment (including any authority under which it is signed), their name and address and the identity of their appointer, at the point of entry to the Scheme Meeting.

HOW TO VOTE BY PROXY

Your Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. Information setting out how you may vote by proxy is contained in the Notice of Meeting in Annexure F. If your Proxy Form is signed by an attorney, please also enclose the authority under which the Proxy Form is signed (or a certified copy of the authority).

Completed Proxy Forms may be lodged by Tawana Shareholders (other than SA Holders) as follows:

Online:

at www.investorvote.com.au, using the holding details as shown on the Proxy Form

Mail:

to Tawana Resources NL, C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia using the reply paid envelope.

Custodian voting:

for Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

By mobile:

by scanning the QR Code on your Proxy Form and follow the prompts.

Fax:

to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia).

Hand delivered:

to Tawana Resources NL
Level 3/20 Parkland Rd
Osborne Park WA 6017

Completed Proxy Forms may be lodged by Certificated SA Holders as set out under the heading "How do I vote if I am a Certificated SA Holder?" on this page 6.

Proxy Forms, together with any power of attorney or authority under which the Proxy Form is signed, must be received no later than 1:00pm on 24 September 2018 (48 hours prior to commencement of the Scheme Meeting). Proxy Forms received after this time will be invalid.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their name and address at the point of entry to the Scheme Meeting. The sending of a Proxy Form will not preclude a Tawana Shareholder from attending in person and voting at the Scheme Meeting. However, the Corporations Act specifies that the presence of a Tawana Shareholder at a meeting suspends his or her proxy's rights to speak and vote.

HOW DO I VOTE IF I AM AN SA HOLDER?

Tawana Shares are listed on the Johannesburg Stock Exchange (i.e. JSE). To facilitate trading on the JSE, certain Tawana Shares are registered in the name of Plc Nominees and have been "dematerialised" into Strate (the authorised Central Securities Depository for the electronic settlement of all financial instruments in South Africa).

SA Holders whose Tawana Shares have been dematerialised into Strate are "Dematerialised SA Holders".

The Dematerialised SA Holders have their beneficial interest in such Tawana Shares recorded in accounts maintained by a Central Securities Depository Participant (CSDP).

The remaining Tawana Shares on the South Africa branch register are held in certificated format, and these SA Holders are "Certificated SA Holders".

HOW DO I VOTE IF I AM A DEMATERIALISED SA HOLDER?

If you are a Dematerialised SA Holder, including an 'own name' holder, you should provide your CSDP or broker with your voting instructions in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement governing your relationship with your CSDP or broker.

If you have not received a voting instruction form, you should contact your CSDP or broker as soon as possible.

Dematerialised SA Holders wishing to attend the Scheme Meeting in person should promptly contact their CSDP or broker to obtain a letter of representation to enable them to so attend. Although Dematerialised SA Holders may attend the Scheme Meeting they may not vote in person or by proxy at the Scheme Meeting.

Dematerialised SA Holders should not complete the Proxy Form which accompanies this Scheme Booklet.

HOW DO I VOTE IF I AM A CERTIFICATED SA HOLDER?

Certificated SA Holders may vote in person by attending the Scheme Meeting to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 26 September 2018 at 1:00pm. For further details, see "How to vote in person" on page 5.

Alternatively, Certificated SA Holders who wish to vote may vote by proxy, by completing and lodging a Proxy Form as follows:

Mail:

to Computershare Investor Services Proprietary Limited, P O Box 61051, Marshalltown, 2107, South Africa

Email:

to proxy@computershare.co.za

Fax:

to Computershare Investor Services Proprietary Limited on +27 11 688 5238

Hand delivered:

to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

WHAT IS THE DIRECTORS' RECOMMENDATION?

Your Tawana Directors believe that the Scheme is in the best interests of Tawana Shareholders and unanimously recommend that, in the absence of a Superior Proposal, Tawana Shareholders vote in favour of the Scheme at the Scheme Meeting.

In reaching their recommendation, your Tawana Directors have assessed the Scheme having regard to the reasons to vote for, or against, the Scheme (as set out in this Scheme Booklet) and Tawana's current strategic plans.

Your Tawana Directors believe that the fundamental value represented by the Scheme and the potential for consolidation of ownership of the Bald Hill Project is sufficiently attractive.

Each Tawana Director intends to vote the Tawana Shares that they own or control at the time of the Scheme Meeting (if any), and will direct any Tawana proxies placed at their discretion, in favour of the Scheme in the absence of a Superior Proposal.

If a Superior Proposal emerges after the date of this Scheme Booklet, your Tawana Directors will carefully reconsider the Scheme and advise you of their recommendation.

1. MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

REASONS TO VOTE FOR THE SCHEME

1. Your Tawana Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal.
2. The Independent Expert has concluded that the Scheme is fair and reasonable to Tawana Shareholders and therefore is in the best interests of Tawana Shareholders, in the absence of a superior proposal.
3. You will retain economic exposure to the Bald Hill Project.
4. The Merged Group will own 100% of the Bald Hill Project, which may provide improved funding options and greater equity market appeal in terms of scale, improved liquidity and simplified ownership.
5. The Transaction is supported by Tawana Shareholders holding, in aggregate, approximately 207.5 million Tawana Shares (approximately 35.9%)[3] and by AMAL Shareholders holding, in aggregate, approximately 192.1 million AMAL Shares (approximately 29.1%).
6. No Superior Proposal has emerged as at the date of this Scheme Booklet.
7. No brokerage or stamp duty will be payable by you on the transfer of your Tawana Shares, nor on the issue to you of AMAL Shares.
8. Tawana Shareholders who are Australian residents for tax purposes can obtain CGT roll-over relief.
9. The Merged Group will have a strong board and management team that is highly capable of delivering strategic and growth initiatives with the potential for a significant market re-rating.
10. The Scheme will give Tawana Shareholders the opportunity to receive AMAL Shares that can be traded on SGX-ST or ASX.

Reasons to vote for the Scheme are discussed in more detail in Section 1.1.

As discussed in Section 7.5, Ineligible Shareholders will not receive AMAL Shares as Scheme Consideration under the Scheme. Accordingly, a number of the reasons to vote for the Scheme set out above and in more detail in Section 1.1 will not apply to Ineligible Shareholders.

POSSIBLE REASONS NOT TO VOTE FOR THE SCHEME

1. You may disagree with the Independent Expert and your Tawana Directors and believe that the Scheme is not in your best interests.
2. The tax consequences of transferring your Tawana Shares pursuant to the Scheme may not be optimal for your financial position.
3. You may consider that there is potential for a Superior Proposal to be made.
4. The exact value of the Scheme Consideration upon implementation of the Scheme is not certain.
5. Following implementation of the Scheme, the price of AMAL Shares on SGX-ST and ASX might change.
6. If you elect to receive SGX Listed Shares, you may be exposed to movements in foreign exchange rates.
7. Additional transaction and other costs will be incurred by the Merged Group.

Reasons why you may not want to vote for the Scheme are discussed in more detail in Section 1.2.

[3] For the avoidance of doubt, the giving of a voting intention statement by a Tawana Shareholder does not preclude that Tawana Shareholder from disposing of any or all of its Tawana Shares.

1.1 REASONS TO VOTE FOR THE SCHEME

(a) YOUR TAWANA DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE FOR THE SCHEME IN THE ABSENCE OF A SUPERIOR PROPOSAL

Your Tawana Directors believe that the Scheme is in the best interests of Tawana Shareholders and unanimously recommend that, in the absence of a Superior Proposal, Tawana Shareholders vote in favour of the Scheme at the Scheme Meeting.

In reaching their recommendation, your Tawana Directors have assessed the Scheme having regard to the reasons to vote for, or against, the Scheme (as set out in this Scheme Booklet) and Tawana's current strategic plans.

Your Tawana Directors believe the offer represents attractive value for Tawana Shares.

Each Tawana Director intends to vote the Tawana Shares that they own or control at the time of the Scheme Meeting (if any), and will direct any Tawana proxies placed at their discretion, in favour of the Scheme in the absence of a Superior Proposal.

If a Superior Proposal emerges after the date of this Scheme Booklet, your Tawana Directors will carefully reconsider the Scheme and advise you of their recommendation.

The interests of your Tawana Directors and the number and description of Tawana Shares held by or on behalf of your Tawana Directors are set out in Section 10.2.

In considering whether to vote for the Scheme, your Tawana Directors encourage you to:

- carefully read the whole of this Scheme Booklet (including the Independent Expert's Report);
- consider the choices available to you as outlined in Section 3.6;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- consult your legal, financial or other professional adviser.

(b) THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE SCHEME IS FAIR AND REASONABLE TO TAWANA SHAREHOLDERS AND THEREFORE IS IN THE BEST INTERESTS OF TAWANA SHAREHOLDERS, IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Independent Expert, BDO, has concluded that the Scheme is fair and reasonable to Tawana Shareholders and therefore is in the best interests of Tawana Shareholders, in the absence of a superior proposal.

The Independent Expert has assessed the value of a Tawana Share prior to the implementation of the Scheme, on a minority interest basis, as between $0.210 and $0.299 per Tawana Share,[4] which compares with the Independent Expert's assessment of the value of the Scheme Consideration of between $0.216 and $0.304 per Tawana Share.

The Independent Expert's Report is set out in full in Annexure A.

The AMAL Board has, in accordance with regulatory requirements, separately commissioned the AMAL Valuation Report. Refer to Section 10.7 for more information.

Your Tawana Directors encourage you to read the Independent Expert's Report in its entirety as it specifically considers Tawana Shareholders' interests and was prepared for the purposes of the Scheme.

(c) YOU WILL RETAIN ECONOMIC EXPOSURE TO THE BALD HILL PROJECT

The Merged Group will be the 100% owner of the Bald Hill Project, and you will retain your economic exposure to the Bald Hill Project through your AMAL shareholding.

[4] On a controlling interest basis, prior to the application of a "minority interest discount" to deliver a minority interest basis valuation, the Independent Expert assessed the value of a Tawana Share as being between $0.293 and $0.389.

(d) THE MERGED GROUP WILL OWN 100% OF THE BALD HILL PROJECT, WHICH MAY PROVIDE IMPROVED FUNDING OPTIONS AND GREATER EQUITY MARKET APPEAL IN TERMS OF SCALE, IMPROVED LIQUIDITY AND SIMPLIFIED OWNERSHIP

The Scheme proposal represents an opportunity to simplify and consolidate ownership structure and operational management of the Bald Hill Project. The Merged Group will be able to streamline the development of the Bald Hill Project without the structures and processes imposed by the Bald Hill Joint Venture Agreement.

The Merged Group may receive increased coverage from equity research analysts and benefit from greater relevance and interest from institutional investors and increased access to a wider range of investors. This may result in a market re-rating of the Merged Group that is superior to the market ratings of Tawana and AMAL as stand-alone companies.

(e) THE TRANSACTION IS SUPPORTED BY TAWANA SHAREHOLDERS HOLDING, IN AGGREGATE, APPROXIMATELY 207.5 MILLION TAWANA SHARES (APPROXIMATELY 35.9%) AND BY AMAL SHAREHOLDERS HOLDING, IN AGGREGATE, APPROXIMATELY 192.1 MILLION AMAL SHARES (APPROXIMATELY 29.1%)

Tawana Shareholders holding (directly or indirectly) an aggregate of approximately 207.5 million Tawana Shares (representing approximately 35.9% of the total issued Tawana Shares) as at the Latest Practicable Date, have confirmed to Tawana their intention to vote in favour of the Scheme all of the Tawana Shares held by them (directly or indirectly) at the time of the Scheme Meeting, in the absence of a superior proposal being publicly announced before the Scheme Meeting.

The Tawana Shareholders who have given voting intention statements (**Relevant Shareholders**) are as follows (in each case as at the Latest Practicable Date and so far as Tawana is aware): [5]

- Weier Antriebe und Energietechnik GmbH, as to approximately 76.2 million Tawana Shares (approximately 13.2% of the total issued Tawana Shares);
- Tribeca Investment Partners, as to approximately 64.5 million Tawana Shares (approximately 11.2%);
- Merriwee Pty Ltd, as to approximately 31.3 million Tawana Shares (approximately 5.4%);
- Corporate Resources Consulting Pty Ltd, as to approximately 13.6 million Tawana Shares (approximately 2.4%); and
- Mark Calderwood, as to approximately 21.9 million Tawana Shares (approximately 3.8%).

Burwill entered into a binding voting agreement with Tawana pursuant to which it agrees to vote 80,388,728 AMAL Shares (representing approximately 12.2% of the total issued AMAL Shares) in favour of the AMAL Shareholder Resolutions, in the absence of a superior proposal.

In addition to Burwill, the following AMAL Shareholders also confirmed to AMAL their intention to vote in favour of the AMAL Shareholder Resolutions all of the AMAL Shares held by them (directly or indirectly) at the time of the relevant meeting of AMAL Shareholders, in the absence of a superior proposal: [6]

- Jonathan Lim, who held a relevant interest in approximately 46.1 million AMAL Shares (approximately 7.0% of the total issued AMAL Shares); and
- Regal Funds Management Pty Ltd, who held a relevant interest in approximately 65.5 million AMAL Shares (approximately 9.9% of the total issued AMAL Shares).

(f) NO SUPERIOR PROPOSAL HAS EMERGED AS AT THE DATE OF THIS SCHEME BOOKLET

The Tawana Board's unanimous recommendation that Tawana Shareholders vote in favour of the Scheme is given subject to no Superior Proposal emerging. As at the date of this Scheme Booklet, the Directors have not received or become aware of any Superior Proposal. However, there remains the possibility that a third party may make a Superior Proposal prior to the Scheme Meeting.

[5] For the avoidance of doubt, the giving of a voting intention statement by a Relevant Shareholder does not preclude that Relevant Shareholder from disposing of any or all of its Tawana Shares.

[6] Living Waters also confirmed to AMAL its intention to vote in favour of the AMAL Shareholder Resolutions all of the AMAL Shares held by it at the time of the AMAL Meeting, in the absence of a superior proposal, but has since sold all but approximately 100,000 of its AMAL Shares. All figures relating to AMAL shareholder voting intentions are as at the Latest Practicable Date and so far as Tawana is aware.

The Scheme Implementation Agreement includes terms which prevent Tawana from seeking an alternative proposal from a third party in certain circumstances (see Section 10.14 for more details).

The Scheme Implementation Agreement does not prevent a third party from making an alternative proposal and does not prevent the Directors from responding to an unsolicited written proposal if necessary to discharge their duties. However, under the Scheme Implementation Agreement, Tawana is required to make a payment of $2 million to AMAL if certain events occur, for example, a third party acquires voting power or an economic interest in more than 50% of Tawana Shares or any Tawana Director publicly recommends or supports a Tawana Competing Transaction (see Section 10.14 for more details).

Your Tawana Directors will notify Tawana Shareholders if a Superior Proposal is received before the Scheme Meeting.

(g) NO BROKERAGE OR STAMP DUTY WILL BE PAYABLE BY YOU ON THE TRANSFER OF YOUR TAWANA SHARES, NOR ON THE ISSUE TO YOU OF AMAL SHARES

No brokerage or stamp duty will be payable by you on the transfer of your Tawana Shares. Further, no stamp duty should arise for you on the issue of the AMAL shares.

(h) TAWANA SHAREHOLDERS WHO ARE AUSTRALIAN RESIDENTS FOR TAX PURPOSES CAN OBTAIN CGT ROLL-OVER RELIEF

Tawana Shareholders who are Australian residents for tax purposes and who would otherwise realise a capital gain on the disposal of their Tawana Shares in return for the Scheme Consideration should generally be able to obtain capital gains tax (**CGT**) "scrip-for-scrip" roll-over relief.

You should refer to Section 9 for further details in relation to the Australian tax consequences of the Scheme.

(i) THE MERGED GROUP WILL HAVE A STRONG BOARD AND MANAGEMENT TEAM THAT IS HIGHLY CAPABLE OF DELIVERING STRATEGIC AND GROWTH INITIATIVES WITH THE POTENTIAL FOR A SIGNIFICANT MARKET RE-RATING

The proposed board of directors of the Merged Group and the Merged Group's management team will be highly experienced, with proven successful track records in exploration, project management and open pit mining operations, combined with significant strategic and capital markets experience. The strength of the Merged Group's board and management team will be a significant advantage in realising the value of the Bald Hill Project. This may result in a market re-rating of the Merged Group that is superior to the market ratings of Tawana and AMAL as stand-alone companies.

(j) THE SCHEME WILL GIVE TAWANA SHAREHOLDERS THE OPPORTUNITY TO RECEIVE AMAL SHARES THAT CAN BE TRADED ON SGX-ST OR ASX

As AMAL is an Australian company listed on the Catalist board of the SGX-ST, the Scheme is expected to provide Tawana Shareholders with increased exposure to Singaporean and other international markets and investors. The Merged Group will have access to both the Singapore and Australian capital markets through its listing on ASX and SGX-ST. The Scheme will also give Tawana Shareholders the ability to trade on both the ASX and SGX-ST.

1.2 POSSIBLE REASONS NOT TO VOTE FOR THE SCHEME

(a) YOU MAY DISAGREE WITH THE INDEPENDENT EXPERT AND YOUR TAWANA DIRECTORS AND BELIEVE THAT THE SCHEME IS NOT IN YOUR BEST INTERESTS

You may hold a different view to your Tawana Directors and the Independent Expert and believe that the Scheme Consideration is inadequate or that the disadvantages of the Scheme outweigh the advantages.

(b) THE TAX CONSEQUENCES OF TRANSFERRING YOUR TAWANA SHARES PURSUANT TO THE SCHEME MAY NOT BE OPTIMAL FOR YOUR FINANCIAL POSITION

Implementation of the Scheme may have tax or financial consequences which are not favourable to you. For example, it may trigger capital gains tax to the extent the Scheme Consideration received by you exceeds the tax cost base of your Tawana Shares. You should read general guide to the Australian taxation implications of the Scheme set out in Section

9. This guide is expressed in general terms and you should seek professional advice regarding the tax consequences applicable to your circumstances.

(c) YOU MAY CONSIDER THAT THERE IS POTENTIAL FOR A SUPERIOR PROPOSAL TO BE MADE

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. However, for the reasons noted below, your Tawana Directors consider that the possibility of a Superior Proposal emerging is low:

- Since the announcement of the Scheme on the Announcement Date and up to the date of this Scheme Booklet, the Directors have not received or become aware of any Superior Proposal.
- The Scheme Implementation Agreement prohibits Tawana from soliciting any offer, proposal or expression of interest from any person in relation to a Tawana Competing Transaction, although Tawana may respond to a bona fide Tawana Competing Transaction if the Directors determine that failing to do so would be reasonably likely to constitute a breach of their fiduciary or statutory obligations, as discussed in Section 10.14.
- The proposed Transaction is a merger of equals which will deliver the potential for consolidation of ownership of the Bald Hill Project, which is an outcome that is unique to Tawana. The Tawana Directors consider it unlikely that other potential bidders for Tawana would perceive the same opportunity to extract value.

(d) THE EXACT VALUE OF THE SCHEME CONSIDERATION UPON IMPLEMENTATION OF THE SCHEME IS NOT CERTAIN

The exact value of the Scheme Consideration that would be realised by Tawana Shareholders upon implementation of the Scheme is not certain, as it is dependent on the price at which AMAL Shares will trade on the SGX-ST and ASX (and, in the case of SGX Listed Shares, potentially also foreign currency exchange rates from time to time).

(e) FOLLOWING IMPLEMENTATION OF THE SCHEME, THE PRICE OF AMAL SHARES ON SGX-ST AND ASX MIGHT CHANGE

Following implementation of the Scheme, the price at which the ASX Listed Shares or SGX Listed Shares received as Scheme Consideration trade may rise or fall based on a number of factors, including broad market conditions, general investor sentiment and the financial and operational performance of the Merged Group. If the price of ASX Listed Shares or SGX Listed Shares falls, the value of the securities received by Tawana Shareholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that Tawana Shareholders will actually realise the implied value of the Scheme Consideration.

In addition, the Sale Agent will be issued with ASX Listed Shares attributable to Ineligible Shareholders and will be seeking to sell those ASX Listed Shares on the ASX as soon as reasonably practicable following the Implementation Date. It is possible that any such sales may exert downward pressure on the Merged Group's share price in the period following the Implementation Date.

(f) IF YOU ELECT TO RECEIVE SGX LISTED SHARES, YOU MAY BE EXPOSED TO MOVEMENTS IN FOREIGN EXCHANGE RATES

AMAL Shares trade on the Catalist board of the SGX-ST in Singaporean dollars. If you elect to receive SGX Listed Shares, these shares will also trade on the Catalist board of the SGX-ST in Singaporean dollars. Scheme Participants who elect to receive SGX Listed Shares will be exposed to movements in foreign exchange rates between Australian and Singaporean currencies, the impact of which cannot be predicted reliably. The Australian dollar value you receive for the future sale of SGX Listed Shares may be adversely affected by foreign exchange rate movements.

If you do not make a positive election to receive SGX Listed Shares, you will receive the Scheme Consideration in the form of ASX Listed Shares. ASX Listed Shares trade on ASX in Australian dollars, which is the same currency that Tawana Shares trade in.

(g) ADDITIONAL TRANSACTION AND OTHER COSTS WILL BE INCURRED BY THE MERGED GROUP

Transaction and other costs incurred (or which are expected to be incurred) by the Merged Group in relation to the implementation of the Scheme are currently estimated at approximately $18.8 million (excluding GST), which comprises stamp duty liabilities, costs associated with the appointment of financial and legal advisers, accounting and technical expert fees and various other costs. Of these costs, a significant proportion (expected to be in the order of approximately $10.7 million) is anticipated to be attributable to stamp duty, however as at the date of this Scheme

Booklet, no detailed inquiry has been undertaken and duty has yet to be assessed by the Western Australian Office of State Revenue.

1.3 OTHER RELEVANT CONSIDERATIONS

(a) THE SCHEME MAY BE IMPLEMENTED EVEN IF YOU VOTE AGAINST IT

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Tawana Shareholders and by the Court. If this occurs, your Tawana Shares will be transferred to AMAL and you will receive 1.1 ASX Listed Shares (or, if so elected by completing the Election Form, 1.1 SGX Listed Shares) per Tawana Share you hold on the Record Date even though you did not vote on, or voted against, the Scheme.

(b) COSTS

Tawana has incurred significant costs in pursuing the proposed Scheme to the point that it is capable of being submitted to Tawana Shareholders as a scheme of arrangement for their consideration. These costs include negotiations with AMAL, retention of advisers, provision of information to AMAL, facilitating AMAL's access to due diligence, engagement of the Independent Expert and preparation of this Scheme Booklet.

If the Scheme is implemented, these costs will effectively be met by AMAL as the ultimate controller of Tawana following Implementation of the Scheme, although Tawana Shareholders as a group will indirectly bear these costs as to approximately 49%. If the Scheme is not implemented and if no Superior Proposal emerges and is completed, Tawana expects to incur total costs of approximately $1.2 million (excluding GST) which will be paid in the 2018 financial year.

2. Q&A

This Scheme Booklet contains detailed information regarding the Scheme. The following Section provides summary answers to some questions you may have and will assist you to locate further detailed information in this Scheme Booklet.

THE SCHEME AT A GLANCE

WHAT IS THE SCHEME?

The Scheme is a scheme of arrangement between Tawana and Scheme Participants. If the Scheme becomes Effective, AMAL will acquire all Tawana Shares that it does not already own and Tawana will become a wholly-owned Subsidiary of AMAL.

A "scheme of arrangement" is a statutory procedure that can be used to enable one company to acquire another company. It requires a vote in favour of the Scheme by the Requisite Majority of Tawana Shareholders (other than Excluded Shareholders, if any) at a meeting of Tawana Shareholders as well as Court approval.

The terms of the Scheme are set out in full in Annexure D.

WHAT DO YOUR TAWANA DIRECTORS RECOMMEND?

Your Tawana Directors believe that the Scheme is in the best interests of Tawana Shareholders and unanimously recommend that, in the absence of a Superior Proposal, Tawana Shareholders vote in favour of the Scheme at the Scheme Meeting. The basis for this recommendation is set out in Section 1.1.

Section 1.2 includes a summary of the possible reasons not to vote for the Scheme.

HOW DO YOUR TAWANA DIRECTORS INTEND TO VOTE?

Each Tawana Director who owns or controls Tawana Shares at the time of the Scheme Meeting intends to vote such Tawana Shares in favour of the Scheme in the absence of a Superior Proposal.

WHAT IS THE INDEPENDENT EXPERT'S CONCLUSION?

The Independent Expert has concluded that the Scheme is fair and reasonable to Tawana Shareholders and therefore is in the best interests of Tawana Shareholders, in the absence of a superior proposal.

The Independent Expert has assessed the value of a Tawana Share prior to the implementation of the Scheme, on a minority interest basis, as between $0.210 and $0.299 per Tawana Share,[7] which compares with the Independent Expert's assessment of the value of the Scheme Consideration of between $0.216 and $0.304 per Tawana Share.

The Independent Expert's Report is set out in full in Annexure A.

The AMAL Board has, in accordance with regulatory requirements, separately commissioned the AMAL Valuation Report. Refer to Section 10.7 for more information in relation to the AMAL Valuation Report.

The Tawana Directors encourage Tawana Shareholders to read the Independent Expert's Report in its entirety as it specifically considers Tawana Shareholders' interests and was prepared for the purposes of the Scheme.

WHAT ARE THE PROSPECTS OF RECEIVING A SUPERIOR PROPOSAL?

Since the Scheme was announced, no Superior Proposal has emerged. Given the time that has elapsed since the Scheme was announced on 5 April 2018 and due to the unique merger of equals transaction structure involving the combination of the two 50% Bald Hill Joint Venture interests, your Tawana Directors' view is that a Superior Proposal is unlikely to emerge prior to the Scheme Meeting.

WHAT SHOULD I DO?

You should read this Scheme Booklet carefully in its entirety and then vote by attending the Scheme Meeting or by appointing a proxy to vote on your behalf. Full details of who is eligible to vote and how to vote are set out in Sections 3.7 and 3.8.

[7] On a controlling interest basis, prior to the application of a "minority interest discount" to deliver a minority interest basis valuation, the Independent Expert assessed the value of a Tawana Share as being between $0.293 and $0.389.

WHAT YOU WILL RECEIVE UNDER THE SCHEME

WHAT WILL I RECEIVE IF THE SCHEME BECOMES EFFECTIVE?

If the Scheme is approved and implemented, Scheme Participants (other than Ineligible Shareholders) will receive 1.1 ASX Listed Shares or, if so elected by completing the Election Form, 1.1 SGX Listed Shares per Tawana Share held on the Record Date.

Ineligible Shareholders will not be able to receive AMAL Shares as Scheme Consideration under the Scheme. Ineligible Shareholders will receive cash instead of the Scheme Consideration. The entitlements of Ineligible Shareholders under the Scheme are described in more detail in Section 7.5.

If Tawana or AMAL determine (acting reasonably) that such treatment is required in order for AMAL to comply with its obligations under the Withholding Law, a Scheme Participant that has a registered address outside Australia or that AMAL reasonably believes is a "relevant foreign resident" may be treated as an Ineligible Shareholder for the purposes of this Scheme and AMAL may withhold and remit to the Australian Taxation Office up to 12.5% of that Scheme Participant's entitlement to net proceeds of sale of AMAL Shares by the Sale Agent (as referred to in Section 3.9). Refer to Section 9.4 for further information.

HOW DO I MAKE AN ELECTION?

Scheme Participants (other than Ineligible Shareholders) can elect to receive the Scheme Consideration in the form of SGX Listed Shares rather than in the form of ASX Listed Shares, by making an election using the Election Form.

If you do not make a valid election, you will be deemed to have elected to receive the Scheme Consideration in the form of ASX Listed Shares.

If you wish to make an election, you should complete the Election Form and return the Election Form in accordance with the instructions on that form.

The Election Form is available by contacting Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032, between 9:00am to 5:00pm (Perth, Australia time) Monday to Friday.

The deadline for receipt of Election Forms by the Tawana Share Registry is 5:00pm on 8 October 2018.

CAN I CHOOSE TO RECEIVE CASH INSTEAD OF AMAL SHARES?

No. There is no option for Tawana Shareholders to elect to receive cash instead of the Scheme Consideration. However, once you have received the Scheme Consideration, you may sell some or all of your AMAL Shares on ASX or the SGX-ST, as the case may be.

Alternatively, you may elect to sell your Tawana Shares on ASX for cash before the Effective Date.

WHAT WILL I RECEIVE IF THE SCHEME IS NOT APPROVED BY THE REQUISITE MAJORITY AT THE SCHEME MEETING?

If the Scheme is not approved by the Requisite Majority, you will not receive any consideration and you will retain your Tawana Shares.

WHEN WILL I RECEIVE THE SCHEME CONSIDERATION?

If you are a Tawana Shareholder (other than an Excluded Shareholder or an Ineligible Shareholder) at 5:00pm on the Record Date, you will be issued your Scheme Consideration on the Implementation Date.

Shortly after the Implementation Date, you will be sent a holding statement or confirmation advice in relation to the ASX Listed Shares that are issued to you as Scheme Consideration.

If you have elected to receive SGX Listed Shares, CDP will confirm the issuance of the SGX Listed Shares that are issued to you as Scheme Consideration by way of notification letter shortly after those SGX Listed Shares are credited to your securities account.

If you are an Ineligible Shareholder, the Sale Agent will sell all of the AMAL Shares to which you are entitled no more than 15 Business Days after the Implementation Date and, as soon as reasonably practicable thereafter, remit to you the net proceeds you are entitled to receive from the sale of those AMAL Shares. This amount will be paid to you in Australian dollars, unless you are an SA Holder, in which case the net proceeds will be paid to you in South African Rand (net of foreign currency exchange costs).

HOW WILL FRACTIONAL ENTITLEMENTS BE TREATED UNDER THE SCHEME?

When the calculation of the number of AMAL Shares to be issued to a Tawana Shareholder would result in the issue of a fraction of an AMAL Share, the fractional entitlement will be rounded up to the nearest whole number of AMAL Shares.

DO I NEED TO DO OR SIGN ANYTHING TO TRANSFER MY TAWANA SHARES?

No. If the Scheme becomes effective, Tawana will automatically have authority to sign a transfer instrument on behalf of Scheme Participants.

WHEN CAN I START TRADING MY AMAL SHARES?

Subject to admission of AMAL to the Official List and Official Quotation of AMAL Shares, it is expected that you will be able to trade your ASX Listed Shares on ASX as soon as you have received the Scheme Consideration.

In addition, it is expected that ASX Listed Shares will trade on a deferred settlement basis on the ASX from 4 October 2018 and on a normal settlement basis from 18 October 2018.

Scheme Participants who trade ASX Listed Shares during the deferred settlement trading period will not necessarily know the exact number of ASX Listed Shares they will receive as Scheme Consideration until after the Implementation Date. This information will be included in the holding statements which will only be despatched to Scheme Participants following the Implementation Date. Therefore Scheme Participants should be aware that if they trade in ASX Listed Shares during the deferred settlement trading period and prior to receipt of their holding statement, they do so at their own risk.

Trading of SGX Listed Shares received as Scheme Consideration is currently expected to commence on a normal settlement basis on 18 October 2018. The SGX Listed Shares cannot be traded on a deferred settlement basis prior to this date. If you elect to receive SGX Listed Shares as Scheme Consideration and wish to trade the SGX Listed Shares, you will need to instruct a stockbroker who is able to execute trades on the SGX-ST.

WHAT ARE THE AUSTRALIAN TAX CONSEQUENCES OF THE SCHEME?

Section 9 provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Scheme Participants who dispose of their Tawana Shares in accordance with the Scheme.

Based on the summary of Australian taxation implications contained in Section 9, any capital gain made by a Tawana Shareholder who is an Australian resident may be eligible for scrip-for-scrip rollover relief.

Scheme Participants that have a registered address outside Australia or that AMAL reasonably believes are "relevant foreign residents" may be subject to Australian withholding tax. Section 9.4 provides a general outline of the withholding tax implications and what such Scheme Participants should provide to AMAL to ensure no withholding tax is applicable.

If you are a Scheme Participant who has a registered address outside Australia, or has received a Relevant Foreign Resident Declaration Form because AMAL reasonably believes you to be a "relevant foreign resident", and you wish to avoid paying an up to 12.5% withholding tax, it is imperative that you follow the instructions in Section 9.4 and on page 21 under the heading "What if I receive a Relevant Foreign Resident Declaration Form?".

You should consult with your own tax adviser regarding the tax consequences of disposing of your Tawana Shares in accordance with the Scheme in light of current tax laws and your particular circumstances.

WILL I HAVE TO PAY BROKERAGE FEES OR STAMP DUTY?

No brokerage fees or stamp duty will be payable by Tawana Shareholders on the transfer of their Tawana Shares under the Scheme, or the receipt by Tawana Shareholders of the Scheme Consideration.

If you dispose of your Tawana Shares before the Record Date, or dispose of your AMAL Shares after the Implementation Date, brokerage fees may be payable.

In respect of the AMAL Shares sold by the Sale Agent on behalf of Ineligible Shareholders, brokerage fees will be deducted from the proceeds of the sale before the cash proceeds are remitted to Ineligible Shareholders.

VOTING TO APPROVE THE SCHEME

WHEN AND WHERE WILL THE SCHEME MEETING BE HELD?

The Scheme Meeting will be held at 1:00pm on 26 September 2018 at BDO Australia, 38 Station Street, Subiaco, Western Australia.

AM I ENTITLED TO VOTE AT THE SCHEME MEETING?

If you are registered as a Tawana Shareholder on the Register at 5:00pm on 24 September 2018 and you are not an Excluded Shareholder, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. For the avoidance of doubt, this includes a Tawana Shareholder who holds Tawana Shares as a result of the exercise of Options.

WHAT VOTE IS REQUIRED TO APPROVE THE SCHEME?

For the Scheme to proceed, votes "in favour of" the Scheme Resolution at the Scheme Meeting must be received from the Requisite Majority of Tawana Shareholders that are entitled to vote. The Requisite Majority is:

- unless the Court orders otherwise, a majority in number (more than 50%) of Tawana Shareholders who are present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of Tawana Shareholders that are incorporated, by duly appointed corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution.

It is also necessary for the Court to approve the Scheme before it can become Effective.

WHAT CHOICES DO I HAVE AS A TAWANA SHAREHOLDER?

As a Tawana Shareholder you have the following choices:

- you can vote at the Scheme Meeting in person, by proxy, by attorney or, in the case of a Tawana Shareholder that is incorporated, by duly appointed corporate representative;
- you can elect not to vote at the Scheme Meeting; or
- you can sell your Tawana Shares on ASX. If you sell your Tawana Shares on ASX you may incur brokerage costs.

SHOULD I VOTE?

Voting is not compulsory. However, your Tawana Directors believe that the Scheme is important to Tawana Shareholders and your Tawana Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal.

HOW DO I VOTE?

You may vote in person by attending the Scheme Meeting to be held at 1:00pm on 26 September 2018 at BDO Australia, 38 Station Street, Subiaco, Western Australia. Alternatively, you may vote by completing and lodging the Proxy Form that is enclosed with this Scheme Booklet.

You can also vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney.

Full details of how to vote and how to lodge a Proxy Form, corporate representative appointment or power of attorney are set out on pages 5 to 7.

HOW DO I VOTE IF I AM AN SA HOLDER?

SA Holders whose Tawana Shares have been dematerialised into Strate are "Dematerialised SA Holders". The Dematerialised SA Holders have their beneficial interest in such Tawana Shares recorded in accounts maintained by a Central Securities Depository Participant (CSDP).

The remaining Tawana Shares on the South Africa branch register are held in certificated format, and these SA Holders are "Certificated SA Holders".

How do I vote if I am a Dematerialised SA Holder?

If you are a Dematerialised SA Holder, including an 'own name' holder, you should provide your CSDP or broker with your voting instructions in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement governing your relationship with your CSDP or broker.

If you have not received a voting instruction form, you should contact your CSDP or broker as soon as possible.

Dematerialised SA Holders wishing to attend the Scheme Meeting in person should promptly contact their CSDP or broker to obtain a letter of representation to enable them to so attend. Although Dematerialised SA Holders may attend the Scheme Meeting they may not vote in person or by proxy at the Scheme Meeting.

Dematerialised SA Holders should not complete the Proxy Form which accompanies this Scheme Booklet.

How do I vote if I am a Certificated SA Holder?

Certificated SA Holders may vote in person by attending the Scheme Meeting to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 26 September 2018 at 1:00pm. For further details, see "How to vote in person" on page 5.

Alternatively, Certificated SA Holders who wish to vote may vote by proxy, by completing and lodging their Proxy Form as follows:

Mail:
to Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107, South Africa

Email:
to proxy@computershare.co.za

Fax:
to Computershare Investor Services Proprietary Limited on +27 11 688 5238

Hand delivered:
to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

WHAT HAPPENS IF I DO NOT VOTE, OR I VOTE AGAINST THE SCHEME?

The Scheme may not be approved at the Scheme Meeting. If this occurs the Scheme will not proceed, you will not receive the Scheme Consideration and you will remain a Tawana Shareholder.

However, if the Scheme is approved and implemented your Tawana Shares will be transferred to AMAL and you will receive the Scheme Consideration for your Tawana Shares even if you did not vote or you voted against the Scheme.

WHAT HAPPENS IF THE SCHEME IS NOT APPROVED AT THE SCHEME MEETING OR IS NOT APPROVED BY THE COURT?

If the Scheme is not approved by the Requisite Majority of Tawana Shareholders at the Scheme Meeting or the Scheme is not approved by the Court:

- Tawana will remain listed on ASX and JSE;
- you will retain your Tawana Shares;
- you will not receive the Scheme Consideration; and
- you will remain exposed to the risks of Tawana, including the risks discussed in Section 8.2.

Tawana estimates that it will have incurred or committed transaction costs of approximately $1.2 million (excluding GST) in relation to the Scheme prior to the Scheme Meeting. Those costs will be payable by Tawana regardless of whether or not the Scheme is approved and becomes Effective.

If the Scheme does not proceed you will retain your Tawana Shares. Your Tawana Directors intend to continue to operate Tawana as a listed public company carrying on the business of operating the Bald Hill Project under the leadership of the current senior management. The Tawana Board has not formed any plans to make any significant changes to the business of Tawana, redeploy any of its operating assets or change or affect the future employment of the present employees of Tawana.

WHEN WILL THE RESULT OF THE SCHEME MEETING BE KNOWN?

The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available. The results will also be published on www.tawana.com.au soon after the Scheme Meeting.

OTHER

CAN I KEEP MY TAWANA SHARES?

If the Scheme is implemented, your Tawana Shares will be transferred to AMAL. This will happen even if you did not vote or you voted against the Scheme.

WHAT HAPPENS IF A SUPERIOR PROPOSAL EMERGES?

If a Superior Proposal is received this will be announced to ASX and your Tawana Directors will carefully consider the proposal and advise you of their recommendation.

ARE ANY OTHER APPROVALS REQUIRED?

The Scheme must be approved by the Court in addition to being approved by the Requisite Majority of Tawana Shareholders. If the Scheme is approved by the Requisite Majority at the Scheme Meeting, Tawana will apply to the Court for an order approving the Scheme. The Court hearing is expected to be held on 2 October 2018 (although this may change).

The Scheme is also subject to approval of AMAL Shareholders, approvals from all regulatory bodies such as ASIC, approval of the listing and quotation of the Scheme Consideration on the official list of Catalist and approval for Official Quotation on the ASX of the ASX Listed Shares to be issued pursuant to the Scheme.

Further details of the approval process are set out in Section 3.

IS THE SCHEME SUBJECT TO ANY CONDITIONS?

Implementation of the Scheme is subject to the satisfaction or waiver of the conditions summarised in Section 3.4 and set out in full in schedule 2 of the Scheme Implementation Agreement. A full copy of the Scheme Implementation Agreement is available on ASX's website at www.asx.com.au and on Tawana's website at www.tawana.com.au.

DO I NEED TO DO OR SIGN ANYTHING TO TRANSFER MY TAWANA SHARES?

No. If the Scheme becomes Effective, Tawana will automatically have authority to sign a transfer instrument on behalf of Scheme Participants.

You should be aware that, if you are a Scheme Participant, you will be deemed to have warranted to AMAL, and will be deemed to have authorised Tawana to warrant to AMAL on your behalf, that

- all of your Tawana Shares are fully paid and free from all encumbrances (for example, mortgages or other security interests); and
- you have full power and capacity to transfer your Tawana Shares to AMAL.

WHAT IF I RECEIVE A RELEVANT FOREIGN RESIDENT DECLARATION FORM?

If you are a Scheme Participant who has a registered address outside Australia, or AMAL, as a purchaser of your Tawana Shares under the Scheme, reasonably believes you to be a "relevant foreign resident", you will be provided (either together with this Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form. For the avoidance of doubt, the Relevant Foreign Resident Declaration Form will be provided to the registered holder of the relevant Tawana Shares and not to beneficial holders of Tawana Shares (including, for example, Dematerialised SA Holders).

In the Relevant Foreign Resident Declaration Form, such Tawana Shareholder may provide AMAL with a declaration that:

- the registered holder of the relevant Tawana Shares is an Australian tax resident (residency declaration); or
- the registered holder of the relevant Tawana Shares, together with its associates, has not held an interest of 10% or more in Tawana at any relevant time (interest declaration).

For these Scheme Participants, unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest is provided to AMAL by the Record Date, you may be treated as an Ineligible Shareholder for the purposes of the Scheme and AMAL may withhold and remit to the Australian Taxation Office up to 12.5% of your entitlement to net proceeds of sale of AMAL Shares by the Sale Agent (as referred to in Section 3.9). Please refer to Section 9.4 for further information.

WHAT IF I HAVE FURTHER QUESTIONS ABOUT THE SCHEME?

If you have any further questions or require further information in relation to this Scheme Booklet or the Scheme please consult your legal, financial or other professional adviser or contact Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032, between 9:00am to 5:00pm (Perth, Australia time) Monday to Friday, or visit the website: www.tawana.com.au.

3. DETAILS OF THE SCHEME

3.1 OVERVIEW

On 5 April 2018, Tawana announced that it had entered into a Scheme Implementation Agreement with AMAL under which, subject to the satisfaction or waiver of a number of conditions, Tawana agreed to propose the Scheme to Tawana Shareholders. A consolidated, conformed copy of the Scheme Implementation Agreement is set out in Tawana's announcement to the ASX on 9 July 2018 ("Merger Update and Amended Scheme Implementation Agreement") and a summary of the key terms of the Scheme Implementation Agreement is included in Section 10.14.

3.2 EFFECT OF THE SCHEME

If the Scheme is implemented:

a. AMAL will acquire all of the Tawana Shares that it does not already own;

b. Tawana Shareholders (other than Excluded Shareholders and Ineligible Shareholders) will receive the Scheme Consideration in respect of each Tawana Share they hold on the Record Date; and

c. Tawana will become a wholly-owned Subsidiary of AMAL and subsequently be de-listed from ASX and JSE.

3.3 SCHEME CONSIDERATION

If the Scheme is implemented, Tawana Shareholders (other than Excluded Shareholders and Ineligible Shareholders) will receive the Scheme Consideration of 1.1 ASX Listed Shares or, if so elected by completing the Election Form, 1.1 SGX Listed Shares per Tawana Share held on the Record Date. On the Implementation Date, you will be issued the Scheme Consideration in respect of each Share held by you as at the Record Date.

From the date of issue, the ASX Listed Shares (or, if elected, SGX Listed Shares) received as Scheme Consideration will rank equally in all respects with the existing AMAL Shares and will be fully paid and free from any encumbrance.

Soon after the Implementation Date, you will be sent a holding statement or confirmation advice in relation to the ASX Listed Shares that are issued to you as Scheme Consideration. If you have elected to receive SGX Listed Shares, CDP will confirm the issuance of the SGX Listed Shares that are issued to you as Scheme Consideration by way of notification letter shortly after those SGX Listed Shares are credited to your securities account.

Tawana Shareholders should refer to Section 7 for further details about the Scheme Consideration, including Section 7.3 for details regarding the Election Form and the ability to elect to receive SGX Listed Shares as Scheme Consideration.

Ineligible Shareholders should refer to Section 3.9, and to Section 7.5 for details about the timing for payment of the consideration they will receive.

A Scheme Participant that has a registered address outside Australia, or that has received a Relevant Foreign Resident Declaration Form because AMAL reasonably believes the Scheme Participant to be a "relevant foreign resident", should refer to Section 9.4 to understand the potential for AMAL to withhold 12.5% of its entitlement to net proceeds of sale of AMAL Shares by the Sale Agent (as referred to in Section 3.9) and how this can be avoided.

3.4 CONDITIONS OF THE SCHEME

Prior to the date of this Scheme Booklet, AMAL has received a notice of no objection to the proposed Transaction from the Foreign Investment Review Board for the purposes of the Foreign Acquisitions and Takeovers Act 1975 (Cth).

As at the date of this Scheme Booklet, the implementation of the Scheme is subject to the following Conditions Precedent:

Approvals or restraints: Before 8:00am on the Second Court Date:

a. ASIC has issued or provided such consents, approvals, modifications or exemptions, or has done such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction;

b. ASX has issued or provided such consents, approvals or waivers or has done such other acts which the parties agree are reasonably necessary to implement the Transaction;

c. SGX has issued or provided such consents, approvals or waivers or does such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction including:

   i. approval of the SGX for the despatch of the AMAL Shareholders' Circular and the Transaction; and

   ii. approval of the issuance of the listing and quotation notice approving, amongst others, the listing and quotation of the Scheme Consideration on the official list of the Catalist;

d. either:

   i. the Treasurer (or his delegate) has provided notice that there are no objections to the proposed Transaction either unconditionally or with conditions reasonably acceptable to AMAL; or

   ii. following notice of the proposed Transaction having been given by AMAL to the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Treasurer has ceased to be empowered to make any order because of lapse of time;

e. all other approvals of a Regulatory Authority which AMAL and Tawana agree are necessary to implement the Scheme have been granted, obtained and not withdrawn, cancelled, revoked or varied in a manner materially adverse to the parties; and

f. no Court of competent jurisdiction has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, preliminary or permanent decision, notice of objection, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Transaction and no such order, decree, ruling, other action or refusal is in effect.

Scheme Approval: Tawana Shareholders have approved the Scheme at the Scheme Meeting by the requisite majorities in accordance with the Corporations Act.

Court approval: The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.

Independent Expert: The Independent Expert has issued an Independent Expert's Report which concludes that the Scheme is in the best interests of Scheme Participants, and the Independent Expert has not withdrawn or adversely modified that conclusion by 8:00am on the Second Court Date.

No Tawana Prescribed Event: No Tawana Prescribed Event has occurred between (and including) the date of execution of the Scheme Implementation Agreement and 8:00am on the Second Court Date.

No AMAL Prescribed Event: No AMAL Prescribed Event has occurred between (and including) the date of execution of the Scheme Implementation Agreement and 8:00am on the Second Court Date.

No Tawana Material Adverse Change: No Tawana Material Adverse Change has occurred between the date of execution of the Scheme Implementation Agreement and 8:00am on the Second Court Date.

No AMAL Material Adverse Change: No AMAL Material Adverse Change has occurred between the date of execution of the Scheme Implementation Agreement and 8:00am on the Second Court Date.

Tawana representations and warranties: Each of Tawana's Representations and Warranties set out in schedule 6 of the Scheme Implementation Agreement is true and correct in all material respects as at the date of execution of the Scheme Implementation Agreement and until 5:00pm on the Business Day immediately prior to the Second Court Date.

AMAL representations and warranties: Each of AMAL's Representations and Warranties set out in schedule 7 of the Scheme Implementation Agreement is true and correct in all material respects as at the date of execution of the Scheme Implementation Agreement and until 5:00pm on the Business Day immediately prior to the Second Court Date.

ASX Quotation: ASX has, before 8:00am on the Second Court Date, given approval for the admission of AMAL to the Official List and for the Official Quotation of AMAL Shares, subject to any conditions which ASX may reasonably require, including implementation of the Scheme.

No termination: The Scheme Implementation Agreement has not been terminated in accordance with clause 20 of the Scheme Implementation Agreement.

AMAL Shareholder approval: AMAL Shareholders approve the AMAL Shareholder Resolutions by the requisite majorities in accordance with all applicable laws.

As at the date of this Scheme Booklet, neither Tawana nor AMAL is aware of any reason why the Conditions Precedent will not be satisfied, other than as detailed below in this Section 3.4 in respect of AMAL's admission to the Official List of ASX.

Due to the stage of the development of the Bald Hill Project, the Tawana Directors and the AMAL Board recognise the need to utilise external funding (via equity raisings or financing facilities) as part of managing their respective operating and capital expenditure requirements (in particular, where ongoing cash flows differ from budgeted cash flows in light of risks and uncertainties associated with newly constructed assets and start-up operations). Accordingly, and consistently with Tawana's 2017 Annual Report and AMAL's 2017 Annual Report, the Pro Forma Historical Financial Information (see Section 6.5(d)) and the Independent Limited Assurance Report in Annexure B each note the existence of material uncertainty regarding the Merged Group's ability to continue as a going concern. ASX may require this uncertainty to be alleviated prior to AMAL being granted approval for admission to the Official List and Official Quotation of AMAL Shares on ASX. Each of AMAL and Tawana is continuously reviewing their respective anticipated financial positions, and the anticipated financial position of the Merged Group, and the need for additional funding with a view to addressing this potential ASX requirement. The acquisition of any additional funding will be disclosed on ASX and SGX in the usual course at the appropriate time.

As set out above, the Scheme is conditional upon the approval of the admission of AMAL to the Official List of the ASX and approval for Official Quotation on the ASX of AMAL Shares. The condition may be waived by agreement between Tawana and AMAL, however the Tawana Board does not intend to waive this condition.

3.5 KEY STEPS TO IMPLEMENT THE SCHEME

The key steps to implement the Scheme are as follows:

a. AMAL will apply to ASX for approval of the admission of AMAL to the Official List of the ASX and approval for Official Quotation on the ASX of AMAL Shares.

b. AMAL Shareholders will vote on whether to approve the AMAL Shareholder Resolutions at a meeting of AMAL Shareholders to be held not later than 24 September 2018.

c. Tawana Shareholders will vote on whether to approve the Scheme at the Scheme Meeting. Each Tawana Shareholder (other than Excluded Shareholders, if any) who is registered as a Tawana Shareholder on the Register at 5:00pm on 24 September 2018 is entitled to vote on the Scheme Resolution at the Scheme Meeting.

d. If the Scheme is approved by the Requisite Majority at the Scheme Meeting, Tawana will apply to the Court for an order approving the Scheme on the Second Court Date (expected to be 2 October 2018). Section 3.17 contains details on this procedure. The Corporations Act and the Federal Court (Corporations) Rules 2000 (Cth) provide a procedure for Tawana Shareholders to oppose the approval by the Court of the Scheme.

e. If the Court approves the Scheme, and all conditions to the Scheme have been satisfied or waived, Tawana will lodge with ASIC an office copy of the Court order approving the Scheme. Tawana expects to lodge this with ASIC on or before 3 October 2018.

f. With effect from the start of the Business Day following the day on which the office copy of the Court order is lodged with ASIC, Tawana Shares will be suspended from trading on ASX.

g. On the Implementation Date:

   i. all of the Tawana Shares held by Scheme Participants on the Record Date will be transferred to AMAL and, in exchange, each Scheme Participant (other than Ineligible Shareholders) will be issued the Scheme Consideration. The Record Date is currently expected to be 10 October 2018; and

   ii. Tawana will register all transfers of Tawana Shares to AMAL.

h. Shortly after the Implementation Date, a holding statement or confirmation advice in relation to the ASX Listed Shares will be sent to Scheme Participants (except Ineligible Shareholders) in respect of the Scheme Consideration to which the Scheme Participant is entitled. If you have elected to receive SGX Listed Shares, CDP will confirm the issuance of the SGX Listed Shares that are issued to you as Scheme Consideration by way of notification letter shortly after those SGX Listed Shares are credited to your securities account.

After the Scheme has been implemented, Tawana will apply for termination of the official quotation of Tawana Shares on ASX and JSE, and to have itself removed from the official list of the ASX and JSE.

3.6 YOUR CHOICES AS A TAWANA SHAREHOLDER

As a Tawana Shareholder you have the following choices:

a. you can vote at the Scheme Meeting in person, by attorney, by proxy or, in the case of a Tawana Shareholder that is incorporated, by corporate representative;

b. you can elect not to vote at the Scheme Meeting; or

c. you can sell your Tawana Shares on ASX. If you sell your Tawana Shares on ASX you may incur brokerage costs. If the Scheme becomes Effective, Tawana Shares will cease trading on ASX at close of trading on the Effective Date. Accordingly, you can sell your Tawana Shares on market at any time before the close of trading on the day that the Scheme becomes Effective (although normal brokerage and other expenses on sale may be incurred).

3.7 HOW TO VOTE

Tawana Shareholders can vote in either of two ways:

a. by attending the Scheme Meeting and voting in person or by attorney or, in the case of a Tawana Shareholder that is incorporated, by corporate representative; or

b. by appointing a proxy to attend and vote on their behalf.

See pages 5 to 8 for full details on how to vote, including specific details for SA Holders.

3.8 ELIGIBILITY TO VOTE

The time for determining eligibility to vote at the Scheme Meeting is 5:00pm on 24 September 2018. Only those Tawana Shareholders (other than Excluded Shareholders, if any) entered on the Register at that time will be entitled to attend and vote at the Scheme Meeting.

3.9 INELIGIBLE SHAREHOLDERS

If you are a Scheme Participant whose address shown in the Register on the Record Date is in an Ineligible Jurisdiction, AMAL will not issue AMAL Shares to you. In other words, if your address shown in the Register on the Record Date is a place outside Australia and its external territories, New Zealand, Hong Kong and Singapore, you will not be able to receive AMAL Shares as Scheme Consideration under the Scheme, unless AMAL and Tawana agree, acting reasonably, that it is lawful and not unduly onerous or impracticable to issue or provide a Scheme Participant with an address in an Ineligible Jurisdiction with AMAL Shares under the Scheme. Ineligible Shareholders should refer to Section 7.5 for further information.

The number of AMAL Shares that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent as ASX Listed Shares. AMAL will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the Sale Agent sells all of those ASX Listed Shares in such manner, on ASX, at such price and on such other terms as the Sale Agent determines in good faith and at the risk of the Ineligible Shareholders, and, as soon as reasonably practicable thereafter, remits to you the proportion of the net proceeds of such sale, after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges, to which you are entitled. The net proceeds will be paid to you in Australian dollars, unless you are an SA Holder, in which case the net proceeds will be paid to you in South African Rand (net of foreign currency exchange costs).

SA HOLDERS

The Scheme Participants registered as the holders of Tawana Shares on behalf of SA Holders will be treated as Ineligible Shareholders for the purposes of the Scheme on the basis that they have an address outside of Australia, New Zealand, Hong Kong and Singapore.

AMAL and Tawana determined to treat all SA Holders in this manner on the basis that South African Reserve Bank (**SARB**) approval for the participation in the Scheme of *all* SA Holders was unlikely to be forthcoming. Accordingly, AMAL and Tawana determined to treat all SA Holders (and the Scheme Participants registered as the holders of Tawana Shares on their behalf) equally and fairly as Ineligible Shareholders for purposes of the Scheme. The proposed treatment of SA Holders under the Scheme has been approved by SARB.

3.10 DETERMINATION OF PERSONS ENTITLED TO THE SCHEME CONSIDERATION

To establish the identity of the Scheme Participants, dealings in Tawana Shares will only be recognised by Tawana if:

a. in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Tawana Shares as at 5:00pm on the Record Date; and

b. in all other cases, registrable transmission applications or transfers of Tawana Shares in registrable form in respect of those dealings are received on or before 5:00pm on the Record Date at the place where the Register is kept.

3.11 RECORD DATE

Those Tawana Shareholders (other than Excluded Shareholders and Ineligible Shareholders) on the Register at 5:00pm on the Record Date, being the fifth Business Day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the Tawana Shares they hold as at the Record Date.

3.12 REGISTER

Tawana must register any registrable transmission applications or transfers of Tawana Shares in registrable form in respect of those dealings that are received on or before 5:00pm on the Record Date at the place where the Register is kept.

3.13 NO DISPOSALS AFTER RECORD DATE

If the Scheme becomes Effective, you may not dispose of any Tawana Shares after the Record Date. Any dealings in Tawana Shares after this time will not be recognised.

3.14 MAINTENANCE OF THE REGISTER

For the purpose of determining entitlements to the Scheme Consideration, Tawana will maintain the Register until the Scheme Consideration has been issued to the Scheme Participants and AMAL has been entered in the Register as the holder of all the Tawana Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

3.15 DEEMED WARRANTY ON TRANSFER OF TAWANA SHARES TO AMAL

Under the terms of the Scheme each Scheme Participant is deemed to have warranted to AMAL that all of their Tawana Shares will, at the date of the transfer, be fully paid and free from all encumbrances (such as mortgages and other security interests) and that they have full power and capacity to sell and to transfer their Tawana Shares (including any rights and entitlements attaching to those Tawana Shares) to AMAL under the Scheme. See clause 5.8 of the Scheme in Annexure D. Tawana undertakes that it will provide the warranty to AMAL as agent and attorney for each Scheme Participant. You should ensure that your Tawana Shares are free of any such mortgages or security interests.

Tawana Shareholders should be aware that, to the extent that this warranty is untrue in respect of their Tawana Shares, and their Tawana Shares are not transferred under the Scheme free from all encumbrances, they may be liable to compensate AMAL for any damage caused to AMAL resulting from such encumbrance.

3.16 DEED POLL

On 15 August 2018, AMAL executed the Deed Poll under which AMAL agreed, subject to the Scheme becoming Effective, to issue and provide to Scheme Participants the Scheme Consideration on the Implementation Date. A summary of the key terms of the Deed Poll is set out in Section 10.16. A copy of the Deed Poll is also included in Annexure E.

3.17 COURT APPROVAL

On 17 August 2018, the Court made the requisite orders that the Scheme Meeting be convened and that this Scheme Booklet be despatched to Tawana Shareholders. The orders made by the Court convening the Scheme do not constitute an endorsement of, or any other expression of opinion on, the Scheme or this Scheme Booklet.

Tawana will apply to the Court for an order approving the Scheme if the Scheme is approved by the Requisite Majority at the Scheme Meeting. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majority.

Each Tawana Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Hearing.

The Corporations Act and the *Federal Court (Corporations) Rules 2000* (Cth) provide a procedure for Tawana Shareholders to oppose the approval by the Court of the Scheme. If you wish to oppose the approval of the Scheme at the Second Court Hearing you may do so by filing with the Court and serving on Tawana a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. With leave of the Court, you may also oppose the approval of the Scheme by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. Tawana should be notified in advance of an intention to object. The date for the Second Court Hearing is currently scheduled to be 2 October 2018, though an earlier date may be sought. Any change to this date will be announced through ASX and notified on Tawana's website: www.tawana.com.au.

3.18 TAXATION IMPLICATIONS

A general guide to the Australian taxation implications of the Scheme for Tawana Shareholders is set out in Section 9. This guide is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Tawana Shareholder.

3.19 SUSPENSION OF ASX TRADING AND ASX DELISTING

Tawana will apply to ASX for suspension of trading in Tawana Shares on ASX after close of trading on the day the Scheme becomes Effective. Following final implementation of the Scheme, Tawana will request ASX to remove Tawana from the official list of ASX.

3.20 SUSPENSION OF JSE TRADING AND JSE DELISTING

JSE has advised that it will grant approval for the suspension of trading in Tawana Shares on JSE with effect from the commencement of trading on the day after the Scheme becomes Effective.

Tawana will request that JSE removes Tawana from the official list of JSE. JSE has advised that such removal will occur after the net proceeds of sale of the AMAL Shares to which the SA Holders (as Ineligible Shareholders) are entitled have been remitted. AMAL will procure that the Sale Agent sells all such AMAL Shares not more than 15 Business Days after the Implementation Date, and remits the relevant net proceeds of such sale as soon as reasonably practicable thereafter. Refer to Sections 3.9 and 7.5 for further details of the timing of such sale and remittance of proceeds.

Further information (including the amount of the proceeds and relevant dates relating to the termination of listing) will be confirmed to SA Holders via SENS announcement once those details are available.

4. INFORMATION ON TAWANA

4.1 INTRODUCTION

Tawana is a public no liability company incorporated in Australia and registered in Australia under the Corporations Act. It was admitted to the official list of ASX on 19 April 2001 (and subsequently to the JSE) and is primarily focused on the development and operation of the Bald Hill Project.

Tawana is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the ASX Listing Rules. See Section 4.13 for further information.

In addition to the information about Tawana contained in this section, the Independent Expert's Report in Annexure A contains further detailed information on Tawana and includes the Technical Specialist Report.

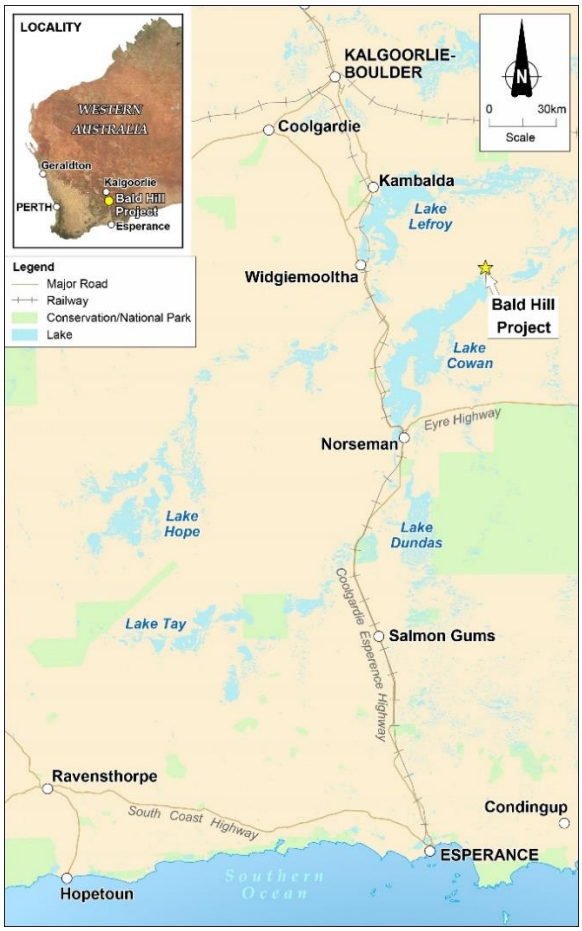
As a result of the Cowan Lithium Demerger (refer to Section 4.9), the Bald Hill Project is Tawana's only project, other than its remaining 15% shareholding interest in Cowan Lithium.

4.2 BALD HILL PROJECT

Tawana's principal asset is its 50% interest in the Bald Hill Project through the Bald Hill Joint Venture.

OVERVIEW

The Bald Hill Project area is located 50 kilometres south east of Kambalda in the Eastern Goldfields in Western Australia. The project comprises four mining leases, one mining lease application, twelve exploration licences and eight prospecting licences totalling approximately 774km², in each case granted pursuant to the *Mining Act 1978* (WA) (**Mining Act**).



Commissioning and ramp-up to commercial production of the Stage 1 Dense Media Separation circuit at the Bald Hill Project recently completed. In March 2018, the Bald Hill Project became Australia's first lithium producing mine since 2016 (excluding direct shipping ore).

REGIONAL GEOLOGY

The Bald Hill Project is located within the Eastern Goldfields Province of the Archaean Yilgarn Block. The Eastern Goldfields Province is characterised by linear, northerly trending belts of Archaean supracrustal rocks comprising metamorphosed volcanic and sedimentary rocks, with intervening areas occupied by granitoid rocks. During the Proterozoic Eon, the Archaean crust was intruded by dykes and subject to deposition of clastic sediments. A variety of early Tertiary sediments were deposited in valleys cut by eastward flowing drainage systems. Cainozoic surficial deposits now form an extensive cover over the Precambrian and Tertiary rocks, in palaeo-drainages outlined by extensive playa lakes.

The Bald Hill area is underlain by Archaean metasediments (quartz-biotite schists, probably meta-graywackes), and granitoids. The metasediments are generally north-striking and steeply dipping, but do not outcrop well.

The Archaean rocks have been intruded by felsic porphyries and pegmatite sheets and veins. Pegmatite outcrops are typically relatively unweathered, comprise quartz-albite-microcline-muscovite-spodumene, and occur over strike lengths to 1,000 metres(+). Generally, the pegmatite outcrops are conformable to the north-striking schists; however, the attitude of the pegmatite is not readily discernible from outcrop.

TENEMENT HISTORY

Modern exploration commenced in the Bald Hill Project area in 1983 when the then owners undertook extensive exploration of the area for tantalum-bearing pegmatites. This work identified Mineral Resources of tantalite in a series of flat-lying pegmatite sills.

In 2001, the tantalum mine at the Bald Hill Project commenced production at a nominal ore-mining rate of 400,000 tonnes per annum of ore, producing approximately 200,000 pounds of tantalite concentrate. The Bald Hill treatment plant treated approximately 1.35 million tonnes of ore and produced approximately 822,000 tonnes of tantalite from six separate open pits. The tantalum mine closed in December 2005.

In 2010, AMAL acquired the Bald Hill Project tenements and assets from Living Waters and commenced work aimed at recommissioning the tantalum treatment plant at the Bald Hill Project.

In 2017, AMAL and Lithco entered into an earn-in agreement pursuant to which Lithco acquired a 50% interest in the Bald Hill Project (including in all minerals from the tenements and the processing plant and infrastructure at the Bald Hill Project), and the two parties entered into the Bald Hill Joint Venture Agreement (refer to Section 4.6 for further details).

Lithco (in its capacity as manager of the Bald Hill Joint Venture) commenced a Pre-Feasibility Study in the quarter ended 31 March 2017 and early works for the development of Bald Hill Project in the quarter ended 30 June 2017. Lithco also conducted site clearing on existing disturbed areas ready for construction and early operations, and Lithco and AMAL engaged Primero to construct a 1.2Mtpa dense media separation circuit. Lithco published a Mineral Resource and subsequently an Ore Reserve for both lithium and tantalum (refer to Section 4.4 for further details). The Bald Hill Project became Australia's first producing lithium mine since 2016 (excluding direct shipping ore), with production of spodumene concentrate commencing in March 2018.

MINERALISATION AND GEOLOGY

The Bald Hill pegmatites are in the order of 800 to 1,000 metres(+) in length, and form linear swarms orientated parallel to the regional foliation of about 350°. The pegmatites have intruded Archaean metasedimentary rocks, mainly quartz–biotite schists and amphibolites, about 3 to 6 kilometres east of the Binneringie granite pluton. Pegmatites in the area are commonly covered by shallow colluvial material, and are often deeply weathered to kaolinite in the near-surface environment.

Two main belts of rare element Lithium-Caesium-Tantalum type (**LCT**) pegmatites are known in the Bald Hill Project area:

- **Mt Belches – Bald Hill Belt**. This pegmatite belt striking north to northwest extends for at least 15 kilometres, however the pegmatite belt likely extends for a further 10 kilometres under transported cover. A large number of albite rich and LCT type Albite-Spodumene pegmatites occur over a width of about 4 kilometres. Previous exploration and exploitation has been focused on tantalum and tin.

- **Claypan Dam- Madoonia Belt**. This less explored northeast-southwest oriented LCT pegmatite belt has a strike of at least 22 kilometres and width of at least 7 kilometres. The belt is known to contain LCT Albite pegmatites with tantalite and tin and potentially hosts LCT Albite-Spodumene pegmatites.

The Pegmatites at the Bald Hill Project fall into five categories:

- **Tantalum** – generally narrow, high in tantalum, low in spodumene, main focus of prior mining.
- **Zoned Lithium-Tantalum** – generally wider pegmatites with simple zoning, spodumene richest in central zone, tantalum typically richer on the margins.
- **Lithium-Tantalum** – pegmatites with no apparent zonation.
- **Lithium** – unzoned and simply zoned pegmatites containing abundant spodumene but low tantalum.
- **Barren** – the least common and often narrow pegmatites, contain <0.1% Li_2O and <100 ppm Ta_2O_5.

The pegmatites can generally be classified as unzoned albite spodumene pegmatites, and occur as gently dipping sheets and as steeply dipping veins striking parallel to the north-south regional foliation. They range in thickness from a few metres up to 30 metres, and also occur as multiple, parallel dykes or swarms separated by sheared metasediments. Outcrop is limited to those areas not covered by alluvium or colluvium.

PERMITS AND APPROVALS

Lithco and AMAL obtained various approvals required to operate the Bald Hill Project. Key approvals include an approved mining proposal, an operating facilities licence, clearing permits and a licence to take water.

4.3 PROCESSING PLANT

Primero Group Pty Ltd (**Primero**) designed and constructed a new 1.2 million tonnes per annum stage 1 dense media separation (**DMS**) processing plant, refurbished the existing tantalum plant (which included a spiral plant for recovering tantalum from -1 mm fines), and refurbished the existing supporting infrastructure.

The processing facilities comprise a new contract crushing operation producing a product less than 10 mm. This product is fed into a new two stage DMS (cyclones) circuit using ferrosilicon (FeSi) to control density. It also incorporates mica removal through upflow classification using reflux classifiers. There is rolls crushing and recycle of the coarse DMS middlings. Two size fractions are processed through the DMS plant, a -10 + 5 mm fraction and a -5 mm + 1 mm fraction. The -1 fraction is deslimed, passed over spirals to remove tantalum and then dewatered and stored for future processing. The second stage DMS overflow (middlings) is also dewatered and stored for future processing.

Plant performance has achieved higher than the 161 tonnes per hour (tph) nameplate, with rates having reached up to 230tph. Further modifications are being planned with the view to achieve average throughput rates of up to 240tph.

Lithco and AMAL are working on completion of the Stage 2 lithium fines circuit design and assessment for the re-commissioning of parts of the existing tantalum circuits at the Bald Hill Project. Plans for increased processing throughput of the existing DMS circuit as well as an assessment for a second DMS circuit that would mirror the design to the completed Stage 1 DMS processing plant are also being pursued.

4.4 BALD HILL PROJECT MINERAL RESOURCES / ORE RESERVES

Tawana has reported the following mineralogical estimates for the Bald Hill Project.

MINERAL RESOURCES

Tawana announced updated Mineral Resource estimates on 6 June 2018 based on the mine survey as at 30 April 2018. Geological confidence and sample support was increased as a result of infill drilling and a lower cut-off given plant operating performance. The revised Mineral Resource estimate also included a low-grade component grading between 0.3% and 0.5% Li_2O.

Table 1 Bald Hill Project, Mineral Resources above 0.3% Li2O cut-off

Resource Category	Tonnes (Mt)	Grade Li_2O (%)	Contained Li_2O (tonnes)	Grade Ta_2O_5 (ppm)	Contained Ta_2O_5 (,000 lbs)
Indicated	14.4	1.02	147,200	168	5,300
Inferred	12.1	0.90	108,000	123	3,300
Total	**26.5**	**0.96**	**255,200**	**149**	**8,600**

Table 2 Bald Hill Project, Tantalum Mineral Resources below 0.3% Li2O and above 200ppm Ta2O5 cut-offs

Resource Category	Tonnes (Mt)	Grade Li_2O (%)	Contained Li_2O (tonnes)	Grade Ta_2O_5 (ppm)	Contained Ta_2O_5 (,000 lbs)
Indicated	3.0	0.16	4,700	333	2,200
Inferred	1.4	0.15	2,200	339	1,100
Total	**4.4**	**0.16**	**6,900**	**336**	**3,300**

Notes:
1. The tantalum Mineral Resources estimated in Table 2 are additional to those estimated in Table 1.

ORE RESERVES

Based on the Mineral Resource estimate outlined above, the Ore Reserve estimate for the Bald Hill Project was updated using the March 2018 pit surface.

Table 3 Bald Hill Project, Ore Reserves above 0.3% Li2O

Reserve Category	Tonnes (Mt)	Grade Li_2O (%)	Contained Li_2O (tonnes)	Grade Ta2O5 (ppm)	Contained Ta_20_5 (,000 lbs)
Proven	-	-	-	-	-
Probable	11.3	1.01	114,100	160	4,000
Total	**11.3**	**1.01**	**114,100**	**160**	**4,000**

Notes:
1. Allows for mining ore loss of 7.5% and dilution of 7.5% at 0% Li_2O and 0ppm Ta_2O_5
2. Reserves have been cut to the April 2018 end of month mine survey

Table 4 Bald Hill Project, Ore Reserves below 0.3% Li_2O and above 200ppm Ta_2O_5 cut-offs, April 2018

Reserve Category	Tonnes (Mt)	Grade Ta_2O_5 ppm	Contained Ta_2O_5 (,000 lbs)
Proven	-	-	-
Probable	2.0	313	1,400
Total	**2.0**	**313**	**1,400**

Notes:
1. Allows for mining ore loss of 7.5% and dilution of 7.5%
2. Reserves have been cut to the April 2018 end of month mine survey; ore stockpiles and concentrates are excluded
3. The tantalum Ore Reserves estimated in Table 4 are additional to those estimated in Table 3.

The Mineral Resources and Ore Reserves in this Section 4.4 are presented on a 100% of Bald Hill Project basis and have been announced on ASX on 6 June 2018 ("Lithium Ore Reserve Increase at Bald Hill"). Tawana confirms that it is not aware of any new information or data that materially affects the information in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimates and Ore Reserve Estimates in that announcement continue to apply and have not materially changed.

4.5 OFFTAKE ARRANGEMENTS

Tawana has a long term lithium concentrate offtake agreement with a wholly-owned subsidiary of Burwill Holdings Ltd, a company listed on the Stock Exchange of Hong Kong Limited (stock code 0024). The agreement is for the supply of Lithco's share of lithium concentrate from the Bald Hill Project over an approximate initial five year term at a fixed price in the first two years of US$880 per tonne (6% Li_2O). The first shipment was made to Burwill in May 2018. Further details of this agreement are set out in Section 4.6(b).

AMAL also has a long term lithium concentrate offtake agreement with the same counter-party on similar terms. Refer to Section 5.6(b).

Tawana and AMAL have also signed a non-binding in-principle term sheet for the offtake of tantalum concentrate with the HC Starck Group, a leading tantalum industry specialist. The term sheet contemplates the purchase of all tantalum concentrate produced at the Bald Hill Project up to 600,000 pounds over the term of April 2018 to 31 December 2020, together with other tantalum materials from the Bald Hill Project including low-grade concentrate and off specification material. The parties are negotiating a binding, long form offtake agreement.

4.6 TAWANA MATERIAL AGREEMENTS

(a) BALD HILL JOINT VENTURE AGREEMENT

Lithco and AMAL are parties to the Bald Hill Joint Venture Agreement dated 18 April 2017 (as amended by way of letter agreement dated 1 July 2018) (**JVA**). The JVA came into effect on 20 October 2017 (**Commencement Date**).

The JVA sets out the terms upon which Lithco and AMAL will carry out exploration, mine development, mining, treatment activities, rehabilitation, mine closure activates and transport and loading activities on the Bald Hill Project tenements. Each of Lithco and AMAL own the tenements, plant, mining information, fixtures, plant, machinery, equipment and supplies at the Bald Hill Project, and all other property acquired for the Bald Hill Joint Venture, as tenants in common in proportion to their 50% percentage interests in the Bald Hill Project (**Percentage Interest**). The parties' entitlement to minerals extracted from the tenements is similarly allocated.

The other key terms of the JVA are as follows:

- The parties are severally liable for their obligations under the JVA in proportion to their Percentage Interests.
- Management and control of the Bald Hill Joint Venture activities (**Joint Venture Activities**) is vested in the Management Committee (**Committee**). Lithco and AMAL are each entitled to appoint two members to the Committee and decisions of the Committee are made by unanimous vote and are binding on the parties.
- Lithco is appointed Manager of the Bald Hill Project and carries out and manages all Joint Venture Activities on behalf of the parties, subject to the control and direction of the Committee. Subject to certain limitations and contrary instructions of the Committee, the Manger may exercise all rights it would have if it was carrying out the Joint Venture Activities on its own. The Manager must not exercise its rights in a manner which contravenes or exceeds an approved work program or budget (except in limited circumstances), nor enter into a contract or incur an obligation or liability without the prior approval of the Committee.
- The parties, in accordance with their respective Percentage Interests, indemnify Lithco (as the Manager) against all costs and liabilities the Manager incurs in the course of acting as Manager, except to the extent of negligent or wilful misconduct on behalf of the Manager.
- Lithco (in its capacity as the Manager) is required to prepare programs and budgets for the Joint Venture Activities and submit them to the Committee for consideration and approval. The Manager may charge each party on a monthly basis for all costs, expenses and liabilities incurred and actually paid by the Manager in connection with the Joint Venture Activities in proportion to its respective Percentage Interest. The Manager may (at its discretion) invoice the parties in advance an estimated amount in respect of the costs to be incurred in respect of a calendar month no more than 30 days before the commencement of that month. The approved work program and budget may be revised, supplemented cancelled or relaced from time to time by the Committee.
- A party may withdraw from the JVA on providing notice of this intention not less than 14 days prior to the completion of the approved work program and budget for the then current work period. The withdrawal will be effective upon the expiration of that work period.

- The parties indemnify each other against all claims and liabilities in connection with negligent acts or omissions in the course of undertaking the Joint Venture Activities.

Upon implementation of the Scheme, the Bald Hill Project will be owned by AMAL and a wholly-owned subsidiary of AMAL (i.e. Lithco), and the Merged Group will consider collapsing the Bald Hill Joint Venture.

(b) LITHIUM OFFTAKE AGREEMENT

On 20 April 2017, Lithco and Tawana (as guarantor), Burwill Lithium Company Limited (formerly Burwill Commodity Limited) (**BLCL**) and Burwill Holdings Limited (the parent company of BLCL, listed on the main board of the Stock Exchange of Hong Kong) (as guarantor) executed a binding long-term offtake agreement in relation to Lithco's share of production from the Bald Hill Project (**Lithium Offtake Agreement**), which was subsequently amended on 17 October 2017.

The key terms of the Lithium Offtake Agreement (as amended) are as follows:

- Lithco must sell to BLCL all lithium concentrate produced from the Bald Hill Project attributable to Lithco by virtue of its share of ownership in the Bald Hill Project over an approximate initial five year term from 1 February 2018 to the earlier of 31 December 2022 or Lithco ceasing to extract lithium concentrate from mining operations at the Bald Hill Project. The parties may extend the term by up to five further one year periods upon agreement of the volume and price of lithium concentrate to be delivered during such periods.
- Lithco agrees to sell, and BLCL agrees to purchase, a minimum of 40,000 dry metric tonnes (**DMT**) of lithium concentrate in the first year and a minimum of 60,000 DMT in the second year for US$880 per DMT (FOB Esperance) (based on 6% lithium oxide (**Li_2O**) concentrate).
- In any year after the initial five year term of the Lithium Offtake Agreement, Lithco produces in excess of the minimum agreed offtake quantity, Lithco may sell the excess volume to a third party provided that BLCL has rejected an offer to buy the excess lithium concentrate.
- BLCL has advanced Lithco $12.5 million (**Advance Payment**). The Advance Payment was utilised for the continued development and operational costs at the Bald Hill Project. The Advance Payment is interest free, and will be repaid at the rate of 15% of the value of each lithium concentrate shipment until repaid.
- The price for lithium concentrate is subject to additional adjustments depending upon specifications. BLCL is only entitled to reject lithium concentrate that has less than 5.5% Li_2O or does not otherwise satisfy other agreed minimum specifications (not related to the Li_2O content).
- Lithco and BLCL have agreed a delivery schedule until 31 December 2019, and will agree a similar schedule for the remaining years in the term. Price adjustments will apply where Lithco delivers lithium concentrate after the agreed delivery date or BLCL fails to take delivery of lithium concentrate more than 15 days after the agreed delivery date. A party will be in breach of the Lithium Offtake Agreement if it does not deliver lithium concentrate or fails to take delivery of lithium concentrate (as applicable) more than 60 days after the agreed delivery date.
- The Lithco Offtake Agreement may be terminated by:
  - either party, if the other party materially breaches, or fails to comply with, a material obligation under the Lithium Offtake Agreement which is not remedied within the applicable time period;
  - Lithco, if, after the initial two year fixed price period, the all-in sustaining costs of extracting and delivering lithium concentrate to the Port of Esperance (on a per DMT basis) are certified by an independent auditor to exceed the agreed price per DMT payable by BLCL; or
  - BLCL, if the authority of Lithco to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation or other intervention.
- If the Lithium Offtake Agreement is terminated, the party in breach must pay the other party $1.5 million within 2 months from the date of termination and Lithco must repay any outstanding Advance Payments within 12 months from the date of termination.
- If the processing plant at the Bald Hill Project is expanded, Lithco must give BLCL a written offer to provide an integrated offtake and funding solution for the proposed expansion. If BLCL rejects the offer Lithco is able to enter into an agreement to give effect to the arrangement contemplated in the offer and sell any additional volumes of the product to third parties without breaching its obligations to BLCL.

(c) PORT ACCESS LICENCE

On 23 March 2018, Lithco entered into a Port Access Licence with the Southern Ports Authority for non-exclusive access to the Port of Esperance (**Port Access Licence**) for 5 years commencing on 1 February 2018 on customary terms (including as to charges). The Port Access Licence permits the transport of spodumene into the Port at the allocated berth, the storage and handling of spodumene within the Port and the loading of vessels with spodumene for export from the Port.

(d) EPC CONTRACT

On 7 August 2017, Lithco and AMAL (together the **Principal**) contracted with Primero to engineer, procure, construct and commission the lithium processing plant at the Bald Hill Project (**EPC Contract**). The EPC Contract is a "lump sum, fixed price" contract, originally valued at $30 million. "Practical Completion" under the EPC Contract was achieved on 6 March 2018.

The key terms of the EPC Contract that remain relevant following "Practical Completion" are as follows:

- The lump sum price is subject to adjustment in certain circumstances, including adjustments for variations and delay costs.
- The defects liability period (DLP) is 12 months and commenced on 6 March 2018. The DLP may be extended by 12 months, at the Principal's discretion, in respect of rectification works performed during the DLP.
- Following Practical Completion, the Principal is entitled to hold security (5% of the contract price) until the expiry of the final DLP. The Principal currently holds security in the form of an insurance bond and has rights of recourse to the security including if the Principal has suffered or considers it will suffer any loss as a consequence of any breach of the EPC Contract or negligence by Primero.
- Primero's total aggregate liability under the EPC Contract is capped at ~$6 million and its liability for indirect or consequential loss is excluded (subject to certain exclusions, including in respect of third party claims for personal injury, death or property damage and any event or liability for which Primero is insured). The Principal has no liability to Primero for any consequential loss.
- Primero provides indemnities in favour of the Principal for loss or damage to people or property (including that of the Principal's) and for claims against the Principal due to Primero's breach of contract, negligence or omission.
- Tawana guarantees to Primero the payment of all of Lithco's present and future liabilities under the EPC Contract and Tawana must pay on demand the amount of any loss incurred by Primero arising out of Lithco's failure to pay any liability under the EPC Contract by the due date.

(e) O&M CONTRACT

On 21 February 2018, Lithco, as an agent for and on behalf of the Bald Hill Joint Venturers, entered into a contract with Primero for Primero to operate and maintain the lithium processing plant at the Bald Hill Project (**O&M Contract**). The O&M Contract is currently in the operations phase term. The operations phase runs for two years and commenced on or about 6 March 2018.

The key terms of the O&M Contract are as follows:

- Primero must operate the facility in accordance with the design criteria on a continuous 24/7 basis to process ore at the annual tonnage rate and to meet the production schedule. If Primero fails to meet the production schedule requirements, Lithco may enforce certain rights available under the O&M Contract (including step in rights).
- Lithco must pay Primero (on a monthly basis) amounts based on hourly rates for maintenance and operations personnel and a 5% mark-up on non-labour expenses, sub-consultants and mobilisation and demobilisation. Primero is also entitled to a quarterly tonnage bonus payment if Primero achieves certain tonnages, adjusted for Primero labour cost changes.
- Primero provides indemnities in favour of Lithco and each of its directors, employees and agents, including for liability arising from claims against Lithco for personal injury, death or property loss or damage (but excluding the works) and from Primero's breach of contract or negligence.

- Primero's liability in respect of any loss or damage arising in connection with the works or the O&M Contract is capped at $850,000, plus any amount of bonuses for tonnage paid or payable to Primero. Primero is not liable to Lithco in respect of any consequential loss (subject to certain exceptions including in respect of loss suffered or payable by Lithco or the Bald Hill Joint Venturers for third party property damage, personal injury or death and events or liabilities for which Primero is insured under the O&M Contract). Lithco has no liability to Primero for any consequential loss.
- Lithco has termination rights, including rights to terminate for convenience on 30 days' notice. If the O&M Contract is terminated in these circumstances, Lithco must pay to Primero a termination payment based on the duration the contract has been on foot. Lithco may also terminate if Primero commits a default and fails to rectify that default within 15 days of receiving Lithco's notice.

(f) MINING CONTRACT

On 1 May 2018, Lithco, as agent for and on behalf of the Bald Hill Joint Venturers, entered into a contract for SMS Innovative Mining Pty Ltd (**SMS Mining**) to provide mining services at the Bald Hill Project, including load and haul services, drilling and blasting so as to provide mill feed ore to the process plant (**Mining Services Contract**).

The key terms of the Mining Services Contract are as follows:

- The term is 4 years and 2 months and commenced on 1 November 2017. Lithco may extend the term by a further 12 months.
- Lithco must pay SMS Mining (on a monthly basis) a fixed mobilisation and demobilisation payment, fixed service fee payments and load and haulage and blast drilling, batter pre-split and grade control drilling payments based on a schedule of rates.
- SMS Mining's liability is uncapped under the Mining Services Contract, however it has the benefit of a consequential loss exclusion (with limited exceptions including in respect of loss suffered or payable by Lithco or the Bald Hill Joint Venturers for third party property damage, personal injury or death and events or liabilities for which SMS Mining is insured under the Mining Services Contract). Lithco has no liability to SMS Mining for any consequential loss.
- Lithco has termination rights, including rights to terminate for convenience on 30 days' notice, to terminate immediately if SMS Mining breaches certain performance obligations (including if it fails to load and haul certain quantities required in a three month period) or to terminate on notice if SMS Mining breaches an essential term of the Mining Services Contract and fails to remedy that breach within 30 days. If Lithco terminates for convenience it must pay SMS Mining for services provided prior to the date of termination plus SMS Mining's specified demobilisation costs.
- SMS Mining provides indemnities in favour of Lithco and each of its directors, employees and agents, including for liability arising from SMS Mining's default, negligence or breach of the Mining Services Contract.

(g) CRUSHING CONTRACT

Cape Crushing and Earthmoving Contractors Pty Ltd (**Cape Mining**) provides ore crushing and screening services at the Bald Hill Project, including the transfer and stockpiling of crushed ore and the feeding of stockpile ore to processing plants (**Crushing Services**). Lithco, as an agent for and on behalf of the Bald Hill Joint Venturers, and Cape Mining are in the process of finalising the formal terms on which Crushing Services will be provided on a long term basis.

The key terms of the proposed formal Crushing Services arrangements are as follows:

- The intended term of the Crushing Services arrangement is 4 years commencing on 1 February 2018, with an option exercisable by Lithco to extend by a further 12 months.
- Lithco must pay Cape Mining (on a monthly basis) a fixed mobilisation / demobilisation payment, a fixed service fee payment for equipment, personnel and infrastructure mobilised on site, a crushing fee payment for crushed ore volume and a process plant feed payment for volume of crushed ore fed to the process plant.
- Cape Mining's liability is to be capped at $10 million, excluding delay liquidated damages, Cape Mining's indemnity obligations or events or liabilities for which Cape Mining is required to be insured under the Crushing Contract. Cape Mining is not liable for indirect or consequential loss.

- Cape Mining is to provide indemnities in favour of Lithco and each of its directors, employees and agents, including for loss arising due to Cape Mining's breach, default or negligence or due to damage to Lithco's or third party property.
- Lithco is to have termination rights, including rights to terminate for convenience on 30 days' notice, immediately if Contractor fails to meet certain performance obligations or on notice if Cape Mining breaches an essential term of the Crushing Contract and fails to remedy that breach within 60 days of being given notice. If Lithco terminates for convenience it must pay termination fees to Cape Mining.

Although efforts to enter into a formal contract for the provision of Crushing Services by Cape Mining are continuing, there is no certainty that such a contract will be consummated.

(h) HAULAGE AND SHIP LOADING CONTRACT

Lithco, as an agent for and on behalf of the Bald Hill Joint Venturers, has entered into a contract with Qube Bulk Pty Ltd (Qube) pursuant to which Qube provides haulage, storage, material handling and ship loading services in respect of lithium concentrate from the Bald Hill Project to the Port at Esperance and storage and ship loading services in Esperance (Haulage Contract).

The key terms of the Haulage Contract are as follows:

- The term of the Haulage Contract is 3 years and 6 months and commenced on 20 April 2018. Lithco may, in its absolute discretion, extend the term by up to a further 18 months provided it provides Qube with at least 90 days prior written notice.
- Lithco must pay Qube (on a monthly basis) haulage, storage and ship loading payments linked to a schedule of rates and certain specified incentive rates.
- Lithco may be liable to pay Qube compensation for delay events outside Qube's control and a shortfall tonnage charge (if the annual tonnage is less than the baseline tonnage), calculated at pre-agreed rates linked to tonnages.
- Qube's liability is uncapped however it has the benefit of a consequential loss exclusion. The consequential loss exclusion does not limit Qube's liability for certain losses, including losses in relation to events or liabilities for which Qube is required to be insured for under the Haulage Contract (up to the limit of $1 million). Lithco has no liability to Qube for any consequential loss.
- Lithco is entitled to claim liquidated damages at the current market rate of price per tonne for any product that is lost by Qube and not recovered.
- Qube provides indemnities in favour of Lithco and AMAL for loss arising due to Qube's breach or default under the Haulage Contract, negligence or breach of the Mines Safety and Inspection Act 1994 (WA).
- Lithco may terminate immediately if Qube fails to haul the quantities required such that there is insufficient quantities available to fully load a ship in accordance with the agreed plan on more than two occasions in a twelve month period provided Lithco has made available the quantities set out in the three monthly production and shipping plan, or may terminate following 30 days' notice if Qube breaches an essential term of the Haulage Contract and fails to remedy that breach, Qube abandons or ceases to transport product or an event or order by the Port Authority or other municipal body restricts Lithco's ability to export product (in which case Lithco must pay to Qube an early termination fee calculated based on the duration of the term remaining as at the time of termination and a shortfall tonnage charge calculated on a pre-agreed rate linked to tonnages, provided that Qube has not breached an essential term of the Haulage Contract or repudiated the Haulage Contract).

(i) LOAN AGREEMENT

On or about 5 February 2018, Lithco executed a $5 million loan agreement (**Loan Agreement**) with Red Coast Investment Limited (**Red Coast**), an investment company nominated by Weier Antriebe und Energietechnik GmbH.

The loan contemplated in the Loan Agreement is repayable on 31 December 2019 and attracts interest at the rate of 11% per annum (payable quarterly in arrears). Lithco may repay the debt at any time before maturity without penalty. Lithco must use the facility for the purpose of the upgrade and conversion of the processing plant at the Bald Hill Project and for working capital. Lithco has granted to Red Coast security over its interest in the processing plant at the Bald Hill Project.

4.7 DIRECTORS AND SENIOR MANAGEMENT

The current directors of Tawana are:

- Robert Benussi – Non-Executive Chairman
- Mark Calderwood – Managing Director
- Mark Turner – Non-Executive Director
- Robert Vassie – Non-Executive Director
- Vicki Xie - Non-Executive Director

The current senior managers of Tawana are:

- Craig Hasson – Chief Financial Officer
- Alexei Fedotov – Company Secretary and General Manager: Commercial and Legal
- Joanna Kiernan – Company Secretary

If the Scheme does not proceed, the current senior management of Tawana will remain. If the Scheme is approved, the intention of AMAL in relation to employees generally is set out in Section 6.2.

4.8 TAWANA SECURITIES

As at the Latest Practicable Date, there were 578,086,517 Tawana Shares and 18,693,880 Options on issue.

4.9 COWAN LITHIUM

At an extraordinary general meeting held on 6 July 2018, Tawana Shareholders approved all resolutions required to give effect to the demerger of Cowan Lithium, a previously wholly-owned subsidiary of Tawana. The demerger was achieved through a capital reduction satisfied by way of a pro rata in-specie distribution of 85% of the fully paid ordinary shares in the capital of Cowan Lithium to Tawana shareholders.

The record date of the capital reduction was 13 July 2018 and eligible shareholders received 1 Cowan Lithium share for every 11.1 shares held in Tawana.

Tawana holds a 15% interest in the share capital of Cowan Lithium and, subject to ASX waiver (if required), has the right to maintain its proportionate interest in the future. In addition, for so long as Tawana holds at least a 10% interest in the share capital of Cowan Lithium, it has the right to appoint a nominee director to the board of Cowan Lithium.

4.10 TAWANA HISTORICAL FINANCIAL INFORMATION

(a) INTRODUCTION

This Section 4.10 contains the historical financial information for Tawana (**Tawana Historical Financial Information**) comprising:

- the historical consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2015, 31 December 2016 and 31 December 2017;
- the historical consolidated statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 April 2018; and
- the historical consolidated statements of cash flows for the years ended 31 December 2015, 31 December 2016 and 31 December 2017.

(b) BASIS OF PREPARATION

The Tawana Historical Financial Information set out in this Section 4.10 is prepared for the purposes of this Scheme Booklet and its preparation and presentation is the responsibility of the Tawana Board.

The Tawana Historical Financial Information as at and for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 has been derived from Tawana's financial statements for the respective years which were audited by EY in accordance with Australian Auditing Standards.

EY issued unqualified audit opinions on these financial statements which contained:

- an emphasis of matter on going concern on the financial statements for the year ended 31 December 2015; and
- a material uncertainty paragraph related to going concern on the financial statements for the years ended 31 December 2016 and 31 December 2017.

The historical consolidated statement of financial position for Tawana as at 30 April 2018 has been derived from its interim financial statements for the four months ended 30 April 2018 which were reviewed by EY. EY issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements under paragraph 20 of AASB 134 Interim Financial Reporting. The modified limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The Tawana Historical Financial Information is presented in an abbreviated form and does not contain all the disclosure, presentation, statement or comparatives that are usually provided in an annual financial report prepared in accordance with the Corporations Act. The Tawana Historical Financial Information should be read in conjunction with the full financial statements of Tawana, for the respective periods, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

Full financial statements for Tawana for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, and for the four months ended 30 April 2018, were lodged with ASX and are available free of charge at http://www.asx.com.au/. The interim financial statements for Tawana as at, and for the four months ended, 30 April 2018, were lodged with ASX on 20 August 2018 and Tawana will provide a copy of such financial statements free of charge to any Tawana Shareholder who requests a copy.

The Tawana Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS.

The significant accounting policies adopted by Tawana in the preparation of the Tawana Historical Financial Information are consistent with those disclosed in Tawana's 2017 Annual Report, except for the adoption of AASB 9: *Financial Instruments* (**AASB 9**) and AASB 15: *Revenue from Contracts with Customers* (**AASB 15**) for the period commencing 1 January 2018 (refer to Section 6.5(c)).

Other than the adoption of AASB 9 and AASB 15, accounting policies have been consistently applied over the periods the Tawana Historical Financial Information has been presented in this section 4.10.

(c) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Below are Tawana's historical consolidated statements of profit or loss and other comprehensive income for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017:

	Year ended 31-Dec-2015 $'000	Year ended 31-Dec-2016 $'000	Year ended 31-Dec-2017 $'000
Revenue			
Revenue from continuing operations	38	26	84
Total revenue	**38**	**26**	**84**
Expenses			
Administration expense	(572)	(605)	(815)

	Year ended 31-Dec-2015 $'000	Year ended 31-Dec-2016 $'000	Year ended 31-Dec-2017 $'000
Employee benefits expense	(927)	(399)	(995)
Share based payment expense	(45)	(326)	(4,334)
Compliance and regulatory expense	(116)	(192)	(318)
Depreciation expense	(52)	(25)	(39)
Exploration expenditure	-	(239)	(164)
Impairment of exploration and evaluation asset	(7,729)	-	(1,559)
Total expenses	**(9,441)**	**(1,786)**	**(8,224)**
Loss before income tax	**(9,403)**	**(1,760)**	**(8,140)**
Income tax expense	-	-	-
Loss after income tax for the year	**(9,403)**	**(1,760)**	**(8,140)**
Other comprehensive loss			
Items that will be reclassified to profit or loss			
Cumulative translation difference on foreign operations disposed during the year transferred to profit or loss	28	-	-
Exchange differences on translation of foreign operations	642	(16)	(177)
Total comprehensive loss for the year	**(8,733)**	**(1,776)**	**(8,317)**
Loss per share for the year attributable to the members of Tawana Resources NL:			
Basic and diluted loss per share (cents per share)	(14.88)	(1.04)	(1.90)

(d) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Below are Tawana's historical consolidated statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 April 2018:

	As at 31-Dec-2015 $'000	As at 31-Dec-2016 $'000	As at 31-Dec-2017 $'000	As at 30-Apr-2018 $'000
Current assets				
Cash and cash equivalents	808	6,959	16,375	27,451
Trade and other receivables	83	322	5,190	8,765
Prepayments and deposits	-	-	1,116	110
Disposal group held for distribution	-	-	-	4,225
Inventory	-	-	27	815
Total current assets	**891**	**7,281**	**22,708**	**41,366**

	As at 31-Dec-2015 $'000	As at 31-Dec-2016 $'000	As at 31-Dec-2017 $'000	As at 30-Apr-2018 $'000
Non-current assets				
Mine properties	-	-	18,045	32,310
Exploration and evaluation expenditure	-	12,463	7,660	282
Property, plant and equipment	60	61	23,833	32,689
Deposits	-	-	73	75
Total non-current assets	**60**	**12,524**	**49,611**	**65,356**
Total assets	**951**	**19,805**	**72,319**	**106,722**
Current liabilities				
Trade and other payables	339	1,212	9,373	22,841
Deferred revenue	-	-	9,595	11,500
Employee benefit liabilities	4	2	160	259
Total current liabilities	**343**	**1,214**	**19,128**	**34,600**
Non-current liabilities				
Interest bearing loans	-	-	-	5,000
Deferred revenue	-	-	2,905	1,000
Provision for rehabilitation	15	18	706	2,710
Total non-current liabilities	**15**	**18**	**3,611**	**8,710**
Total liabilities	**358**	**1,232**	**22,739**	**43,310**
Net assets	**593**	**18,573**	**49,580**	**63,412**
Equity				
Contributed equity	54,420	73,034	108,024	127,253
Reserves	2,167	2,833	6,990	5,859
Accumulated losses	(55,994)	(57,294)	(65,434)	(71,288)
Amounts recognised in equity relating to the disposal group	-	-	-	1,588
Total equity	**593**	**18,573**	**49,580**	**63,412**

(e) CONSOLIDATED STATEMENTS OF CASH FLOWS

Below are Tawana's historical consolidated statements of cash flows for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017:

	Year ended 31-Dec-2015 $'000	Year ended 31-Dec-2016 $'000	Year ended 31-Dec-2017 $'000
Cash flows from operating activities			
Payments to administration suppliers and employees	(1,626)	(1,097)	(3,715)
Revenue received in advance	-	-	12,500
Interest received	34	12	84
Other receipts	3	5	-
Net cash provided by/(used in) operating activities	**(1,589)**	**(1,080)**	**8,869**
Cash flows from investing activities			
Payments for mine properties	-	-	(3,516)
Payments for exploration and evaluation	(929)	(11,576)	(7,881)
Payments for property, plant and equipment	-	(26)	(21,715)
Proceeds from sale of exploration assets	-	71	-
Proceeds from sale of fixed assets	-	9	-
Proceeds from R&D refund	418	-	-
Proceeds from deposit and bonds	29	-	-
Net cash used in investing activities	**(482)**	**(11,522)**	**(33,112)**
Cash flows from financing activities			
Proceeds from issue of shares	-	19,047	35,819
Proceeds received in advance of share placement	-	195	-
Capital raising costs	-	(490)	(2,160)
Net cash received from financing activities	**-**	**18,752**	**33,659**
Net (decrease)/increase in cash and cash equivalents	**(2,071)**	**6,150**	**9,416**
Cash and cash equivalents at the beginning of the year	2,803	808	6,959
Exchange rate adjustment to cash	76	1	-
Cash and cash equivalents at end of the year	**808**	**6,959**	**16,375**

(f) GOING CONCERN BASIS

The Tawana Historical Financial Information has been prepared on a going concern basis which assumes the continuity of Tawana's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Scheme Booklet, Tawana has worked with AMAL to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), Tawana will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment (refer to Section 4.6(b)). Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, Tawana will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown or failures and operational errors (refer to Section 8.3(e)).

The Tawana Directors recognise that Tawana will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

Subsequent to 30 April 2018, Tawana raised the following additional funds:

- on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately $4.9 million (before costs); and
- 11,653,060 Options were exercised at an average price of $0.158 per Option to raise approximately $1.8 million.

In addition, Tawana is currently negotiating the terms of a proposed $15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana's exposure to cash flow risks during the initial phase of the Bald Hill Project.

The Tawana Directors are satisfied that they will be able to raise additional funds as required and, accordingly, it is appropriate to prepare the Tawana Historical Financial Information on a going concern basis.

In the event that Tawana is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the historical consolidated statements of financial position.

Tawana's historical consolidated statements of financial position do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should Tawana not be able to continue as a going concern.

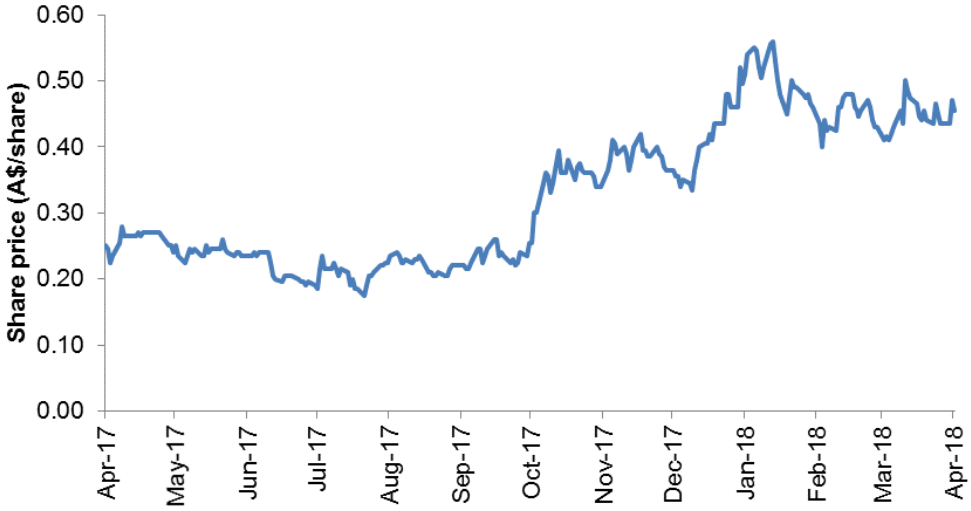
4.11 MATERIAL CHANGES IN TAWANA'S FINANCIAL POSITION

To the knowledge of your Tawana Directors, and except as disclosed elsewhere in this Scheme Booklet, the financial position of Tawana has not materially changed since 30 April 2018 other than:

- on 18 July 2018, the Cowan Lithium Demerger was implemented and Tawana's net assets and total equity were reduced as a result of the capital reduction and distribution. Refer to Tawana's notice of meeting dated 1 June 2018 (released to ASX on that date) and Section 4.9 for further details relating to Cowan Lithium;
- Tawana has raised the following additional funds:
  - on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately $4.9 million (before costs); and
  - 11,653,060 Options were exercised at an average price of $0.158 per Option to raise approximately $1.8 million; and
- Tawana announced on 31 July 2018 that the Bald Hill Project had achieved commercial production.

4.12 RECENT SHARE PRICE HISTORY

The latest recorded trading price of Tawana Shares on ASX prior to the Announcement Date was $0.455. The latest recorded trading price of Tawana Shares on ASX was $0.365 on the Latest Practicable Date. The following chart shows the closing price of Tawana Shares on ASX over the past 12 months to the Announcement Date:



As at the Latest Practicable Date:

- the 10 day VWAP of Tawana Shares was $0.3800;
- the highest recorded trading price of Tawana Shares in the previous 3 months was $0.4650; and
- the lowest recorded trading price of Tawana Shares in the previous 3 months was $0.3550.

The current price of Tawana Shares on ASX can be obtained from the ASX website (www.asx.com.au).

4.13 PUBLICLY AVAILABLE INFORMATION

As an ASX listed company and a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act, Tawana is subject to regular reporting and disclosure obligations. Broadly these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information. Tawana's most recent announcements are available from its website www.tawana.com.au/category/asx-announcements/. Further announcements concerning Tawana will continue to be made available on this website after the date of this Scheme Booklet.

ASX maintains files containing publicly available information about entities listed on their exchange. Tawana's files are available for inspection at ASX during normal business hours and are available on the ASX website www.asx.com.au/.

Additionally, copies of documents lodged with ASIC in relation to Tawana may be obtained from or inspected at an ASIC service centre. Please note ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Scheme Meeting during normal business hours at the registered office of Tawana:

- Tawana's constitution;
- Tawana's 2017 Annual Report; and
- Tawana's public announcements.

The annual reports and public announcements are also available at http://tawana.com.au/category/reports/.

4.14 FURTHER INFORMATION

For the risks associated with the Scheme, refer to Section 8. In particular, Section 8.2 outlines the risks to Tawana if the Scheme does not proceed.

5. INFORMATION ON AMAL

5.1 RESPONSIBILITY FOR INFORMATION

The information in this Section 5 has been prepared by AMAL. The information concerning AMAL and the intentions, views and opinions contained in this Section 5 are the responsibility of AMAL. Information presented below is based on prior public disclosures of AMAL, all of which are available on AMAL's profile on the SGX-ST website at www.sgx.com and on AMAL's website at http://www.allianceminerals assets.com.au.

Tawana and Tawana's Directors and officers do not assume any responsibility for the accuracy or completeness of this information.

All dollar figures presented below are in Australian dollars unless otherwise indicated.

5.2 OVERVIEW OF AMAL AND ITS BUSINESS

AMAL is an Australian based company which is listed on the Catalist board of the SGX-ST. AMAL was incorporated in Australia on 6 December 2010 as a public company. AMAL was admitted to the Catalist board of the SGX-ST on 25 July 2014 with the development of the Bald Hill Project as its primary business.

On 3 June 2016, AMAL executed a binding term sheet with Lithco, a Subsidiary of Tawana, pursuant to which AMAL and Lithco agreed the principal terms for, amongst other things, the establishment of a farm-in arrangement with respect to the Bald Hill Project.

On 23 February 2017, AMAL and Lithco entered into a farm-in agreement pursuant to which Lithco subsequently earned a 50% interest in the tenements, plant and mining information comprising the Bald Hill Project.

On 18 April 2017, AMAL and Lithco entered into the Bald Hill Joint Venture Agreement which governs the ongoing activities, funding and management of the Bald Hill Project. The Bald Hill Joint Venture Agreement commenced on 20 October 2017 when the farm-in conditions were satisfied and the Bald Hill Joint Venture was formed.

On 13 June 2017, a maiden mineral lithium resource estimate was announced in relation to the Bald Hill Project.

Please see Section 4.2 for further details on the Bald Hill Project.

5.3 AMAL DIRECTORS

As at the date of this Scheme Booklet, the AMAL directors are:

- Pauline Gately – Executive Chairperson
- Mahtani Bhagwandas – Independent Non-Executive Director
- Ong Kian Guan – Independent Non-Executive Director
- Chan Hung Chui Eddy – Non-Executive Director
- Shaun Menezes – Finance Director

Profiles of each of the current AMAL directors are set out below.

PAULINE GATELY – EXECUTIVE CHAIRPERSON

Pauline Gately joined AMAL in June 2011 and was appointed as Independent Non-Executive Chairperson of AMAL upon SGX listing in July 2014, and Executive Chairperson on 1 March 2018. An investment banking veteran with more than twenty years' experience at the most senior level, Pauline currently provides consulting advice to corporates and sits on the Board of a Western Australian Cancer Charity.

Prior to joining AMAL, Pauline served as a senior consultant at one of Australia's leading economic consultancies completing projects for the public and private sector including providing technical advice on behalf of multilateral organisations such as the Asian Development Bank (ADB). During her tenure in Asia from 1987 through 2000, Pauline served as a Director of Merrill Lynch and Deutsche Bank in Hong Kong. As Head of Investment Strategy for the Asia Pacific Region, Pauline forecast and wrote about macroeconomic conditions and investment prospects across nine East Asian countries.

MAHTANI BHAGWANDAS – INDEPENDENT NON-EXECUTIVE DIRECTOR

Mahtani Bhagwandas joined AMAL in April 2014, as an Independent Director. Mahtani is currently the senior partner of Legal Standard LLP, a law firm in Singapore which specializes in commercial/corporate practice. Apart from legal practice, Mahtani is currently also the Independent Director of GRP Limited and SBI Offshore Limited respectively, companies listed on SGX-ST.

ONG KIAN GUAN – INDEPENDENT NON-EXECUTIVE DIRECTOR

Ong Kiang Guan joined AMAL in June 2014 as an Independent Director. He has been an Audit Partner with Baker Tilly TFW LLP since 2005, where he is currently the Head of its Assurance and Capital Market practices. He is currently also the Independent director and Chairman of audit committees of Serrano Limited and Weiye Holdings Limited which are listed on SGX-ST, and China XLX Fertilisers Ltd, a company listed on Hong Kong Stock Exchange.

Ong Kian Guan obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is a fellow of the Institute of Singapore Chartered Accountants. He is a currently a member of the Investigation and Disciplinary Panel, and has also previously served as a member of the Auditing and Assurance committee of ISCA.

CHAN HUNG CHUI EDDY – NON-EXECUTIVE DIRECTOR

Chan Hung Chui Eddy joined AMAL in November 2017 as a Non-Executive Director and nominee for Burwill. Mr Chan is currently a Deputy General Manager of Burwill Resources Limited and is responsible for regional activity and developing new projects and mineral commodity trading and mining.

SHAUN MENEZES – FINANCE DIRECTOR

Shaun joined AMAL in November 2017 as Chief Financial Officer. Shaun was appointed to the board as a finance director on 25 July 2018. Shaun is also joint company secretary. Shaun is an accounting and finance professional with over 15 years' experience. He has worked in the capacity of Chief Financial Officer and Company Secretary for Mount Magnet South Limited from 2014 to 2016, Company Secretary for Sterling Plantations Limited from 2013 to current and Group Commercial Manager for Mount Gibson Iron Limited from 2011 to 2013. Prior to that, he was with Ernst & Young in Australia between 1999 and 2011 and was an Executive Director before his departure in 2011.

5.4 AMAL HISTORICAL FINANCIAL INFORMATION

(a) INTRODUCTION

This Section 5.4 contains the historical financial information for AMAL (**AMAL Historical Financial Information**) comprising:

- the historical statements of profit or loss and other comprehensive income for the years ended 30 June 2015, 30 June 2016 and 30 June 2017, and for the six months ended 31 December 2017;
- the historical statements of financial position as at 30 June 2015, 30 June 2016, 30 June 2017, 31 December 2017 and 30 April 2018; and
- the historical statements of cash flows for the years ended 30 June 2015, 30 June 2016 and 30 June 2017, and for the six months ended 31 December 2017.

(b) BASIS OF PREPARATION

The AMAL Historical Financial Information set out in this Section 5.4 is prepared for the purposes of this Scheme Booklet and its preparation and presentation is the responsibility of the AMAL Board.

The AMAL Historical Financial Information as at and for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 has been derived from its financial statements for the respective years which were audited by EY in accordance with Australian Auditing Standards. EY issued unqualified audit opinions on the financial statements of AMAL for the years ended 30 June 2015 and 30 June 2016. EY issued an unqualified audit opinion, which contained a material uncertainty paragraph related to going concern, on the financial statements of AMAL for the year ended 30 June 2017.

The AMAL Historical Financial Information as at and for the six months ended 31 December 2017 has been derived from AMAL's interim financial statements for the six months ended 31 December 2017 which were reviewed by EY. EY issued an unmodified limited assurance conclusion, which contained a material uncertainty paragraph related to going concern, on these financial statements.

The AMAL historical statement of financial position as at 30 April 2018 has been derived from its interim financial statements for the ten months ended 30 April 2018 which were reviewed by EY. EY issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements under paragraph 20 of AASB 134 Interim Financial Reporting. The modified limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The AMAL Historical Financial Information is presented in an abbreviated form and does not contain all the disclosure, presentation, statement or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. The AMAL Historical Financial Information should be read in conjunction with the full financial statements of AMAL, for the respective periods, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

Full financial statements for AMAL for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017, and for the six months ended 31 December 2017 and ten months ended 30 April 2018, were lodged with SGX-ST and are available free of charge at http://www.sgx.com/. The full financial statements for AMAL as at, and for the ten months ended, 30 April 2018, were lodged with SGX-ST on 20 August 2018.

The significant accounting policies adopted by AMAL in the preparation of the AMAL Historical Financial Information are consistent with those disclosed in AMAL's 2017 Annual Report. AMAL has not early adopted any Accounting Standards including AASB 9: *Financial Instruments* and AASB 15: *Revenue from Contracts with Customers* which are applicable for financial years beginning on or after 1 January 2018.

Accounting policies have been consistently applied over the periods the AMAL Historical Financial Information has been presented in this Section 5.4.

The AMAL Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS.

(c) STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Below are AMAL's historical statements of profit or loss and other comprehensive income for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017, and for the six months ended 31 December 2017.

	Year ended 30 Jun 2015 $'000	Year ended 30 Jun 2016 $'000	Year ended 30 Jun 2017 $'000	6 months ended 31 Dec 2017 $'000
Revenue				
Interest income	9	23	35	91
Total revenue	**9**	**23**	**35**	**91**
Other income	**931**	**134**	**321**	**-**
Foreign exchange (loss)/gain	773	111	(174)	(50)
Loss on disposal of assets	(1)	(15)	(2)	(352)
Fair value movement on embedded derivative	(15)	-	-	-
Accounting and audit expenses	(217)	(146)	(186)	(101)
Consulting and directors' fees	(356)	(344)	(274)	(290)
Tenement expenses	(125)	(176)	-	-

	Year ended 30 Jun 2015 $'000	Year ended 30 Jun 2016 $'000	Year ended 30 Jun 2017 $'000	6 months ended 31 Dec 2017 $'000
Bald Hill Project expenses	(51)	-	-	-
Listing expenses	(462)	-	-	-
Administrative expenses	(433)	(681)	(1,827)	(637)
Employee salaries and other benefits expenses	(673)	(489)	(369)	(299)
Site operating expenses	-	-	(1,840)	-
Borrowing costs	(575)	(788)	(488)	(169)
Other expenses	(280)	-	-	-
Impairment expense	(11,021)	-	-	-
Loss before income tax	**(12,496)**	**(2,371)**	**(4,804)**	**(1,807)**
Income tax expense	1,711	(1,711)	-	-
Loss after tax attributable to equity holders of AMAL	**(10,785)**	**(4,082)**	**(4,804)**	**(1,807)**
Other comprehensive income	-	-	-	-
Total comprehensive loss for the financial period attributable to equity holders of AMAL	**(10,785)**	**(4,082)**	**(4,804)**	**(1,807)**

(d) STATEMENTS OF FINANCIAL POSITION

Below are AMAL's historical statements of financial position as at 30 June 2015, 30 June 2016, 30 June 2017, 31 December 2017 and 30 April 2018.

	As at 30 Jun 2015 $'000	As at 30 Jun 2016 $'000	As at 30 Jun 2017 $'000	As at 31 Dec 2017 $'000	As at 30 Apr 2018 $'000
Current assets					
Cash and cash equivalents	3,856	5,390	2,857	15,614	1,712
Other receivables	1,839	2,147	148	1,428	1,613
Prepayments	-	-	-	-	1,188
Other current assets	31	23	3,790	1,345	7,255
Inventory	-	-	-	-	786
Total current assets	**5,726**	**7,560**	**6,795**	**18,387**	**12,554**
Non-current assets					
Receivables	986	-	-	-	-
Mine development	393	3,088	3,506	6,079	25,766
Deferred tax asset	1,711	-	-	-	-

	As at 30 Jun 2015 $'000	As at 30 Jun 2016 $'000	As at 30 Jun 2017 $'000	As at 31 Dec 2017 $'000	As at 30 Apr 2018 $'000
Property, plant & equipment	14,309	13,636	12,294	24,470	33,303
Reimbursement asset – rehabilitation obligation	-	-	-	663	2,664
Total non-current assets	**17,399**	**16,724**	**15,800**	**31,212**	**61,733**
Total assets	**23,125**	**24,284**	**22,595**	**49,599**	**74,287**
Current liabilities					
Trade and other payables	861	3,586	3,299	7,786	16,554
Deferred revenue	-	-	3,702	8,125	8,125
Employee benefit liabilities	33	38	45	65	329
Interest bearing loans and borrowings	42	1,032	25	94	169
Total current liabilities	**936**	**4,656**	**7,071** [(i)]	**16,070**	**25,177** [(i)]
Non-current liabilities					
Trade and other payables	2,784	669	-	-	-
Provision for rehabilitation	1,418	1,079	1,079	1,325	5,329
Interest bearing loans and borrowings	1,009	35	17	8	6,210
Total non-current liabilities	**5,211**	**1,783**	**1,096**	**1,333**	**11,539**
Total liabilities	**6,147**	**6,439**	**8,167**	**17,403**	**36,716**
Net assets	**16,978**	**17,845**	**14,428**	**32,196**	**37,571**
Equity					
Issued capital	34,011	38,960	38,960	58,535	58,535
Reserves	2,463	2,463	3,850	3,849	7,017
Accumulated losses	(19,496)	(23,578)	(28,382)	(30,188)	(27,981)
Total equity	16,978	17,845	14,428	32,196	37,571

(i) AMAL had a net current asset deficiency at 30 June 2017 and 30 April 2018 of $276,000 and $12,623,000 respectively (refer to Section 5.4(f) for further details).

(e) STATEMENTS OF CASH FLOWS

Below are AMAL's historical statements of cash flows for the financial years ended 30 June 2015, 30 June 2016, 30 June 2017, and for the six months ended 31 December 2017:

	Year ended 30 Jun 2015 $'000	Year ended 30 Jun 2016 $'000	Year ended 30 Jun 2017 $'000	6 months ended 31 Dec 2017 $'000
Cash flows from operating activities				
Interest received	9	23	35	91
Interest paid	(29)	(31)	(11)	(10)
Research and development tax rebate on operating expenditure	-	919	400	-
Other income received	-	-	191	120
Revenue received in advance	-	-	-	8,125
Payment to suppliers and employees	(3,454)	(1,754)	(2,521)	(1,875)
Net cash flows used in operating activities	**(3,474)**	**(843)**	**(1,906)**	**6,451**
Cash flows from investing activities				
Proceeds from the sale of assets	49	-	29	-
Payment of Security Deposit	(925)	-	-	-
Proceeds from redemption of fixed deposit	-	-	988	-
Proceeds from sale of tantalum	-	38	187	-
Research and development tax rebate on capital expenditure	-	784	706	-
Mine development expenditure	(819)	(3,054)	-	(2,834)
Purchase and refurbishment of plant & equipment	(4,631)	(424)	(4)	-
Payment for construction in progress	-	-	-	(9,401)
Net cash flows from/(used in) investing activities	**(6,326)**	**(2,656)**	**1,906**	**(12,235)**
Cash flows from financing activities				
Proceeds from share issues	8,569	4,981	-	19,575
Payments for share issue costs	(328)	(32)	-	-
Repayment of secured loan	-	-	(943)	-
Payment of finance lease principal	(14)	(16)	(17)	(9)
Payment of insurance premium loan principal	(80)	(70)	(170)	(10)
Loan drawdown	1050	-	-	-
Proceeds from insurance premium loan	-	59	160	79
Repayment of unsecured loan	-	-	(1,389)	(1,092)

	Year ended 30 Jun 2015 $'000	Year ended 30 Jun 2016 $'000	Year ended 30 Jun 2017 $'000	6 months ended 31 Dec 2017 $'000
Net cash flows (used in)/from financing activities	**9,197**	**4,922**	**(2,359)**	**18,543**
Net (decrease)/increase in cash and cash equivalents	**(603)**	**1,423**	**(2,359)**	**12,759**
Cash and cash equivalents at beginning of financial period	**3,686**	**3,856**	**5,390**	**2,857**
Net foreign exchange difference on cash balances	773	111	(174)	(2)
Cash and cash equivalents at end of financial period	**3,856**	**5,390**	**2,857**	**15,614**

(f) GOING CONCERN BASIS

The AMAL Historical Financial Information has been prepared on a going concern basis which assumes the continuity of AMAL's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Scheme Booklet, AMAL has worked with Tawana to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), AMAL will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment (refer to Section 5.6(b)). Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, AMAL will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown, failures and operational errors (refer to Section 8.3(e)).

The AMAL Board recognises that AMAL may need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

In March 2018, AMAL executed a loan deed for $13 million with a consortium of investors to fund the development of the Bald Hill Project. As at 30 April 2018, $8 million of this loan was drawn down. As at the date of this Scheme Booklet, the loan has been fully drawn down.

Subsequent to 30 April 2018, AMAL raised the following additional funds via equity raisings:

- on 2 May 2018, AMAL issued 76,522,804 AMAL Shares to sophisticated and institutional investors outside of Singapore to raise approximately $25.2 million (before costs);
- on 4 July 2018, AMAL issued 13,000,000 AMAL Shares to Burwill Holdings Ltd to raise approximately $4.2 million (approximately S$4.3 million) (before costs); and
- on 24 July 2018, AMAL issued 3,275,115 AMAL Shares to an institutional investor and 7,600,000 AMAL Shares to Canaccord (as underwriter) to raise approximately $3.6 million (approximately S$3.7 million) (before costs).

The AMAL Board is satisfied that they will be able to raise additional funds as required and thus it is appropriate to prepare the AMAL Historical Financial Information on a going concern basis.

In the event that AMAL is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the historical statements of financial position.

AMAL's historical statements of financial position do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should AMAL not be able to continue as a going concern.

5.5 CAPITAL STRUCTURE AND OWNERSHIP

(a) ISSUED AND OUTSTANDING SECURITIES

As at the Latest Practicable Date, AMAL has 659,471,907 shares and 27,000,000 options on issue.

(b) SUBSTANTIAL HOLDERS

As at the Latest Practicable Date, AMAL has the following substantial shareholders:

Name	Number of shares held	% of shares
Burwill Holdings Limited*	93,388,728	14.2%
Regal Funds Managements Pty Ltd	65,505,604	9.9%
Lim Asia Special Situations Master Fund Limited	60,350,000	9.2%
Lim Keng Hock Jonathan	46,074,788	7.0%
Credit Suisse AG	33,853,333	5.1%

*Held through Hillot Limited and Burwill Lithium Company Limited, wholly-owned subsidiaries within the group of which Burwill Holdings Limited is the holding company.

(c) AMAL EMPLOYEE SHARE OPTION SCHEME

At the time of admission to the Catalist board of the SGX-ST in 2014, AMAL adopted an employee share option plan to reward and retain directors and employees of AMAL. AMAL has not utilised the plan since its adoption. AMAL will consider adopting a new employee incentive plan, in line with market practice and consistent with the ASX Listing Rules and SGX Listing Rules, following the Implementation Date.

5.6 AMAL MATERIAL AGREEMENTS

(a) LOAN DEED

On 28 March 2018, AMAL (as borrower) and Tribeca Investment Partners Pty Ltd, Precision Opportunities Fund Ltd, Adrinat Investments Pty Ltd (as trustee for Baron Family Super Fund), Crofton Park Developments Pty Ltd (as trustee for Brougham Superannuation Fund) and M. Alter Super Fund Pty Ltd (as trustee for Alter Family Superannuation Fund) (collectively, the **Lenders**) entered into a Loan Deed (**Loan Deed**). Under the Loan Deed, the Lenders have agreed to provide a loan facility to AMAL for the purposes of funding the development of the Bald Hill Project.

The Loan Deed provides for a loan facility of $13 million, secured against AMAL's 50% interest in the Bald Hill Project. The loan facility has been fully drawn down by AMAL following the Lender's registration of a mortgage over AMAL's interest in the Bald Hill Project.

The key terms and conditions of the Loan Deed are:

- the maximum amount that can be drawn down by AMAL is $13 million in multiple drawdowns, by providing the Lenders a drawdown notice. As at the date of this Scheme Booklet, the loan has been fully drawn down;
- each drawdown under the loan facility will mature 24 months from the date of drawdown;
- interest will accrue at 11% per annum for the 6 months following the first drawdown of the facility and 20% per annum thereafter;
- the loan facility is secured against AMAL's 50% interest in the Bald Hill Project;
- standard events of default for a loan facility of this nature including, non-payment, insolvency, competing security interests, a material adverse event affecting AMAL and a change in control of more than 50% of the ordinary shares in AMAL without the prior written consent of the Lenders;

- an establishment fee of 1.5% of the total $13 million loan facility was paid to the Lenders; and
- the issue of 15,600,000 unlisted options by AMAL to the Lenders with an exercise price of S$0.4875 per share and an expiry date of 12 April 2021.

(b) BURWILL OFFTAKE AGREEMENT

On 20 April 2017, AMAL, Burwill Lithium Company Limited (formerly Burwill Commodity Limited) (**BLCL**) and Burwill Holdings Limited (the parent company of BLCL, listed on the main board of the Stock Exchange of Hong Kong) (as guarantor) executed a binding long-term offtake agreement in relation to AMAL's share of production from the Bald Hill Project (**Burwill Offtake Agreement**), which was subsequently amended on 23 October 2017.

The key terms of the Burwill Offtake Agreement (as amended) are as follows:

- AMAL must sell to BLCL all lithium concentrate produced from the Bald Hill Project attributable to AMAL by virtue of its share of ownership in the Bald Hill Project over an approximate initial five year term from 1 February 2018 to the earlier of 31 December 2022 or AMAL ceasing to extract lithium concentrate from mining operations at the Bald Hill Project. The parties may extend the term by up to five further one year periods upon agreement of the volume and price of lithium concentrate to be delivered during such periods.
- AMAL agrees to sell, and BLCL agrees to purchase, a minimum of 40,000 dry metric tonnes (**DMT**) of lithium concentrate in the first year and a minimum of 60,000 DMT in the second year for US$880 per DMT (FOB Esperance) (based on 6% lithium oxide (**Li_2O**) concentrate).
- In any year after the initial five year term of the Burwill Offtake Agreement, AMAL produces in excess of the minimum agreed offtake quantity, AMAL may sell the excess volume to a third party provided that BLCL has rejected an offer to buy the excess lithium concentrate.
- BLCL has advanced AMAL $8.125 million (**AMAL Advance Payment**). The AMAL Advance Payment was utilised for the continued development and operational costs at the Bald Hill Project. The AMAL Advance Payment is interest free, and will be repaid at the rate of 15% of the value of each lithium concentrate shipment until repaid.
- The price for lithium concentrate is subject to additional adjustments depending upon specifications. BLCL is only entitled to reject lithium concentrate that has less than 5.5% Li_2O or does not otherwise satisfy other agreed minimum specifications (not related to the Li_2O content).
- AMAL and BLCL have agreed a delivery schedule until 31 December 2019, and will agree a similar schedule for the remaining years in the term. Price adjustments will apply where AMAL delivers lithium concentrate more than 15 days after the agreed delivery date or BLCL fails to take delivery of lithium concentrate more than 15 days after the agreed delivery date. A party will be in breach of the Burwill Offtake Agreement if it does not deliver lithium concentrate or fails to take delivery of lithium concentrate (as applicable) more than 60 days after the agreed delivery date.
- The Burwill Offtake Agreement may be terminated by:
  - either party, if the other party materially breaches, or fails to comply with, a material obligation under the Burwill Offtake Agreement which is not remedied within the applicable time period;
  - AMAL, if, after the initial two year fixed price period, the all-in sustaining costs of extracting and delivering lithium concentrate to the Port of Esperance (on a per DMT basis) are certified by an independent auditor to exceed the agreed price per DMT payable by BLCL; or
  - BLCL, if the authority of AMAL to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation or other intervention.
- If the Burwill Offtake Agreement is terminated, the party in breach must pay the other party $1.5 million within 2 months from the date of termination and AMAL must repay any outstanding AMAL Advance Payments within 12 months from the date of termination.
- If the processing plant at the Bald Hill Project is expanded, AMAL must give BLCL a written offer to provide an integrated offtake and funding solution for the proposed expansion. If BLCL rejects the offer AMAL is able to enter into an agreement to give effect to the arrangement contemplated in the offer and sell any additional volumes of the product to third parties without breaching its obligations to BLCL.

(c) BURWILL CAPITAL RAISING TERM SHEET

On 2 October 2017, AMAL and Burwill Lithium Company Limited (**BLCL**) executed a binding term sheet, which was subsequently amended on 30 October 2017, pursuant to which, amongst other things:

- AMAL agreed to provide BLCL the opportunity to participate in any future capital raisings on equal terms as other investors; and
- BLCL was permitted to nominate the appointment of a director to the AMAL Board (which right was exercised to nominate Mr Chan Hung Chui Eddy).

(d) ROYALTY AGREEMENT

In December 2010, AMAL acquired certain tenements within the Bald Hill Project area from Living Waters pursuant to a sale of business agreement. As part of this acquisition, AMAL also assumed the obligation to pay a royalty to the original owners of the acquired tenements, Maxwell Peter Strindberg and ABEH Pty Ltd (**Royalty Holders**). The royalty covers tenements M15/1305, M15/1308, E15/1353, M15/1470, P15/5862, P15/5863, P15/5864 and P15/5865.

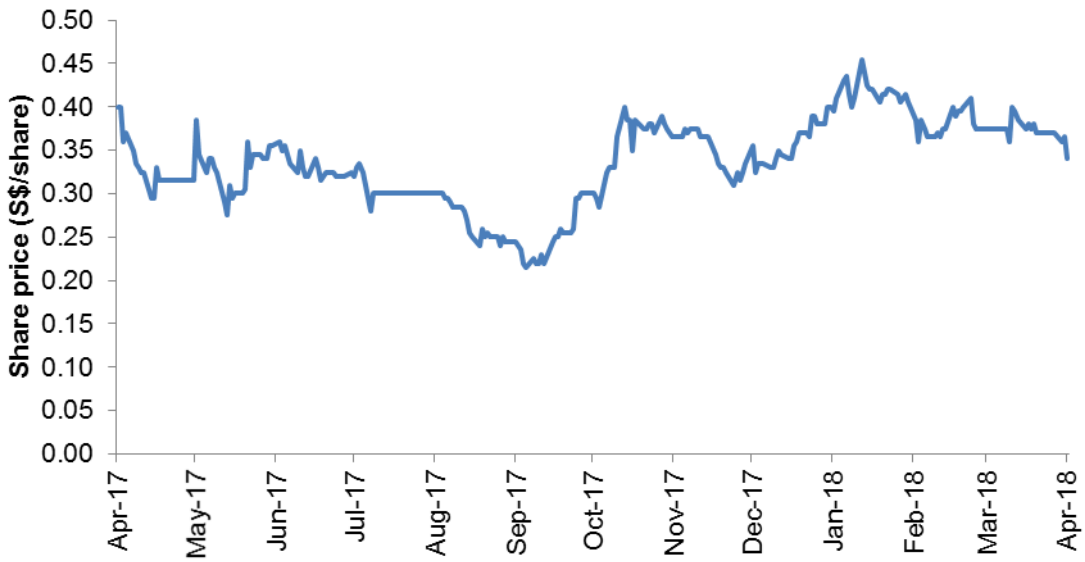
AMAL and Lithco are each required to pay 50% of a monthly royalty to the Royalty Holders based on:

- 2.5% of the gross proceeds of sale net of GST of all finished processed material of tantalum or tin; and
- 5% of the gross proceeds of sale net of GST of all finished processed materials other than tantalum and tin.

5.7 RECENT SHARE PRICE HISTORY

The latest recorded trading price of AMAL Shares on the SGX-ST before the public announcement of the Scheme on the Announcement Date was S$0.34. The latest recorded trading price of AMAL Shares on the SGX-ST on the Latest Practicable Date, was S$0.3335.

The following chart shows the closing price of AMAL Shares on the SGX-ST over the past 12 months to the Announcement Date.



As at the Latest Practicable Date:

- the last recorded trading price of AMAL Shares was S$0.3335;
- the 10 day VWAP of AMAL Shares was S$0.3402;
- the highest recorded trading price of AMAL Shares in the previous 3 months was S$0.3850; and
- the lowest recorded trading price of AMAL Shares in the previous 3 months was S$0.3250.

The current price of AMAL Shares on SGX-ST can be obtained from the SGX-ST website (https://www.sgx.com/).

5.8 AMAL'S INTERESTS IN TAWANA SHARES

As at the date of this Scheme Booklet, AMAL holds no interest in Tawana Shares and has no voting power in respect of Tawana Shares.

Subject to the below, AMAL has no relevant interest in Tawana Shares.

ASIC has advised that it has concerns that the voting intention statements given by the Relevant Shareholders (refer to Section 1.1(e)) may constitute arrangements between AMAL and the Relevant Shareholders such that AMAL would be treated under the Corporations Act as having a relevant interest in the Tawana Shares held by the Relevant Shareholders. This would result in AMAL having a relevant interest in more than 20 per cent of all Tawana Shares which would constitute a breach of section 606 of the Corporations Act.

Accordingly, ASIC has advised that it is reserving its position regarding whether votes cast by a Relevant Shareholder should be disregarded. Tawana has agreed with ASIC to "tag" any such votes cast at the Scheme Meeting so that these votes can be separately recorded. This will enable ASIC, and if necessary the Court, at the Second Court Hearing to consider whether the resolution to be considered at the Scheme Meeting, if approved by the requisite majorities, would have been approved even if these votes were to be disregarded.

5.9 BENEFITS TO HOLDERS OF SHARES

Other than as set out above, neither AMAL nor any of its associates has given or offered to give or agreed to give a benefit to another person that was likely to induce the other person, or an associate of that person to:

- vote in favour of the Scheme; or
- dispose of Tawana Shares,
- during the period of 4 months ending on the Latest Practicable Date and which was not offered to all other Tawana Shareholders.

5.10 AMAL REPORTING AND DISCLOSURE

AMAL is subject to the continuous disclosure requirements of the SGX-ST.

AMAL's most recent announcements are available from its website http://www.alliancemineralassets.com.au or AMAL's profile on the SGX-ST website at http://www.sgx.com. Further announcements concerning AMAL will continue to be made available on this website after the date of this Scheme Booklet.

5.11 MANAGEMENT CHANGES

With effect from 1 March 2018, AMAL terminated the services of Tjandra Adi Pramoko (then Chief Executive Officer) and Simone Suen Sze Man (then Executive Director). The termination period expires six months from 1 March 2018.

Neither Mr Tjandra nor Ms Suen has accepted AMAL's offer to provide the relevant payments in lieu of notice and other agreed benefits in accordance with their respective service agreements, with the result that both remain on 'gardening leave' as at the date of this Scheme Booklet.

5.12 NO OTHER MATERIAL INFORMATION

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any director of AMAL, at the date of this Scheme Booklet, which has not previously been disclosed to Tawana Shareholders.

6. INFORMATION ABOUT THE MERGED GROUP

6.1 RATIONALE FOR AMAL'S PROPOSED ACQUISITION OF TAWANA

The Scheme proposal represents an opportunity to simplify and consolidate the ownership structure and operational management of the Bald Hill Project to create a mid-tier producer of high-demand lithium concentrate.

Implementation of the Scheme and creation of the Merged Group is expected to deliver several benefits to both companies.

(a) SINGLE OWNERSHIP STRUCTURE

Upon implementation of the Scheme, the Bald Hill Project will be owned by AMAL and a wholly owned subsidiary of AMAL (i.e. Lithco). The Merged Group will consider collapsing the Bald Hill Joint Venture. The Merged Group will be able to streamline the operation of the Bald Hill Project without the structures and processes imposed by the Bald Hill Joint Venture Agreement. This will position the Merged Group as a more meaningful supplier of quality lithium concentrate to satisfy growing demand for energy storage applications including long life lithium-ion batteries for electric vehicles and consumer electronics.

(b) EXPERIENCED MERGED GROUP BOARD AND MANAGEMENT TEAM

The Merged Group will bring together AMAL and Tawana personnel to establish a highly credentialed and experienced board of directors and management team (refer to Section 6.3).

(c) STRONGER FINANCIAL POSITION

The Merged Group will have a stronger financial position, with a pro forma market capitalisation of approximately $433 million[8], providing it with greater capacity and flexibility to pursue the development of the Bald Hill Project and capitalise on opportunities as market demand dictates.

(d) DIVERSIFIED SHAREHOLDER BASE AND ENHANCED PROFILE

The Merged Group will have access to both the Singapore and Australian capital markets through its listing on ASX and SGX-ST, which is expected to result in:

- enhanced access to debt and equity capital markets;
- increased coverage from equity research analysts;
- increased interest from institutional investors;
- access to a wider shareholder base; and
- potential to become listed on the SGX-ST main board.

6.2 AMAL'S INTENTIONS IF THE SCHEME IS IMPLEMENTED

This Section sets out AMAL's present intentions in relation to the continuation of the business of Tawana, any major changes to be made to the business of Tawana, including any redeployment of the fixed assets of Tawana and the future employment of the present employees of Tawana, if the Scheme is implemented.

The statements set out in this section are statements of present intention only and have been formed based on facts and information concerning Tawana (including certain non-public information made available by Tawana to AMAL prior to entry into the Scheme Implementation Agreement) and the general business environment which is known to AMAL at the time of preparing this Scheme Booklet. Final decisions on these matters will only be made by AMAL considering all material facts and circumstances at the relevant time. Accordingly, statements set out in this section may change as new information becomes available or as circumstances change, and the statements in this Section should be read in this context.

[8] Based on the expected number of AMAL Shares on the Implementation Date, and using closing price of AMAL Shares on SGX on the Latest Practicable Date and an exchange rate of S$1:A$0.99.

If the Scheme is implemented:

- AMAL will become the holder of all Tawana Shares and Tawana will become a wholly-owned Subsidiary of AMAL;
- the AMAL Board will be re-constituted as contemplated in Section 6.3, and the Tawana Board will be reconstituted to reflect the requirements of AMAL;
- Tawana will apply to be removed from the official list of ASX (to take effect immediately after the Implementation Date) and from the official list of JSE (to take effect after the net proceeds of sale of the AMAL Shares to which the SA Holders (as Ineligible Shareholders) are entitled have been remitted);
- AMAL will investigate collapsing the Bald Hill Joint Venture between AMAL and Tawana;
- AMAL will investigate a consolidated management team comprising personnel from AMAL and Tawana;
- Tawana employees will continue in their current roles within the Merged Group;
- AMAL anticipates ramping up production of lithium concentrate at the Bald Hill Project, with targeted production of 155,000 tonnes per annum from the existing Dense Media Separation (DMS) circuit. Modifications to increase throughput and the addition of a fines circuit to treat otherwise stockpiled material (below 1mm fines and 1mm-5.6mm middlings) is also envisaged to further boost production from the existing plant;
- assessment is also underway to add tantalite by-product production through an upgrade of the original tantalum ore processing plant. AMAL will also consider options for expansion of processing capacity and concentrate production through the construction of an additional DMS circuit; and
- AMAL will continue to work on upgrading existing, and defining new, Mineral Resources and Ore Reserves to extend mine life and further enhance the value of the Bald Hill Project, over the next 12 months.

Except for the changes and intentions set out in this section, following implementation of the Scheme, AMAL intends, based on information presently known to it:

- to continue the business of Tawana;
- not to make any changes to the business of Tawana or the deployment of Tawana's assets; and
- to continue the employment of Tawana's employees.

6.3 BOARD COMPOSITION

The AMAL Board currently consists of 5 directors. Following implementation of the Scheme, in accordance with the Scheme Implementation Agreement, the AMAL Board will be reconstituted as follows:

- Mark Turner - Independent Non-Executive Chairman. Mark Turner is currently an Independent Non-Executive Director of Tawana.
- Mark Calderwood - Managing Director. Mark Calderwood is currently the Managing Director of Tawana.
- Robert Vassie - Independent Non-Executive Director. Robert Vassie is currently an Independent Non-Executive Director of Tawana.
- Vickie Xie - Non-Executive Director. Vicki Xie is currently a Non-Executive Director of Tawana.
- Arnold Chan Ming Fai - Non-Executive Director. Arnold Chan Ming Fai is currently an Independent Non-Executive Director of Burwill.
- Ong Kian Guan ("Joshua Ong") - Independent Non-Executive Director. Joshua Ong is currently an Independent Non-Executive Director of AMAL.
- Geoffrey McNamara - Independent Non-Executive Director.

Subject to AMAL shareholder approval of an increase in the maximum aggregate directors' fees to $800,000, it is proposed that:

- the total remuneration of each non-executive member of the reconstituted AMAL Board (other than the chairperson) will be $70,000 per annum (including statutory superannuation), plus $8,000 per board committee role and $15,000 per board committee chair role; and

- the total remuneration of the chairperson of the AMAL Board will be $120,000 per annum (including statutory superannuation entitlements), plus $8,000 per board committee role and $15,000 per board committee chair role.

As Managing Director of the Merged Group, Mark Calderwood's remuneration will continue, entitling him to $400,000 per annum (including statutory superannuation entitlements). See also the change of control payment referred to in Section 10.3(b).

6.4 CAPITAL STRUCTURE

As at the Latest Practicable Date, AMAL had 659,471,907 shares listed for trading on the SGX-ST.

Should the Scheme be approved by Tawana Shareholders, AMAL will issue an aggregate of up to approximately 635,901,782 AMAL Shares to Scheme Participants to acquire a 100% interest in Tawana pursuant to the Scheme and, in addition, AMAL will issue up to 10,106,775 AMAL Shares pursuant to the Option Cancellation Deeds (in each case subject to no Options being exercised between the Latest Practicable Date and the Record Date).

At the Implementation Date, the collective shareholding interest of Tawana Shareholders in AMAL will be approximately 49% (assuming that there are no Ineligible Shareholders and that AMAL does not acquire any Tawana Shares outside of the Scheme).

As described in Section 5.5, as at the Latest Practicable Date, AMAL has 5 substantial shareholders, the largest of which, Burwill Holdings Limited (**Burwill**), has an interest of approximately 14.2%. As a result of the implementation of the Scheme, Burwill's shareholding will be diluted to a position where its holding will be approximately 7.2%. Only two Tawana Shareholders will become substantial shareholders in AMAL as a result of the Scheme: Weier Antriebe und Energietechnik Gmbh will hold approximately 6.4% and Tribeca Investment Partners (who is also currently a shareholder of AMAL) will hold approximately 6.0% (assuming no other acquisitions are made).

Upon implementation of the Scheme and the acquisition by AMAL of all Tawana Shares, AMAL will have the following securities on issue:

AMAL Shares on issue as at the Latest Practicable Date	659,471,907
AMAL Shares issued to Scheme Participants [3]	635,901,782
AMAL Shares issued pursuant to Option Cancellation Deeds [1]	10,106,775
Total	**1,305,480,464**
AMAL options [2]	27,000,000

Notes:
1. Subject to no Options being exercised between the Latest Practicable Date and the Record Date.
2. Assuming no AMAL options are exercised between the Latest Practicable Date and the Implementation Date.
3. Figures may change due to rounding under the Scheme. Presented as a likely maximum figure.

6.5 PRO FORMA HISTORICAL FINANCIAL INFORMATION

(a) INTRODUCTION

This Section 6.5 contains the pro forma historical consolidated statement of financial position for the Merged Group as at 30 April 2018 (**Pro Forma Historical Financial Information**).

The Tawana Historical Financial Information, AMAL Historical Financial Information and the Pro Forma Historical Financial Information is collectively referred to in this Scheme Booklet as the "**Financial Information**".

The Financial Information has been reviewed by Ernst & Young Transaction Advisory Services Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* whose Independent Limited Assurance Report on the Financial Information is contained in Annexure B. Investors should note the scope and limitations of the Independent Limited Assurance Report.

(b) BASIS OF PREPARATION

The AMAL Board is responsible for the presentation and preparation of the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information has been derived from the historical consolidated statement of financial position of Tawana and the historical statement of financial position of AMAL as at 30 April 2018 adjusted for the effects of Cowan Lithium Demerger and the Transaction (Pro Forma Adjustments) as if the Pro Forma Adjustments had occurred at 30 April 2018.

The historical consolidated statement of financial position of Tawana and historical statement of financial position of AMAL as at 30 April 2018 has been derived from the interim financial statements of Tawana for the four months ended 30 April 2018 and interim financial statements of AMAL for the ten months ended 30 April 2018 respectively.

The interim financial statements of Tawana for the four months ended 30 April 2018 have been reviewed by EY. EY issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements under paragraph 20 of AASB 134 Interim Financial Reporting. The limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The interim financial statements of AMAL for the ten months ended 30 April 2018 have been reviewed by EY. EY issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements under paragraph 20 of AASB 134 Interim Financial Reporting. The limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The Pro Forma Historical Financial Information is provided for illustrative purposes only and is prepared on the assumption that the Pro Forma Adjustments occurred on 30 April 2018. Due to its nature, the Pro Forma Historical Financial Information does not represent Tawana's or the Merged Group's actual or prospective financial position.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes adjustments, which have been prepared in a manner consistent with AAS that reflect the impact of the Pro Forma Adjustments as if they occurred as at 30 April 2018.

The Pro Forma Historical Financial Information is presented in an abbreviated form and does not contain all of the presentation, comparative information and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

The Pro Forma Historical Financial Information presented in this Section 6.5 should be read in conjunction with the risk factors set out in Section 8 and other information contained in this Scheme Booklet.

The Pro Forma Historical Financial Information does not reflect all of the transactions that have occurred since 30 April 2018 as discussed further below.

Amounts in this Section 6.5 have been rounded to the nearest $1,000.

(c) ACCOUNTING POLICIES

Except for the adoption of AASB 9: *Financial Instruments* (**AASB 9**) and AASB 15: *Revenue from Contracts with Customers* (**AASB 15**) with effect from 1 January 2018, the significant accounting policies adopted by Tawana in the preparation of the Pro Forma Historical Financial Information are consistent with those disclosed in Tawana's 2017 Annual Report. The impact of adopting AASB 9 and AASB 15 is detailed in the interim financial statements of Tawana for the four months ended 30 April 2018. As disclosed in those interim financial statements, the adoption of AASB 9 impacted the classification of financial assets but had no measurement impact at the date of adoption.

The adoption of AASB 15 had no impact at the date of adoption.

AMAL has not yet adopted AASB 9 and AASB 15. As disclosed in the interim financial statements of AMAL for the ten months ended 30 April 2018 the adoption of these Accounting Standards is not expected to have a significant impact on AMAL.

(d) GOING CONCERN BASIS

The Pro Forma Historical Financial Information has been prepared on a going concern basis which assumes the continuity of the Merged Group's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Scheme Booklet, Tawana and AMAL have worked together to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), the Merged Group will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment (refer to Sections 4.6(b) and 5.6(b)). Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, the Merged Group will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown or failures and operational errors (refer to Section 8.3(e)).

The Tawana Directors and the AMAL Board recognise that the Merged Group will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

Subsequent to 30 April 2018:

- Tawana raised the following additional funds:
  - on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately $4.9 million (before costs); and
  - 11,653,060 Options were exercised at an average price of $0.158 per Option to raise approximately $1.8 million.
- AMAL raised the following additional funds via equity raisings:
  - on 2 May 2018, AMAL issued 76,522,804 AMAL Shares to sophisticated and institutional investors outside of Singapore to raise approximately $25.2 million (before costs);
  - on 4 July 2018, AMAL issued 13,000,000 AMAL Shares to Burwill Holdings Ltd to raise approximately $4.2 million (approximately S$4.3 million) (before costs); and
  - on 24 July 2018, AMAL issued 3,275,115 AMAL Shares to an institutional investor and 7,600,000 AMAL Shares to Canaccord (as underwriter) to raise approximately $3.6 million (approximately S$3.7 million) (before costs).

In addition, Tawana is currently negotiating the terms of a proposed $15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana's exposure to cash flow risks during the initial phase of the Bald Hill Project.

The Tawana Directors and the AMAL Board are satisfied that they will be able to raise additional funds as required and thus it is appropriate to prepare the Pro Forma Historical Financial Information on a going concern basis.

In the event that the Merged Group is unable to generate sufficient cash flow or obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the pro forma historical consolidated statement of financial position.

The Merged Group's pro forma historical consolidated statement of financial position does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Merged Group not be able to continue as a going concern.

(e) PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is the Merged Group's pro forma historical consolidated statement of financial position as at 30 April 2018:

As at 30 April 2018	Historical Consolidated Statement of Financial Position of Tawana $'000	Historical Statement of Financial Position of AMAL $'000	Pro Forma Adjustments				Pro Forma Historical Consolidated Statement of Financial Position $'000
			Cowan Lithium Demerger (see Sections 6.5(f)(i) and 6.5(g)a) $'000	Transaction Costs (see Section 6.5(g)b) $'000	The Transaction (see Sections 6.5(f)(ii) and 6.5(g)c) $'000	Elimination of inter-company accounts (see Section 6.5(g)d) $'000	
Current assets							
Cash and cash equivalents	27,451	1,712	-	(18,789)	-	-	10,374
Trade and other receivables	8,765	1,613	-	-	-	(7,668)	2,710
Other current assets (including prepayments)	110	8,443	-	-	(1,188)	(5,538)	1,827
Disposal group held for distribution	4,225	-	(4,225)	-	-	-	-
Inventory	815	786	-	-	-	-	1,601
Total current assets	**41,366**	**12,554**	**(4,225)**	**(18,789)**	**(1,188)**	**(13,206)**	**16,512**
Non-current assets							
Mine properties	32,310	25,766	-	-	74,560	-	132,636
Exploration and evaluation expenditure	282	-	-	-	77,305	-	77,587
Property, plant and equipment	32,689	33,303	-	-	-	-	65,992
Deposits	75	-	-	-	-	-	75
Investment in associates	-	-	634	-	-	-	634
Rehabilitation reimbursement asset	-	2,664	-	-	-	(2,664)	-
Goodwill	-	-	-	-	57,005	-	57,005
Total non-current assets	**65,356**	**61,733**	**634**	**-**	**208,870**	**(2,664)**	**333,929**
Total assets	**106,722**	**74,287**	**(3,591)**	**(18,789)**	**207,682**	**(15,870)**	**350,441**
Current liabilities							
Trade and other payables	22,841	16,554	-	-	-	(13,206)	26,189

As at 30 April 2018	Historical Consolidated Statement of Financial Position of Tawana $'000	Historical Statement of Financial Position of AMAL $'000	Pro Forma Adjustments				Pro Forma Historical Consolidated Statement of Financial Position $'000
			Cowan Lithium Demerger (see Sections 6.5(f)(i) and 6.5(g)a) $'000	Transaction Costs (see Section 6.5(g)b) $'000	The Transaction (see Sections 6.5(f)(ii) and 6.5(g)c) $'000	Elimination of inter-company accounts (see Section 6.5(g)d) $'000	
Deferred revenue	11,500	8,125	-	-	-	-	19,625
Interest bearing loans and borrowings	-	169	-	-	-	-	169
Employee benefit liabilities	259	329	-	-	-	-	588
Total current liabilities	**34,600**	**25,177[(a)]**	**-**	**-**	**-**	**(13,206)**	**46,571[(b)]**
Non-current liabilities							
Deferred revenue	1,000	-	-	-	-	-	1,000
Interest bearing loans and borrowings	5,000	6,210	-	-	1,763	-	12,973
Provision for rehabilitation	2,710	5,329	-	-	-	(2,664)	5,375
Total non-current liabilities	**8,710**	**11,539**	**-**	**-**	**1,763**	**(2,664)**	**19,348**
Total liabilities	**43,310**	**36,716**	**-**	**-**	**1,763**	**(15,870)**	**65,919**
Net assets	**63,412**	**37,571**	**(3,591)**	**(18,789)**	**205,919**	**-**	**284,522**
Equity							
Contributed equity	127,253	58,535	(1,976)	-	184,955	-	368,767
Reserves	5,859	7,017	(1,615)	-	(7,017)	-	4,244
Accumulated losses	(71,288)	(27,981)	1,588	(18,789)	27,981	-	(88,489)
Equity relating to disposal group	1,588	-	(1,588)	-	-	-	-
Total equity	**63,412**	**37,571**	**(3,591)**	**(18,789)**	**205,919**	**-**	**284,522**

(a) AMAL had a net current asset deficiency at 30 April 2018 of $12,623,000. (Refer to Section 5.4(e) for further details).

(b) The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 30 April 2018 of $30,059,000. (Refer to Section 6.5(d) for further details).

(f) NOTES TO PRO FORMA HISTORICAL FINANCIAL INFORMATION

(i) Cowan Lithium Demerger

As detailed in Section 4.9, on 6 July 2018, Tawana Shareholders approved all resolutions required to give effect to the Cowan Lithium Demerger, which completed on 18 July 2018. The demerger was achieved through a capital reduction satisfied by way of a pro rata in-specie distribution of 85% of the fully paid ordinary shares in the capital of Cowan Lithium to Tawana shareholders.

The split of the capital reduction between contributed equity and demerger reserves was $1,976,000 and $1,615,000 respectively.

Tawana retained a 15% interest in the share capital of Cowan Lithium and, subject to ASX waiver, has the right to maintain its proportionate interest in the future. At 30 April 2018, the fair value of the assets to be distributed amounted to $4,225,000 as summarised below:

	30 April 2018 $'000
Cash and cash equivalents	751
Other receivables	2
Prepayments	4
Property, plant and equipment	19
Exploration and evaluation expenditure	3,451
Accruals	(2)
	4,225

The fair value less costs to distribute (**FVLCD**) of the exploration projects of Cowan Lithium was determined based on comparable market transactions by an independent third party valuer. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. In determining the FVLCD, estimates were made in relation to the underlying resources and the valuation multiple.

In addition, for so long as Tawana holds at least a 10% interest in the share capital of Cowan Lithium, it has the right to appoint a nominee director to the board of Cowan Lithium.

(ii) The Transaction

On 5 April 2018, AMAL and Tawana entered into a Scheme Implementation Agreement pursuant to which AMAL will acquire all of the Tawana Shares by way of a scheme of arrangement under the Corporations Act. Under the Scheme, each Tawana Share will be exchanged for 1.1 ASX Listed Shares, which trade on ASX, or, if elected, 1.1 SGX Listed Shares, which trade on the SGX-ST. Upon implementation of the Scheme, AMAL Shareholders will own approximately 50.91% of the Merged Group and Tawana Shareholders will own approximately 49.09% of the Merged Group. AMAL will directly and indirectly own a 100% interest in the Bald Hill Project.[9]

The Scheme extends to any Tawana Shares that are issued prior to the Record Date as a result of the exercise of any Options. As detailed in Section 10.5, each holder of Options has entered into an Option Cancellation Deed under which, conditional on the Scheme becoming Effective, the holder agrees that its Options will be cancelled automatically on the Implementation Date in exchange for such number of AMAL Shares as detailed in Section 10.5, to the extent those Options are not exercised into Tawana Shares prior to the Record Date.

As at the Latest Practicable Date, there are 18,693,880 Options on issue which are exercisable into an aggregate of 18,693,880 Tawana Shares at exercise prices of between $0.06 and $0.50 per Option. Pursuant to the Option

[9] As of 27 July 2018, there were 18,693,880 Options on issue. If these Options are not exercised by the Record Date, the Options will be cancelled in exchange for an aggregate of up to 10,106,775 AMAL Shares. As noted below in Section 6.5(g)e, the issue of AMAL Shares in settlement of unexercised Options at the Implementation Date will be accounted for as a modification of a share based payment arrangement. Had the settlement of unexercised Options for AMAL Shares been taken into account in determining shareholding of the Merged Group, AMAL Shareholders would have owned approximately 50.52% of the Merged Group and Tawana Shareholders would have owned approximately 49.48% of the Merged Group.

Cancellation Deeds, if these Options are not exercised between the Latest Practicable Date and the Record Date, the Options would be cancelled in exchange for an aggregate of up to 10,106,775 AMAL Shares.

The Scheme is conditional upon approval by the Requisite Majority at the Scheme Meeting and is also subject to Australian regulatory approvals/consents, AMAL Shareholder approval, Court approval, third party approvals and ASX approval for the quotation of AMAL Shares, together with certain other conditions customary for a transaction of this nature. The Scheme is not subject to any due diligence or financing conditions.

AAS require that where two or more entities combine through an exchange of equity for the purposes of a combination, one of the entities must be determined to be the accounting acquirer. AMAL is the legal acquirer under the Transaction (in that, if the Scheme is implemented, AMAL will acquire all of the Tawana Shares on issue on the Record Date), and will therefore be the legal parent company of the Merged Group. However, after assessing the guidance set out in Australian Accounting Standard AASB 3: *Business Combinations* and in particular the expected Board and management composition of the Merged Group, Tawana has been assessed to be the accounting acquirer. Therefore, the future consolidated financial statements of the Merged Group will represent the continuation of the operations of the accounting acquirer, Tawana.

The fair value of the deemed consideration transferred by the accounting acquirer is based on the number of equity interests the legal subsidiary would have had to issue to give the owners of the legal parent the same percentage equity interest in the combined entity that results from the Transaction. The fair value of the number of equity interests calculated in that way, based on the share price of accounting acquirer at the date of acquisition, is used as the fair value of consideration transferred.

For the purposes of the Pro Forma Historical Financial Information, the fair value on the acquisition date of the deemed consideration transferred by Tawana, is estimated to be approximately $243.5 million as set out below. This is based on the closing Tawana share price on 27 July 2018. The calculation assumes that no Options will be exercised between 27 July 2018 and the Implementation Date and consequently all Options outstanding on 27 July 2018 will be converted into AMAL Shares as outlined in Section 10.5 of the Scheme Booklet.

Pro forma fair value of the deemed consideration transferred:

	Number
Number of Tawana Shares on issue at 30 April 2018	554,084,489
Number of Options exercised between 1 May 2018 and 27 July 2018	11,653,060
Tawana Shares issued to Metalicity Energy Ltd on transfer of final Lake Cowan Project tenement on 21 May 2018	153,846
Tawana Shares issued pursuant to the conditional placement on 6 July 2018	12,195,122
Expected total number of Tawana Shares on issue considered for the purpose of calculating the pro forma fair value of the deemed consideration transferred*	**578,086,517**
Maximum number of AMAL Shares expected to be issued to Tawana Shareholders on Implementation Date in accordance with the Scheme Consideration	635,895,169
Number of AMAL Shares expected to be on issue immediately prior to the Implementation Date	659,471,907
Total number of AMAL Shares expected to be on issue on Implementation Date	**1,295,367,076**
Number of Tawana Shares that would have to be issued to maintain the same 50.91%/49.09% ownership ratio	599,519,915
Closing Tawana share price on 27 July 2018	$0.40
Pro forma fair value of Tawana Shares transferred	$239,808,000

	Number
Pro forma fair value of replacement share based payment options considered to be part of the consideration transferred [(i)]	$3,682,000
Pro forma fair value of deemed consideration transferred	**$243,490,000**

*Subject to no Options being exercised between 27 July 2018 and the Record Date.

(i) In accordance with AAS, the fair value attributed to the AMAL options on issue at 30 April 2018 that had vested prior to the acquisition date is recognised as part of the deemed consideration transferred. A summary of key assumptions adopted in the Black Scholes model to estimate the fair value of these options at 30 April 2018 for the purposes for the Pro Forma Historical Financial Information is detailed below:

Number of options	15,600,000	3,800,000	3,800,000	3,800,000
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	65%	65%	65%	65%
Risk free interest rate (%)	2%	2%	2%	2%
Expected life (years)	2.9 years	2.1 years	2.1 years	2.1 years
Share price $SGD	0.36	0.36	0.36	0.36
Exercise price $SGD	0.49	0.24	0.30	0.36
Fair value per option $AUD	0.13	0.18	0.15	0.13

Under AAS, the actual measurement date of the deemed consideration transferred will occur on the acquisition date which is generally taken to be the date the Scheme is implemented. Consequently, the fair value of the deemed consideration transferred will differ from the amount assumed in the Pro Forma Historical Financial Information due to any further changes in the market price of Tawana Shares or in the number of Tawana Shares issued and outstanding.

Both Tawana and AMAL are parties to the Bald Hill Joint Venture in accordance with the Bald Hill Joint Venture Agreement as discussed in Section 4.6(a) which is currently accounted for as a joint operation by both Tawana and AMAL.

In accounting for the business combination, the Tawana Directors have elected to apply a policy to carry Tawana's existing interest in the net assets of the Bald Hill Project at cost. Accordingly, the deemed consideration transferred will be allocated over the net assets acquired which includes AMAL's 50% interest in the net assets of the joint operation. The preliminary purchase price allocation is subject to change and is summarised as follows:

	$'000
Pro forma total fair value of deemed consideration transferred	243,490
Estimated fair value of the net assets acquired	
Exploration and evaluation expenditure (a)	77,305
Mine properties (b)	100,326
Property, plant and equipment (c)	33,303
Borrowings (d)	(8,142)
Net other assets and liabilities acquired (including cash) (e)	(16,307)
Deferred tax asset/liability (f)	-
Net identifiable assets	**186,485**
Provisional goodwill at date of acquisition (g)	**57,005**

The purchase price accounting for the net assets acquired has been determined on a provisional basis. The preliminary estimate of the fair values of the assets and liabilities of AMAL is summarised below:

a. The fair value of AMAL's interest in exploration and evaluation expenditure has been estimated to be $77,305,000 based on the preferred valuation of the Resources not included in the life of mine based on the Technical Specialist Report included as an annexure to the Independent Expert's Report (refer to section 11.1.2 of the Independent Expert's Report). This has resulted in a pro forma fair value uplift of $77,305,000 on exploration and evaluation expenditure.

b. The fair value of AMAL's interest in mine properties has been estimated at $100,326,000 based on preferred fair value of the Bald Hill Project of $131,000,000 as determined by the Independent Expert in the Independent Expert's Report, adjusted to include the estimated fair value of AMAL's office space of $750,000 and exclude the estimated fair value of property, plant and equipment of $33,303,000, the estimated fair value of consumables of $786,000 and rehabilitation liabilities of $2,665,000.

   The estimated fair value for mine properties of $100,326,000 compared to the carrying value of mine properties in the Historical Statement of Financial Position of AMAL at 30 April 2018 of $25,766,000 resulted in a pro forma fair value uplift of $74,560,000 for mine properties.

c. The fair value of AMAL's interest in property, plant and equipment at the Bald Hill Project has been assumed to be equal to its carrying value of $33,303,000.

d. The fair values of AMAL's borrowings was determined by using the discounted cash flow method using a current market borrowing cost of approximately 20%. This has resulted in a pro forma fair value uplift of $1,763,000 on interest bearing loans and borrowings.

e. Except for prepaid borrowing costs, the fair value of other assets and liabilities acquired has been assumed to be equal to its carrying value. For the purposes of the Pro Forma Historical Financial Information no value has been ascribed to the prepaid borrowing costs recognised by AMAL amounting to $1,188,000.

f. It is assumed that AMAL will form a tax consolidated group prior to the settlement of the Transaction and on settlement Tawana will join the AMAL tax consolidated group. For the purposes of the Pro Forma Historical Financial Information it is assumed that the accounting fair value uplift in net assets will be matched by at least an equivalent increase in tax base of the assets and liabilities. Accordingly, no additional deferred tax is recognised as a pro-forma adjustment.

g. This reflects the resulting difference between the pro forma fair value of deemed consideration transferred and the provisional fair values of the assets acquired and liabilities assumed. The excess, amounting $57,005,000 is recognised as provisional goodwill.

The actual fair value of the net assets of AMAL acquired by Tawana as an "accounting acquirer" will ultimately be determined after implementation of the Scheme. Therefore, it is likely that the allocation of the purchase price will vary from those shown above and the differences may be material.

(g) ASSUMPTIONS AND PRO FORMA ADJUSTMENTS TO THE HISTORICAL STATEMENT OF FINANCIAL POSITION

a. Accounting entries arising from the demerger of Cowan Lithium. The Cowan Lithium Demerger was achieved through a capital reduction satisfied by way of a pro rata in-specie distribution of 85% of the fully paid ordinary shares in the capital of Cowan Lithium to Tawana Shareholders. Details regarding the net assets distributed of $4,225,000 are set out above in Section 6.5(f)(i). The 15% retained interest in Cowan Lithium, with a provisional fair value of $634,000 is reflected as an investment in an associate in the Pro Forma Historical Financial Information of the Merged Group. On settlement of the distribution the foreign translation gain reserve of $1,588,000 relating to Cowan Lithium is recycled to profit or loss. Refer Section 6.5(f)(i) above for further details.

b. Estimated transaction costs of $18,789,000 (which includes estimated stamp duty of $10.7 million) relating to the Transaction in accordance with the Scheme Implementation Agreement. These costs have been expensed on a pre-tax basis in the Pro Forma Historical Financial Information.

c. Accounting entries arising from the Transaction, in accordance with the Scheme Implementation Agreement. The equity of AMAL at the date of acquisition is eliminated (as a result of Tawana being the accounting acquirer). The Pro forma total fair value of the deemed consideration transferred has been calculated at $243,490,000 and is recognised as an additional contributed equity. Assumptions regarding the capital structure and purchase consideration are set out above in Section 6.5(f)(ii). Assumptions regarding the fair value of the net assets

acquired including AMAL's 50% interest acquired in the Bald Hill Joint Venture are set out above in Section 6.5(f)(ii).

d. All intercompany balances owing between Tawana and AMAL have been eliminated on implementation of the Scheme.

e. The issue of AMAL Shares in settlement of unexercised Options at the Implementation Date will be accounted for as a modification of a share based payment arrangement. For the purposes of the Pro Forma Historical Financial Information, it is assumed that the exchange of shares for options provides the option holders with no incremental benefit and accordingly, no adjustments have been made in preparing the pro forma historical consolidated statement of financial position of the Merged Group.

(h) NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Other than AASB 16: *Leases* (**AASB 16**) no other new and amended Accounting Standards and Interpretations that have been issued but are not yet effective are expected to have a material impact on the Merged Group in future reporting periods.

AASB 16

Nature of change

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under the existing AASB 117: Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

Application date

Annual reporting periods beginning on or after 1 January 2019.

Impact on initial application

Both Tawana and AMAL are in the process of reviewing their leases and service agreements to assess the impact of AASB 16 on adoption. It is expected that some lease commitments may be covered by the exceptions for short-term and low-value leases. Finance and operating lease commitments of the Merged Group as at 30 April 2018 (derived from the interim financial statements of Tawana for the four months ended 30 April 2018 and the interim financial statements of AMAL for the ten months ended 30 April 2018) are summarised below:

Finance lease commitments	Merged Group $'000
Not longer than one year	17
Longer than one year, but not longer than five years	2
Longer than five years	-
Total	**19**

Operating lease commitments	Merged Group $'000
Not longer than one year	7,068
Longer than one year, but not longer than five years	838
Longer than five years	-
Total	**7,906**

(i) FORECAST FINANCIAL INFORMATION

Each of the Tawana Board and AMAL Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. Each of the Tawana Board and AMAL Board has concluded that such forecast financial information has the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either set of shareholders.

(j) ITEMS NOT REFLECTED IN THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

The Pro Forma Historical Financial Information has not been adjusted to reflect trading of either Tawana or AMAL since 30 April 2018.

(k) SUBSEQUENT EVENTS

The AMAL Board is not aware of any significant changes in the state of affairs of the Merged Group or events subsequent to 30 April 2018 that would have a material impact on the Financial Information other than the material changes to Tawana's financial information as set out in Section 4.11 and the additional capital raised by Tawana and AMAL as detailed in Section 6.5(d).

6.6 OTHER FINANCIAL INFORMATION

AMAL is required to disclose certain unaudited pro forma historical financial information and related notes (set out in Annexure G) (**Other Financial Information**) in the **AMAL Shareholders' Circular, in order to meet the compliance requirements of** SGX-ST **as follows**:

- the unaudited pro forma historical consolidated statements of financial position of the Merged Group as at 31 December 2017 and 30 April 2018;
- the unaudited pro forma historical consolidated statement of comprehensive income of the Merged Group for the 12 months ended 31 December 2017; and
- the unaudited pro forma historical consolidated statement of cash flows of the Merged Group for the 12 months ended 31 December 2017.

The Other Financial Information set out in Annexure G is not required to be disclosed to Tawana Shareholders, and is being provided only to ensure consistency of financial information with that disclosed in the AMAL Shareholders' Circular.

The Other Financial Information was prepared by AMAL and has not been reviewed by either EY or the Investigating Accountant.

7. SCHEME CONSIDERATION

7.1 INTRODUCTION

This section provides additional information regarding the Scheme Consideration, including:

- information about the calculation of the Scheme Consideration (see Section 7.2);
- information about AMAL Shares and how Scheme Participants (other than Ineligible Shareholders) can elect to receive the Scheme Consideration in the form of SGX Listed Shares rather than in the form of ASX Listed Shares (see Section 7.3); and
- information about how the Sale Agent will sell the AMAL Shares attributable to Ineligible Shareholders (see Section 7.5).

7.2 SCHEME CONSIDERATION

If the Scheme becomes Effective, Tawana Shareholders (other than Excluded Shareholders and Ineligible Shareholders) whose name appears in the Register at 5:00pm on the Record Date will be entitled to receive the Scheme Consideration from AMAL in consideration for the transfer of their Tawana Shares to AMAL.

The Scheme Consideration comprises 1.1 ASX Listed Shares for each Tawana Share held on the Record Date, with the total Scheme Consideration for any Tawana Shareholder rounded up to the nearest whole number.

If the Scheme becomes Effective, each Tawana Shareholder (other than Excluded Shareholders and Ineligible Shareholders) whose name appears in the Register at 5:00pm on the Record Date:

- will be entitled to receive the Scheme Consideration in the form of ASX Listed Shares, along with holding statements in relation to the ASX Listed Shares; or
- will, if a valid election is made to receive the Scheme Consideration in the form of SGX Listed Shares rather than ASX Listed Shares, be entitled to receive the Scheme Consideration in the form of SGX Listed Shares.

The AMAL Shares that would otherwise have been issued to Ineligible Shareholders under the Scheme as Scheme Consideration will be issued to the Sale Agent for sale. Ineligible Shareholders will receive the proportion of the net proceeds of sale of all AMAL Shares sold by the Sale Agent (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) to which they are entitled (see Section 7.5 for information on when an Ineligible Shareholder can expect to receive this payment). The net proceeds will be paid to you in Australian dollars, unless you are an SA Holder, in which case the net proceeds will be paid to you in South African Rand (net of foreign currency exchange costs).

7.3 SCHEME CONSIDERATION ELECTION

Scheme Participants (other than Ineligible Shareholders) can elect to receive the Scheme Consideration in the form of SGX Listed Shares rather than in the form of ASX Listed Shares listed on ASX, by making a valid election using the Election Form. You should consider the information in this section before deciding whether to make an election.

The Election Form is available by contacting Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032, between 9:00am to 5:00pm (Perth, Australia time) Monday to Friday.

The decision whether to elect to receive SGX Listed Shares listed on the SGX-ST (rather than ASX Listed Shares listed on ASX) will depend on your individual circumstances. You should seek advice from your own financial, legal or other professional adviser before deciding whether to make this election.

If the Scheme becomes Effective, by default, you will receive the Scheme Consideration in the form of ASX Listed Shares listed on ASX, unless you are an Ineligible Shareholder (see Section 7.5) or you make a valid election to instead receive SGX Listed Shares listed on the SGX-ST by completing the Election Form in accordance with the instructions on that form.

(a) ASX LISTED SHARES WILL BE LISTED ON ASX AND SGX LISTED SHARES WILL BE LISTED ON THE SGX-ST

ASX Listed Shares will initially be tradeable on ASX only. This has the advantage that ASX Listed Shares can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars. It is possible that the market for AMAL Shares on ASX or SGX-ST (as the case may be) will be less liquid than the market for AMAL Shares on SGX-ST or ASX (as the case may be). This may have the effect of reducing the volume of AMAL Shares that can be

bought and sold on a particular market and the speed with which they can be bought and sold. Reduced liquidity on a particular market may also result in AMAL Shares trading at a discount to AMAL Shares trading on the other market.

If you elect to receive SGX Listed Shares, you may incur higher brokerage fees in dealing with those SGX Listed Shares than you would incur if you received, and were dealing in, ASX Listed Shares.

SGX Listed Shares are listed on the SGX-ST and trade in Singaporean dollars. Accordingly, investors who wish to trade SGX Listed Shares on the open market must do so over the SGX-ST. Not all Australian brokers are able to trade securities on the SGX-ST. The Australian dollar value of SGX Listed Shares will depend on the prevailing A$:S$ exchange rate from time to time. See Section 8.1 for a discussion of the liquidity of the market for ASX Listed Shares and the potential risk that they may trade at a discount to SGX Listed Shares on the SGX-ST.

Shareholders should contact AMAL's Australian Share Registry if they wish to convert ASX Listed Shares into SGX Listed Shares, or AMAL's Singapore Share Registry if they wish to convert SGX Listed Shares into ASX Listed Shares.

(b) HOW TO MAKE AN ELECTION

To make an election, you should complete the Election Form and return the Election Form in accordance with the instructions on that form. The Election Form is available by contacting Tawana's investor hotline on 1300 223 071 or, for overseas shareholders, +61 3 9415 4032, between 9:00am to 5:00pm (Perth, Australia time) Monday to Friday.

The deadline for receipt of Election Forms by the Tawana Share Registry is 5:00pm on 8 October 2018. If you do not make a valid election by 5:00pm on 8 October 2018, you will receive ASX Listed Shares.

Other than in the case of a Tawana Shareholder who is a trustee or nominee:

- a Tawana Shareholder (other than an Ineligible Shareholder) may only make one election in respect of their Scheme Consideration; and
- if a Tawana Shareholder (other than an Ineligible Shareholder) makes a valid election, it will be deemed to apply to all of their Scheme Consideration.

Election by trustees and nominees

If a Tawana Shareholder holds one or more parcels of Tawana Shares as trustee or nominee for, or otherwise on account of, another person, that Tawana Shareholder may make separate elections in accordance with the election process in respect of those parcels (subject to that Tawana Shareholder providing to Tawana and AMAL any substantiating information they reasonably require) to reflect the fact that some of the underlying beneficiaries may prefer to receive the Scheme Consideration in the form of ASX Listed Shares while others may prefer to receive the Scheme Consideration in the form of SGX Listed Shares.

In order to make separate elections, the trustee or nominee must establish separate and distinct holdings in the Register in respect of each parcel of Tawana Shares and must make a separate election in respect of each parcel of Tawana Shares.

However, the trustee or nominee may not accept instructions from an underlying beneficiary to make an election unless it is in respect of the Scheme Consideration attributable to all parcels of Tawana Shares held by the trustee or nominee on behalf of that beneficiary.

Variation or withdrawal of an election

Once submitted, an Election Form is irrevocable.

7.4 BINDING INSTRUCTION OR NOTIFICATIONS

Except for a Scheme Participant's tax file number, any binding instruction or notification between a Scheme Participant and Tawana relating to Scheme Shares as at 5:00pm on the Record Date (including any instructions relating to payment of dividends or to communications from Tawana) will, from 5:00pm on the Record Date, be deemed (except to the extent determined otherwise by AMAL in its sole discretion) to be a similarly binding instruction or notification to, and accepted by AMAL, in respect of the AMAL Shares issued to the Scheme Participant until that instruction or notification is revoked or amended in writing addressed to AMAL, provided that any such instructions or notifications accepted by AMAL will apply to and in respect of the AMAL Shares issued as Scheme Consideration only to the extent that they are:

- not inconsistent with the other provisions of the Scheme; or

- recognised under Australian law or AMAL's constituent documents.

7.5 INELIGIBLE SHAREHOLDERS

(a) WHO ARE INELIGIBLE SHAREHOLDERS?

Restrictions in certain jurisdictions may make it impractical or unlawful for AMAL Shares to be offered or issued under the Scheme to Tawana Shareholders in those jurisdictions.

Under the terms of the Scheme, any Tawana Shareholder whose address shown in the Register on the Record Date is an Ineligible Jurisdiction will be regarded as an Ineligible Shareholder for the purposes of the Scheme, unless AMAL and Tawana agree, acting reasonably, that it is lawful and not unduly onerous or impractical to issue or provide a Scheme Participant with an address in an Ineligible Jurisdiction with AMAL Shares under the Scheme.

Ineligible Shareholders will not receive ASX Listed Shares under the Scheme, nor will they be entitled to make an election to receive SGX Listed Shares as their Scheme Consideration. Instead, the AMAL Shares which would otherwise be required to be issued to that Tawana Shareholder under the Scheme will be issued to the Sale Agent, to be held on trust for that Ineligible Shareholder. The Sale Agent will then sell on the ASX those AMAL Shares that would otherwise have been attributable to that Ineligible Shareholder and remit to that Ineligible Shareholder the net proceeds of sale of the AMAL Shares which they would have otherwise received (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges). The net proceeds will be paid to you in Australian dollars, unless you are an SA Holder, in which case the net proceeds will be paid to you in South African Rand (net of foreign currency exchange costs).

(b) ROLE OF THE SALE AGENT

If you are an Ineligible Shareholder, the Scheme Consideration, in the form of AMAL Shares, that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent, as your nominee in trust, for sale by them and you will receive the proportion of the net proceeds of sale of all AMAL Shares sold by the Sale Agent (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) to which you are entitled.

AMAL will appoint the Sale Agent to sell the AMAL Shares that would otherwise have been attributable to Ineligible Shareholders. AMAL will procure that the Sale Agent sells all of the AMAL Shares that would otherwise have been attributable to Ineligible Shareholders as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date.

The Sale Agent may sell those AMAL Shares in such manner, at such price and on such other terms as the Sale Agent determines in good faith and at the risk of the Ineligible Shareholders. AMAL Shares will be sold on market on the ASX (with proceeds received by the Sale Agent in Australian dollars).

Following the last sale of the AMAL Shares that would otherwise have been attributable to Ineligible Shareholders, the Sale Agent must:

- deduct any applicable brokerage, stamp duty and other selling costs, taxes and charges; and
- remit to each Ineligible Shareholder the net proceeds of sale of the AMAL Shares which they would have otherwise received.

The cash amount received as the proceeds of the sale by the Sale Agent will depend on the price at which the AMAL Shares can be sold by the Sale Agent at the relevant time and the amount of any applicable taxes, stamp duty and other selling costs, taxes and charges incurred in connection with the sale. Without limitation, brokerage fees in the order of 1% of the sale proceeds are expected to be incurred by Ineligible Shareholders.

An Ineligible Shareholder's proportionate share of the net proceeds may be more or less than the value of the Scheme Consideration which that Ineligible Shareholder would have received had they not been an Ineligible Shareholder. The market price of AMAL Shares and ASX Listed Shares is subject to change from time to time.

None of Tawana, AMAL nor the Sale Agent gives any assurance as to the price that will be achieved for the sale of the AMAL Shares that would otherwise have been attributable to Ineligible Shareholder by the Sale Agent.

7.6 COMPARISON OF AUSTRALIAN AND SINGAPOREAN LEGAL REGIMES

Tawana is a public no liability company incorporated in Australia and registered in Australia under the Corporations Act. Tawana is admitted to the official list of ASX (primary listing) and the JSE (secondary listing).

AMAL is a public company limited by shares incorporated in Australia and registered in Australia under the Corporations Act. AMAL is admitted to the Catalist board of the SGX-ST.

If the Scheme is implemented, the rights of Tawana Shareholders will be governed by the Corporations Act, the SGX-ST Listing Manual, the SGX Listing Rules, the ASX Settlement Rules, the ASX Listing Rules and AMAL's constituent documents. A copy of AMAL's constitution is available from ASIC.

AMAL will convene a general meeting for a date not later than 24 September 2018 to seek the approval of AMAL Shareholders for AMAL to (amongst other things) amend its constitution in preparation for the proposed dual listing of AMAL and to ensure consistency with the ASX Listing Rules, current Australian law and best market practice. Annexure C is based on the proposed constitution to be put to AMAL Shareholders.

Following completion of the Transaction, AMAL will be required to comply with all of the SGX Listing Rules in respect of the SGX Listed Shares and all of the ASX Listing Rules, subject to any specific waivers granted by ASX, in respect of the ASX Listed Shares. In this regard, AMAL has been granted specific waivers by ASX from some ASX Listing Rules (see Section 10.13 for more detail).

Annexure C identifies some of the more material differences between being an AMAL Shareholder and a Tawana Shareholder because of their respective constitutions, ASX and SGX-ST regulations and other applicable corporate regulations.

8. RISK FACTORS

If the Scheme is implemented Tawana Shareholders (other than Excluded Shareholders or Ineligible Shareholders) will be entitled to receive the Scheme Consideration in the form of ASX Listed Shares or, if a valid election is made, in the form of SGX Listed Shares. The value of AMAL Shares will be influenced by several factors, many of which will be beyond the control of the Merged Group.

Some of these risks are either related to mining and exploration companies generally or already affect the Tawana business which will form part of the Merged Group. They are therefore risks to which Tawana Shareholders already have some exposure. There are, however, a number of risks which will be new or potentially greater in impact than is currently the case in relation to Tawana alone.

The risk factors presented in this section are not an exhaustive list of all risks and risk factors related to the Merged Group or the Scheme. Additional risks and uncertainties not currently known to AMAL or Tawana may also have an adverse impact on the Merged Group's business.

This Section does not consider the investment objectives, financial situation, position or particular needs of Tawana Shareholders. Each Tawana Shareholder should consult their legal, financial or other professional adviser if they have any queries.

8.1 RISKS RELATED TO THE SCHEME

(a) COMPLETION OF THE SCHEME IS SUBJECT TO SEVERAL CONDITIONS THAT MUST BE SATISFIED OR WAIVED

The implementation of the Scheme is subject to a number of conditions as set out in schedule 2 of the Scheme Implementation Agreement. Please refer to Section 3.4 for further information regarding the Conditions Precedent to the Scheme. There can be no certainty, nor can Tawana or AMAL provide any assurance, that these Conditions Precedent will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, several of the Conditions Precedent to implementation of the Scheme are beyond the control of Tawana or AMAL, including, but not limited to, approval of the Scheme by the Requisite Majority of Tawana Shareholders, approval of the AMAL Shareholder Resolutions by AMAL Shareholders, ASX approval for admission of AMAL to the Official List and Official Quotation of AMAL Shares on ASX, and other required regulatory and third party approvals and consents.

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of Tawana shares may be adversely affected.

(b) THE SCHEME IMPLEMENTATION AGREEMENT MAY BE TERMINATED BY TAWANA OR AMAL IN CERTAIN CIRCUMSTANCES

Each of Tawana and AMAL has the right to terminate the Scheme Implementation Agreement in certain circumstances. Please refer to Section 10.14 for further information regarding the termination of the Scheme Implementation Agreement. Accordingly, there is no certainty that the Scheme Implementation Agreement will not be terminated by either Tawana or AMAL before the implementation of the Scheme.

If the Scheme Implementation Agreement is terminated, there is no assurance that Tawana will be able to find a party willing to pay an equivalent or greater consideration for Tawana Shares than the value to be paid pursuant to the terms of the Scheme Implementation Agreement and the Scheme.

(c) THE ISSUE OF A SIGNIFICANT NUMBER OF AMAL SHARES COULD ADVERSELY AFFECT THE MARKET PRICE OF AMAL SHARES

If the Scheme is implemented, a significant number of additional AMAL Shares will be available for trading in the public market. The increase in the number of AMAL Shares may lead to sales of such AMAL Shares or the perception that such sales may occur, either of which may adversely affect the market price of AMAL Shares.

(d) VALUE OF THE SCHEME CONSIDERATION IS NOT CERTAIN

If the Scheme is implemented, Tawana Shareholders (other than Excluded Shareholders and Ineligible Shareholders) will receive Scheme Consideration in the form of ASX Listed Shares or, if a valid election is so made, in the form of SGX Listed Shares. The market value of the Scheme Consideration that will be issued will depend on the price at which the ASX Listed Shares and the SGX Listed Shares trade on the ASX and SGX-ST respectively after the Implementation Date.

Following implementation of the Scheme, the market price of ASX Listed Shares and SGX Listed Shares may fluctuate based on many variables, some of which are not directly related to the success of AMAL. In recent years, the securities

markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

(e) RISKS OF TRADING DURING DEFERRED SETTLEMENT TRADING PERIOD

Scheme Participants who trade ASX Listed Shares during the deferred settlement trading period will not necessarily know the exact number of ASX Listed Shares (if any) they will receive as Scheme Consideration until after the Implementation Date. This information will be included in the holding statements which will only be despatched to Scheme Participants following the Implementation Date. Scheme Participants who trade ASX Listed Shares during the deferred settlement trading period and prior to receipt of their holding statement may risk adverse financial consequences if they purport to sell more ASX Listed Shares than they actually receive as Scheme Consideration on the Implementation Date.

8.2 SPECIFIC RISKS TO TAWANA IF THE SCHEME DOES NOT PROCEED

(a) TAWANA SHAREHOLDERS WILL NOT RECEIVE THE SCHEME CONSIDERATION

If the Scheme is not implemented, Tawana Shareholders will retain their Tawana Shares and will not receive the Scheme Consideration. If the Scheme is not implemented, Tawana will remain listed on ASX and JSE and will continue to operate its business. In those circumstances, Tawana Shareholders will continue to be exposed to the risks and benefits of owning Tawana Shares.

(b) TAWANA SHARE PRICE MAY CHANGE

If the Scheme is not implemented, the trading price of Tawana Shares may change even in the absence of a change in any other factors that might ordinarily influence a share price. It is not possible to determine whether the price of Tawana Shares will increase or decrease if the Scheme is not implemented.

(c) TRANSACTION COSTS WILL BE INCURRED

If the Scheme is not implemented, Tawana's transaction costs will be borne by Tawana alone, subject to any off-set by way of break fee payment from AMAL (refer to Section 10.14). Transaction costs incurred to date will effectively be wasted. Tawana may also be required to pay a break fee to AMAL, depending on the circumstances in which the Scheme did not proceed (refer to Section 10.14).

(d) FUTURE CAPITAL REQUIREMENTS

If Tawana remains a stand-alone entity, it may need to secure funding to support the development of the Bald Hill Project and pursue other initiatives. In these circumstances it is expected that Tawana will investigate a range of possible transactions with alternative parties to assist with any funding requirements it may have.

(e) BALD HILL JOINT VENTURE AGREEMENT

If the Scheme is not implemented, Lithco will continue to operate the Bald Hill Project subject to the terms of the Bald Hill Joint Venture Agreement with AMAL. Lithco will need to comply with the Bald Hill Joint Venture Agreement decision making processes, and Tawana Shareholders will continue to be exposed to the counterparty risks associated with the Bald Hill Joint Venture Agreement (e.g. AMAL's ability to fund its share of costs) and the absence of operational efficiencies that may become available if the Bald Hill Joint Venture was collapsed. The key terms of the Bald Hill Joint Venture Agreement are set out in Section 4.6(a).

8.3 RISKS RELATED TO THE MERGED GROUP

Tawana Shareholders should note that given that the main asset of both Tawana and AMAL is their respective 50% interest in the Bald Hill Project, and the main asset of the Merged Group will be 100% of the Bald Hill Project, Tawana Shareholders will be exposed to the majority of the risks outlined below whether or not the Scheme proceeds.

(a) AMAL SHARES MAY TRADE AT A DISCOUNT

In due course, the number of ASX Listed Shares quoted on ASX may be more or less than the number of SGX Listed Shares listed on the SGX-ST.

As a result, it is possible that the market for AMAL Shares on one exchange (i.e. ASX or SGX-ST) will be less liquid than the market for AMAL Shares on the other exchange. This may have the effect of reducing the volume of AMAL Shares that can be bought and sold on a particular market and the speed with which they can be bought and sold. Reduced liquidity on a particular market may also result in AMAL Shares trading at a discount to AMAL Shares trading on the other market.

(b) AMAL MAY NOT MAINTAIN ITS ASX LISTING OR SGX-ST LISTING

There can be no guarantee that AMAL will maintain the listing of AMAL Shares on ASX or SGX-ST in the future. If AMAL were to de-list from ASX or SGX-ST, holders of AMAL Shares on the relevant exchange would need to move them to the continuing exchange and seek to trade through a broker authorised to trade on the continuing exchange.

(c) NO CERTAINTY THAT AMAL WILL PAY DIVIDENDS

Payment of any future dividends by the Merged Group will be at the discretion of the AMAL Board after considering many factors, including, but not limited to, AMAL's operating results, financial condition and current and anticipated cash needs. At this time however, all of the Merged Group's available funds are expected to be invested to finance the growth of its business and therefore investors cannot expect and should not anticipate receiving a dividend on the AMAL Shares in the foreseeable future.

(d) DILUTION

AMAL may require additional funds to finance its exploration and development programs and potential acquisitions. If AMAL raises additional funding by issuing equity securities, such financing may substantially dilute the interests of AMAL Shareholders. Issuances of substantial amounts of AMAL's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for AMAL Shares. A decline in the market prices of AMAL Shares could impair AMAL's ability to raise additional capital through the sale of securities should it desire to do so.

(e) DEPENDENCY ON THE BALD HILL PROJECT FOR SUBSTANTIALLY ALL OPERATING REVENUE AND CASH FLOWS

The Bald Hill Project has a limited operating history on which an evaluation of its prospects may be based. The Merged Group may encounter risks and difficulties experienced by companies whose performance is dependent upon newly-constructed assets, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, or suffering equipment breakdown, failures or operational errors.

While the Merged Group may invest in additional mining and exploration projects in the future, the Bald Hill Project is likely to be the Merged Group's only producing mining project for the foreseeable future, thereby providing all of its operating revenue and cash flows. Consequently, a delay or difficulty encountered in the operations of the Bald Hill Project could materially and adversely affect the Merged Group's financial condition and financial sustainability. Any adverse changes or developments affecting the Bald Hill Project, such as, but not limited to, the Merged Group's inability to successfully complete any of the development projects, work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on the Merged Group's financial performance, results of operations and liquidity.

In addition, the Merged Group's business and results of operations could be materially and adversely affected by any events which cause the Bald Hill Project to operate at less than optimal capacity, including among other things, equipment failure or shortages of spares, consumables, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of lithium and tantalum.

(f) BALD HILL PROJECT DEVELOPMENT RISK

The Bald Hill Project is a staged development project and the Merged Group intends to expand the Bald Hill Project's processing and production capabilities over time. The Merged Group expects to incur significant capital expenditures during the continued development of the Bald Hill Project. The Merged Group may encounter unexpected difficulties, including shortages of materials or delays in delivery of materials, unexpected operational events, facility or equipment malfunctions or breakdowns, unusual or unexpected adverse geological conditions, cost overruns, regulatory issues,

adverse weather conditions and other catastrophes, such as explosions, fires, floods and accidents, increases in the level of labour costs and the existence of any labour disputes, and adverse local or general economic or infrastructure conditions. In addition, there will be operating losses which need to be funded as the Merged Group ramps up to full production. Accordingly, the Merged Group may not be able to complete the full development of the Bald Hill Project, and any delays beyond the expected development periods or increased costs above those expected to be incurred, could have a material adverse effect on the Merged Group's business, financial condition, results of operations, cash flows and ability to pay dividends.

(g) BALD HILL PROJECT SUBJECT TO ONGOING OPERATIONAL RISKS

The Merged Group's development and mining activities will be subject to numerous operational risks, many of which are beyond the Merged Group's control. The Merged Group's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements. Hazards incidental to the development and mining of mineral properties such as unusual or unexpected geological formations may be encountered by the Merged Group. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

The Merged Group will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Merged Group's performance and the value of its assets.

(h) ACTUAL PERFORMANCE OF THE MERGED GROUP MAY DIFFER MATERIALLY FROM THE FORWARD LOOKING STATEMENTS IN THIS SCHEME BOOKLET

This Scheme Booklet contains forward looking statements, which are based on a number of assumptions subject to uncertainties and contingencies, many of which are outside of the Merged Group's control. Furthermore, the Merged Group's revenue and financial performance are dependent on a number of external factors, including future demand for our lithium concentrate and tantalum, which may decrease for various reasons, such as increased competition within the industry or changes in applicable laws and regulations. These assumptions may not be realised and the Merged Group's actual performance may not be as projected.

(i) REVENUES AND FINANCIAL PERFORMANCE DEPENDENT UPON THE PRICE OF LITHIUM AND TANTALUM

Future production from all of the Merged Group's mining properties is dependent upon the price of lithium concentrate and, to a lesser extent, tantalum, being adequate to make these properties economic. Sustained low prices could reduce revenues through production declines due to cessation of the mining of deposits, or portions of deposits, that have become uneconomic at the then-prevailing market price; reduce or eliminate the profit that is currently expected from reserves; halt or delay the development of new projects; reduce funds available for exploration; and reduce existing ore reserves by removing ores from reserves that can no longer be economically processed at prevailing prices. Such declines in price and/or reductions in operations could cause significant volatility in the Merged Group's financial performance.

The Merged Group's revenues will be derived primarily from the sale of lithium concentrate. The price that the Merged Group obtains for lithium concentrate will be influenced by world market prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Merged Group. Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange and supply and demand issues. See also Section 8.3(v) in respect of how fluctuations in foreign currency exchange rates could significantly affect the Merged Group's revenue and financial performance.

The price of lithium and global demand for lithium is underpinned by supply and demand fluctuations, the level of consumer product demand, distribution problems, technological advances, availability of alternatives, global economic and political developments forward-selling activities and other macro-economic factors. In particular, the demand for lithium is also dependent upon the demand for lithium-ion batteries and electric vehicles. The lack of a standardised global pricing system for lithium also makes future price forecasting difficult.

(j) FAILURE TO ENTER INTO ADDITIONAL AGREEMENTS FOR SALE OR OFFTAKE

The Merged Group at present has two sales and offtake agreements in respect of its production from the Bald Hill Project. These agreements are with Burwill Lithium Company Limited (formerly Burwill Commodity Limited).

The Merged Group may have difficulty in finding additional offtake partners who are prepared to enter into long term off-take agreements. If the Merged Group is not able to negotiate such long-term agreements, expansion of the Bald Hill Project may be delayed or prevented.

Assuming the Merged Group can secure additional sales or offtake agreements, it may depend upon a small number of large customers, the loss of which, failure to perform their contractual obligations or inability to collect payment from, could adversely affect its results of operations and financial condition. There is a risk that if the quality or quantity of the product produced from the Bald Hill Project does not fulfil customer specifications, the Merged Group's offtake partners could change suppliers.

Furthermore, the Merged Group's ability to receive payment for product sold and delivered depends on the continued creditworthiness of its customers. If it is unable to collect payments from any of these customers, its financial condition and results of operations could be materially adversely affected. Should the Merged Group be unable to find customers to purchase its produced volume, its financial results may be adversely affected.

(k) THE FAILURE TO MEET KEY PRODUCTION AND OTHER COST ESTIMATES MAY ADVERSELY AFFECT THE MERGED GROUP'S CASH FLOWS

The mining production strategies and targets of the Merged Group will be subject to change and are based on various assumptions. There is no assurance the Merged Group will be able to achieve such strategies and targets. A decrease in the amount of, or a change in the timing of, the Merged Group's mineral production may impact the amount and timing of the Merged Group's cash flow from operations. The actual impact of such a decrease on the Merged Group's cash flow depends on the timing of any changes in production and on actual prices and costs. Any change in the timing of projected cash flows that could occur due to production shortfalls or labour disruptions or other reasons could, in turn, result in delays in receipt of such cash flows and in using such cash to, as applicable, reduce debt levels and fund operating and exploration activities, which may require additional borrowings to fund capital expenditures. The Merged Group currently does not have a working capital bank facility and therefore depends on cash flow from operations and capital raisings to fund its liquidity needs. It is likely that actual results and/or costs for the Merged Group will differ from current estimates and assumptions, and these differences may be material. This may be for a variety of reasons, including equipment failures, natural phenomena (such as inclement weather, floods or droughts), litigation and native title disputes and shortages of principal supplies. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, and/or increase capital and/or operating costs above, current estimates. If actual results are less favourable than currently estimated, the Merged Group's business, results of operations, financial condition and liquidity could be materially adversely impacted.

(l) THE MERGED GROUP'S ACTUAL RESERVES AND RESOURCES COULD BE LOWER THAN ESTIMATES, WHICH COULD ADVERSELY AFFECT ITS OPERATING RESULTS AND FINANCIAL CONDITION

The Merged Group's Mineral Resources and Ore Reserves described in this Scheme Booklet, are estimates based on several assumptions, any adverse changes to which could require the Merged Group to lower its Mineral Resource and Ore Reserve estimates. The Merged Group's estimates of economically recoverable reserves are primarily based upon interpretations of geological models, which make various assumptions, such as assumptions with respect to prices, costs, regulations, and environmental and geological factors. These assumptions have a significant effect on the amounts recognised in the technical reports and financial statements of Tawana and AMAL, and any material difference between these assumptions and actual events may affect the economic viability of the Merged Group's properties or any project undertaken by the Merged Group.

Furthermore, actual prices, costs, regulations and environmental and geological factors often diverge from the assumed amounts because it is difficult to predict, among other things, commodity prices, grades, production costs, strip ratios, recovery rates, governmental regulations, the ability to obtain necessary permits, permit requirements, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations or work interruptions. In addition, there can be no assurance that mineral or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production and the volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. There can also be no assurance that any discoveries of new reserves will be made or that if a new discovery is made, that the Merged Group will be able to obtain the required extraction or mining licenses to recover the reserves.

For these and other reasons, there is no certainty that any of the Mineral Resources or Ore Reserves will be realised or that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that reserves can be mined or processed profitably. Until a deposit is mined and processed, the quantity and grades of Mineral Resources and Ore Reserves must be considered as estimates only. Valid estimates made at a given time may significantly change when new information becomes available.

Fluctuations in the prices of lithium and other minerals, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans after the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources or Ore Reserves could have a material adverse effect on the results of the Merged Group's operations and financial condition.

(m) CHANGES IN THE COST OF ENERGY, IN THE PRICES OF ANY INPUTS USED IN THE MERGED GROUP'S OPERATIONS MAY ADVERSELY AFFECT THE PROFITABILITY OF THE MERGED GROUP'S OPERATIONS AND FINANCIAL CONDITION

Any increase in the price of production inputs, including labour, fuel, particularly heavy fuel oil, mine consumables or other inputs could materially and adversely affect the Merged Group's business and results of operations. Input costs can be affected by changes in factors including market conditions, government policies, exchange rates and inflation rates, which are unpredictable and outside the Merged Group's control.

(n) THE MERGED GROUP WILL BE DEPENDENT ON CRITICAL SUPPLIES, A LACK OF WHICH COULD IMPACT PRODUCTION AND DEVELOPMENT OF PROJECTS

Timely and cost-effective execution of the Merged Group's mining operations and exploration activities are dependent on the adequate and timely supply of water, fuel, chemicals and other critical supplies.

If the Merged Group is unable to procure the requisite quantities of water, fuel or other inputs in time and at commercially acceptable prices or if there are significant disruptions in the supply of fuel, water or other inputs to the Bald Hill Project or for the Merged Group's exploration activities, the performance of the Merged Group's business and results of operations could be materially and adversely affected.

(o) THE MERGED GROUP WILL DEPEND ON KEY MANAGEMENT AND QUALIFIED OPERATING PERSONNEL AND MAY NOT BE ABLE TO ATTRACT AND RETAIN SUCH PERSONS IN THE FUTURE

The Merged Group's success depends to a significant extent upon its ability to attract, retain and train key management and technical personnel in Western Australia (including those employed on a contractual basis). If the Merged Group is not successful in retaining or attracting personnel, its business may be adversely affected. The loss of the services of any of the Merged Group's key management personnel could materially and adversely affect its business and results of operations.

In addition, the recruitment of qualified personnel is critical to the Merged Group's success. As the Merged Group's business grows, it will require additional key financial, administrative, mining, processing and exploration personnel as well as additional staff for operations. If the Merged Group is not successful in recruiting and training such personnel, it could materially and adversely affect its business, prospects and results of operations.

The Merged Group's operations in Western Australia will depend on its local employees and contractors. If the Merged Group is not successful in maintaining a positive relationship with its workforce, it could find it difficult to attract and retain skilled workers, develop successful collaborations and generally build its business. Likewise, if the Merged Group's relationship to its workforce becomes strained, its business may be adversely affected.

(p) RELIANCE ON KEY CONTRACTS

The Merged Group's operations will rely on a number of key contracts for the provision of mining, crushing, haulage, port and handling services. The ability of the Merged Group to achieve its stated objectives will depend on the performance by the counterparties with whom the Merged Group has contracted with (or will contract with) of their obligations under the relevant agreements. Any delay in contracts completing work or encountering operational difficulties may lead to a loss of revenue and increased costs. There is also a risk that a failure to agree or extend agreements, issues with the solvency of a counterparty or a default under, or unsatisfactory performance or loss of, one or more contracts with key contractors may result in delay, an increase in the Merged Group's costs of production and affect the ability of the Merged Group to achieve its objectives either fully or within the required timeframes and budgets. While the Merged Group will consider various mitigation strategies to deal with the loss of a key contractor,

there can be no guarantee that the loss of a key contract will not have an adverse impact on the Merged Group's operations. If any party defaults in the performance of its obligations, it may be necessary for the Merged Group to approach a court to seek a legal remedy, which could be costly.

(q) MINING IS INHERENTLY DANGEROUS AND SUBJECT TO CONDITIONS OR EVENTS BEYOND THE MERGED GROUP'S CONTROL, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON THE MERGED GROUP'S BUSINESS

The Merged Group's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including environmental and safety hazards, industrial accidents, equipment failure, import/customs delays, shortage or delays in installing and commissioning plant and equipment, metallurgical and other processing problems, seismic activity, unusual or unexpected rock formations, wall failure, cave-ins or slides, burst dam banks, flooding, fires, interruption to, or the increase in costs of, services (such as water, fuel or transport), sabotage, community, government or other interference and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production and power facilities, dams or other properties, and could cause personal injury or death, environmental damage, pollution, delays in mining, increased production costs, monetary losses and possible legal liability. In particular, mining operations involve the use of heavy machinery, which involves inherent risks that cannot be completely eliminated through preventative efforts. Mineral exploration is speculative and uncertain, and there is no assurance that exploration of the licenses, or any other licenses that may be acquired in the future, will result in the discovery of an economic mineral deposit or that mineral deposits on the Merged Group's exploration properties will ever be classified as proven and probable Ore Reserves as a result of continued exploration.

Continuity of processing operations is also dependant on adequate storage facilities for the -1mm fines. The current facilities at the Bald Hill Project are expected to reach their capacity by the end of 2018. Work on additional storage facilities is expected to commence in September 2018.

In addition, the Merged Group will be seeking mineral deposits on exploration targets where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Merged Group's property holdings within investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Merged Group and its securities, as major expenses may be required to locate and establish Ore Reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site.

Whether income will result from projects undergoing exploration programs depends on the successful establishment of mining operations. Factors including, but not limited to, government regulations (such as those governing prices, taxes, royalties, land tenure, land use and environmental protection), costs, actual mineralisation, size and grade of mineral deposits, consistency and reliability of ore grades and commodity prices may affect successful project development. Few tenements that are explored are ultimately developed into producing mines.

(r) THE MERGED GROUP MAY NOT BE ABLE TO OBTAIN ADDITIONAL EXTERNAL FINANCING ON COMMERCIALLY ACCEPTABLE TERMS, OR AT ALL

Mining operations, exploration and development involve significant financial risk and capital investment. The Merged Group's operations and expansion plans may also result in increases in capital expenditures and commitments. The Merged Group may require additional funding to continue or expand its business and may require additional capital in the future to, among other things, further expand the Bald Hill Project or build additional processing capacity, and no assurance can be given that such capital will be available at all or available on terms acceptable to the Merged Group. The Merged Group may also need to seek funding from third parties if internally generated cash resources and available credit facilities, if any, are insufficient to finance these activities. Any debt financing, if available, may involve financial or other covenants which may limit the Merged Group's operations and principal amounts under any debt financing arrangements entered into by the Merged Group may become immediately due and payable if it fails to meet certain restrictive covenants. Even if such funding was available, the Merged Group's existing debt instruments may contain provisions prohibiting it from financing such transactions. In the event that the Merged Group is unable or not permitted to obtain adequate additional financing on acceptable terms, or at all, to satisfy its operating, development and expansion plans, the Merged Group's business and results of operations may be materially and adversely affected.

(s) THE MERGED GROUP WILL HAVE TO CONTINUALLY REPLACE AND EXPAND ITS RESERVES AND RESOURCES

Because mines have limited lives based on proven and probable Ore Reserves and Mineral Resources, the Merged Group will have to continually replace and expand its Ore Reserves and Mineral Resources. The Merged Group's ability to maintain or increase its production and therefore, the ongoing success of its business, will be dependent on many factors including, but not limited to:

- discovery and/or acquisition of new Ore Reserves;
- securing and maintaining title to tenements and obtaining necessary consents and permits for exploration and mining;
- successful design and construction of mining and processing facilities;
- successful commissioning and operating of mining and processing facilities;
- the performance of the technology incorporated into the processing facility; and
- the ability to sell the product at acceptable prices.

(t) POTENTIAL LEGAL PROCEEDINGS OR DISPUTES MAY HAVE A MATERIAL ADVERSE EFFECT ON THE MERGED GROUP'S FINANCIAL PERFORMANCE, CASH FLOW AND RESULTS OF OPERATIONS

Neither AMAL nor Tawana is currently subject to material litigation. However, the Merged Group could become involved in disputes with governmental authorities, non-governmental organisations and other private parties in the future which may result in material litigation. The results of litigation cannot be predicted with certainty. If the Merged Group is unable to resolve such disputes favourably, the resulting litigation could have a material adverse impact on the Merged Group's financial performance, cash flow and results of operations.

(u) THE MERGED GROUP'S INSURANCE WILL NOT COVER ALL POTENTIAL LOSSES, LIABILITIES AND DAMAGE RELATED TO ITS BUSINESS AND CERTAIN RISKS ARE UNINSURED OR UNINSURABLE

The Merged Group's business will be subject to a number of risks and hazards generally, including adverse environmental conditions and pollution, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the political or regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes, fires and dust storms. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Merged Group's properties or others, delays in mining, monetary losses and possible legal liability.

Although the Merged Group will maintain insurance to protect against certain risks in such amounts as the Merged Group considers to be reasonable, the insurance may not cover all the potential risks associated with the Merged Group's operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Merged Group may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to companies in the mining industry on acceptable terms. Losses from these events may cause the Merged Group to incur significant costs that could have a material adverse effect upon the Merged Group's financial performance and results of operations or otherwise affect the Merged Group's insurability and reputation in the market.

If the Merged Group incurs losses not covered or not fully covered by its insurance policies, such losses may adversely affect the Merged Group's business, operating results and financial condition.

(v) FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES COULD SIGNIFICANTLY AFFECT THE MERGED GROUP'S BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND LIQUIDITY

International prices of various commodities, including lithium concentrate and tantalum are denominated in US dollars. Consequently, the Merged Group's expected future revenue, if any, will be in US dollars, while a significant portion of the Merged Group's costs are accounted for in Australian dollars. Also, future capital raised by the Merged Group from offerings of securities or other financing arrangements may be in Singaporean dollars or Australian dollars. This would expose the Merged Group to exchange rate volatility and the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond its control. These factors include economic conditions in the relevant country and elsewhere, and the outlook for interest rates, inflation and other economic factors. The prices of local materials and wages can be affected by currency exchange rates, which could negatively impact the Merged Group's production

costs. Therefore, exchange rate movements in the Australian dollar, US dollar and Singaporean dollar may materially affect the Merged Group's financial position and operating results. As at the Latest Practicable Date, the Merged Group has not hedged against fluctuations in exchange rates, however, it may do so at a later date. If the Merged Group were to choose to hedge exchange rate risk, there is no assurance that it would be successful in reducing its exposure to currency fluctuations.

(w) LICENSING AND OTHER REGULATORY REQUIREMENTS MAY BE SUBJECT TO AMENDMENT OR REFORM WHICH COULD MAKE COMPLIANCE MORE CHALLENGING

The Merged Group's current and future operations will be subject to licenses, regulations and approvals of Western Australian and Australian governmental authorities for exploration, development, construction, operation, production, marketing, pricing, transportation and storage of oil, taxation and environmental and health and safety matters. The Merged Group cannot guarantee that such licenses applied for will be granted or, if granted, will not be subject to possibly onerous conditions. Any changes to exploration and production, or production licenses, regulations and approvals, or their availability to the Merged Group may adversely affect its assets, plans, targets and projections.

(x) THE MERGED GROUP REQUIRES LICENSES, PERMITS AND APPROVALS TO CONDUCT ITS OPERATIONS, ANY LOSS OF WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON THE MERGED GROUP'S BUSINESS

The Merged Group's current and future operations require licenses, approvals and permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental protection, safety and other matters, Aboriginal heritage and native title, and dependent upon the grant, or as the case may be, the maintenance of appropriate licenses, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Merged Group being successful in obtaining required statutory approvals for the proposed activities and that the licenses, concessions, leases, permits or regulatory consents the Merged Group holds will be renewed as and when required. Generally, tenements are subject to the Mining Act and other applicable regulations. Tenement holders have certain obligations under the Mining Act in relation to tenements, including payment of annual rents, meeting prescribed expenditure commitments (or obtaining exemptions from them) and satisfying other conditions imposed on the tenements. There is no guarantee that the minimum expenditure and other conditions that apply to tenements held by the Merged Group will be satisfied. Furthermore, there is no assurance that renewals for tenements and the regulatory approvals mentioned above will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

The Merged Group's tenements consist of a number of exploration licences. There is a risk that if economic quantities of minerals are in the areas which are the subject of these licences, an application for a mining lease to allow the Merged Group to develop and mine its discoveries may not be granted and, even if granted, may in the future have to be surrendered in the event of any violations.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permitting requirements. There can be no assurance that approvals and permits required to commence production on the Merged Group's future mining properties or interests will be obtained. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which we have interests and there can be no assurance that we will be able to obtain or maintain all necessary licenses, approvals and permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Merged Group's activities and ultimate development or operation of the Bald Hill Project. Any inability to conduct the Merged Group's mining operations pursuant to applicable authorisations would materially reduce the Merged Group's production and cash flow.

(y) THE MERGED GROUP'S OPERATIONS ARE SUBJECT TO OCCUPATIONAL HEALTH AND SAFETY REGULATIONS AND RISKS

The Merged Group will be subject to extensive laws, rules and regulations regarding occupational health and safety. In particular, mining operations involve the operation of heavy machinery. As a result, the Merged Group may experience increased costs of production in the future arising from compliance with such laws, rules and regulations. There can be no assurance that more stringent laws, regulations or policies regarding occupational safety and health will not be implemented or that existing laws, regulations and policies will not be more stringently enforced. Should the Merged Group fail to comply with any occupational safety and health laws or regulations imposed, the Merged Group could be required to rectify the occupational safety and health problems within a period prescribed by law and/or as prescribed by the relevant regulatory authorities. Failure to rectify any such problem could lead to disruptions to business and the breach could attract penalties involving mandatory fines. In addition, there can be no assurance that accidents arising from the mishandling of dangerous articles will not occur in the future. Should the Merged Group fail to comply with any relevant laws, regulations or policies or should any accident occur as a result of the mishandling of dangerous articles, our business, reputation and financial condition may be adversely affected, and may be subject to penalties and civil liabilities or criminal liabilities.

(z) THE MERGED GROUP'S OPERATIONS ARE SUBJECT TO STRINGENT ENVIRONMENTAL LAWS AND REGULATIONS THAT COULD SIGNIFICANTLY LIMIT ITS ABILITY TO CONDUCT ITS BUSINESS

Mining operations have inherent risks and liabilities associated with damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Merged Group's ongoing compliance with environmental legislation, regulations and licences. All phases of the Merged Group's Bald Hill Project operations are subject to environmental regulation in Western Australia. These regulations mandate, among other things, the maintenance of air and water quality standards and land rehabilitation, and also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Bald Hill Project operations. In addition, future spills and environmental matters may arise, and environmental hazards may exist on the properties on which the Merged Group hold interests which are unknown to AMAL or Tawana at present and which have been caused by previous or existing owners or operators of the properties or other third parties.

Environmental licenses, approvals and permits are currently and may in the future be required in connection with the Merged Group's operations, including for operating on any environmentally sensitive areas and for any land clearing and ground disturbing activities. To the extent such licenses, approvals or permits are required and not obtained, the Merged Group may be curtailed or prohibited from continuing the mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of mining activities and civil or criminal fines or penalties may be imposed for violations of applicable laws, regulations or permitting requirements.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Merged Group and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties, or abandonment, substantial limits or delays in development of new mining properties.

(aa) ACTUAL COSTS OF REHABILITATION ARE UNCERTAIN, AND HIGHER THAN EXPECTED COSTS COULD NEGATIVELY IMPACT THE MERGED GROUP'S RESULTS OF OPERATIONS AND FINANCIAL POSITION

The Merged Group's operations are subject to rehabilitation plans that establish the Merged Group's obligations to rehabilitate properties after minerals have been mined from a site. These obligations represent significant future costs for the Merged Group and will be evaluated by the Merged Group on an annual basis.

Rehabilitation bonds or other forms of financial assurance are often required to secure rehabilitation obligations on mining projects. If a rehabilitation bond is required, governing authorities can require companies to periodically recalculate the amount of a rehabilitation bond and may require bond amounts to be increased. It may be necessary to revise the planned rehabilitation expenditures and the operating plan for the mine to fund an increase to a

rehabilitation bond. Rehabilitation bonds represent only a portion of the total amount of money that will be spent on rehabilitation over the life of a mine operation. The actual costs of rehabilitation set out in mine plans are estimates only and may not represent the actual amounts that will be required to complete all rehabilitation activity. If actual costs are significantly higher than estimates, it could have a material adverse effect on the Merged Group's results from operations and financial position.

(bb) MINERAL RIGHTS OR SURFACE RIGHTS TO THE MERGED GROUP'S PROPERTIES COULD BE CHALLENGED OR BREACHED, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON THE MERGED GROUP'S PRODUCTION AND RESULTS OF OPERATIONS

The acquisition of title to mineral properties and ongoing compliance therewith is a very detailed and time-consuming process and may be disputed. There can be no assurances that the Merged Group's interest in its properties is free from title defects or that the material contracts between the Merged Group and (the entities owned or controlled by) the relevant governments will not be unilaterally altered or revoked. Third parties may have valid claims underlying portions of the Merged Group's interest, including prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Therefore, there is no assurance that the Merged Group's rights and title interests will not be revoked or significantly altered to the Merged Group's detriment or that the rights and title interests will not be challenged or impugned by third parties or the Western Australian government.

(cc) THE MERGED GROUP MAY BE UNABLE TO IDENTIFY OR COMPLETE DESIRABLE ACQUISITIONS, INVESTMENTS OR DIVESTITURES, AND MAY BE UNSUCCESSFUL IN INTEGRATING BUSINESSES AND ASSETS THAT THE MERGED GROUP MAY ACQUIRE

The Merged Group may consider making additional strategic acquisitions, divestitures or investments as a means of pursuing its corporate strategy. Acquisitions may be made by using available cash, incurring debt, issuing shares in the capital of AMAL or other securities, or any combination of these. This could limit the Merged Group's flexibility to raise capital, to operate, explore and develop its properties and make other acquisitions. In addition, when evaluating potential acquisitions or investments, the Merged Group cannot be certain that it will have correctly identified the risks and costs inherent in the acquired business or opportunity.

It is possible that the Merged Group may not identify suitable opportunities, or if it does identify suitable opportunities, that the Merged Group may not complete those transactions on terms commercially acceptable to the Merged Group or at all. The inability to identify suitable acquisition targets or divestiture opportunities or investments or the inability to complete such transactions could materially and adversely affect the Merged Group's competitiveness and growth prospects. If the Merged Group successfully completes an acquisition or investment, the Merged Group could face difficulties managing the investment or integrating the acquisition into its operations. There can be no assurance that the Merged Group will be able to achieve the strategic purpose or benefits of such an acquisition or investment. If the Merged Group successfully completes a divestiture, there can be no assurance that it will obtain favourable consideration for such divestiture. These difficulties could disrupt the Merged Group's ongoing business, distract its management and employees, and increase its expenses, any of which could materially and adversely affect the Merged Group's business and results of operations.

(dd) THE MERGED GROUP'S DIRECTORS MAY HAVE INTERESTS THAT CONFLICT WITH ITS INTERESTS

Certain of the Merged Group's directors are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in companies, partnerships or joint ventures which are potential competitors of the Merged Group. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors may conflict with the Merged Group's interests. The Merged Group's directors with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

(ee) THE MERGED GROUP MAY BE UNABLE TO COMPETE SUCCESSFULLY WITH OTHER MINING COMPANIES

The mining industry is competitive in all its phases. The Merged Group competes with other companies, some which have greater financial and other resources than the Merged Group and, as a result, may be in a better position to compete for future business opportunities. The Merged Group competes with other mining companies for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the Merged Group can compete effectively with these companies.

(ff) THE CONSEQUENCES OF A MINE CLOSURE COULD MATERIALLY AND ADVERSELY AFFECT THE MERGED GROUP'S BUSINESS AND RESULTS OF OPERATIONS

In the future, the Merged Group may be required to close the mine it operates at the Bald Hill Project. The key risks for mine closure include, without limitation, the (i) long-term management of permanent engineered structures; (ii) achievement of environmental closure standards; (iii) orderly retrenchment of employees and contractors; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these items is dependent on the ability to successfully implement negotiated agreements with the relevant government, community and employees. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental impacts and damage to corporate reputation if desired outcomes cannot be achieved, which could materially and adversely affect the Merged Group's business and results of operations.

(gg) NATIVE TITLE AND ABORIGINAL HERITAGE

The effect of present laws in respect of native title that apply in Australia is that mining tenements (including applications for mining tenements) may be affected by native title claims or procedures, which may prevent or delay the granting of mining tenements or affect the ability of the Merged Group to explore and develop mining tenements.

Commonwealth and state legislation will oblige the Merged Group to identify and protect sites of significance to Aboriginal custom and tradition.

The Merged Group's tenements extend over areas in which legitimate common law native title rights of native title claimant exist. The ability of the Merged Group to gain access to its tenements and to conduct exploration, development and mining operations remains subject to native title rights and the terms of registered native title agreements. The Merged Group may need to negotiate with any native title claimant for access rights to its tenements. In addition, agreement may need to be reached with native title claimants and/or holders in the event of mining on additional tenements. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties. In addition, this may potentially disrupt, delay or hinder (as the case may be) the Merged Group's plans for expansion or further exploration.

Additionally, the Merged Group may be liable to pay compensation to the native title holders, the extent of which cannot be quantified at this stage.

9. AUSTRALIAN TAX IMPLICATIONS OF THE SCHEME

9.1 AUSTRALIAN TAXATION OUTLINE

The following is a general description of the Australian tax consequences of the Scheme (assuming it becomes Effective). The comments set out below are relevant only to those Shareholders who hold their Tawana Shares on capital account. The description is based upon the Australian law and administrative practice in effect at the date of this Scheme Booklet but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Shareholder.

The information below does not apply to Scheme Participants:

- who hold their Tawana Shares on revenue account or as trading stock, such as banks and share trading entities;
- who are temporary residents of Australia for Australian taxation purposes;
- who hold their Tawana Shares in connection with a business carried on through a permanent establishment outside their country of residence;
- in respect of any unlisted options issued by Tawana; or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Tawana Shares.

Tawana Shareholders should seek independent professional advice in relation to their particular circumstances. This taxation advice should specifically consider whether the Tawana Shareholder is entitled to CGT scrip-for-scrip rollover relief in connection with the Scheme.

Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

9.2 AUSTRALIAN RESIDENT TAWANA SHAREHOLDERS

(a) AUSTRALIAN CAPITAL GAINS TAX (CGT)

The Scheme will result in the disposal by Tawana Shareholders of their Tawana Shares to AMAL. This change in the ownership of the Tawana Shares will constitute a CGT event A1 for Australian CGT purposes.

The date of disposal of the Tawana Shares for CGT purposes will be the Implementation Date.

(b) CALCULATION OF CAPITAL GAIN OR CAPITAL LOSS

Shareholders may make a capital gain on the disposal of Tawana Shares to the extent that the capital proceeds from the disposal of the Tawana Shares are more than the 'cost base' of those Tawana Shares (the availability of CGT scrip-for-scrip rollover relief is discussed below). Conversely, Shareholders may make a capital loss to the extent that the capital proceeds are less than their 'reduced cost base' of those Tawana Shares.

- Cost base

  The 'cost base' of the Tawana Shares generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the Shareholder. The 'reduced cost base' of the Tawana Shares is usually determined in a similar, but not identical, manner.

- Capital proceeds

  The capital proceeds received in respect of the disposal of each Share should be the market value of the 1.1 ASX Listed Shares or, if elected, the 1.1 SGX Listed Shares, received per Tawana Share.

(c) CGT DISCOUNT

Generally, Australian resident Scheme Participants who are individuals, complying superannuation entities, trustees or life insurance companies may be entitled to reduce the amount of any capital gain made on the disposal of their Tawana Shares if they have held their Tawana Shares for at least 12 months before the Implementation Date (this reduction is referred to as the **CGT discount**).

The CGT discount, if it is available, is applied only after any available capital losses have been applied to reduce the capital gain.

The discount rate is 50% for individuals and trustees, and 33.3% for complying superannuation entities and life insurance companies (where the life insurance company qualifies for the CGT discount).

The CGT discount is not available to Scheme Participants:

- that are companies; or
- who acquired their Tawana Shares before 21 September 1999 where the Scheme Participant chose to index the cost base of their Tawana Shares for CGT purposes.

Capital gains and capital losses made by a Scheme Participant in a year of income from all sources are aggregate to determine whether they make a net capital gain or capital loss for the year of income. A net capital loss is not deductible from the assessable income for a Scheme Participant. However, a net capital loss may be able to be carried forward to offset capital gains made by the Scheme Participant in future years of income, subject to various requirements being met.

(d) CGT ROLL-OVER RELIEF

Australian resident Scheme Participants who participate in the Scheme may be eligible for CGT scrip-for-scrip rollover relief.

In broad terms, eligible Scheme Participants who choose to obtain CGT scrip-for-scrip rollover relief disregard the CGT consequences of disposing of their Tawana Shares under the Scheme, including the capital gain that arises. The rollover relief does not apply where Scheme Participants make a capital loss.

Scheme Participants will generally need to choose CGT scrip-for-scrip rollover relief before lodging their income tax return for the year of income in which the CGT event happens. This should, as discussed above, be the year of income in which the Implementation Date occurs.

Choosing to obtain CGT rollover relief can simply be evidenced by excluding the relevant capital gain in respect of which the CGT rollover relief is chosen from the Scheme Participant's tax return.

(e) FUTURE DISPOSAL OF AMAL SHARES

A Scheme Participant may wish to dispose of any AMAL Shares acquired under the Scheme at a later time. If the Scheme Participant chose to obtain CGT rollover relief on the disposal of their Tawana Shares under the Scheme, the cost base and acquisition date of the AMAL Shares they acquired under the Scheme may be different.

In particular, for those Scheme Participants who were eligible for and chose to obtain CGT rollover relief in respect of their Tawana Shares, the CGT rollover relief rules will determine the cost base of any AMAL Shares and their time of acquisition.

In general terms, where CGT rollover relief is chosen, the cost base of the AMAL Shares will be equal to the existing cost base of the Shares exchanged under the Scheme.

In those circumstances, each AMAL Share should also be deemed to have been acquired by the relevant Scheme Participant on the same date as the date the original Tawana Share which gave rise to the entitlement to the AMAL Share was acquired. This deemed acquisition date will be relevant for indexation or the availability of the CGT discount concession. For all other CGT purposes, Scheme Participants should be taken to have acquired their ASX AMAL Shares at the time they are issued, which should be the Implementation Date.

Where CGT rollover relief is not chosen or is not available, the cost base of the AMAL Shares should be equal to the market value of the Tawana Shares exchanged under the Scheme. In this case, the AMAL Shares should be taken to have been acquired at the time they are issued, which should be the Implementation Date.

9.3 NON-AUSTRALIAN RESIDENT TAWANA SHAREHOLDERS

For a Tawana Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their Tawana Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Tawana Shares will generally only result in Australian CGT implications if:

- that Shareholder together with its associates held an interest of 10% or more in Tawana at the time of disposal or for a 12 month period during the 2 years preceding the disposal (referred to as a "non-portfolio interest"); and
- more than 50% of the market value of Tawana's assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the income tax legislation), which is expected to be the case.

The cost base of the AMAL Shares for non-Australian resident Tawana Shareholders participating in the Scheme should be equal to the market value of the Tawana Shares exchanged under the Scheme. The AMAL Shares should be taken to have been acquired at the time they are issued, which will be the Implementation Date.

If you hold a "non-portfolio" interest in Tawana, you should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

A non-Australian resident Tawana Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Tawana Shares as set out in Section 9.2.

9.4 FOREIGN RESIDENT CAPITAL GAINS WITHHOLDING TAX

A foreign resident capital gains withholding tax applies to any transaction involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest from a "relevant foreign resident". The withholding tax rate is 12.5%.

Under these rules, a "relevant foreign resident" is any entity that, at the time the transaction is entered into:

- is known by the purchaser to be a foreign resident;
- is reasonably believed by the purchaser to be a foreign resident;
- is not reasonably believed by the purchaser to be an Australian resident, and either has an address outside Australia or the purchaser is authorised to provide a financial benefit relating to the transaction to a place outside Australia; or
- has a connection outside Australia of a kind specified in the regulations.

If you are a Scheme Participant who has a registered address outside Australia, or AMAL, as a purchaser of your Tawana Shares under the Scheme, reasonably believes you to be a "relevant foreign resident", you will be provided (either together with this Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form. For the avoidance of doubt, the Relevant Foreign Resident Declaration Form will be provided to the registered holder of the relevant Tawana Shares and not to beneficial holders of Tawana Shares (including, for example, Dematerialised SA Holders).

In the Relevant Foreign Resident Declaration Form, a Scheme Participant may provide AMAL with a declaration that:

- the registered holder of the relevant Tawana Shares is an Australian tax resident (**residency declaration**); or
- the registered holder of the relevant Tawana Shares, together with its associates, has not held an interest of 10% or more in Tawana as at the Implementation Date or for a 12 month period during the 2 years preceding the Implementation Date (**interest declaration**).

For these Scheme Participants, unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest is provided to AMAL by the Record Date, you may be treated as an Ineligible Shareholder for the purposes of the Scheme and AMAL may withhold and remit to the Australian Taxation Office 12.5% (or some lesser rate approved by the Commissioner of Taxation) of your entitlement to net proceeds of sale of AMAL Shares by the Sale Agent (as referred to in Section 3.9). Please refer to sections 3.9 and 7.5 for details as to how an Ineligible Shareholder is treated for the purposes of this Scheme.

You should generally be entitled to a credit for that amount paid upon lodging an Australian income tax return. If you are unsure about whether a credit for the withholding tax may be claimed, or how you can lodge an Australian income tax return, Tawana recommends you seek your own tax advice in this regard.

If AMAL receives by the Record Date a signed and valid Relevant Foreign Resident Declaration Form from a Tawana Shareholder who is not an Ineligible Shareholder, that Tawana Shareholder will not be treated as an "Ineligible Shareholder" and AMAL will not withhold and remit to the Australian Taxation Office any portion of that Tawana Shareholder's entitlement to net proceeds of sale of AMAL Shares by the Sale Agent.

If AMAL receives by the Record Date a signed and valid Relevant Foreign Resident Declaration Form from a Tawana Shareholder who is an Ineligible Shareholder, that Tawana Shareholder will be treated as an "Ineligible Shareholder", however, AMAL will not withhold and remit to the Australian Taxation Office any portion of that Tawana Shareholder's entitlement to net proceeds of sale of AMAL Shares by the Sale Agent.

If you are unsure about whether you are able to make a residency declaration or an interest declaration, Tawana recommends you seek your own tax advice in this regard.

9.5 AUSTRALIAN GOODS AND SERVICES TAX (GST)

Tawana Shareholders should not be liable to GST in respect of a disposal of those Tawana Shares pursuant to the Scheme.

Shareholders may incur GST on costs (such as third party brokerage and adviser fees) that relate to the Scheme. Shareholders that are registered, or required to be registered, for GST may not be entitled to full input tax credits for any GST payable on such costs but may be entitled to "reduced input tax credits" (at the rate of 75%) for some acquisitions. This will depend on each Shareholders' individual circumstances.

9.6 AUSTRALIAN DUTY

No duty should be payable in any Australian jurisdiction by Tawana Shareholders in respect of the disposal of their Tawana Shares.

Further, no stamp duty should be payable in any Australian jurisdiction by Tawana Shareholders in respect of the issue to them of ASX Listed Shares or SGX Listed Shares provided that no Tawana Shareholder, either directly or when aggregated with interests held by associates of that Tawana Shareholder, obtains an interest in AMAL of 90% or more on issuance of the AMAL Shares pursuant to the Scheme.

10. ADDITIONAL INFORMATION

This Section 10 sets out additional statutory information, as well as some additional information that may be of interest to Tawana Shareholders.

10.1 SUBSTANTIAL SHAREHOLDERS

As at the close of trading on the Latest Practicable Date, the following persons had notified Tawana that they had voting power in 5% or more of Tawana Shares:

Name	Number of Shares in which they have voting power	% of Shares
Weier Antriebe und Energietechnik GmbH	76,167,857	13.2
Tribeca Investment Partners Pty Ltd	64,540,276	11.2
Merriwee Pty Ltd	31,250,000	5.4

10.2 MARKETABLE SECURITIES OF TAWANA HELD BY OR CONTROLLED BY DIRECTORS AND AMAL DIRECTORS

No marketable securities of Tawana are held or controlled by Tawana Directors and no such persons are otherwise entitled to such securities as at the Latest Practicable Date other than as listed below, all of which are held beneficially:

Director	Tawana Shares	Options
Mr Robert Benussi [1]	4,150,000	-
Mr Mark Calderwood	21,880,000	3,000,000
Mr Robert Vassie [2]	1,000,000	-
Mr Mark Turner [3]	1,000,000	-
Ms Vicki Xie	-	-

Notes:

1. On 29 June, Mr Benussi acquired 1,500,000 Tawana Shares upon the exercise of 1,500,000 Options (being 1,000,000 Class I Incentive Options with an exercise price of $0.06 and 500,000 Directors Options with an exercise price of $0.20).
2. On 6 July 2018, Mr Vassie acquired 1,000,000 Tawana Shares upon the exercise of 1,000,000 Options (being Director Options with an exercise price of $0.20).
3. On 29 June, Mark Turner acquired 1,000,000 Tawana Shares upon the exercise of 1,000,000 Options (being Director Options with an exercise price of $0.20).

Each Tawana Director who owns or controls Tawana Shares at the time of the Scheme Meeting intends to vote such Tawana Shares, and will direct any Tawana proxies placed at their discretion, in favour of the Scheme in the absence of a Superior Proposal.

Except as stated in this section of the Scheme Booklet:

- there are no marketable securities of Tawana held by or on behalf of Tawana Directors as at the date of this Scheme Booklet;
- there are no marketable securities of AMAL held by or on behalf of Tawana Directors as at the date of this Scheme Booklet; and
- there has been no dealing by any Tawana Director in any marketable securities of Tawana or AMAL in the four months preceding the date of this Scheme Booklet.

As at the Latest Practicable Date, no marketable securities of Tawana are held or controlled by AMAL directors and no such persons are otherwise entitled to such securities.

10.3 BENEFITS AND AGREEMENTS

(a) BENEFITS IN CONNECTION WITH RETIREMENT FROM OFFICE

It is not proposed that any payment or other benefit be made or given to any director, secretary or executive officer of Tawana (or of its Related Bodies Corporate) as compensation for loss of, or as consideration for, or in connection with his or her retirement from, office in Tawana or in any of its Related Bodies Corporate as a result of the Scheme other than in his or her capacity as a Tawana Shareholder.

Tawana pays premiums in respect of a directors and officers (D&O) insurance policy for the benefit of its Directors and executive officers.

(b) AGREEMENTS CONNECTED WITH OR CONDITIONAL ON THE SCHEME

Except as set out below or otherwise disclosed in this Section:

- no Tawana Director has any other interests in a contract entered into by AMAL;
- there are no contracts or arrangements between a Tawana Director and any person, including AMAL, in connection with or conditional on the outcome of the Scheme; and
- no Tawana Director has a material interest in relation to the Scheme other than in their capacity as a Tawana Shareholder.

Each of Mark Turner, Mark Calderwood, Robert Vassie and Vickie Xie will become directors of AMAL upon completion of the Scheme.

In addition, in the event of a change of control of Tawana, Mark Calderwood is entitled to a payment from Tawana equal to 6 month's salary under the terms of his employment agreement with Tawana. If the Scheme becomes Effective, a change of control for the purposes of Mark Calderwood's employment contract will occur and Tawana will be required to pay approximately $182,500 (plus any superannuation entitlement) to Mark Calderwood.

10.4 CAPITAL STRUCTURE OF TAWANA

As at the Latest Practicable Date, Tawana has 578,086,517 ordinary shares on issue and 18,693,880 Options.

10.5 IMPLICATIONS OF THE SCHEME FOR HOLDERS OF OPTIONS

Each holder of Options has entered into an Option Cancellation Deed under which, conditional on the Scheme becoming Effective, the holder agrees that its Options will be cancelled automatically on the Implementation Date in exchange for:

- in respect of the 1,000,000 Options with an exercise price of $0.50 and an expiry date of 6 April 2021, an aggregate of 354,196 AMAL Shares, subject to any valid exercise of the relevant Options prior to the Record Date; and
- in respect of all other Options (**In-the-money Options**), such number of AMAL Shares as calculated in accordance with the formula below, subject to any valid exercise of the relevant Options prior to the Record Date.

The number of AMAL Shares to be issued to a holder of In-the-money Options will be calculated in accordance with the following formula:

$$A = B \times \left(\frac{C - D}{C} \times E\right)$$

where:

A is the number of AMAL Shares to be issued to the holder;

B is the number of Options in the class held by the holder;

C means A$0.4568, being the volume weighted average price of Tawana Shares on ASX for the 5 trading days immediately prior to (and excluding) the Announcement Date;

D means the exercise price of the class of Options held by the holder; and

E is the Exchange Ratio.

Option holders will be issued the relevant number of AMAL Shares on (or shortly after) the Implementation Date.

ASX has granted Tawana a waiver in respect of Listing Rule 6.23.2 to the extent necessary to permit Tawana to cancel the Options for consideration without obtaining the approval of Tawana Shareholders.

Further details regarding the waiver are set out in Section 10.13(a).

If an Option holder exercises its Options prior to the Record Date, Tawana will issue Tawana Shares to that Option holder so as to facilitate the Option holder's participation in the Scheme as a Tawana Shareholder.

10.6 INDEPENDENT EXPERT

BDO has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet advising as to whether, in its opinion, the Scheme is in the best interests of Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable to Tawana Shareholders and therefore is in the best interests of Tawana Shareholders, in the absence of a superior proposal.

10.7 AMAL VALUATION REPORT

The AMAL Board has commissioned SRK Consulting to provide an independent technical assessment and valuation of the Bald Hill Project and its associated tenure for inclusion as an appendix to the AMAL Shareholders' Circular (**AMAL Valuation Report**), as required by SGX-ST regulations. The AMAL Valuation Report will be released by AMAL as part of the AMAL Shareholders' Circular after the date of this Scheme Booklet.

The valuations in the AMAL Valuation Report and the Independent Expert's Report have been prepared on a different basis and for different purposes. Consequently, the valuation of the Bald Hill Project and its associated tenure adopted by SRK Consulting is expected to be materially higher (by approximately $46 million) than the valuation of those assets specified in the Independent Expert's Report.

The differences in the valuation outcomes in the Independent Expert's Report and the AMAL Valuation Report arise as a result of the following:

- the AMAL Valuation Report has been prepared for compliance with the Catalist Rules in Singapore to value the mineral resources and reserves of the Bald Hill Project and its related tenure, whereas the Independent Expert's Report is a fairness opinion prepared for Tawana Shareholders in compliance with ASIC guidance and the expectations of the Court; and
- SRK Consulting and the Independent Expert have applied different key assumptions, including in relation to spodumene price forecasts, the use of pre-tax or post-tax cash flows and the discount rates applied to these cash flows.

A full copy of the AMAL Valuation Report will be made available on SGX-ST following the date of this Scheme Booklet and can be obtained from the SGX-ST website (https://www.sgx.com/).

The Tawana Directors recommend that Tawana Shareholders read the Independent Expert's Report in Annexure A as it specifically considers Tawana Shareholders' interests and was prepared for the purposes of the Scheme. The AMAL Valuation Report does not comment on the fairness or reasonableness of any transaction.

10.8 CONSENTS

The following parties have given and have not withdrawn, before the registration of this Scheme Booklet by ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- King & Wood Mallesons as legal adviser to Tawana (as to Australian law);
- Allen & Gledhill LLP as legal adviser to Tawana (as to Singaporean law);
- Canaccord as financial advisor to Tawana;
- BDO as Independent Expert;
- SRK Consulting as independent valuer for AMAL;
- SRK Consulting as technical specialist;

- EY as auditor of Tawana;
- EY as auditor of AMAL;
- Ernst & Young Transaction Advisory Services Limited as Investigating Accountant;
- Computershare Investor Services Pty Limited as Tawana Share Registry;
- AMAL; and
- the Relevant Shareholders.

BDO has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to the Independent Expert's Report in the form and context in which they appear.

SRK Consulting (as independent valuer of AMAL) has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to all references in this Scheme Booklet to the AMAL Valuation Report in the form and context in which they appear. SRK Consulting has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Technical Specialist Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to the Technical Specialist Report in the form and context in which they appear.

AMAL has also given and has not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the inclusion of the AMAL Information in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to the AMAL Information in the form and context in which they appear.

EY has also given and not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to:

- the incorporation by reference in the Scheme Booklet of its audit reports with respect to financial statements of AMAL for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 and its review report with respect to the interim financial statements for the six months ended 31 December 2017 and ten months ended 30 April 2018; and
- the incorporation by reference in the Scheme Booklet of its audit reports with respect to financial statements of Tawana for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 and its review report with respect to the interim financial statements for the four months ended 30 April 2018.

Ernst & Young Transaction Advisory Services Limited has also given and not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the inclusion of its Independent Limited Assurance Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to the Independent Limited Assurance Report in the form and context in which they appear.

Each of the Relevant Shareholders has also given and has not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the inclusion of their respective voting intention statements in this Scheme Booklet.

10.9 DISCLAIMERS

None of the persons referred to in Section 10.8 have authorised or caused the issue of this Scheme Booklet and do not make or purport to make any statement in this Scheme Booklet other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above.

To the maximum extent permitted by law, each person referred to in Section 10.8 disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Scheme Booklet other than as described in this section with that person's consent.

The AMAL Information has been prepared by AMAL and AMAL is responsible for the accuracy and completeness of the AMAL Information. Tawana does not assume responsibility for the accuracy or completeness of the AMAL Information.

10.10 FEES

(a) TAWANA FEES

The amount of the fees incurred (or which are expected to be incurred) by Tawana in connection with the Transaction, including the fees of the financial advisors, lawyers, accountants and the Independent Expert set out above in Section 10.8, is estimated at approximately $4.5 million (excluding GST). This includes fees and expenses for professional services paid or payable (excluding GST) to:

- the financial advisor of approximately $3.3 million (see Section 10.10(b));
- legal advisors of approximately $700,000; and
- accounting and tax advisors of approximately $110,000.

The balance of the fees and expenses incurred (or which are expected to be incurred) by Tawana in connection with the Transaction comprises fees paid (or expected to be payable) by Tawana in connection with the Transaction, including to the Independent Expert, SRK and the Tawana Share Registry.

(b) CANACCORD'S INTERESTS IN TAWANA

In connection with its role as financial advisor to Tawana on the Transaction, Canaccord will receive a fee of approximately $3.3 million (excluding GST) (being 1.5% of the transaction value). In addition, Canaccord has earned underwriting and management fees of approximately $2.8 million in respect of the equity capital raisings completed by Tawana and AMAL following the Announcement Date. All of Canaccord's fees and remuneration have been negotiated on arm's length terms. As at the Latest Practicable Date, Canaccord holds approximately 25,084,083 Tawana Shares and 9,000,000 Options.

(c) AMAL FEES

The amount of the expenses incurred (or which are expected to be incurred) by AMAL in connection with the Transaction, including the fees and expenses of financial advisors, lawyers, accountants (but not including stamp duty) is estimated at approximately $3.0 million (excluding GST).

10.11 STAMP DUTY EXPENSE

Landholder duty will be payable in Western Australia at rates up to 5.15% based on the unencumbered market value of the Western Australian land, including mining tenements, and plant situated in Western Australia held by Tawana and its Subsidiaries at the time of the Transaction. An "Acquisition Statement" must be lodged with the Western Australian Office of State Revenue (**WAOSR**) within 2 months of the acquisition.

The WAOSR will review the transaction and issue an assessment of landholder duty. Using the Independent Expert's preferred value of Tawana's share in the Bald Hill Project (including the exploration assets) of approximately $208 million as the indicative value on which stamp duty is to be assessed, the stamp duty payable will be approximately $10.72 million. The actual duty payable on the transactions contemplated by the Scheme will, however, depend on the WAOSR's view of the unencumbered market value of the Western Australian land and plant held by Tawana at the relevant date.

The liability to pay this duty rests with AMAL, and AMAL reserves the right to make submissions to WAOSR as to the value of the relevant assets of Tawana in connection with the calculation of duty.

10.12 FOREIGN JURISDICTIONS

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Tawana disclaims all liabilities to such persons. Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Scheme Booklet or any aspect of the acquisition in any jurisdiction outside of Australia.

10.13 REGULATORY RELIEF

(a) TAWANA ASIC RELIEF

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the Directors, the financial position of Tawana has materially changed since the date of the last balance sheet laid before the company's annual general meeting or sent to Tawana Shareholders in accordance with section 314 or 317 of the Corporations Act, being 31 December 2017.

ASIC has granted Tawana relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Directors, the financial position of Tawana has materially changed since 30 April 2018 (being the last date of the period to which the financial statements for the interim period ended 30 April 2018 relate). See Section 4.11 for details of the material changes in the financial position of Tawana since 30 April 2018.

Tawana will provide a copy of the interim financial report for the four month period ended 30 April 2018 free of charge to anyone who requests a copy, prior to the Scheme being approved by the Court.

(b) TAWANA ASX WAIVERS

ASX has granted Tawana a waiver in respect of Listing Rule 6.23.2 to the extent necessary to permit Tawana to cancel the Options for consideration without obtaining the approval of Tawana Shareholders.

The waiver application was made on the basis that Tawana Shareholders are provided with information about the proposed treatment of the Options in this Scheme Booklet and are therefore able to consider this information when determining whether to vote in favour of the Scheme. The waiver is conditional upon the Scheme being approved by the Court.

Further details regarding the treatment of the Options are set out in Section 10.5.

(c) AMAL ASX WAIVERS

AMAL has received in-principle advice from ASX that it will have the benefit of the following waivers in connection with its admission to the Official List of ASX:

- (Listing Rule 6.16) a waiver from ASX Listing Rule 6.16 to permit AMAL to have on issue the Loan Options and the Canaccord Options that do not comply with ASX Listing Rule 6.16; and
- (Listing Rule 15.7) a waiver from ASX Listing Rule 15.7 to the extent necessary to permit AMAL to provide information required by the ASX Listing Rules to ASX and SGX-ST simultaneously.

10.14 KEY TERMS OF THE SCHEME IMPLEMENTATION AGREEMENT

(a) OVERVIEW

Tawana and AMAL entered into the Scheme Implementation Agreement on 5 April 2018. It was subsequently varied on 6 July 2018. The Scheme Implementation Agreement sets out the steps required to be taken by Tawana and AMAL to give effect to the Scheme. Key terms of the Scheme Implementation Agreement are summarised below.

(b) CONDITIONS PRECEDENT

The Conditions Precedent are summarised in Section 3.4 and are set out in full in schedule 2 of the Scheme Implementation Agreement.

(c) NO SHOP

Each of AMAL and Tawana has agreed that during the Exclusivity Period neither it nor any of its Related Bodies Corporate or representatives, directly or indirectly, solicits, invites, encourages or initiates any enquiries, negotiations or discussions (or communicate any intention to do any of these things) in relation to, or which may reasonably be expected to encourage or lead to the marking of any offer, proposal or expression of interest from any person in relation to a Competing Transaction.

(d) NO TALK

Each of AMAL and Tawana has agreed that during the Exclusivity Period neither it nor any of its Related Bodies Corporate or representatives will participate in or continue any discussions or negotiations or participate in negotiations or discussions with any person in relation to, or which may reasonably be expected to lead to the making of an actual, proposed or potential Competing Transaction, even if that Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by it.

Each of AMAL and Tawana has agreed that neither it nor any of its Related Bodies Corporate or representatives will provide any non-public information (including due diligence information) to a third party.

The no talk restriction does not apply if the AMAL Board or Tawana Board (as applicable) has determined, in good faith and acting reasonably, after receiving written advice from its external legal advisers, that failing to respond to such a Competing Transaction would be reasonably likely to constitute a breach of their fiduciary or statutory obligations.

(e) NO DUE DILIGENCE

Each of AMAL and Tawana has agreed that during the Exclusivity Period neither it nor any of its Related Bodies Corporate or representatives makes available to any other person, or permits any other person to receive, other than the other party and the other party's representatives (in the course of due diligence investigations or otherwise) any non-public information relating to the party or any of its Related Bodies Corporate in connection with such person formulating, developing or finalising a Competing Transaction.

The no due diligence restriction does not apply if the AMAL Board or Tawana Board (as applicable) has determined, in good faith and acting reasonably, after receiving written advice from its external legal advisers, that failing to undertake such action would be reasonably likely to constitute a breach of their fiduciary or statutory obligations.

(f) NOTICE OF COMPETING TRANSACTION

Each of AMAL and Tawana has agreed that during the Exclusivity Period it must promptly (and in any event no later than 5 Business Days following the relevant event) inform the other if it or any of its Related Bodies Corporate or representatives receives or becomes aware of any approach or proposal with respect to any actual, proposed or potential Competing Transaction or provision of any information relating to the other party or any of its Related Bodies Corporate to any person in connection with or for the purpose of an actual, proposed or potential Competing Transaction, and must fairly disclose to the other all material details of the Competing Transaction, including details of the proponent and the terms and conditions of the actual, proposed or potential Competing Transaction.

(g) TAWANA BREAK FEE

Tawana has agreed to pay AMAL $2 million by way of a break fee if the Scheme has not become Effective and:

- a Tawana Competing Transaction is announced on or before the End Date and either:
  - Tawana enters into a legally binding agreement to undertake the Tawana Competing Transaction; or
  - at any time on or prior to the date 6 months after the end of the Exclusivity Period, the proponent of the Tawana Competing Transaction acquires Control of Tawana, or voting power or an economic interest in more than 50% of Tawana Shares, more than 50% of the shares in any material Subsidiary of Tawana, or acquires or obtains an economic interest in more than 50% (by value) of the assets (excluding cash), cash or business of the Tawana Group;
- on or before the End Date, any Tawana Director fails to recommend that Tawana Shareholders vote in favour of the Scheme or support the Scheme, changes or withdraws his or her recommendation that Tawana Shareholders vote in favour of the Scheme, publicly recommends or supports a Tawana Competing Transaction or otherwise makes a public statement indicating that he or she no longer supports the Transaction, except as a result of the Independent Expert opining that the Scheme is not in the best interests of Tawana Shareholders or Tawana has given the appropriate termination notice to AMAL where AMAL is in material breach of the Scheme Implementation Agreement which breach continues to exist 10 Business Days (or any shorter period ending at 8:00am on the day before the Second Court Date) after the time such notice has been given;
- AMAL validly terminates the Scheme Implementation Agreement on that basis that:
  - the Tawana Board or any of its members changes or withdraws its recommendation to the Scheme Participants that they vote in favour of the Scheme or otherwise makes a publicly statement indicating that

it no longer supports the Transaction, or that the Tawana Board or any Tawana Director recommends or supports a Competing Transaction;

- any Tawana Director qualifies or withdraws their voting intention to vote the Tawana Shares in which they have a Relevant Interest in favour of the Scheme Resolution, in absence of a Tawana Superior Proposal;
- Tawana is in material breach of clause 15 of the Scheme Implementation Agreement;
- Tawana is in material breach of the Scheme Implementation Agreement and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00am on the day before the Second Court Date) following notice of such breach, except where the breach relates to Tawana failing to comply in all material respects with the Bald Hill Joint Venture Agreement; or
- a Tawana Prescribed Event has occurred prior to 8:00am on the Second Court Date and the parties are unable to agree within 5 Business Days of the event (or any shorter period ending at 5:00pm on the day before the Second Court Date) as to how the Scheme will proceed; or

- Tawana validly terminates the Scheme Implementation Agreement where a majority of the Tawana Board changes or withdraws their recommendation to Scheme Participants that they vote in favour of the Scheme as a result of after the Tawana Board determining there is a Tawana Superior Proposal.

(h) AMAL BREAK FEE

AMAL has agreed to pay Tawana $2 million by way of a break fee if the Scheme has not become Effective and:

- an AMAL Competing Transaction is announced on or before the End Date and either:
  - AMAL enters into a legally binding agreement to undertake the AMAL Competing Transaction; or
  - at any time on or prior to 6 months after the end of the Exclusivity Period, the proponent of the AMAL Competing Transaction acquires Control of AMAL, or voting power or an economic interest in more than 50% of AMAL Shares, or acquires or obtains an economic interest in more than 50% (by value) of the assets (excluding cash), cash or business of AMAL;
- on or before the End Date, any AMAL director fails to recommend that AMAL Shareholders vote in favour of the AMAL Shareholder Resolutions or support the Scheme, changes or withdraws his or her recommendation that AMAL Shareholders vote in favour of the AMAL Shareholder Resolutions, publicly recommends or supports an AMAL Competing Transaction or otherwise makes a public statement indicating that he or she no longer supports the Transaction, except where Tawana is in material breach of the Scheme Implementation Agreement which breach continues to exist 10 Business Days (or any shorter period ending at 8:00am on the day before the Second Court Date) after the time such notice is given;
- Tawana validly terminates the Scheme Implementation Agreement on that basis that:
  - the AMAL Board or any of its members changes or withdraws its recommendation to AMAL Shareholders that they vote in favour of the AMAL Shareholder Resolutions or otherwise makes a public statement indicating that it no longer supports the Transaction, or the AMAL Board or any AMAL director recommends or supports a Competing Transaction;
  - any AMAL director qualifies or withdraws their voting intention to vote the AMAL Shares in which they have a Relevant Interest in favour of the AMAL Shareholder Resolutions, in absence of an AMAL Superior Proposal;
  - AMAL is in material breach of clause 15 of the Scheme Implementation Agreement;
  - AMAL is in material breach of the Scheme Implementation Agreement and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00am on the day before the Second Court Date) following notice of such breach, except where the breach relates to AMAL failing to comply in all material respects with the Bald Hill Joint Venture Agreement; or
  - an AMAL Prescribed Event has occurred prior to 8:00am on the Second Court Date and the parties are unable to agree within 5 Business Days of the event (or any shorter period ending at 5:00pm on the day before the Second Court Date) as to how the Scheme will proceed;

- AMAL validly terminates the Scheme Implementation Agreement on the basis that a majority of the AMAL Board changes or withdraws their recommendation to AMAL Shareholders to vote in favour of the AMAL Shareholder Resolutions as a result of the AMAL Board determining there is an AMAL Superior Proposal; or
- AMAL does not pay the Scheme Consideration in accordance with the terms and conditions of the Scheme Implementation Agreement, the Scheme and the Deed Poll.

(i) TERMINATION BY AMAL

AMAL may terminate the Scheme Implementation Agreement at any time prior to 8:00am on the Second Court Date if:

- the Tawana Board or any Tawana Director changes or withdraws its recommendation that Scheme Participants vote in favour of the Scheme or otherwise makes a public statement indicating that it no longer supports the Transaction, or the Tawana Board or any Tawana Director recommends or supports a Competing Transaction;
- any Tawana Director qualifies or withdraws their voting intention to vote the Tawana Shares in which they have a Relevant Interest in favour of the Scheme Resolution, in the absence of a Superior Proposal; or
- at any time prior to the date of the meeting at which the AMAL Shareholder Resolutions will be considered, a majority of the AMAL Board changes or withdraws their recommendation to AMAL Shareholders that they vote in favour of the AMAL Shareholder Resolutions as a result of the AMAL Board determining there is an AMAL Superior Proposal.

(j) TERMINATION BY TAWANA

Tawana may terminate the Scheme Implementation Agreement at any time prior to 8:00am on the Second Court Date if:

- the AMAL Board or any AMAL director changes or withdraws its recommendation to AMAL Shareholders that they vote in favour of the AMAL Shareholder Resolutions or otherwise makes a public statement indicating that it no longer supports the Transaction, or the AMAL Board or any AMAL director recommends or supports a Competing Transaction;
- any AMAL director qualifies or withdraws their voting intention to vote the AMAL Shares in which they have a Relevant Interest in favour of the AMAL Shareholder Resolutions, in absence of an AMAL Superior Proposal; or
- at any time prior to the Scheme Meeting, a majority of the Tawana Board changes or withdraws their recommendation to Scheme Participants that they vote in favour of the Transaction as a result of:
  - the Independent Expert opining that the Scheme is not in the best interests of Tawana Shareholders; or
  - the Tawana Board determining that there is a Superior Proposal.

(k) TERMINATION BY EITHER PARTY

Either party may terminate the Scheme Implementation Agreement at any time prior to 8:00am on the Second Court Date if the End Date has passed before the Scheme has become Effective, unless the Scheme has not become Effective due to a breach by such party of its obligations under the Scheme Implementation Agreement.

Either Tawana or AMAL may terminate the Scheme Implementation Agreement at any time prior to 8:00am on the Second Court date if:

- the other party is in material breach of clause 15 of the Scheme Implementation Agreement;
- the other party is in material breach of the Scheme Implementation Agreement and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00am on the day before the Second Court Date) following notice of such breach, except where the breach relates to the other party failing to comply in all material respects with the Bald Hill Joint Venture Agreement;
- the resolution submitted to the Scheme Meeting is not approved by the Requisite Majorities;
- the Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action that permanently restrains or prohibits the Scheme;
- there is a breach or non-fulfilment of a condition precedent which is not waived and there is failure to agree on an alternative means of completing the Transaction within 5 Business Days of that breach or non-fulfilment; or

- the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, and:
  - the parties either agree in writing not to appeal the Court's decision to the fullest extent possible;
  - external legal counsel representing the terminating party in relation to the Scheme indicates in writing that, in their opinion, an appeal would likely have less than 50% prospect of success; or
  - there is, in the bona fide view of the Tawana Board or the AMAL Board, a Superior Proposal which should be recommended in preference to the Scheme.

10.15 REGULATORY

All regulatory approvals that are Conditions Precedent to the Scheme are set out in schedule 2 of the Scheme Implementation Agreement.

10.16 DEED POLL

AMAL has entered into the Deed Poll in favour of the Scheme Participants under which AMAL has undertaken to issue to the Scheme Participants the Scheme Consideration if the Scheme becomes Effective.

The Deed Poll may be relied upon and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it and, under the Scheme, Tawana undertakes in favour of each Scheme Participant to enforce the Deed Poll against AMAL on behalf of, and as agent and attorney for, each Scheme Participant.

10.17 OTHER INFORMATION MATERIAL TO THE MAKING OF A DECISION IN RELATION TO THE SCHEME

Except as disclosed elsewhere in this Scheme Booklet, so far as your Tawana Directors are aware as at the date of this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Tawana Director or any director of a Related Entity of Tawana which has not previously been disclosed to Tawana Shareholders.

10.18 SUPPLEMENTARY INFORMATION

Tawana will issue a supplementary document to this Scheme Booklet if it becomes aware, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- that a material statement in this Scheme Booklet is false or misleading in a material respect;
- that there is a material omission from this Scheme Booklet;
- of a significant change affecting a matter included in this Scheme Booklet has occurred; or
- of a significant new matter that has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form which the supplementary document may take will depend on the nature and timing of the new or changed circumstances.

11. GLOSSARY

The following is a glossary of certain terms used in this Scheme Booklet.

Term	Definition
AAS	means Australian Accounting Standards.
AMAL	means Alliance Mineral Assets Limited ACN 147 393 735.
AMAL Board	means the board of directors of AMAL.
AMAL Competing Transaction	has the meaning given in the Scheme Implementation Agreement.
AMAL Historical Financial Information	has the meaning given in Section 5.4.

AMAL Information	means the information contained in the following sections:
	a. the Letter from the Chairperson of AMAL;
	b. Section 5 (Information on AMAL);
	c. Section 6 (Information about the Merged Group);
	d. Section 7 (Scheme Consideration);
	e. Section 8.3 (Risks related to the Merged Group);
	f. Section 10.10(c) (AMAL fees);
	g. Section 10.13(c) (AMAL ASX waivers);
	h. Annexure C (Regulatory comparison of Tawana Shares and AMAL Shares); and
	i. Annexure G (Other Financial Information),
	except in each case to the extent that information is based on information provided or prepared by or on behalf of Tawana.

AMAL Material Adverse Change	has the meaning given in the Scheme Implementation Agreement.
AMAL Prescribed Event	has the meaning given in the Scheme Implementation Agreement.
AMAL Representations and Warranties	means the representations and warranties given by AMAL as set out in schedule 7 of the Scheme Implementation Agreement.
AMAL Share	means a fully paid ordinary share in the capital of AMAL.
AMAL Shareholder	has the meaning given in the Scheme Implementation Agreement.
AMAL Shareholders' Circular	means the circular to be issued to AMAL Shareholders in respect of the AMAL Shareholder Resolutions pursuant to the SGX Listing Rules.
AMAL Shareholder Resolutions	means such resolutions of AMAL Shareholders as may be necessary to: a. approve the Transaction including the issuance of the AMAL Shares pursuant to the Scheme for the purposes of, and in accordance with, the SGX Listing Rules; and b. approve such other matter as may be necessary or desirable in connection with the Scheme or the admission of AMAL to the official list of ASX.
AMAL Superior Proposal	has the meaning given in the Scheme Implementation Agreement.
AMAL Valuation Report	has the meaning given in Section 10.7.
AMAL's 2017 Annual Report	means AMAL's annual report for the financial year ended 30 June 2017.
AMAL's Australian Share Registry	means Computershare Investor Services Pty Limited.
AMAL's Singapore Share Registry	means Boardroom Corporate & Advisory Services Pte. Ltd.
Announcement Date	means the date on which the Scheme proposal was announced on ASX, being 5 April 2018.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by it, as the context requires.

Term	Definition
ASX Listed Share	means an AMAL Share held on, and recorded in, the register of members of AMAL (and not in the Depository Register).
ASX Listing Rules	means the official listing rules of ASX.
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
Bald Hill Joint Venture	means the unincorporated joint venture in respect of the Bald Hill Project established under the Bald Hill Joint Venture Agreement and accounted for as a joint operation under AAS.
Bald Hill Joint Venture Agreement	means the agreement entered into on or about 18 April 2017 between AMAL and Lithco in respect of the Bald Hill Project.
Bald Hill Joint Venturers	means the participants in the Bald Hill Joint Venture, being AMAL and Lithco.
Bald Hill Project	means the lithium and tantalum mine located south-east of Kambalda, Western Australia, owned 50% by each of Tawana (through its wholly-owned Subsidiary Lithco) and AMAL.
BDO	means BDO Corporate Finance (WA) Pty Ltd.
Business Day	has the meaning given in the Scheme Implementation Agreement.
Canaccord	means Canaccord Genuity (Australia) Limited.
Canaccord Options	means the following options over unissued AMAL Shares held by Canaccord: a. 3,800,000 unquoted options exercisable at S$0.24 on or before 24 May 2020; b. 3,800,000 unquoted options exercisable at S$0.30 on or before 24 May 2020; and c. 3,800,000 unquoted options exercisable at S$0.36 on or before 24 May 2020.
Catalist	means the sponsor-supervised board of the SGX-ST.
Certificated SA Holder	means an SA Holder who holds its Tawana Shares in certificated format.
CDP	means The Central Depository (Pte) Limited.
Competing Transaction	has the meaning given in the Scheme Implementation Agreement.
Conditions Precedent	has the meaning given in the Scheme Implementation Agreement.
Control	has the meaning given to that term in section 50AA of the Corporations Act.
Corporations Act	means the *Corporations Act 2001* (Cth).
Corporations Regulations	means the *Corporations Regulations 2001* (Cth).
Court	means the Federal Court of Australia.
Cowan Lithium	means Cowan Lithium Limited ACN 625 128 770.
Cowan Lithium Demerger	means the demerger of Cowan Lithium, effected by Tawana undertaking an in-specie distribution of shares in Cowan Lithium in satisfaction of a capital reduction, approved at the meeting of Tawana Shareholders on 6 July 2018.
CSDP	means a Central Securities Depository Participant, a participant as defined in section 1 of the *Financial Markets Act* 19 of 2012 (South Africa).
Deed Poll	means the deed poll dated 15 August 2018 executed by AMAL, set out in Annexure E.
Dematerialised SA Holder	means an SA Holder whose Tawana Shares have been dematerialised into Strate.
Depository Register	has the meaning given in the Scheme Implementation Agreement.
Effective	means, when used in relation to the Scheme, the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme coming into effect pursuant to section 411(10) of the Corporations Act.
Effective Date	means the date on which the Scheme becomes Effective.

Term	Definition
Election Form	means the form pursuant to which Scheme Participants (other than Ineligible Shareholders) may elect to receive their Scheme Consideration in the form of SGX Listed Shares instead of ASX Listed Shares.
End Date	means 31 December 2018, or such later date as agreed to in writing between Tawana and AMAL.
Exchange Ratio	means the exchange ratio of 1.1 AMAL Shares per Tawana Share.
Excluded Shareholders	means AMAL and any Related Bodies Corporate of AMAL (if any).
Exclusivity Period	has the meaning given in the Scheme Implementation Agreement.
EY	means Ernst & Young.
Financial Information	means the Tawana Historical Financial Information, the AMAL Historical Financial Information and the Pro Forma Historical Financial Information.
FIRB	means the Foreign Investment Review Board.
GST	has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
IASB	means the International Accounting Standards Board.
IFRS	means the International Financial Reporting Standards.
Implementation Date	means the fifth Business Day after the Record Date, or such other date agreed to in writing between Tawana and AMAL.
Independent Expert	means BDO.
Independent Expert's Report	means the report of the Independent Expert, as set out in Annexure A, which includes the Technical Specialist Report.
Independent Limited Assurance Report	means the report of the Investigating Accountant, as set out in Annexure B.
Indicated Mineral Resource	has the meaning given to that term in the JORC Code.
Ineligible Jurisdiction	means any place outside Australia and its external territories, New Zealand, Hong Kong and Singapore.
Ineligible Shareholder	means a Scheme Participant whose address shown in the Register on the Record Date is in an Ineligible Jurisdiction, unless AMAL and Tawana agree, acting reasonably, that it is lawful and not unduly onerous or impracticable to issue or provide a Scheme Participant with an address in an Ineligible Jurisdiction with AMAL Shares under the Scheme.
Inferred Mineral Resource	has the meaning given to that term in the JORC Code.
Investigating Accountant	means Ernst & Young Transaction Advisory Services Limited.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.
JSE	means JSE Limited or the financial market operated by it known as the Johannesburg Stock Exchange, as the context requires.
Latest Practicable Date	means 13 August 2018, being the latest practicable date prior to finalisation of this Scheme Booklet.
Listed ASX Share	means an AMAL Share which trades on the ASX.
Listed SGX Share	means an AMAL Share which trades on the Catalist board of the SGX-ST.
Lithco	means Lithco No.2 Pty Ltd, a wholly-owned Subsidiary of Tawana.
Living Waters	means Living Waters Mining (Australia) Pty Ltd.

Term	Definition
Loan Options	means the 15,600,000 unquoted options over unissued AMAL Shares exercisable at S$0.4875 on or before 12 April 2021.
Measured Mineral Resource	has the meaning given to that term in the JORC Code.
Merged Group	means AMAL and its Subsidiaries following implementation of the Transaction (when Tawana will be a wholly-owned Subsidiary of AMAL).
Mineral Resource	has the meaning given to that term in the JORC Code.
Notice of Scheme Meeting	means the notice of Scheme meeting set out in Annexure F.
Official List	means the official list of securities that ASX has admitted but not removed.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option issued by Tawana in respect of unissued Tawana Shares, whether vested or unvested.
Option Cancellation Deed	means an option cancellation deed entered into by an Option holder, pursuant to which the holder agrees that its Options will be cancelled automatically on the Implementation Date in exchange for such number of AMAL Shares as set out in Section 10.5.
Ore Reserves	has the meaning given to that term in the JORC Code.
Primero	means Primero Group Pty Ltd.
Pro Forma Historical Financial Information	means the pro forma historical financial information set out in Section 6.5.
Probable Ore Reserve	has the meaning given to that term in the JORC Code.
Proxy Form	means the proxy form for the Scheme Meeting which accompanies this Scheme Booklet.
Proven Ore Reserve	has the meaning given to that term in the JORC Code.
Record Date	means the fifth Business Day following the Effective Date or such other date as Tawana and AMAL agree in writing, and where necessary or appropriate, more specifically means 5:00pm on that date.
Register	means the share register of Tawana kept pursuant to the Corporations Act.
Regulatory Authority	includes: a. a government or governmental, semi-governmental or judicial entity or authority in Australia; b. a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government in Australia; c. any regulatory organisation established under statute in Australia; and d. in particular, ASX, ASIC, JSE, SGX, the Takeovers Panel and FIRB.
Related Body Corporate	has the meaning given to that term in section 9 of the Corporations Act.
Related Entity	means, in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.
Relevant Foreign Resident Declaration Form	means a form for making a declaration in accordance with the Withholding Law.
Relevant Shareholders	has the meaning given in Section 1.1(e).
Requisite Majority	means, in relation to the Scheme Resolution, a resolution approved by: a. unless the Court orders otherwise, a majority in number (more than 50%) of Tawana Shareholders who are present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of Tawana Shareholders that are incorporated, by duly appointed corporate representative; and

Term	Definition
	b. at least 75% of the total number of votes cast on the Scheme Resolution.
SA Holder	means a beneficial holder of Tawana Shares registered on the South African branch register.
Sale Agent	means an entity appointed by AMAL to sell the AMAL Shares that are attributable to Ineligible Shareholders.
Scheme	means the scheme of arrangement under Part 5.1 of the Corporations Act proposed between Tawana and Tawana Shareholders under which all of the Scheme Shares will be transferred to AMAL, as set out in Annexure D, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.
Scheme Booklet	means this booklet.
Scheme Consideration	means, in respect of a Scheme Participant, 1.1 AMAL Shares per Tawana Share held by the Scheme Participant on the Record Date in the form of ASX Listed Shares or, if the Scheme Participant has made a valid election to receive SGX Listed Shares, in the form of SGX Listed Shares.
Scheme Implementation Agreement	means the Scheme Implementation Agreement dated 5 April 2018 between Tawana and AMAL, as varied on 6 July 2018, a consolidated conformed copy of which was attached to Tawana's announcement to the ASX dated 9 July 2018.
Scheme Meeting	means the meeting of Tawana Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act at which Tawana Shareholders will vote on the Scheme, and includes an adjournment of that meeting.
Scheme Participant	means a person registered as a Tawana Shareholder at 5:00pm on the Record Date (other than an Excluded Shareholder).
Scheme Resolution	means the resolution to be proposed to the Tawana Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting in Annexure F.
Scheme Shares	means all Tawana Shares on issue as at 5:00pm on the Record Date, other than Tawana Shares held by Excluded Shareholders (if any).
Second Court Date	means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.
Second Court Hearing	means the hearing of the application made to the Court for an order pursuant to sections 411(4)(b) of the Corporations Act approving the Scheme.
Section	means a section of this Scheme Booklet.
SGX Listed Share	means an AMAL Share held and recorded in the Depository Register (and not in the register of members of AMAL).
SGX Listing Rules	means Section B of the SGX Listing Manual: Rules of Catalist, as amended, modified or supplemented from time to time.
SGX-ST	means Singapore Exchange Securities Trading Limited or the securities market operated by it, as the context requires.
SRK Consulting	means SRK Consulting (Australasia) Pty Ltd.
Strate	means the authorised Central Securities Depository for the electronic settlement of all financial instruments in South Africa.
Subsidiary	has the meaning given to that term in section 9 of the Corporations Act.

Term	Definition
Superior Proposal	means a bona fide Tawana Competing Transaction that the Tawana Board, acting reasonably and in good faith, and after taking advice from its legal advisers and financial advisors, determines: a. is reasonably capable of being completed taking into account all aspects of the Tawana Competing Transaction and timing considerations, conditions precedent and the identity of the proponent; and b. would, if completed substantially in accordance with its terms, be more favourable to Tawana Shareholders (as a whole) than the Scheme, taking into account all terms and conditions of the Tawana Competing Transaction (including consideration, conditionality, funding, certainty and timing).
Tawana	means Tawana Resources NL ACN 085 166 721.
Tawana Board	means the board of directors of Tawana.
Tawana Competing Transaction	has the meaning given in the Scheme Implementation Agreement.
Tawana Director	means a director of Tawana.
Tawana Group	means Tawana and its Subsidiaries.
Tawana Historical Financial Information	has the meaning given in Section 4.10.
Tawana Information	means all information contained in this Scheme Booklet, other than the AMAL Information, the Independent Limited Assurance Report and the Independent Expert's Report.
Tawana Material Adverse Change	has the meaning given in the Scheme Implementation Agreement.
Tawana Prescribed Event	has the meaning given in the Scheme Implementation Agreement.
Tawana Representations and Warranties	means the representations and warranties given by Tawana as set out in schedule 6 of the Scheme Implementation Agreement
Tawana Share	means a fully paid ordinary share in the capital of Tawana.
Tawana Shareholder	means each person registered in the Register as a holder of Tawana Shares.
Tawana Share Registry	means the manager from time-to-time of the Register.
Tawana's 2017 Annual Report	means Tawana's annual report for the financial year ended 31 December 2017.
Technical Specialist Report	means the technical specialist report prepared by SRK Consulting included as an annexure to the Independent Expert's Report.
Transaction	means the acquisition by AMAL of all Tawana Shares through the implementation of the Scheme in accordance with the terms of the Scheme Implementation Agreement.
Treasurer	means the Treasurer of the Commonwealth of Australia.
Withholding Law	means the foreign resident capital gains tax withholding law within Subdivision 14-D of Schedule 1 of the Taxation Administration Act 1953 (Cth).
Variation Certificate	means a withholding rate variation notice issued by the Commissioner in accordance with the Withholding Law.
VWAP	means volume weighted average price.

INTERPRETATION

In this Scheme Booklet (other than the Annexures):

a. except as otherwise provided, all words and phrases used in this Scheme Booklet have the meanings (if any) given to them by the Corporations Act;

b. headings are for ease of reference only and will not affect the interpretation of this Scheme Booklet;

c. words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. A reference to a person includes a reference to a corporation;

d. all dates and times are to Perth, Western Australia times;

e. a reference to Australian dollars, $, A$, AUD and cents is to Australian currency, unless otherwise stated;

f. a reference to Singaporean dollars and S$ is to Singapore currency, unless otherwise stated;

g. a reference to United States dollars and US$ is to the currency of the United States of America, unless otherwise stated;

h. a reference to South African Rand is to the currency of South Africa, unless otherwise stated; and

i. a reference to a section or Annexure is to a section in or Annexure to this Scheme Booklet, unless otherwise stated.

ANNEXURE A INDEPENDENT EXPERT'S REPORT

TAWANA RESOURCES NL
Independent Expert's Report

17 August 2018

BDO

Financial Services Guide

17 August 2018

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Tawana Resources NL (**'Tawana'**) to provide an independent expert's report on the proposal to merge with Alliance Mineral Assets Limited (**'Alliance'**) by way of a scheme of arrangement. You will be provided with a copy of our report as a retail client because you are a shareholder of Tawana.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
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Other Assignments – In November 2016, BDO was engaged by Tawana to provide an independent expert's report regarding the issue of Tawana shares to the shareholders of Lithco No. 2 Pty Ltd ('**Lithco**') as part of the option for Tawana to acquire 100% of the issued capital of Lithco for a fee of $25,000.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Tawana for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

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Referral to External Dispute Resolution Scheme
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Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Free call: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details
You may contact us using the details set out on page 1 of the accompanying report.

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17 August 2018

The Directors
Tawana Resources NL
Level 3, 20 Parkland Road
OSBOURNE PARK WA 6017

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 5 April 2018, Tawana Resources NL (**'Tawana'** or **'the Company'**) announced that it had entered into a Scheme Implementation Agreement (**'SIA'**) with Alliance Mineral Assets Limited (**'Alliance'**) to merge with Alliance, under which Alliance has agreed to acquire all of the issued capital of Tawana by way of a scheme of arrangement (**'the Scheme'**). The shareholders of Tawana (**'Shareholders'**) will receive 1.10 shares in Alliance, representing the combined entity of Tawana and Alliance following the Scheme (**'Proposed Merged Entity'**), for every Tawana share held.

Additional information regarding the terms of, and conditions precedent to, the Scheme can be found in Section 4.

All currencies in this report are expressed in Australian Dollars unless otherwise specified.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Tawana have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the Scheme is in the best interests of Shareholders.

Our Report is prepared pursuant to Section 411 of the Corporations Act 2001 Cth (**'Corporations Act'** or **'the Act'**) and is to be included in the scheme booklet to be produced in connection with the Scheme (**'Scheme Booklet'**) in order to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 60 'Schemes of Arrangements' (**'RG 60'**), Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**) and Regulatory Guide 112 'Independence of Experts' (**'RG 112'**).

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In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered the following:

- Whether the Scheme constitutes a "merger of entities of equals";
- How the value of a share in Tawana prior to the implementation of the Scheme, on a minority interest basis, compares to the value of the share in the Proposed Merged Entity, on a minority interest basis;
- A post-merger analysis
- The likelihood of an alternative offer being made to Shareholders;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders.

2.4 Fairness

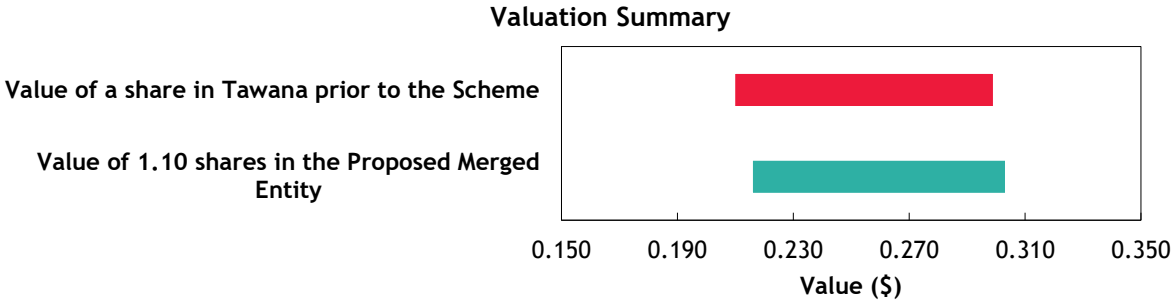
In Section 13 we determined that the value of a share in Tawana prior to the implementation of the Scheme, on a minority interest basis, compares to the value of 1.10 shares in the Proposed Merged Entity to be received by Shareholders as consideration under the Scheme, on a minority interest basis, as detailed below.

The table below shows the value of a Tawana share prior to the implementation of the Scheme on a controlling basis, however, in accordance with RG111.31 in assessing whether the Scheme is fair we have considered the value of the shares prior to and following the Scheme on an equivalent minority interest basis as the Scheme is a merger of equals, as detailed in Section 3.3.

	Ref	Low $	Preferred $	High $
Value of a share in Tawana prior to the Scheme (controlling interest basis)	11.1	0.293	0.343	0.389
Value of a share in Tawana prior to the Scheme (minority interest basis)	11.3	0.210	0.254	0.299
Value of 1.10 shares in the Proposed Merged Entity (minority interest basis)	12.1	0.216	0.259	0.304

Source: BDO analysis

The above minority interst valuation ranges are graphically presented below:



Source: BDO analysis

The above pricing indicates that, in the absence of a superior offer and any other relevant information, the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 14 of this report, in terms of both:

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
14.1.1	The Scheme is fair	14.2.1.	The Scheme will result in a dilution of existing Shareholders' interests
14.1.2.	The Scheme will streamline the ownership structure and operational management of the Bald Hill Project which may result in cost synergies and efficiency benefits	14.2.2.	Some ineligible Shareholders may not be able to receive shares in the Proposed Merged Entity
14.1.3.	Creation of a combined group with a stronger financial position		
14.1.4.	Larger market presence, which may result in improved liquidity and an increased ability to raise capital		
14.1.5.	Broader expertise and increased experience of the Board of Directors		

Other key matters we have considered include:

Section	Description
14.3	Alternative proposal
14.4	Practical level of control
14.5	Post-announcement pricing
14.6	Taxation implications

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act (‘**Section 411**’). Part 3 of Schedule 8 to the Corporations Act Regulations 2001 (Cth) (‘**Regulations**’) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411.

An independent expert’s report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and setting out his or her reasons for that opinion.

There are no common directors of Tawana and Alliance, nor is there any other party to the Scheme that holds 30% or more of the scheme company. Accordingly, there is no requirement for this report pursuant to Section 411. Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Scheme, the directors of Tawana have requested that BDO prepare this report as if it were an independent expert’s report pursuant to section 411, and to provide an opinion as to whether the directors of Tawana are justified in recommending the Scheme in the absence of an alternate proposal.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term ‘in the best interests of’. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of ‘control’ transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a

takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available.

The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Furthermore, RG111.31 requires the expert to assess whether a scrip takeover is in effect a merger of entities of equivalent value ('**Merger of Equals**') when control of the merged entity will be shared equally between the bidder and the target. In our assessment of whether the Scheme should be analysed as a Merger of Equals, we have considered the following factors:

- The collective interest of Shareholders and Alliance shareholders in the Proposed Merged Entity;
- The contribution by Tawana and Alliance to the assets and liabilities of the Proposed Merged Entity;
- The comparative trading performance of Tawana's and Alliance's securities, and their relative market capitalisations;
- The composition of the board of directors of both companies upon implementing the Scheme;
- Whether any shareholders from either company will be in a position to control or significantly influence the Proposed Merged Entity; and
- Whether implementing the Scheme precludes Shareholders and Alliance shareholders from receiving a control premium for their shares in the future.

Following the implementation of the Scheme, Shareholders will collectively hold approximately 49.48% of the Proposed Merged Entity's issued capital on an undiluted basis with Alliance shareholders retaining

approximately 50.52% on an undiluted basis. On a diluted basis, Shareholders and Alliance shareholders will have interest of 48.48% and 51.52% in the Proposed Merged Entity, respectively.

The net asset value of Tawana and Alliance prior to the implementation of the Scheme are similar (based on 30 April 2018 reviewed balance sheet plus subsequent capital raises). Furthermore, the trading performance of Tawana's and Alliance's securities on the Australian Securities Exchange ('**ASX**') and the Singapore Exchange ('**SGX**'), respectively, are broadly similar with 60% of Tawana's issued capital, and 88% of Alliance's issued capital, traded in the 90-trading-day period prior to the announcement of the Scheme. We note that on 4 April 2018, being the last full trading day prior to the announcement of the Scheme, Tawana had a market capitalisation of $230 million and Alliance had a market capitalisation of $180 million, however we note that Tawana had not completed the proposed spin out of their exploration assets.

The board of the Proposed Merged Entity will have seven members, with Mark Turner as non-executive chairman (currently a non-executive director of Tawana), three additional directors to be nominated from Tawana and three directors from Alliance. It is the intention of the Alliance board that the business of Tawana will be integrated in to Alliance's existing business and will be continued substantially in the same manner as it is presently being conducted. Following implementation of the Scheme, there will not be a single shareholder or group of associated shareholders holding in excess of 20% of the issued capital of the Proposed Merged Entity. This means that the Scheme does not reduce the opportunity for Tawana and Alliance shareholders from receiving a control premium for their shares from a takeover offer in the future.

Having regard to these factors, we consider that the Scheme should be evaluated as a Merger of Equals and not a control transaction. Consequently, the consideration offered and securities given up should be assessed on an equivalent basis. As the implementation of the Scheme will not preclude either Tawana's or Alliance's shareholders from receiving a control premium for their shares in the future, we have assessed the consideration offered and securities given up, on a minority interest basis.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Tawana share prior to the implementation of the Scheme on a minority interest basis and the value of 1.1 shares in the Proposed Merged Entity on a minority interest basis (fairness – see Section 13 'Is the Scheme Fair?');
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness – see Section 14 'Is the Scheme Reasonable?'); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

On 5 April 2018, Tawana announced a proposal to merge with Alliance by way of a scheme of arrangement, having entered into a SIA, pursuant to which Alliance would acquire all of the issued shares in Tawana. Each Tawana share will be acquired by Alliance in exchange for 1.1 Alliance shares. The SIA was amended on 6 July 2018

As at 4 July 2018, Tawana had a total of 22,596,940 options on issue, of which 3,903,060 were subsequently exercised prior to implementation of the Scheme. Under the SIA, Tawana must make offers to each Tawana optionholder ('**Optionholders**') as soon as reasonably practical following the execution of the SIA, but prior to the first court date (outlined in the Scheme Booklet) and use its best endeavours to ensure that each of the Optionholders either:

a) exercises their options; or

b) enters into an optionholder deed whereby the Optionholder agrees to the cancellation of each option held in return for a number of Alliance shares in accordance with the option consideration formula set out in the SIA.

With respect to the remaining 18,693,880 options on issue, the Optionholders have entered into option holder agreements with Tawana to have Alliance shares issued in consideration for the options being cancelled. We have been advised that the remaining unexercised Tawana options will be exchanged for 10,106,775 Alliance ordinary shares, as per the option consideration formula set out in the SIA.

In April 2018, Tawana undertook an underwritten placement for 48,780,488 new ordinary shares at $0.41 per share to raise gross proceeds of $20 million. On 6 July 2018, Tawana completed a placement of 12,195,122 new ordinary shares at $0.40 per share to raise approximately $4.88 million before costs ('**Tawana Placement**').

A summary of the Tawana shares on issue as at the date of this Report is set out below:

Tawana shares outstanding	Number
Shares outstanding as at 4 July 2018	561,988,335
Tawana Placement Shares	12,195,122
Tawana options exercised on 6 July 2018	3,903,060
Total number of Tawana shares on issue as at the date of this Report	**578,086,517**

Source: BDO analysis

In April 2018, Alliance announced it entered into a placement agreement to carry out a fully underwritten placement of 76,522,804 Alliance shares to raise gross proceeds of S$25.3 million (approximately $25.0 million) from sophisticated and institutional investors ('**Alliance Underwritten Placement**') and a non-underwritten placement of 23,875,115 Alliance shares to Burwill Commodity Ltd ('**Burwill**'), an existing substantial shareholder of Alliance, to raise up to an additional S$7.9 million (approximately $7.8 million) ('**Alliance Conditional Placement**'). The Alliance Conditional Placement was approved by Alliance

shareholders, at an Extraordinary General Meeting held on 25 June 2018. Of the shares placed under the Alliance Conditional Placement, 13 million Alliance shares were placed to Burwill at S$0.33 per share and 10,875,115 Alliance shares were placed to other institutional investors at S$0.34 per share.

In April 2018 Alliance also announced its proposed issue of 13,250,000 Alliance shares to Directors and key management staff as part of its human resource retention strategy ('**Compensation Shares**'). The issue of the Compensation Shares was subject to approval by non-associated Alliance shareholders. At an Extraordinary General Meeting held on 25 June 2018, Alliance shareholders approved the issue of 3,500,000 Compensation Shares.

A summary of the Alliance shares on issue as at the date of this Report is set out below:

Alliance shares outstanding	Number
Shares outstanding	632,096,792
Alliance Conditional Placement Shares	23,875,115
Alliance Compensation Shares	3,500,000
Total number of Alliance shares on issue at the date of this Report	**659,471,907**

Source: BDO analysis

Upon completion of the Scheme, Shareholders and Alliance shareholders will have interests of approximately 49.48% and 50.52% in the Proposed Merged Entity ('**PME**') on an undiluted basis, respectively. On a diluted basis, Shareholders and Alliance shareholders will have interests of approximately 48.48% and 51.52% in the PME, respectively.

The shareholdings following the implementation of the Scheme are set out in the table below (assuming no Tawana or Alliance options are exercised):

Scheme summary	Number
Scheme consideration	
Tawana shares on issue held by Shareholders prior to the Scheme Implementation	578,086,517
Exchange ratio (1.1 PME shares for every 1 Tawana share)	1.1
Total PME shares to be issued to Shareholders under the Scheme*	**635,901,782**
PME shares to be issued to Tawana outstanding optionholders	10,106,775
Total PME shares held by Shareholders on completion of the Scheme (undiluted basis)	**646,008,557**
PME following the Scheme	
Alliance shares on issue prior to the Scheme	659,471,907
PME shares to be issued to Shareholders under the Scheme	646,008,557
Total shares on issue in the PME on completion of the Scheme (undiluted basis)	**1,305,480,464**
Percentage of the PME retained by Alliance shareholders	*50.52%*
Percentage of the PME held by Shareholders	*49.48%*
	100.00%
PME following the Scheme (diluted basis)	
Alliance shares on issue prior to the Scheme	659,471,907
Alliance options on issue	27,000,000
Total Alliance shares on issue prior to the Scheme (diluted basis)	**686,471,907**
Total PME shares to be issued to Shareholders under the Scheme	646,008,557
Total shares on issue in the PME on completion of the Scheme (diluted basis)	**1,332,480,464**
Percentage of the PME retained by Alliance shareholders	*51.52%*
Percentage of the PME held by Shareholders	*48.48%*
	100.00%

Source: BDO analysis

**This figure includes an additional 6,613 shares for the potential rounding up of shares, given that there are 6,613 Shareholders.*

Conditions of the Scheme

The Scheme, and various obligations of Tawana and Alliance, are conditional upon, but not limited to, the following:

- Regulatory approvals of ASIC, ASX and SGX, in addition to all other consents, waivers and approvals of a regulatory authority, are obtained;
- Approval of the Scheme by the requisite majority of Shareholders, in accordance with Section 411 of the Act, at the Scheme Meeting;
- Court approval of the Scheme in accordance with Section 411 of the Act; and
- The independent expert concluding that the Scheme is in the best interests of Shareholders.

Further disclosure of the conditions precedent to the Scheme is included in the Scheme Booklet.

Ineligible Foreign Shareholders

Each Shareholder whose address is recorded in Tawana's share registry as being outside Australia, New Zealand, Hong Kong and Singapore, will be an ineligible foreign shareholder ('**Ineligible Foreign Shareholders**') for the purpose of the Scheme. The shares in the Proposed Merged Entity, which would have been issued to the Ineligible Foreign Shareholders, will be issued to a sale facility agent or nominee of the sale facility agent ('**Sale Agent**') that will sell or procure the sale of those shares in the Proposed Merged Entity. The Sale Agent will then pay to the Ineligible Foreign Shareholders their proportion of the cash proceeds, being the net cash proceeds of the sale of the relevant shares in the Proposed Merged Entity after deduction of any applicable brokerage and other selling costs, taxes and charges.

5. Profile of Tawana

5.1 History

Tawana is a lithium exploration and production company with its head office located in Osborne Park, Western Australia. Tawana listed on the ASX on 18 April 2001 and on the Johannesburg Stock Exchange (‘**JSE**’) on 4 November 2005.

In March 2018, Tawana transitioned from purely exploration into production with the commissioning of the processing plant at the Company’s principal project, the Bald Hill lithium and tantalum mine (‘**Bald Hill Project**’) located in Western Australia. Through its wholly owned subsidiary Lithco No.2 Pty Ltd (‘**Lithco**’), Tawana holds a 50% interest in the mine. Tawana also held a number of exploration assets including the Cowan lithium project and the Yallari lithium project, located in Western Australia, and the Mofe Creek iron ore project, located in Liberia (‘**Exploration Projects**’).

Following shareholder approval on 6 July 2018, Tawana transferred the Exploration Projects to a wholly owned public company, Cowan Lithium Limited (‘**Cowan Lithium**’) (‘**the Restructure**’). On 18 July 2018, the Company undertook a capital reduction and distribution by way of in specie distribution of 85% of all Cowan Lithium shares to Tawana Shareholders. The Scheme and the Restructure are independent of each other and are not inter-conditional.

The Company’s directors and senior management as at the date of this Report are listed below:

- Mr Robert Benussi – Non-Executive Chairman;
- Mr Mark Calderwood – Managing Director;
- Mr Mark Turner - Non-Executive Director;
- Mr Bob Vassie - Non-Executive Director;
- Ms Wei Xei - Non-Executive Director;
- Mr Craig Hasson - Chief Financial Officer;
- Mr Alexei Fedotov – Joint Company Secretary; and
- Ms Claire O’Brien - Joint Company Secretary.

5.2 Projects

5.2.1. Bald Hill Project (Lithium and Tantalum, 50%)

The Bald Hill Project is located 50km southeast of Kambalda in the Eastern Goldfields in Western Australia. The total project area spans 774km^2 and has indicated and inferred mineral resources of lithium oxide and tantalum pentoxide.

Tawana entered into an option agreement to acquire Lithco on 24 October 2016. Lithco held the right to earn a 50% interest in the Bald Hill Mine, for consideration of 50,000,000 Tawana shares. On 23 December 2016, shareholders approved the acquisition of Lithco.

On 24 February 2017, Tawana entered into a farm-in agreement with Alliance with respect to the Bald Hill Project. Under the agreement, Tawana was required to spend a minimum of $7.5 million on exploration, evaluation and feasibility by 31 December 2017 and an additional $12.5 million in capital expenditure by 31 December 2019 in order to earn a 50% interest in the project.

On 24 October 2017, after meeting the expenditure requirements, Tawana announced the successful completion of the farm-in agreement, giving Tawana a 50% interest in all the minerals from the tenements and the processing plant and infrastructure at Bald Hill.

Production at the mine commenced in March 2018 following ore commissioning of the recently completed Dense Media Separation Circuit. The first shipment was completed in early May 2018, as part of an offtake agreement with Burwill.

Further detail on the Bald Hill Project can be found in the Independent Technical Report in Appendix 6.

5.3 Recent Corporate Events

Funding Package

On 20 October 2017, Tawana announced it had secured a $25 million funding package (**'Funding Package'**) with German company, Weier Atriebe und Energietechnik GmbH (**'Weier'**) for the continued development of the Bald Hill Project. Weier is a wholly owned subsidiary of Jiangte Special Electric Motor Co. Ltd, a lithium industry specialist listed on the Shenzhen Stock Exchange. The package, which comprised both debt and equity, funded initial production at the Bald Hill Project.

On 25 October 2017, the first tranche of shares was issued to Weier under the funding package, consisting of 14,285,714 shares issued at a price of $0.35 per share, to raise $5 million.

On 16 November 2017, Tawana issued the second tranche of shares to Weier under the funding package. The second tranche consisted of 42,857,143 shares, issued at a price of $0.35 per share, to raise $15 million.

On 5 February 2018, through its subsidiary Lithco, Tawana secured a $5 million loan facility with Red Coast Investment Limited, a nominee of Weier. The loan completed the A$25 million funding package with Weier to support works at the Bald Hill Project.

Offtake Agreements

On 26 April 2017, Tawana announced a binding long term lithium concentrate offtake agreement, with a subsidiary of Burwill (**'Lithium Offtake Agreement'**). The Lithium Offtake Agreement covers a period of approximately five years. The key terms of the Lithium Offtake Agreement are as follows:

- A fixed price of $US880/t (FOB Esperance) for 6% lithium (subject to adjustment for grade), for the period from 15 March 2018 to 31 December 2019, following which the parties will agree on a sales price based on prevailing market conditions at the time; and
- A $12.5 million prepayment, which is interest free, and will be repaid from each lithium concentrate shipment until the prepayment has been repaid. The prepayment is to be used towards to the capital and operational costs of the Bald Hill Project.

Alliance entered into a separate offtake agreement with Burwill, resulting in a total prepayment from Burwill of $20.125 million.

On 25 January 2018, Tawana and Alliance announced that they had executed a non-binding in principle term sheet for the offtake of tantalum concentrate from the Bald Hill Project (**'Tantalum Offtake Agreement'**). The term sheet was executed with subsidiaries of H.C. Starck GmbH (**'H.C. Starck'**). Under the Tantalum Offtake Agreement, H.C. Starck agreed in principle to purchase a minimum of 600,000 pounds of tantalum concentrate in aggregate, from April 2018 to 31 December 2020, or all the standard

grade tantalum concentrate produced from the Bald Hill Project prior to 31 December 2020 if the delivery is less than 600,000 pounds.

Capital Raisings

On 26 October 2016, Tawana announced that it had completed a capital raising of $7.2 million through the issue of 29.6 million shares at $0.12 per share, to fund the ongoing development of the Company's lithium projects. The funds were issued in two tranches and were used to complete drilling and metallurgy at the Uis Project in Namibia, continue exploration of the Cowan Project, and conduct due diligence on the Bald Hill Project.

On 20 April 2017, the Company completed a capital raising of $15 million via the issue of 60 million shares at an issue price of $0.25 per share. The first tranche of the placement comprised 35.9 million shares which were issued on 8 May 2017, and the second tranche comprised the remaining 24.1 million shares, which were issued on 30 May 2017. The funds raised were used to commence capital works at the Bald Hill Project.

On 17 April 2018, Tawana announced the completion of the underwritten placement of 48,780,488 fully paid ordinary shares at $0.41 per share to raise $20 million for the advancement of the Bald Hill Project.

On 6 July 2018, Tawana completed a placement of 12,195,122 new ordinary shares at $0.40 per share to raise approximately $4.88 million before costs. The funds raised would be used to continue commissioning of the mine, provide additional working capital and fund resource drilling, feasibility studies on expansion projects and other initiatives at the Bald Hill Project.

5.4 Historical Consolidated Statements of Financial Position

Statement of Financial Position	Audited as at 31-Dec-17 $'000	Audited as at 31-Dec-16 $'000	Audited as at 31-Dec-15 $'000
CURRENT ASSETS			
Cash and cash equivalents	16,375	6,959	808
Trade and other receivables	5,190	322	83
Prepayments and deposits	1,116	-	-
Inventory	27	-	-
TOTAL CURRENT ASSETS	**22,708**	**7,281**	**891**
NON-CURRENT ASSETS			
Mine properties	18,045	-	-
Exploration and evaluation expenditure	7,660	12,463	-
Property plant and equipment	23,833	61	60
Deposits	73	-	-
TOTAL NON-CURRENT ASSETS	**49,611**	**12,524**	**60**
TOTAL ASSETS	**72,319**	**19,805**	**951**
CURRENT LIABILITIES			
Trade and other payables	9,373	1,212	339
Deferred revenue	9,595	-	-
Provisions	160	2	4
TOTAL CURRENT LIABILITIES	**19,128**	**1,214**	**343**
NON-CURRENT LIABILITIES			
Deferred revenue	2,905	-	-
Provision for rehabilitation	706	18	15
TOTAL NON-CURRENT LIABILITIES	**3,611**	**18**	**15**
TOTAL LIABILITIES	**22,739**	**1,232**	**358**
NET ASSETS	**49,580**	**18,573**	**593**
EQUITY			
Contributed equity	108,024	73,034	54,420
Reserves	6,990	2,833	2,167
Accumulated losses	(65,434)	(57,294)	(55,994)
TOTAL EQUITY	**49,580**	**18,573**	**593**

Source: Tawana's audited financial statements for the years ended 31 December 2017, 31 December 2016 and 31 December 2015.

We note that Tawana's auditor issued an unqualified audit report with no qualifications for the years ended 31 December 2015, 31 December 2016 and 31 December 2017. We draw attention however, to the existence of material uncertainty relating to the ability of the Group to continue as a going concern, as raised by the auditor in the annual reports for the years ended 31 December 2017, 31 December 2016 and 31 December 2015.

Commentary on Historical Consolidated Statements of Financial Position

We note the following in relation to the Company's financial position:

- Cash and cash equivalents increased by $9.42 million, from $6.96 million at 31 December 2016 to $16.38 million at 31 December 2017. The increase was primarily attributable to proceeds from the issue of shares of $35.82 million and revenue received in advance of $12.50 million. This was partially offset by payments of $21.71 million for property, plant and equipment ('**PPE**'), payments for exploration and evaluation of $7.88 million, payments to suppliers and employees of $3.72 million, capital raising costs of $2.16 million and payments for mine properties of $3.52 million.
- Cash and cash equivalents increased by $6.15 million, from $0.81 million at 31 December 2015 to $6.96 at 31 December 2016, primarily as a result of proceeds from the issue of shares of $19.04 million. This was partially offset by payments for exploration and evaluation of $11.58 million.
- Trade and other receivables increased by $4.87 million, from $0.32 million at 31 December 2016 to $5.19 at 31 December 2017. The increase was primarily attributable to an increase of $3.02 million in receivables from Joint Operations participants.
- Prepayments and deposits of $1.12 million at 31 December 2017 mainly related to a retention deposit held as security for works at the Bald Hill Project under the engineering, procurement and construction agreement.
- Mine properties of $18.05 million at 31 December 2017 comprised reclassified exploration and evaluation expenditure of $12.53 million and $5.51 million in expenditure incurred during the period.
- Exploration and evaluation expenditure of $7.66 million at 31 December 2017 comprised reclassified mine properties expenditure of $12.53 million, capitalised costs incurred during the period of $6.75 million, capitalised acquisition expenditure of $2.54 million and $1.56 million in expenditure was written off.
- PPE of $23.83 million at 31 December 2017 primarily related to assets under construction at the Bald Hill Project of $22.17 million.
- Trade and other payables increased by $8.16 million from $1.21 million at 31 December 2016 to $9.37 million at 31 December 2017. The increase was primarily attributable to accrued expenditure on the Bald Hill Project.
- Deferred revenue of $12.50 million at 31 December 2017 related to the Burwill offtake agreement, of this, $9.60 million is to be recognised in one year, while $2.91 million is to be recognised in more than one year but less than five years.

5.5 Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Comprehensive Income	Audited year ended 31-Dec-17 $'000	Audited year ended 31-Dec-16 $'000	Audited year ended 31-Dec-15 $'000
Revenue			
Revenue from continuing operations	84	26	38
Expenses			
Administration expenses	(815)	(605)	-
Corporate expenses	-	-	(756)
Employee benefit expense	(995)	(399)	(927)
Share based payments expense	(4,334)	(326)	(45)
Compliance and regulatory expense	(318)	(192)	-
Depreciation	(39)	(25)	(52)
Exploration expenditure	(164)	(239)	-
Exploration expenses written off	-	-	(7,729)
Impairment of exploration and evaluation asset	(1,559)	-	-
Foreign exchange gain/(loss)	-	-	98
Loss on disposal of subsidiary	-	-	(28)
Other expenses	-	-	(2)
Loss from continuing operations before income tax	(8,140)	(1,760)	(9,403)
Income tax expense	-	-	-
Loss from continuing operations after income tax	**(8,140)**	**(1,760)**	**(9,403)**
Loss from discontinued operations after tax	-	-	-
Loss for the period attributable to Tawana Resources NL	**(8,140)**	**(1,760)**	**(9,403)**
Other comprehensive income			
Cumulative translation difference on foreign operations disposed of	-	-	28
(Loss)/gain on translation of foreign operations	(177)	(16)	642
Total comprehensive loss for the year	**(8,317)**	**(1,776)**	**(8,733)**

Source: Tawana's audited financial statements for the years ended 31 December 2017, 31 December 2016 and 31 December 2015.

Commentary on Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

We note the following in relation to the Tawana's historical statement of profit or loss and other comprehensive income:

- Revenue from continuing operations of $0.08 million for the year ended 31 December 2017 related mainly to interest income, as production had not yet commenced at the Bald Hill Project.
- The employee share based expense increased from $0.33 million for the year ended 31 December 2016, to $4.33 million for the year ended 31 December 2017. The increase of $4.00 million was due to an increase in non-cash incentives provided to directors, staff and advisors.
- Exploration expenses written off amounting to $7.73 million for the year ended 31 December 2015 related to the Mofe Creek Project in Liberia, which was placed into care and maintenance during the 2015 financial year.

- Impairment of exploration and evaluation assets of $1.56 million for the year ended 31 December 2017 related to costs capitalised in the acquisition of the Uis Project in Namibia.

5.6 Capital Structure

The share structure of Tawana as at 12 July 2018 is outlined below:

	Number
Total ordinary shares on issue	578,086,517
Top 20 shareholders	363,110,948
Top 20 shareholders - % of shares on issue	62.81%

Source: Tawana's Share Register

The range of shares held in Tawana as at 12 July 2018 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	1,022	377,308	0.07%
1,001 - 5,000	1,968	5,463,496	0.95%
5,001 - 10,000	1,042	8,582,854	1.48%
10,001 - 100,000	2,156	74,721,506	12.93%
100,001 - and over	414	488,941,353	84.58%
TOTAL	**6,602**	**578,086,517**	**100.00%**

Source: Tawana's Share Register

The ordinary shares held by the most significant shareholders as at 12 July 2018 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Weier Antriebe und Energietechnik GMBH	76,167,857	13.18%
Citicorp Nominees Pty Limited	56,062,905	9.70%
UBS Nominees Pty Ltd	35,245,306	6.10%
Merriwee Pty Ltd	31,250,000	5.41%
CG Nominees (Australia) Pty Ltd	27,000,000	4.67%
Subtotal	**225,726,068**	**39.05%**
Others	352,360,449	60.95%
Total ordinary shares on Issue	**578,086,517**	**100.00%**

Source: Tawana's share register

6. Profile of Alliance Mineral Assets Ltd.

6.1 History

Alliance is a lithium and tantalum mining company with its head office located in Osborne Park, Western Australia. It was incorporated in Australia on 6 December 2010 and listed on the SGX in July 2014.

Alliance's principal asset is the Bald Hill Project in which it holds a 50% interest. Alliance acquired a 100% interest the Bald Hill tenements in December 2010, and begun refurbishment and further development of the mine in December 2013. A joint venture farm-in agreement with Tawana's wholly owned subsidiary Lithco was completed in October 2017, reducing Alliance's interest to 50%.

The Company's directors and senior management are set out below:

- Ms Pauline Gately – Non-Executive Chairman;
- Mr Mahtani Bhagwandas – Director;
- Mr Ong Kian Guan - Director; and
- Mr Eddy Chan – Director;
- Mr Shaun Menezes – Chief Financial Officer and Company Secretary;
- Ms Fiona Leaw – Company Secretary

6.2 Historical Consolidated Statements of Financial Position

Statement of Financial Position	Unaudited as at 31-Dec-17 $000s	Audited as at 30-Jun-17 $000s	Audited as at 30-Jun-16 $000s
CURRENT ASSETS			
Cash and cash equivalents	15,614	2,857	5,390
Other receivables	1,428	148	2,147
Other current assets	1,345	3,790	23
TOTAL CURRENT ASSETS	**18,387**	**6,795**	**7,560**
NON-CURRENT ASSETS			
Mine development	6,079	3,506	3,088
Property plant and equipment	24,470	12,294	13,636
Reimbursement asset - rehabilitation asset	663	-	-
TOTAL NON-CURRENT ASSETS	**31,212**	**15,800**	**16,724**
TOTAL ASSETS	**49,599**	**22,595**	**24,283**
CURRENT LIABILITIES			
Trade and other payables	15,911	7,001	3,586
Employee benefit libailities	65	45	38
Interest bearing loans and borrowings	94	25	1,032
TOTAL CURRENT LIABILITIES	**16,070**	**7,071**	**4,656**
NON-CURRENT LIABILITIES			
Trade and other payables	-	-	669
Provision for rehabilitation	1,325	1,079	1,079
Interest bearing loans and borrowings	8	17	35
TOTAL NON-CURRENT LIABILITIES	**1,333**	**1,096**	**1,783**
TOTAL LIABILITIES	**17,403**	**8,168**	**6,438**
NET ASSETS	**32,196**	**14,427**	**17,845**
EQUITY			
Contributed equity	58,535	38,960	38,960
Reserves	3,849	3,849	2,463
Accumulated losses	(30,188)	(28,382)	(23,578)
TOTAL EQUITY	**32,196**	**14,427**	**17,845**

Source: Alliance's unaudited financial statements for the half-year ended 31 December 2017 and audited financial statements for the years ended 30 June 2017 and 30 June 2016.

We have not undertaken a review of Alliance's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We note that Alliance's auditor issued an unmodified audit report with no qualifications for the year ended 30 June 2016 We draw attention however, to the existence of material uncertainty relating to the ability of the Group to continue as a going concern, as raised by the auditor in the annual report for the year ended 30 June 2017.

Commentary on Historical Consolidated Statements of Financial Position

We note the following in relation to the Alliance's financial position:

- Cash and cash equivalents increased from $2.86 million at 30 June 2017 to $15.61 million at 31 December 2017. The increase was primarily attributable to proceeds from capital raisings of $19.58

million and the recognition of a lithium prepayment of $8.13 million. This was offset by expenditure relating to the Bald Hill Project and repayment of the loan to Living Waters Mining (Australia) Pty Ltd (**'Living Waters Mining'**).

- Other current receivables of $1.43 million at 31 December 2017 relate mainly to the Company's share of receivables for the Bald Hill Project.
- Other current assets of $1.34 million at 31 December 2017 comprised prepayments of $0.22 million, a retention deposit of $0.83 million relating to the construction of the processing plant at the Bald Hill Project and prepaid joint venture expenditure of $0.27 million.

  Other current assets of $3.79 million at 30 June 2017 comprised restricted cash relating to the first prepayment under the lithium offtake contract with Burwill, for which the conditions precedent had not been satisfied at the balance date.
- Mine development assets of $6.08 million at 31 December 2017 related to development expenditure at the Bald Hill Project. The increase in mine development assets from $3.51 million at 30 June 2017 reflects additions of $4.23 million. This was partly offset by contributions to joint operation on formation of $1.66 million.
- PPE of $24.47 million at 31 December 2017 primarily comprised plant, equipment and buildings at the Bald Hill Project. The increase from $12.29 million at 30 June 2017 was mainly a result of additions of $18.12 million, which was partly offset by a disposal to joint operation on formation of $5.54 million.
- Trade and other payables increased from $7.00 million at 30 June 2017 to $15.91 million at 31 December 2017. The increase was primarily attributable to Alliance's share of liabilities relating to the Bald Hill Project and prepayments of $8.13 million, which were offset by repayment of a portion of the loan from Living Waters Mining.
- Interest bearing loans and borrowings increased from $0.25 million at 30 June 2017 to $0.94 million at 31 December 2017, as a result of the increase in insurance premium funding in line with the insurance program renewal.
- The provision for rehabilitation decreased from $1.08 million at 30 June 2017 to $0.66 million at 31 December 2017, pursuant to the 50% reduction in Alliance's interest in the Bald Hill Project.

6.3 Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

Statement of Comprehensive Income	Unaudited for the 6 months ended 31-Dec-17 $000s	Audited for the year ended 30-Jun-17 $000s	Audited for the year ended 30-Jun-16 $000s
Revenue			
Interest income	91	35	23
Other income	-	321	135
Expenses			
Gain (loss) on foreign exchange	(50)	(174)	111
Loss on disposal of fixed assets	(352)	(2)	(15)
Accounting and audit expenses	(101)	(186)	(146)
Consulting and director fees	(290)	(274)	(344)
Tenement expenses	-	-	(176)
Administration expenses	(636)	(1,827)	(681)
Employee salaries and other benefit expense	(299)	(369)	(489)
Site operating expenses	-	(1,840)	-
Borrowing costs	(168)	(488)	(788)
Loss before income tax	(1,807)	(4,804)	(2,371)
Income tax expense	-	-	(1,711)
Loss after income tax	**(1,807)**	**(4,804)**	**(4,082)**
Total comprehensive loss for the year	**(1,807)**	**(4,804)**	**(4,082)**

Source: Alliance's unaudited financial statements for the half-year ended 31 December 2017 and audited financial statements for the years ended 30 June 2017 and 30 June 2016.

We have not undertaken a review of Alliance's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We note that Alliance's auditor issued an unmodified audit report with no qualifications for the year ended 30 June 2016. We draw attention however, to the existence of material uncertainty relating to the ability of the Group to continue as a going concern, as raised by the auditor in the Annual Report for the year ended 30 June 2017.

Commentary on Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

We note the following in relation to the Company's Statement of Comprehensive Income:

- Interest income of $0.10 million for the half-year ended 31 December 2017 related to interest received on AUD short-term deposits placed pursuant to the proceeds from the placement exercise that was announced on 5 October 2017.
- Other income of $0.32 million for the year ended 30 June 2017 primarily comprised mining camp and administrative services and research and development incentives.
- Administrative expenses of $0.64 million for the half-year ended 31 December 2017, comprised legal fees, compliance costs, international travel expenses and investor relations. These expenses were

mainly incurred in relation to project funding activities. Administrative expenses of $1.83 million for the year ended 30 June 2017 comprised $0.94 million in shared based payments for advisor fees, listing associated fees, legal fees, depreciation and general expenses.

- Employee salaries and other benefits increased on an annualised basis from $0.37 million for the year ended 30 June 2017 to $0.30 for the half-year ended 31 December 2017 as the number of full time employees increased in line with business activity.
- Site operating expenses of $1.84 million for the year ended 30 June 2017 related to Alliance's share of depreciation expenses, plant and site maintenance and other operating expenses at the Bald Hill Project.

6.4 Capital Structure

The share structure of Alliance as at 10 July 2018 is outlined below:

	Number
Total Ordinary Shares on Issue	644,918,528
Top 20 Shareholders	428,957,366
Top 20 Shareholders - % of shares on issue	66.51%

Source: Alliance share registry

The range of shares held in Alliance as at 10 July 2018 is as follows:

Range of Shares Held	Number of ordinary shareholders	Number of ordinary shares	Percentage of issued shares
1 - 1,000	43	21,748	0.00%
1,001 - 10,000	394	3,083,763	0.48%
10,001 - 100,000	1,440	162,137,350	25.14%
100,001 – and over	53	479,675,667	74.38%
Total	**1,930**	**644,918,528**	**100.00%**

Source: Alliance share registry

The ordinary shares held by the most significant shareholders as at 10 July 2018 are detailed below:

Name	Number of ordinary shares held	Percentage of issued shares
Phillip Securities PTE Limited	101,221,228	15.70%
Citibank Nominees Singapore Pty Limited	81,735,619	12.67%
Raffles Nominees (PTE) Limited	50,620,007	7.85%
Merrill Lynch (Singapore) PTE Limited	41,103,738	6.37%
DBS Nominees PTE Limited	37,664,400	5.84%
Subtotal	**312,344,992**	**48.43%**
Others	332,573,536	51.57%
Total ordinary shares on issue	**644,918,792**	**100.00%**

Source: Alliance share registry

7. Profile of Proposed Merged Entity

Upon implementation of the Scheme, the Proposed Merged Entity will represent the combined assets of Tawana and Alliance.

7.1 Key assets

The key combined assets of the Proposed Merged Entity will include:

- 100% interest in the Bald Hill Project.

7.2 Board of Directors

The board of directors of the Proposed Merged Entity is intended to comprise:

- Mark Turner (non-executive chairperson) (Tawana nominee);
- Mark Calderwood (in capacity as Managing Director and Chief Executive Officer) (Tawana nominee);
- Robert Vassie (Tawana nominee);
- Vicke Xie (Tawana nominee);
- Arnold Chan Ming Fai - a nominee of Burwill (in consultation with Alliance) (Alliance nominee);
- Ong Kian Guan (Joshua Ong) (Alliance nominee); and
- A person, nominated by Alliance with significant mining experience who is a resident of Singapore (Alliance nominee).

7.3 Capital structure

Under the Scheme, Shareholders will receive 1.10 shares in the Proposed Merged Entity for every Tawana share held. Upon implementation of the Scheme, Shareholders and Alliance shareholders will hold approximately 49.48% and 50.52% of the total issued capital of the Proposed Merged Entity on an undiluted basis, respectively. On a diluted basis, Shareholders and Alliance shareholders will hold approximately 48.48% and 51.52% of the total issued capital of the Proposed Merged Entity, respectively.

7.4 Stock exchange listing

Following the implementation of the Scheme, the Proposed Merged Entity will be listed on the SGX and will seek a listing on the ASX.

7.5 Proposed Merged Entity Options

As outlined in Section 4, if the Scheme is implemented, the Proposed Merged Entity will maintain Alliance's current outstanding options register totalling 27 million options ('**Proposed Merged Entity Options**'). Details of the terms of the Proposed Merged Entity Options are summarised in the table below:

Proposed Merged Entity options outstanding	Number
Unlisted options exercisable at S$0.36 on or before 24 May 2020	3,800,000
Unlisted options exercisable at S$0.36 on or before 24 May 2020	3,800,000
Unlisted options exercisable at S$0.36 on or before 24 May 2021	3,800,000
Unlisted lender options exercisable at S$0.4875 on or before 12 April 2021	15,600,000
Total Proposed Merged Entity options outstanding	**27,000,000**

Source: Scheme Booklet

Note that the terms of the Proposed Merged Entity Options outlined above do not alter from their original terms as Alliance options.

8. Economic analysis

8.1 Global

Conditions in the global economy remain positive. A number of advanced economies are growing at an above-trend rate and unemployment rates are low. Growth picked up in the Asian economies in 2017, partly supported by increased international trade.

Growth in China was strong through 2017, however it has eased slightly in the recent quarter, reflecting the Chinese authorities' objective of more sustainable growth. In March 2018, the Chinese Government released a gross domestic product (**'GDP'**) growth target of approximately 6.5 percent for 2018, down from its published GDP growth rate of 6.9% in 2017, suggesting some tolerance for a gradual slowing of growth. Investment in infrastructure and residential property remains strong, with demand from these sectors supporting modest growth in crude steel production, which in turn has supported demand for iron ore and coking coal.

The pick-up in the global economy has contributed to a rise in oil and other commodity prices over the past year. Even so, Australia's terms of trade are expected to decline over the next few years, but remain at a relatively high level.

Globally, inflation remains low, although it has increased in some economies and further increases are imminent given the tight labour markets. As conditions have improved in the global economy, a number of central banks have withdrawn some monetary stimulus and further steps in this direction are to be expected.

Both Chinese and United States of America authorities recently announced trade protectionist measures. The US increased import tariffs on certain items including steel and aluminium. The effect of the US tariffs on other economies is expected to be small, with many countries being granted temporary exemptions. The Chinese economy will be little affected as steel and aluminium exports to the US are only a small share of Chinese production. In response to the US tariffs on steel and aluminium, the Chinese authorities imposed tariffs on US$3 billion of US goods. With both countries foreshadowing further tariffs, there is a risk that trade protectionism could escalate, harming global growth significantly. Rising geopolitical risks, including tensions in the Korean Peninsula could also dampen confidence and create bouts of financial market volatility.

8.2 Australia

Domestic growth

The Reserve Bank of Australia (**'RBA'**) is expecting faster growth in the next couple of years, with forecasts suggesting that average growth in 2018 and 2019 will be above 3%. Business conditions are positive, with overall business investment expected to continue growing over the next few years, as non-mining business investment increases. Mining investment is expected to slightly decline as construction on large liquefied natural gas projects concludes. Public spending is also supporting domestic economic activity. Public consumption has been growing strongly, in part supported by spending on the National Disability Insurance Scheme. Recent higher commodity prices have provided a boost to national income. Stronger growth in exports is expected after temporary weakness at the end of 2017. Household spending picked up in the December quarter of 2017, and recent indicators suggest that household consumption growth has remained steady into early 2018, however low growth in household income and high debt levels remains a key risk to the outlook for household consumption.

Unemployment

Employment grew by 3.5% over the past year, with employment figures rising in all states. The strong growth in employment has been accompanied by a significant rise in labour force participation, particularly by women and older Australians. Indicators of labour demand, including job vacancies continue to point to above average growth in employment over the next six months. The unemployment rate has declined slightly over recent years, but from mid-2017 has remained relatively unchanged, at around 5.5%. Conventional measures of full employment suggest the current unemployment rate is around 0.5% above full employment, implying spare capacity in the labour market. The various forward-looking indicators continue to point to strong growth in employment in the period ahead, with a further gradual reduction in the unemployment rate expected. Wages growth has picked up slightly, but remains low. The RBA cites spare capacity in the labour market, low inflation and continuing adjustments to the economy following the mining investment boom, as reasons for low wages growth. Low wages growth is likely to continue for a while yet, although the stronger economy should see some lift in wage growth over time.

Inflation

Inflation remains low and stable. Headline inflation and underlying inflation were both close to 0.5% for the March quarter, and around 2% over the year. Inflation is likely to remain low for some time, reflecting spare capacity in the economy, low wages growth and strong competition in retailing. Inflation is expected to be slightly above 2% in 2018, and long term inflation expected to be around 2.5%.

Currency movements

Since the start of the year, the Australian dollar has depreciated against the US dollar and on a trade weighted basis, however it remains within its narrow range of the past two years. The decline was a result of lower bulk commodity prices and narrowing interest rate differentials. An appreciating exchange rate would be expected to result in a slower pick-up in economic activity and inflation.

Source: www.rba.gov.au *Statement by Philip Lowe, Governor: Monetary Policy Decision 3 July 2018, Statement on Monetary Policy - May 2018,* World Bank

9. Industry analysis

9.1 Lithium overview

Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements and is the world's 25th most abundant element. It is approximately half as dense as water and is the lightest of all metals. Lithium is highly reactive and therefore does not occur naturally as a metal in nature, rather as chemical compounds which are extracted from ores of petalite, lepidolite, spodumene or subsurface brines. In the extraction of lithium from brines, the salt-rich waters are pumped to the surface into evaporation ponds where solar evaporation occurs over approximately 18 to 24 months per batch. Once processed, lithium metal has several industrial applications, the most prominent being in that of batteries for phones, laptops and electric vehicles.

Lithium is widely used in rechargeable batteries due to the higher energy density, greater durability and cost advantages it provides compared to other rechargeable batteries. It can also be used to strengthen and improve resistance in glasses and ceramics, along with being alloyed with aluminium and copper to reduce weight in airframe structural components. According to the United States Geological Survey ('**USGS**'), global-end use markets for lithium are estimated at 46% for batteries, 27% for ceramics and

glass, 7% for lubricating greases, 5% for polymer production, 4% for continuous casting mould flux powders, 2% for air treatment and 9% for other uses.

Lithium demand

Demand for Lithium has increased significantly in recent years, driven namely by growing demand from the transport, technology and energy sectors for use in rechargeable batteries. Increasing demand from foreign manufactures especially, has driven demand growth for Australian lithium over the five years through to 2018-2019.

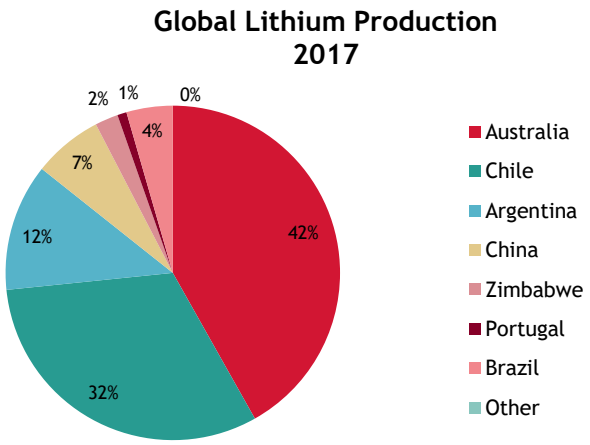
Growth in the electric car manufacturing industry particularly is a key driver for lithium demand, as major players within the industry, including Tesla and China's MIIT, expand production and increasingly target mainstream markets. According to Bloomberg New Energy Finance, electric car production globally is expected to increase more than thirty fold by 2030, sustaining demand for Lithium.

The use of lithium-ion batteries in technological devices such as computers and smartphones has also continued to be a key driver for lithium demand, and lithium supply security has become a top priority for technology companies in the United States of America ('**USA**') and Asia.

Lithium production and reserves

Since the late 1990s, subsurface brines have become the dominant raw material for lithium carbonate production worldwide. Subsurface brines offer lower production costs compared with the mining and processing of hard-rock ores. According to the USGS, two brine operations each in Argentina and Chile and three spodumene operations in Australia currently account for the majority of world lithium production.

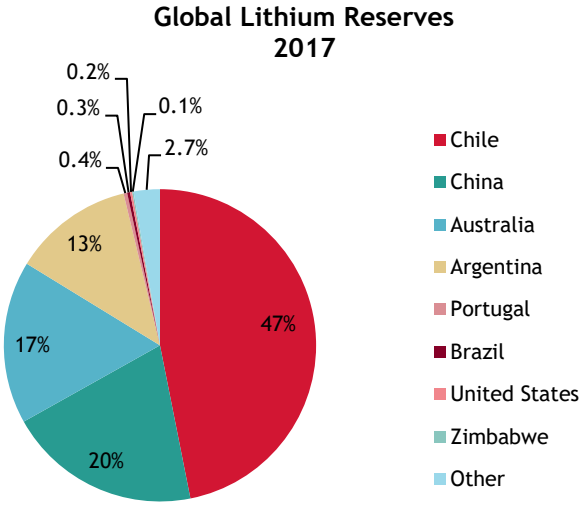
As depicted in the figure below, Australia led global Lithium production in 2017, accounting for 42% of total production. Despite growing global production, Australia also increased its share of production fractionally on 2016. Domestic production increased almost 34% as two new mines entered production, to bring the number of producing mines to three. In 2017, four countries including Australia accounted for 93% of global production, Chile, Argentina and China were the next largest producers accounting for 32%, 12% and 7% of global production respectively.



Source: USGS

Global lithium extraction is dominated by four large companies; being Albemarle Corporation, FMC Lithium Corporation, Sociedad Quimica y Minera de Chile S.A. ('**SQM**') and Tianqi Lithium Corporation. Albemarle, SQM and FMC Corporation recover lithium from subsurface brines in both Chile and Argentina, and Talison Lithium Pty Ltd which is jointly owned by Albemarle and Tianqi Lithium Corporation extract lithium carbonate concentrate from hard-rock ore in Australia. According to Bloomberg Intelligence, together these four companies account for approximately 85% of the world's lithium supply, although will face more intense competition in the next four years from new market entrants.

According to the USGS, global lithium resources have increased significantly due to continued exploration and are now estimated to total more than 53 million tons. As depicted in the figure below, Chile accounted for approximately 47% of global lithium reserves, followed by China at 20% and Argentina at 17%.



Source: USGS

Lithium prices

Lithium trade is usually confined to a small number of producers and their customers, and as such, contract terms such as pricing are privately negotiated. Furthermore, there are an extensive range of products that can be made from lithium which leads to a range of prices that are dependent on the product and its' purity.

The strong Australian dollar reduced lithium export values within Australia from 2010 through to 2012 however, export prices benefited from strong Chinese demand for lithium from 2012-13 and the weaker Australian dollar over recent times through to 2017.

The lithium market has experienced change due to the current growth in demand for electric vehicles and the potential for static power storage devices. According to Bloomberg intelligence, the price of battery-grade Lithium has more than doubled since 2015, spurred by growing demand.

Lithium outlook

According to Bloomberg Intelligence, traditional industrial demand for lithium is expected to rise in line with global gross GDP. Battery applications will be the driving force behind growth within the lithium

industry going forward, led by the development of electric vehicles and underpinned by use of portable electronics.

It is expected that global demand will continue to outstrip supply in the short-term at least, as number of large-scale battery and energy plants complete construction. Tesla is building the world's largest lithium battery plant in the USA, while a number of new developments in China will contribute substantially to global capacity for electric vehicles and energy-storage systems, which is expected to triple by 2021.

Australian lithium output is forecast to continue increasing in 2018, supported by a number of mine development and expansion projects nearing completion. Continued growth in foreign demand however will continue to outstrip supply, allowing prices to strengthen despite increased production. According to IBISWorld, lithium's contribution to the salt and other mineral mining industry in Australia will see industry revenue grow at an annualised 2.4% to reach 1.9 billion over the five years through to 2022-23.

The recycling of batteries is also said to play a key role in the supply of lithium in the medium to long term. As lithium is a resource with the ability to be recycled repeatedly, this reduces the need for new sources of lithium in the future.

Source: USGS, Bloomberg Intelligence and IBIS World

9.2 Tantalum

Tantalum is a hard, silver-grey metal. Tantalum minerals have more than 70 different chemical compositions, with the most common being tantalite, microlite and wodginite, contained within pegmatite ore bodies. Tantalum has a high melting point and anticorrosive properties. It is for this reason that tantalum is commonly used as a super alloy in aircraft engines, and in the manufacture of corrosion resistant chemical equipment and capacitors required for electronics. Tantalum capacitors have the highest capacitance per unit volume, as such they are often used in miniaturised electrical circuitry in automotive electronics, mobile phones and personal computers.

Tantalum production and reserves

The tantalum market is considered to be boutique in size, with approximately 1,300 tonnes of tantalum required each year. As depicted in the table below, the Democratic Republic of Congo ('**DRC**') and Rawanda are the world's leading tantalum producers. However, Australia ranks first in the world, ahead of Brazil for identified tantalum resources. Most of Australia's economic demonstrated tantalum resource ('**EDR**') is located in Western Australia, with identified deposits at Bald Hill, Greenbushes, Wodgina, Pilgangoora and Mount Cattin.

Country	Mine Production (tonnes) 2016	2017 (estimated)	Reserves (tonnes)
United states	-	-	-
Australia	N/A*	N/A*	78,000
Brazil	103	100	34,000
China	94	95	N/A*
Democratic Republic of Congo	370	370	N/A*
Ethiopia	63	60	N/A*
Nigeria	192	190	N/A*
Rwanda	350	390	N/A*
Other	45	65	N/A*
Total (rounded)	**1,220**	**1,300**	**>110,000**

*Not Available

Source: USGS

Tantalum outlook

The tantalum industry is expected to undergo a significant change over the coming years, with the amount of tantalum produced expected to increase, as a by-product of lithium mining in Australia. On 21 June 2018, Pilbara Minerals Limited (**'Pilbara Minerals'**) announced that it had produced its first spodumene and tantalum concentrates at its 100% owned Pilgangoora Lithium Tantalum Project (**'Pilgangoora'**). Production from Pilgangoora and Bald Hill is expected to ramp up over the coming twelve months.

Source: USGS, Geoscience Australia

10. Valuation approach adopted

In Section 3.3, we determined that the Scheme is, in effect, a Merger of Equals and that the consideration offered and the securities given up should be assessed on an equivalent basis. As the implementation of the Scheme will not preclude either Tawana's or Alliance's shareholders from receiving a control premium for their shares in the future, we have assessed the consideration offered and securities given up on a minority interest basis.

There are a number of methodologies which can be used to value a business or the shares in a company. Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('**FME**')
- Discounted cash flow ('**DCF**')
- Quoted market price basis ('**QMP**')
- Net asset value ('**NAV**')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts'.

The sum-of-parts methodology involves separately valuing each asset and liability of a company using the different methodologies described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of the company's individual assets and liabilities ('**Sum-of-Parts**').

10.1 Valuation of Tawana prior to the Scheme

In our assessment of the value of Tawana prior to the implementation of the Scheme, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts method in estimating the fair market value of Tawana by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Tawana's 50% interest in the Bald Hill Project, applying the DCF methodology;
- Value of Tawana's 50% interest in the residual resources (mineral resources and advanced and early stage exploration assets) of the Bald Hill Project not included in the DCF, having reliance on the valuation carried out by an independent technical expert;
- Amount of cash received from capital raisings completed after 30 April 2018;

- Amount of cash received from the drawdown of the proposed debt facility (to fund working capital towards 50% of the forecast expenditure of the Bald Hill Project);
- Amount of cash received from a notional capital raising (required to fund the ongoing capital expenditure and working capital of the Bald Hill Project);
- Amount of cash received from the notional exercise of outstanding Tawana options;
- Value of Tawana's 15% shareholding in the demerged entity, Cowan Lithium Limited;
- Value of other assets and liabilities of Tawana, applying the cost approach under the NAV method; and
- Present value of Tawana's corporate overhead costs.

We have chosen these methodologies for the following reasons:

- As Tawana has one flagship project, the 50% interest in the Bald Hill Project (following the demerger of Tawana's exploration assets), its core value is in the future cash flows to be generated from operations of the Bald Hill Project;
- Cash flows from the Bald Hill Project have a finite life and these cash flows may vary substantially from year to year, rendering it suitable for a DCF valuation;
- The life of mine of the Bald Hill Project has been prepared based on ore reserves identified by the JV partners, providing a sufficiently reasonable basis to apply the DCF methodology;
- The ability to obtain funding for 50% of the forecast capital expenditure of the Bald Hill Project is assumed through the proposed debt facility expected to be available to Tawana;
- The residual resources of the Bald Hill Project not included in the DCF are valued using alternative valuation methodologies (including comparable transactions, yardstick approach and the geoscientific factor method) by an independent technical expert is contained in the report in Appendix 6;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. As Tawana's projects are not currently generating stable income nor are there any historical profits that could be used to represent future earnings, the FME approach is not appropriate. The FME methodology is also not considered appropriate for valuing finite life assets such as mining assets;
- Tawana's other assets and liabilities valued using the NAV method; and
- The QMP basis is a relevant methodology to consider because Tawana shares are listed on the ASX and JSE, therefore reflecting the value that a Shareholder will receive for a share sold on the market. This means that there is a regulated and observable market where Tawana shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed on the Company's activities.

Technical Expert

In performing our valuation of Tawana's 50% interest in the Bald Hill Project using the DCF method, we have relied on the technical assessment and valuation report prepared by SRK Consulting (Australasia) Pty Ltd (**'SRK'**) dated 1 August 2018 (**'Independent Technical Report'**) based on SRK's review of the technical project assumptions contained in the cash flow model of the Bald Hill Project.

Additionally, we have relied on SRK's valuation of the residual resources (mineral resources and exploration assets) of the Bald Hill Project not included in the DCF valuation (**'Bald Hill Exploration Assets'**), which is included in the Independent Technical Report.

SRK's Independent Technical Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) (**'the Valmin Code'**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**'JORC Code'**).

We are satisfied with the valuation methodologies adopted by SRK, which we believe are in accordance with industry practices and compliant with the requirements of the Valmin Code. The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Independent Technical Report contained in Appendix 6.

QMP

We have chosen the QMP methodology as a further cross check. The QMP basis is a relevant methodology to consider as Tawana's shares are listed on the ASX and JSE. This means that there is a regulated and observable market where Tawana's shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed on the Company's activities.

10.2 Valuation of the Proposed Merged Entity

In our assessment of the value of 1.1 shares in the Proposed Merged Entity following implementation of the Scheme, we have chosen to employ the following methodologies:

- Sum-of-Parts which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology; and

We have employed the Sum-of-Parts method in estimating the fair market value of Tawana by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of 100% of the Bald Hill Project, applying the DCF methodology;
- Value of 100% of the residual resources of the Bald Hill Project not included in the DCF, the Bald Hill Exploration Assets, having reliance on the valuation carried out by an independent technical expert;
- Amount of cash received from capital raisings completed after 30 April 2018;
- Amount of cash received from the drawdown of the proposed debt facility (to fund working capital towards 50% of the forecast expenditure of the Bald Hill Project);
- Amount of cash received from a notional capital raising (required to fund the ongoing capital expenditure and working capital of the Bald Hill Project);
- Value of Tawana's 15% shareholding in the demerged entity, Cowan Lithium Limited;
- Value of other assets and liabilities of Tawana, applying the cost approach under the NAV method;
- Value of other assets and liabilities of Alliance, applying the cost approach under the NAV method;
- Stamp duty payable on implementation of the Scheme; and
- Present value of the Proposed Merged Entity's corporate overhead costs.

We have chosen these methodologies for the following reasons:

- As the Proposed Merged Entity has one flagship project, the Bald Hill Project (following the demerger of Tawana's exploration assets), its core value is in the future cash flows to be generated from operations of the Bald Hill Project;

- Cash flows from the Bald Hill Project have a finite life and these cash flows may vary substantially from year to year, rendering it suitable for a DCF valuation;
- The life of mine of the Bald Hill Project has been prepared based on ore reserves and resources identified by the JV partners, providing a sufficiently reasonable basis to apply the DCF methodology;
- The ability to obtain funding for the forecast capital expenditure of the Bald Hill Project is assumed through a proposed debt facility expected to be available to Tawana;
- The Bald Hill Exploration Assets not included in the DCF are valued using alternative valuation methodologies (including comparable transactions, yardstick approach and the geoscientific factor method) by an independent technical expert is contained in the report in Appendix 6;
- As the Proposed Merged Entity's projects are not currently generating stable income nor are there any historical profits that could be used to represent future earnings, the FME approach is not appropriate;
- Tawana's other assets and liabilities valued using the NAV method; and
- Alliance's other assets and liabilities valued using the NAV method.

In performing our valuation of the Bald Hill Project using the DCF method, we have relied on the Independent Technical Report prepared by SRK based on SRK's review of the technical project assumptions contained in the cash flow model of the Bald Hill Project.

Additionally, we have relied on SRK's valuation of the residual resources of the Bald Hill Exploration Assets, which is included in the Independent Technical Report.

11. Valuation of Tawana prior to the Scheme

We have employed the Sum-of-Parts methodology in estimating the fair market fair of a Tawana share on a minority basis prior to the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of Tawana's 50% interest in the Bald Hill Project;
- Value of Tawana's 50% interest in the Bald Hill Exploration Assets;
- Amount of cash received from capital raisings completed after 30 April 2018;
- Amount of cash received from a drawdown of proposed debt facility;
- Amount of cash received from a notional capital raising (to fund the ongoing capital expenditure and working capital of the Bald Hill Project);
- Amount of cash received from the notional exercise of outstanding Tawana options;
- Value of Tawana's 15% shareholding in the demerged entity, Cowan Lithium Limited;
- Value of the other assets and liabilities of Tawana; and
- Present value of Tawana's corporate overhead costs.

We used the QMP approach as our secondary valuation method. Tawana is listed on the ASX and JSE, which provides an indication of the market value where an observable market for the securities exists and this reflects the minimum value that a Shareholder will receive for the sale of their shares on market.

11.1 Sum-of-Parts valuation of Tawana

The value of Tawana assets on a going concern basis is reflected in our valuation below:

Summary of assessment	Ref	Low value $000s	Preferred value $000s	High value $000s
Equity value of Tawana's 50% interest in the Bald Hill Project	11.1.1.	121,000	131,000	141,000
Add: Value of Tawana's 50% interest in Bald Hill Exploration Assets	11.1.2.	57,690	77,305	94,765
Add: Cash received from Tawana Placement	11.1.3.	4,756	4,756	4,756
Add: Drawdown of proposed Debt Facility	11.1.4.	(375)	(375)	(375)
Add: Cash received from exercise of Tawana options	11.1.5.	1,841	1,841	1,841
Add: Cash received from notional capital raising	11.1.6.	12,514	12,514	12,514
Add: Value of Tawana's 15% interest in Cowan Lithium	11.1.7.	1,063	1,063	1,063
Add: Value of Tawana's other assets and liabilities	11.1.8.	(4,199)	(4,199)	(4,199)
Less: Transaction costs of the Scheme	11.1.9.	(1,201)	(1,201)	(1,201)
Less: Present value of Tawana's corporate overhead costs	11.1.10.	(13,235)	(13,235)	(13,235)
Value of Tawana prior to the Scheme		**179,855**	**209,470**	**236,930**
Number of shares on issue prior to the Scheme	11.1.12.	612,935,723	610,612,443	608,579,573
Value per Tawana share on controlling interest basis ($)		**0.293**	**0.343**	**0.389**
Discount for minority interest	11.1.11.	28.6%	25.9%	23.1%
Value per Tawana share on minority interest basis ($)		**0.210**	**0.254**	**0.299**

Source: BDO analysis

The table above indicates that the value of a Tawana share prior to the Scheme on a control basis is between $0.293 and $0.389 and on a minority interest basis is between $0.210 and $0.299, with a preferred value of $0.254.

11.1.1. Equity value of Tawana's 50% interest in the Bald Hill Project

We elected to use the DCF approach in valuing the Bald Hill Project. The DCF approach estimates the fair market value by discounting the future cash flows arising from the Bald Hill Project to their net present value. Performing a DCF valuation requires the determination of the following:

- The expected future cash flows that the Bald Hill Project is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Bald Hill Project to convert them to present value equivalent.

Given that Tawana has a 50% interest in the Bald Hill Project, we determined the operating cash flows of the Bald Hill Project to a project level and determined tax treatment and discount rate specific to Tawana's 50% interest in the Bald Hill Project.

11.1.1.1. Future cash flows

A detailed cash flow model of the Bald Hill Project was prepared by management of Tawana and Alliance ('**the Model**'). The Model estimates the future cash flows expected from lithium and tantalum production at the Bald Hill Project based on determined JORC compliant reserves and resources. The Model depicts forecasts of real pre-tax cash flows over the life of mine on a monthly basis from May 2018 to July 2023 assuming a second DMS processing plant is fully operational by July 2019. We have reviewed the Model and material assumptions that underpin it.

BDO has made certain adjustments to the Model where it was considered appropriate to arrive at an adjusted model ('**Adjusted Model**'). In particular, we have adjusted the Model to reflect any changes to technical assumptions as a result of SRK's review and any changes to the economic and other input assumptions from our research. We have also adjusted the Model to reflect cash flows on a nominal post-tax basis. The Model was prepared based on estimates of a production profile, operating costs and start-up and sustaining capital expenditure. The main assumptions underlying the Adjusted Model include:

- Mining and production volumes;
- Commodity prices;
- Operating costs;
- Start-up and sustaining capital expenditure;
- Foreign exchange rates;
- Royalties;
- Corporate tax; and
- Discount rate.

We undertook the following analysis of the Model:

- Appointed SRK as a technical expert to review, and where required, provide changes to the technical assumptions underlying the Model;

- Conducted independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and discount rate applicable to the future cash flows of the Bald Hill Project;
- Held discussions with Tawana management regarding the preparation of the forecasts in the Model and its views; and
- Performed a sensitivity analysis on the value of the Bald Hill Project as a result of flexing selected assumptions and inputs.

We have not undertaken a review of the cash flows in accordance with the Standard on Assurance Engagements ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' and do not express an opinion on the reasonableness of the assumptions or their achievability. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

SRK was engaged to prepare the Independent Technical Report which includes a technical assessment of the Bald Hill Project assumptions underlying the Model. SRK's assessment involved the review and provision of input on the assumptions adopted in the Model, including but not limited to:

- Mining physicals (including volume mined, recovery and grade);
- Processing assumptions (including products and recovery, scheduling and plant utilisation);
- Operating costs (comprising direct operating expenditure and certain fixed costs);
- Capital expenditure (development and sustaining capital expenditure required); and
- Other relevant assumptions.

Based on current reserves, and assuming the second DMS plant is built, the Bald Hill Project is expected to have a mine life of approximately five years.

A copy of SRK's Independent Technical Report is included in Appendix 6.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Inflation

We note that all cash flows contained in the Model were calculated on a real basis. As the prices for lithium and tantalum are contracted subject to current offtake agreements, and subsequently obtained from our research sources, which are quoted on a nominal basis, we applied an inflation rate to convert all costs into nominal terms in the Adjusted Model.

Given that the Bald Hill Project is situated in Australia, we have assumed the forecast inflation rate of Australia. In our assessment of the inflation rate, we have considered forecasts prepared by economic

analysts and other publicly available information including broker consensus to arrive at our inflation rate assumptions. On this basis, we consider the inflation rate in Australia will be approximately 2.5% per annum over the forecast period.

Foreign exchange

The Adjusted Model is predominantly denominated in Australian Dollars (‘**AUD**’ or ‘**A$**’), except for the forecast commodity prices, which are denominated in United States Dollars (‘**USD**’ or ‘**US$**’). The conversions from USD to AUD were undertaken using the following foreign exchange rate assumptions:

Exchange rates	2018	2019	2020	2021	2022+
USD:AUD	0.75	0.75	0.75	0.75	0.75

Source: Bloomberg

Revenue assumptions

The Bald Hill Project will receive revenue from the sale of lithium and tantalum.

In obtaining forecast commodity prices we have considered:

- Current offtake agreements with lithium and tantalum offtake partners;
- Historical spot and forecast spot prices from industry research;
- Historical term and forecast term prices from lithium and tantalum industry research;

Based on our analysis, we have adopted the following future lithium and tantalum prices (in nominal terms):

Forecast commodity prices	2018	2019	2020	2021	2022+
Lithium concentrate (USD/t)	880	880	750	725	700
Tantalum concentrate (USD/lb)	70	70	70	70	70

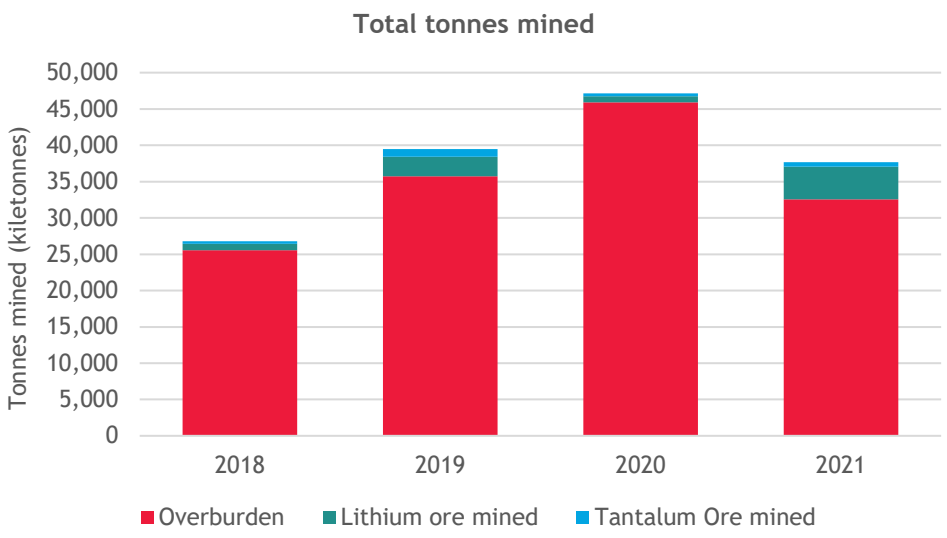
Source: Offtake agreements, Independent research, BDO analysis

Where offtake contracts are in place, we have used the terms of those contracts to determine the commodity prices used, which include lithium concentrate price of US$880/t and tantalum concentrate price of US$70/lb over 2018 and 2019.

We have considered consensus forecast prices from leading independent research and investment firms for both lithium concentrate and tantalum concentrate for the period after the current offtake agreements are contracted.

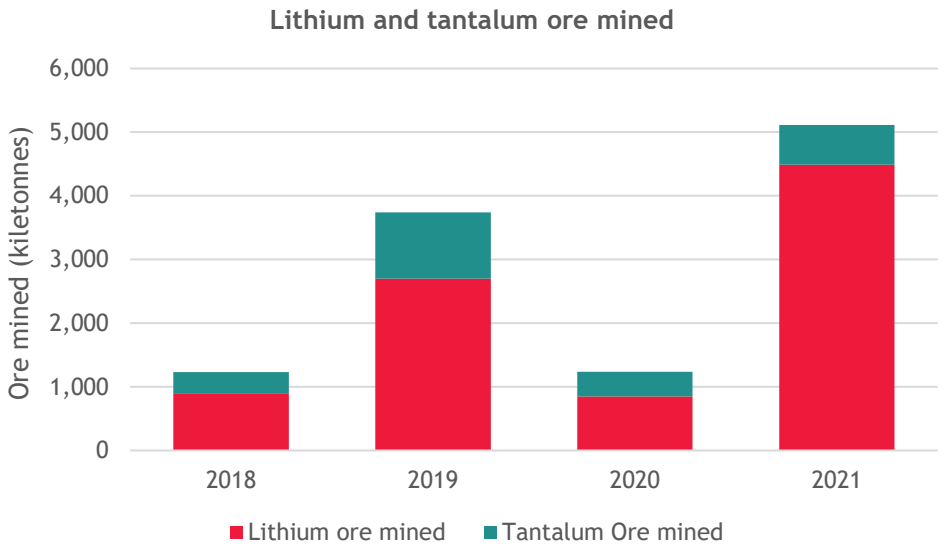
Mining physicals

The graph below shows the indicative forecast total tonnes, broken down into lithium ore, tantalum ore and overburden, to be mined over the life of the mine of the Bald Hill Project. This is based on open pit mining. SRK has reviewed the reasonableness of the mining physicals in the Independent Technical Report found in Appendix 6.



Source: Adjusted Model

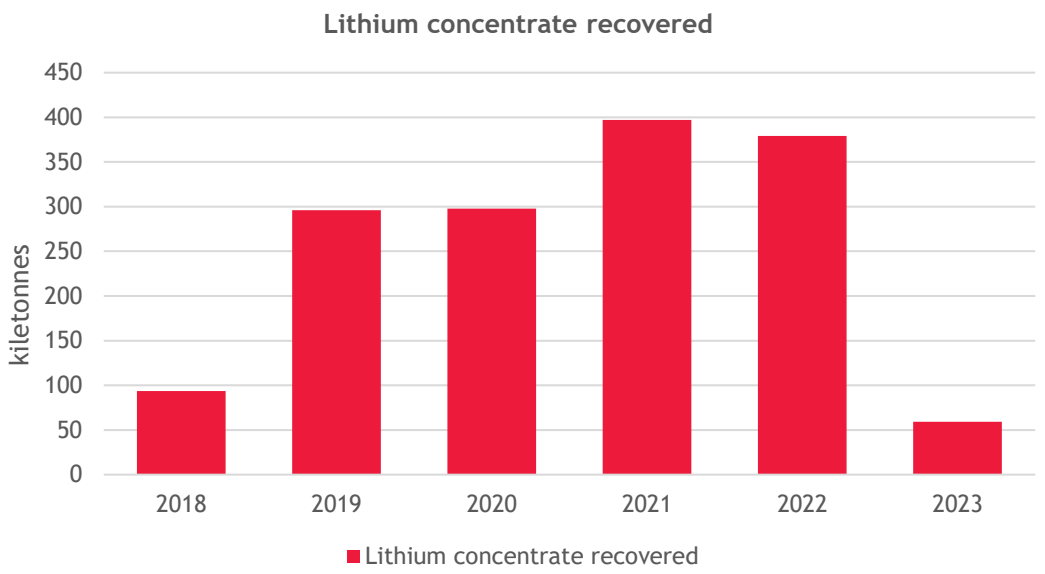
The graph below details the contained lithium and tantalum ore mined for each year of production, without the distortion of the overburden as outlined in the table above. Management have advised that low amounts of lithium ore and tantalum ore are forecast to be mined in 2020 due to the nature of the ore body, which shows high amounts of ore to be mined at the beginning and end of the life of mine, with a large waste deposit to be extracted in the midway section of the life of mine.



Source: Adjusted Model

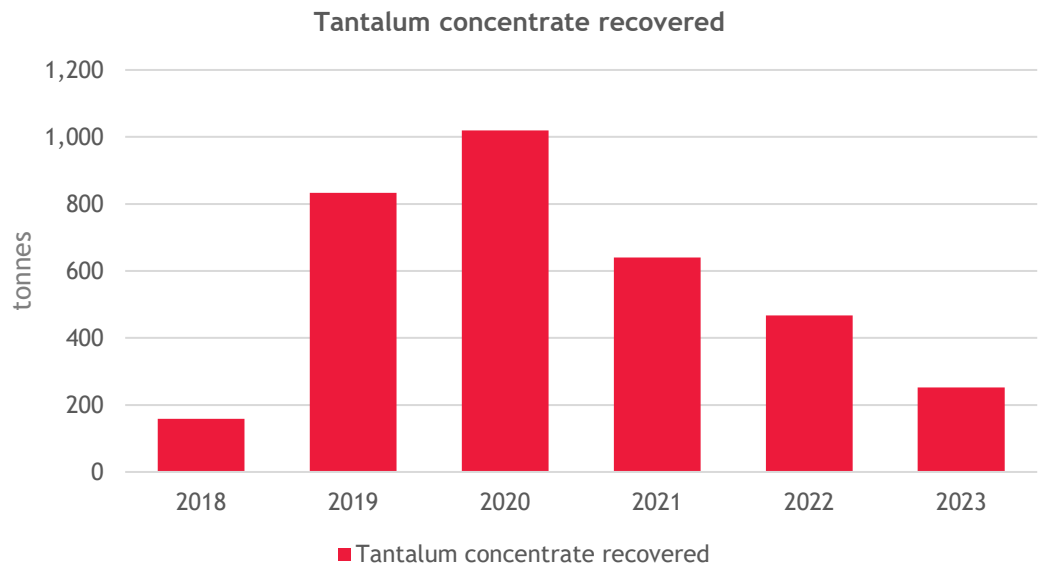
Product assumptions

The graph below shows the forecast lithium concentrate processed and recovered annually over the life of mine. We note that this processing schedule is assuming the second DMS processing plant becomes fully operational in July 2019 to allow processing of 2.4Mtpa through the plant.



Source: Adjusted Model

The graph below shows the forecast tantalum concentrate processed and recovered annually over the life of mine. We note that the current production schedule within the Adjusted Model includes approximately 1.0 million tonnes of tantalum ore that is left unprocessed at the end of the life of mine, which will hold some value.

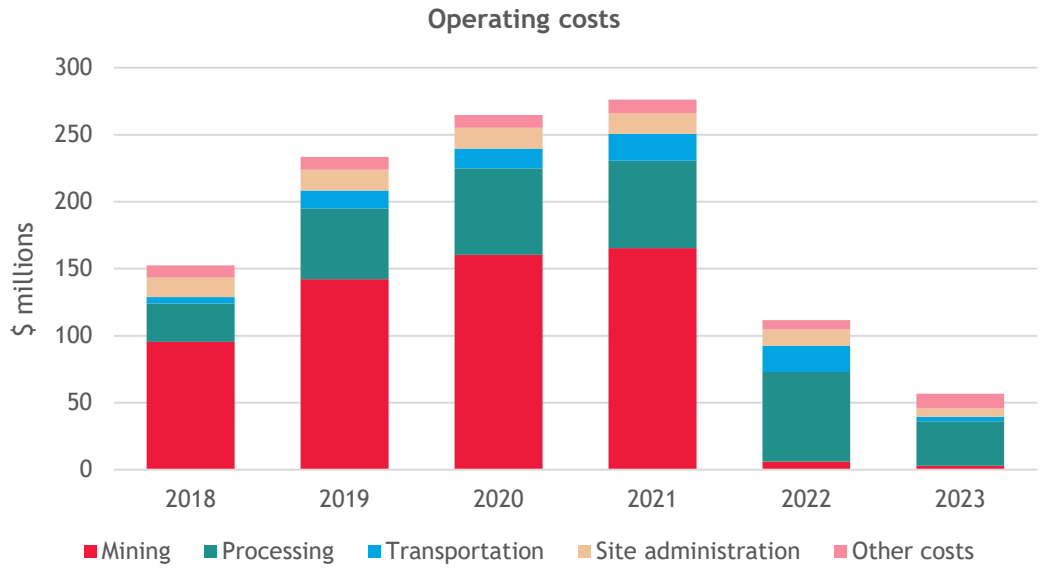


Source: Adjusted Model

Operating costs

Operating costs included in the Adjusted Model consists of mining, processing (include crushing, lithium plant processing, lithium plant maintenance, tantalum processing), transportation, site administration and other costs. SRK has noted the operating cost estimate assumptions underlying the Adjusted Model reflect the accuracy of the feasibility level.

The graph below outlines the projected operating costs over the life of mine. We note that the mining costs incurred over 2022 and 2023 largely relate to fixed costs, contractor costs and load and haul costs for remaining waste and ore.



Source: Adjusted Model

Capital expenditure

Significant capital expenditure has already been incurred on the Bald Hill Project, with the majority of the following forecast capital expenditure to be incurred in the period from May 2018 to June 2019:

- Construction of a second DMS plant;
- DMS 1mm fines processing plant; and
- Other sustaining capital expenditure.

SRK noted the capital expenditure assumptions made in the Model appear reasonable within a +/- 50% scoping level estimate.

Royalties

Royalties will be distributed to the Western Australian government at the rate of 5% of the sale value of the lithium and tantalum concentrate produced.

SRK considers there is an obligation to pay a royalty to the previous holder of a number of the tenements within the area of land in which the Bald Hill Project lies (‘**Royalty Obligation**’). SRK understands this royalty is currently payable in respect of M15/1305, M15/1308, M15/1470, E15/1353, P15/5862, P15/5863, P15/5864 and P15/5865 (‘**the Royalty Tenements**’).

Details of the royalty payable under the Royalty Obligation is as follows:

- 2.5% of the gross proceeds of sale, net of GST, of all finished processed materails of tantalum and tin mined and extracted from the land the subject of the Royalty Tenements; and

- 5% of the gross proceeds of sale, net of GST, of all other finished processed materials mined and extracted from the land the subject of the Royalty Tenements.

We note that the current life of mine of the Bald Hill Project lies within M15/400, which is not included in the Royalty Tenements, and therefore no royalty is currently payable under the Royalty Obligation.

Further details on royalties can be found in the Independent Technical Report.

As part of SRK's review, no other royalties were identified at the Bald Hill Project that are relevant to our valuation.

Taxation

Taxation has been applied at a notional rate of 30% which represents the current corporate tax rate in Australia. We have obtained expert advice on the available fractions of Tawana's historical tax losses and consider it reasonable to calculate Tawana's tax payable assuming available historical tax losses of $nil. This is due to the minimal available fractions available as a consequence of the historical capital raises undertaken by Tawana.

Given the Model was provided on a pre-tax basis, we have applied tax calculations to the Adjusted Model.

Restoration and rehabilitation costs

The restoration and rehabilitation costs of approximately $7.25 million (nominal terms) relate to backfilling, decommissioning and post-closure costs at the later stages of the life of mine.

SRK have reviewed these costs forecast in the Model and did not make any recommendations for adjustment to the restoration and rehabilitation costs. We consider this to be reasonable.

11.1.1.2. Discount rate

Prior to the Scheme, we have selected a nominal after tax discount rate in the range of 9.1% and 12.7% per annum to discount Tawana's interest in the cash flows of the Bald Hill Project to their present value. We have used a rounded discount rate of 11% in our base case.

In selecting this range of discount rate, we have considered the following:

- The rate of return for comparable ASX listed lithium and tantalum exploration and production companies; and
- The risk profile of Tawana, prior to the Scheme, as compared to other lithium and tantalum exploration and production companies.

A detailed consideration of how we arrived at our adopted discount rate is shown in Appendix 3.

11.1.1.3. Sensitivity analysis

The estimated value of Tawana's 50% interest in the Bald Hill Project is derived under the DCF approach. Our valuation is highly sensitive to change in the forecast of lithium price (following the period already contracted through offtake agreement), tantalum price (following the period already contracted through offtake agreement), operating costs, capital costs and USD:AUD foreign exchange rates. We have therefore included an analysis to consider the value of Tawana's 50% interest in the Bald Hill Project under various pricing scenarios and in applying:

- A change of +/- 10% to the lithium price (following the period contracted through offtake agreement);

- A change of +/- 10% to the tantalum price (following the period contracted through offtake agreement);
- A change of +/- 10% to the operating costs;
- A change of +/- 50% to the capital costs;
- A change of +/- 10% to the USD:AUD foreign exchange rates; and
- A discount rate in the range of 9% to 13%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of Tawana's 50% interest in the Bald Hill Project if our base case assumptions change.

	Lithium price	Tantalum price	Operating costs	AUDUSD rate
Flex	$000s	$000s	$000s	$000s
10.0%	156,475	133,517	100,991	90,186
7.5%	150,000	132,770	108,388	99,582
5.0%	143,518	132,022	115,777	109,415
2.5%	137,030	131,275	123,157	119,719
0.0%	130,527	130,527	130,527	130,527
-2.5%	124,014	129,778	137,870	141,858
-5.0%	117,496	129,030	145,186	153,755
-7.5%	110,970	128,282	152,489	166,279
-10.0%	104,436	127,533	159,782	179,489

Source: Adjusted Model, BDO analysis

	Capital costs
Flex	$000s
50.0%	118,050
10.0%	128,032
7.5%	128,656
5.0%	129,279
2.5%	129,903
0.0%	130,527
-2.5%	131,150
-5.0%	131,774
-7.5%	132,397
-10.0%	133,020
-50.0%	142,989

Source: Adjusted Model, BDO analysis

Discount rate	9%	10%	11%	12%	13%
$000s	138,853	134,604	130,527	126,613	122,855

Source: Adjusted Model, BDO analysis

Considering the valuation outcomes above, we estimate the equity value of Tawana's 50% interest in the Bald Hill Project to be in the range of $121 million and $141 million, with a midpoint value of $131 million.

11.1.2. Value of Tawana's 50% interest in the Bald Hill Exploration Assets

We instructed SRK to value all of the Bald Hill Exploration Assets of the Bald Hill Project under the Valmin Code 2015 that are not included in the Model.

The Bald Hill Exploration Assets have been valued by SRK based on comparable transactions, yardstick and geoscientific rating methods.

The value of the Bald Hill Exploration Assets, and Tawana's 50% interest, are summarised in the table below:

Bald Hill Exploration Assets	Low value $000s	Preferred value $000s	High value $000s
Mineral Resources	113,400	148,300	183,100
Advanced Exploration	180	310	430
Early Exploration	1,800	6,000	6,000
Bald Hill Exploration Assets	115,380	154,610	189,530
Tawana's ownership prior to the Scheme	*50%*	*50%*	*50%*
Value of Tawana's interest in the Bald Hill Exploration Assets	**57,690**	**77,305**	**94,765**

Source: BDO analysis, SRK Independent Technical Report

11.1.3. Cash raised from Tawana Placement

We note that Tawana completed the Tawana Placement (as detailed above in Section 4) of 12,195,122 shares to raise $4.878 million at $0.40 per share subsequent to 30 April 2018. We note that a placement fee of 2.5% of the funds raised is payable to the lead advisor, which is to be deducted from the gross amount raised.

Therefore we consider it appropriate to increase the cash balance to include this cash inflow.

11.1.4. Drawdown on Debt Facility to fund Bald Hill Project

Tawana intends to obtain a $15 million debt facility ('**Debt Facility**') to partially fund the Bald Hill Project capital expenditure and working capital requirements over the period from May 2018 to April 2019 (see SRK's Independent Technical Report for further details). Therefore we have assumed the draw down of the Debt Facility to fund the Bald Hill Project through this period and bring it into positive cash flows.

The cash raised from the drawdown of the Debt Facility is offset by a corresponding increase in debt liabilities and an estimated fee. This results in a net decrease on the Sum-of-Parts valuation.

11.1.5. Exercise of Tawana options

The following in-the-money Tawana options were exercised in the period following 30 April 2018 and prior to the implementation of the Scheme.

Cash received from exercise of Tawana options	Exercise price $	Number of options	Funds received $
Options to be exercised:			
Class F incentive options	0.178	250,000	44,500
Class G placement options	0.035	2,500,000	87,500
Class I incentive options	0.060	1,000,000	60,000
Class J incentive options	0.130	1,250,000	162,500

Cash received from exercise of Tawana options	Exercise price $	Number of options	Funds received $
Class L incentive options	0.160	1,000,000	160,000
Class M incentive options	0.180	500,000	90,000
Class N incentive options	0.230	500,000	115,000
Director options	0.200	500,000	100,000
Advisor options	0.30625	1,653,060	506,250
Class O incentive options	0.220	250,000	55,000
Class O incentive options	0.240	250,000	60,000
Director options	0.200	2,000,000	400,000
Total funds received under exercise of Tawana options		**11,653,060**	**1,840,750**

Source: Tawana management

We assume the cash raised from the exercise of the Tawana options will be used to fund any additional working capital requirements of Tawana through development of the Bald Hill Project.

11.1.6. Notional capital raise

We are required by RG 111.15 to assess the funding requirements for a company that is not in financial distress when considering its value, particularly when using the DCF methodology.

We note that Tawana has a credible and current track record of obtaining sources of non-equity funding, as follows:

- Current debt of $5 million repayable in December 2019;
- Current revenue prepayment agreement with the offtake partner of $12.5 million; and
- The proposed Debt Facility for $15 million.

Tawana management has also advised that some major capital expenditure items have scope to be delayed by up to 12 months. Further, they have also advised that they are in early stage discussions with parties to provide a further working capital facility.

These historical and potential sources of funding give a strong indication that Tawana would seek sources of funding other than equity, prior to the need to undertake equity funding. However, at the date of this Report, we consider that we do not have reasonable grounds to assume current availability of the additional sources of funding. Therefore, we have included a notional capital raising to fund the remaining capital expenditure and working capital requirements of the Bald Hill Project.

As per our Adjusted Model, the Bald Hill Project requires approximately $55.60 million to fund the project through the plant upgrade period to a stage where it is cash flow positive. Given that prior to the implementation of the Scheme, Tawana will be responsible for funding 50% of the Bald Hill Project, Tawana will be required to provide funds of $27.80 million to fund the Bald Hill Project into a positive cash flow position.

The following table outlines Tawana's sources of funding that we currently have reasonable grounds to assume are at Tawana's disposal, and commitments that Tawana will be required to fund over the period until the Bald Hill Project is taken into a positive cash flow position.

Notional capital raising	$000s
Sources of funding:	
Cash balance	27,451
Other major working capital balances	(26,835)
Cash received from Tawana Placement	4,756
Cash received from exercise of Tawana options	1,841
Cash available from proposed Debt Facility	14,625
Total funding available	**21,838**
Funding commitments:	
50% of Bald Hill Project	27,801
Corporate costs over period of negative cash flows	2,442
Other costs over period of negative cash flows	4,110
Total funding commitments	**34,352**
Additional funding required by Tawana	**12,514**

Source: BDO analysis

The Tawana cash balance outlined above is taken from the 30 April 2018 Tawana Balance Sheet that has been reviewed by Ernst & Young (**'EY'**) as part of the Scheme.

Other major working capital accounts consist of the following 30 April 2018 Balance Sheet line items taken from the adjusted balance sheet outlined in section 11.1.8.:

Tawana working capital	Adjusted as at 30-Apr-18 $'000s
Working capital accounts	
Trade and other receivables	8,765
Inventory	-
Trade and other payables	(22,841)
Deferred revenue	(12,500)
Provisions	(259)
Working capital position	**(26,835)**

Source: BDO analysis

We have included these accounts in the funding calculation as they are considered current balance sheet items, and therefore, would be expected to be extinguished in the 12 months following the balance date. Given that the Bald Hill Project is forecast to require funding into positive cash flows over the period, May 2018 to April 2019, we consider these amounts will be extinguished within the period ending April 2019. Note that we have not included Tawana's current debt balance of $5.0 million as it is not repayable until December 2019.

Corporate costs have been calculated in nominal terms over the period from May 2018 to April 2019.

Other working capital required over the funding period includes interest expenses, transaction costs of undertaking the Scheme, costs related to the demerger of Cowan Lithium and other costs.

Based on the calculations above, the resultant funds required to fund the capital expenditure and working capital requirements of the Bald Hill Project and the broader business of Tawana is approximately $12.51 million ('**Additional Tawana Funding Required**'), which we have assumed will be met through a notional equity raise. We have also assumed a notional placement fee of 5% to account for a potential underwriter's or broker's fee. This results in the required equity funds to be raised increasing to approximately $13.17 million.

We note that Tawana will likely be required to source this additional funding in 2019 as the Company has sources of funding at its disposal that would be expected to fund working capital requirements throughout the remainder of 2018.

Given Tawana's track record of alternative sources of funding, outlined on the previous page, including:

- Current debt of $5 million repayable in December 2019;
- Current revenue prepayment agreement with the offtake partner of $12.5 million;
- The proposed Debt Facility for $15 million;
- Early discussions regarding an additional working capital facility; and
- Tawana's indicative illustration of non-essential capital expenditure that has scope to be delayed to free up working capital,

We consider the likelihood of Tawana being required to undertake a capital raise to be low. However, in the absence of information regarding the most likely funding structure, to remain conservative, we have assumed it will be fully funded by equity. As such, we have assumed a notional equity raising will be used to fund the Additional Tawana Funding Required. Equity funding is a conservative assumption, as such, we have reflected the potential difficulty of raising funds in our assessment of the likely range of prices at which a capital raising may be conducted.

In order to determine the likely price at which Tawana would have to place its shares to a third party or to current shareholders under a notional capital raising, we considered the VWAP of Tawana shares prior to the announcement of the Scheme as this represents a proxy for the share price of Tawana without any influence from the proposed implementation of the Scheme. The closing price, 10-day and 30-day VWAP of Tawana's shares at 4 April 2018 are set out in the table below:

Share Price per unit	04-Apr-18	10 Days	30 Days
Closing price	$0.455		
Volume weighted average price		$0.452	$0.454

Source: Bloomberg

Based on the above analysis, we have assessed the price of a Tawana share to be in the range of $0.43 and $0.47. However, typically companies must raise capital at a discount to the current market price. As such, we have assessed Tawana's recent capital raisings and the discounts applied to current market prices evidenced. This has typically shown a discount of approximately 10% to market price.

We have also considered the discount at which shares have been issued by ASX listed mining companies since July 2016. Given that placement discounts by ASX listed mining companies have ranged significantly, we assessed the discounts adopted by companies since July 2016 with market capitalisations between

$100 million and $500 million (a band in which Tawana's market capitalisation falls). Our findings substantiate the 10% discount highlighted above.

Based on the above analysis, we consider a placement discount in the range of 8% to 12%, with our preferred being a midpoint of 10%, will be required to provide a sufficient incentive for investors to participate in a capital raising.

The number of shares to be issued under the notional capital raising is set out in the table below:

Notional capital raising	Low	Preferred	High
Additional Tawana Funding Required ($000s)	12,514	12,514	12,514
Placement fee	5%	5%	5%
Additional Tawana Funding Required including placement fee ($000s)	**13,173**	**13,173**	**13,173**
Price per share in Tawana ($)	0.470	0.450	0.430
Discount on placement	8%	10%	12%
Placement share price ($)	**0.432**	**0.405**	**0.378**
Number of Tawana shares to be issued via notional capital raise	**30,493,056**	**32,525,926**	**34,849,206**

Source: BDO analysis

11.1.7. Value of Tawana's 15% interest in Cowan Lithium Limited

We have assessed the value of Tawana's shareholding of 9,064,920 shares in the demerged entity, Cowan Lithium Limited by using the share price at which Cowan Lithium is intending to raise funds through the IPO of $0.20. As part of the demerger, Tawana paid $750,000 and transferred certain exploration assets to Cowan Lithium in exchange for Cowan Lithium issuing ordinary shares to Tawana, 85% of which shares Tawana distributed to its shareholders and retained 15%. The net value of Cowan Lithium is outlined in the table below:

Interest in Cowan Lithium	
Number of shares held in Cowan Lithium	9,064,920
IPO capital raising price per share ($)	*0.20*
Value of shareholding in Cowan Lithium ($000s)	1,813
Deduct: Cash payment to Cowan Lithium ($000s)	(750)
Net value of Cowan Lithium to Tawana ($000s)	**1,063**

Source: BDO analysis

11.1.8. Value of Tawana's other assets and liabilities

Other assets and liabilities of Tawana represent the assets and liabilities that have not been specifically adjusted. We have relied on the 30 April 2018 Tawana Balance Sheet that was reviewed by EY as part of the Scheme. From our review of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between their book value and their market value unless an adjustment has been noted.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Reviewed as at 30-Apr-18 $'000s	Adjusted 30-Apr-18 $'000s
CURRENT ASSETS		
Cash and cash equivalents	27,451	27,451
Trade and other receivables	8,765	8,765
Prepayments and deposits	110	110
Inventory	815	-
TOTAL CURRENT ASSETS	**37,141**	**36,326**
NON-CURRENT ASSETS		
Mine properties	32,310	-
Exploration and evaluation expenditure	282	-
Property plant and equipment	32,689	-
Exploration assets held for distribution	4,225	-
Deposits	75	75
TOTAL NON-CURRENT ASSETS	**69,581**	**75**
TOTAL ASSETS	**106,722**	**36,401**
CURRENT LIABILITIES		
Trade and other payables	22,841	22,841
Deferred revenue	11,500	11,500
Provisions	259	259
TOTAL CURRENT LIABILITIES	**34,600**	**34,600**
NON-CURRENT LIABILITIES		
Provision for rehabilitation	2,710	-
Interest bearing loans	5,000	5,000
Deferred revenue	1,000	1,000
TOTAL NON-CURRENT LIABILITIES	**8,710**	**6,000.00**
TOTAL LIABILITIES	**43,310**	**40,600**
NET ASSETS	**63,412**	**(4,199)**

Source: Tawana reviewed balance sheet as at 30 April 2018, BDO analysis

We note that any cash burn since 30 April 2018 relating to development of the Bald Hill Project or corporate costs will not be considered necessary to deduct from the 30 April 2018 cash balance as we have included the Bald Hill Project and corporate costs as separate line items in our Sum-of-Parts valuation.

We also note that the inventories, mine properties, exploration and evaluation expenditure, property, plant and equipment and provision for rehabilitation relate to the Bald Hill Project and have been incorporated into the equity value of the Bald Hill Project. Therefore we have adjusted the balances to exclude all assets and liabilities related to the Bald Hill Project.

We note that the exploration assets held for distribution consist of the exploration assets to be spun-out as part of the demerger of Cowan Lithium. Therefore we have omitted this balance as part of our assessment.

Additionally, nothing has come to our attention as a result of our procedures that would suggest the need for any further adjustments.

11.1.9. Transaction costs of the Scheme

Estimated transaction costs totalling $1.20 million are to be borne by Tawana on approval or non-approval of the Scheme. As these costs will be borne by Tawana regardless of the outcome of the Scheme, we have

deducted the value of the transaction costs from our Sum-of-Parts. Further details on the transaction costs can be found in the Scheme Booklet.

11.1.10. Present value of corporate costs

Management has provided us with the forecast corporate costs for Tawana going forward, assuming the Scheme is not approved, and Tawana continues as a JV partner of the Bald Hill Project. Based on our benchmarking of other companies with similar profiles and analysis of Tawana's historical corporate costs, we consider the corporate costs of $2.50 million per annum (real terms) over the life of mine to be reasonable.

We calculated the annual corporate costs over the remaining life of mine of the Bald Hill Project, inflating these costs at Australia's long term inflation rate of 2.5% per annum, given that Tawana's head office is located, and incurs costs, in Australia.

The net present value of Tawana's corporate costs are estimated to be $13.24 million.

11.1.11. Minority interest discount

The Sum-of-Parts value of Tawana prior to the Scheme is reflective of a controlling interest. As determined in Section 3.3, we determined that the Scheme is in effect a Merger of Equals and that the consideration offered and the securities given up should be assessed on an equivalent basis. As the implementation of the Scheme will not preclude either Shareholders or Alliance shareholders from receiving a control premium for their shares in the future, we have assessed the consideration offered and securities given up on a minority interest basis.

Therefore, we have adjusted our valuation of a Tawana share prior to the Scheme to reflect the minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula 1-1/(1+control premium).

As discussed further in Appendix 5 of our Report, we consider an appropriate control premium for Tawana to be in the range of 30% and 40%, giving rise to a minority interest discount in the range of 23.1% to 28.6%.

11.1.12. Number of Tawana shares on issue

The number of shares in Tawana, prior to the Scheme, is set out in the table below:

Number of Tawana shares on issue prior to the Scheme	Ref	Low	Preferred	High
Number of Tawana shares on issue prior to the Scheme	4	578,086,517	578,086,517	578,086,517
Add: Shares issued under the Notional Capital Raising	11.1.6.	30,493,056	32,525,926	34,849,206
Total number of Tawana shares on issue prior to the Scheme		**608,579,573**	**610,612,443**	**612,935,723**

Source: BDO analysis

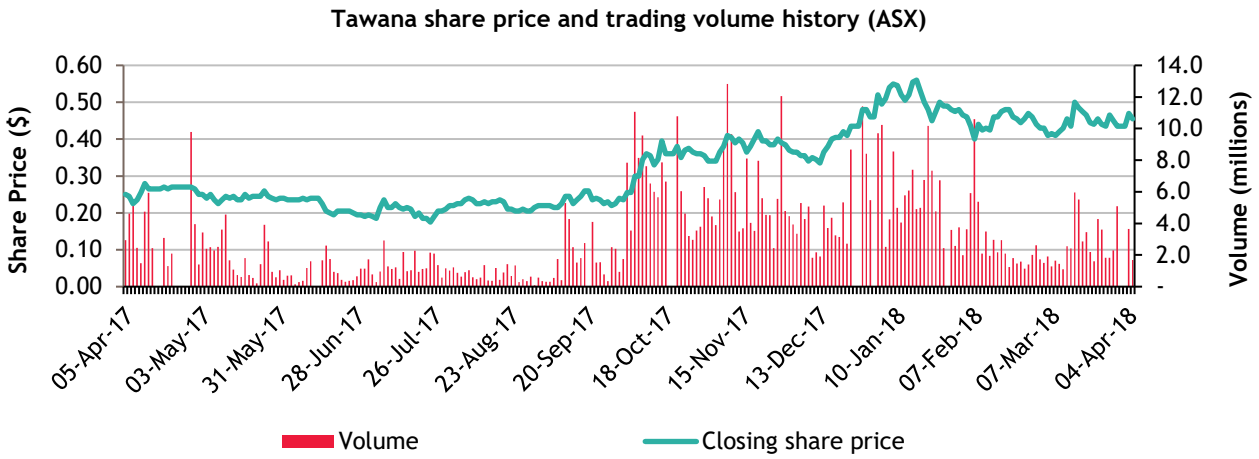
11.2 Quoted Market Prices for Tawana securities

To provide a comparison to the valuation of Tawana in Section 11.1, we have also assessed the quoted market price for a Tawana share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

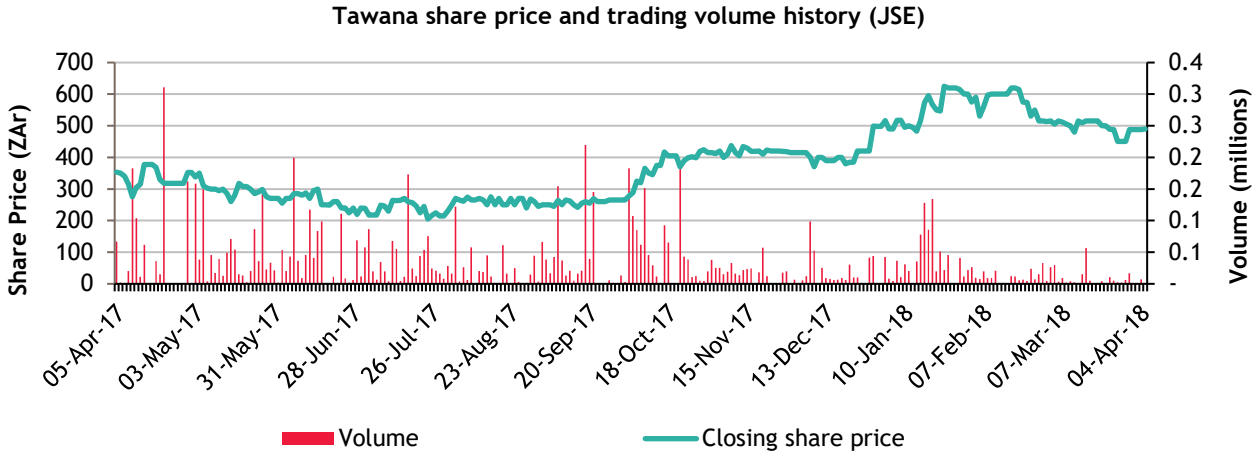
Our analysis of the quoted market price of a Tawana share is based on the pricing prior to the announcement of the Scheme. This is because the value of a Tawana share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a Tawana share following the announcement when we have considered reasonableness in Section 14.

Information on the Scheme was announced to the market on 5 April 2018. Therefore, the following chart provides a summary of the share price movement over the 12 months to 4 April 2018, which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Tawana shares on the ASX, from 5 April 2017 to 4 April 2018, has ranged from a low of $0.175 on 24 July 2017 to a high of $0.585 on 16 Jan 2018. Tawana's share price exhibited an upwards trend over the 12 months to 4 April 2018. The highest single day of trading was on 8 November 2017, when 12,818,886 shares were traded.



The daily price of Tawana shares on the JSE, from 5 April 2017 to 4 April 2018, has ranged from a low of South African cents (‘**ZAr**’) 205.00 on 24 July 2017 to a high of ZAr 625.00 on 23 January 2018. The highest single day of trading was on 20 April 2017, when 310,762 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		$ (movement)			$ (movement)		
29/03/2018	Bald Hill Plant Achieves Key Milestones	0.435	▼	3.3%	0.470	▲	8.0%
22/03/2018	Tawana to spin out Cowan, Yallari and Mofe Creek Assets	0.455	▲	3.4%	0.465	▲	2.2%
14/03/2018	Lithium Production Commences at Bald Hill	0.500	▲	14.9%	0.465	▼	7.0%
09/03/2018	S&P DJ Indices Announces March Quarter Rebalance	0.430	▲	2.4%	0.500	▲	16.3%
15/02/2018	Commissioning Commences at Bald Hill Lithium Plant	0.475	▲	3.3%	0.460	▼	3.2%
05/02/2018	Tawana secures $5m Loan Facility for Bald Hill	0.435	▼	5.4%	0.425	▼	2.3%
31/01/2018	Quarterly Activities Report	0.480	▲	1.1%	0.435	▼	9.4%
31/01/2018	Quarterly Cashflow Report	0.480	▲	1.1%	0.435	▼	9.4%
25/01/2018	Tantalum Offtake Term Sheet Executed	0.490	▼	2.0%	0.475	▼	3.1%
12/01/2018	Bald Hill on track for lithium production this Quarter	0.520	▲	3.0%	0.530	▲	1.9%
18/12/2017	Addendum to Announcement released 6 December 2017	0.405	▲	1.3%	0.410	▲	1.2%
06/12/2017	Significant Exploration Results Continue at Bald Hill	0.355	▶	0.0%	0.345	▼	2.8%
28/11/2017	Bald Hill on track for lithium production in Q1 CY18	0.390	▼	2.5%	0.365	▼	6.4%
31/10/2017	Quarterly Activities Report	0.355	▼	1.4%	0.340	▼	4.2%
31/10/2017	Quarterly Cashflow Report	0.355	▼	1.4%	0.340	▼	4.2%
30/10/2017	Tawana increases Cowan Lithium Project Area	0.360	▶	0.0%	0.340	▼	5.6%
24/10/2017	Tawana Completes Earn in to Bald Hill	0.370	▲	5.7%	0.360	▼	2.7%
20/10/2017	Tawana Fully Funded for Bald Hill Mine	0.380	▲	5.6%	0.375	▼	1.3%

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
18/10/2017	Trading Halt	0.360	▸	0.0%	0.350	▾	2.8%
11/10/2017	Bald Hill Mineral Resource Update	0.355	▾	1.4%	0.395	▲	11.3%
10/10/2017	Bald Hill Project Update	0.360	▲	4.3%	0.345	▾	4.2%
20/09/2017	Third Offtake Prepayment Received	0.235	▾	9.6%	0.225	▾	4.3%
19/09/2017	Trading Halt	0.260	▸	0.0%	0.235	▾	9.6%
06/09/2017	Bald Hill Delivers Excellent Metallurgical Test Work Results	0.215	▾	2.3%	0.245	▲	14.0%
15/08/2017	Construction Commences on Lithium Plant at Bald Hill Mine	0.230	▲	2.2%	0.230	▸	0.0%
02/08/2017	Significant High Grade Lithium Discoveries	0.225	▲	2.3%	0.240	▲	6.7%
31/07/2017	Quarterly Activities Report	0.220	▲	4.8%	0.225	▲	2.3%
31/07/2017	Quarterly Cashflow Report	0.220	▲	4.8%	0.225	▲	2.3%
25/07/2017	Environmental Approvals Finalised	0.190	▲	8.6%	0.210	▲	10.5%
11/07/2017	Bald Hill to Deliver Outstanding Cash Flows and Returns	0.225	▲	4.7%	0.215	▾	4.4%
06/07/2017	Response to ASX Price Query	0.235	▲	9.3%	0.225	▾	4.3%
28/06/2017	Tawana Earns in to Lithium Rights at Bald Hill	0.195	▸	0.0%	0.190	▾	2.6%
14/06/2017	Maiden Lithium Mineral Resource	0.225	▾	6.2%	0.195	▾	13.3%
13/06/2017	Trading Halt	0.240	▸	0.0%	0.200	▾	16.7%
25/05/2017	Significant Increase in Lithium Pegmatite at Bald Hill	0.245	▾	5.8%	0.240	▾	2.0%
18/05/2017	Tawana Commenced Early Works at Bald Hill	0.240	▾	4.0%	0.245	▲	2.1%
28/04/2017	Quarterly Activities Report	0.265	▾	1.9%	0.240	▾	9.4%
28/04/2017	Quarterly Cashflow Report	0.265	▾	1.9%	0.240	▾	9.4%
27/04/2017	Reinstatement to Official Quotation	0.270	▸	0.0%	0.250	▾	7.4%
27/04/2017	$15 Million Capital Raising Compete for Bald Hill	0.270	▸	0.0%	0.250	▾	7.4%
26/04/2017	Suspension from Official Quotation	0.270	▸	0.0%	0.250	▾	7.4%
20/04/2017	Trading Halt	0.270	▲	1.9%	0.270	▸	0.0%
19/04/2017	Strong Lithium and Tantalum Results from Bald Hill	0.265	▾	1.9%	0.270	▲	1.9%
19/04/2017	Bald Hill Joint Venture Agreement Completed	0.265	▾	1.9%	0.270	▲	1.9%
11/04/2017	Lithium JV Finalised and Appointment of Corporate Advisor	0.280	▲	9.8%	0.265	▾	5.4%

Source: ASX, Bloomberg, BDO analysis

On 29 March 2018, Tawana announced the achievement of key milestones at the Bald Hill Project, with initial performance results suggesting the plant was operating in line with expectations. The share price decreased 3.3% on the day of the announcement to close at $0.435, before increasing 8.0% over the subsequent three-day period to close at $0.470.

On 14 March 2018, Tawana announced the commencement of production at the Bald Hill Project. The share price increased 14.9% on the day of the announcement to close at $0.500, before declining 7.0% over the three-days subsequent to close at $0.465.

On 9 March 2018, the S&P DJ indices announced the March Quarter rebalance, which included Tawana as an addition to the S&P/ASX 300 Index. On the date of the announcement the share price increased 2.4% to close at $0.430, before increasing a further 16.3% over the subsequent three-day period to close at $0.500.

On 15 February 2018, Tawana announced that commissioning at the Bald Hill Project had commenced. The share price increased 3.3% on the day of the announcement to close at $0.475, before decreasing by 3.2% over the subsequent three-day period to close at $0.460.

On 5 February 2018, the Company announced that it had secured a $5 million Loan Facility with Weier, for the Bald Hill Project. The share price decreased 5.4% on the day of the announcement to close at $0.435, and a further 2.3 % over the three-days subsequent to close at $0.425.

On 31 January 2018 the Company released its Quarterly Cashflow Statement and Activities Report, which highlighted the continued construction and development efforts at the Bald Hill Project. On the date of the announcement the share price increased by 1.1% to close at $0.480, before decreasing by 9.4% over the subsequent three day trading period, to close at $0.435.

On 28 November 2017, the Company announced that lithium production from the Bald Hill Project was on track to commence in the first quarter of 2018. On the date of the announcement the share price decreased 2.5%, to close at $0.390, before declining a further 6.4% over the subsequent three day trading period, to close at $0.0365.

On 30 October 2017, Tawana announced that it had entered into an agreement to purchase tenements bordering its Cowan project area. On the date of the announcement the share price closed unchanged at $0.360, before decreasing by 5.6% over the subsequent three-day period to close at $0.340.

On 24 October 2017, the completion of the earn in agreement for the Bald Hill Project was announced. The share price increased 5.7% on the day of the announcement to close at $0.370, before decreasing 2.7% over the three-days subsequent to close at $0.360.

On 20 October 2017, Tawana announced it had secured a $25 million funding package, fully funding the Company to start production at the Bald Hill Project. The share price increased by 5.6% on the day of the announcement to close at $0.380, before declining by 1.3% over the subsequent three-day period to close at $0.375.

On 11 October 2017, a mineral resource update for Bald Hill was announced. The share price decreased 1.4% on the day of the announcement to close at $0.355, before increasing 11.3% over the subsequent three-day period to close at $0.395.

On 20 September 2017, Tawana received the third offtake payment from Burwill. The share price decreased 9.6% on the day of the announcement to close at $0.235, and a further 4.3% over the subsequent three-day period to close at $0.225.

On 6 September 2017, Tawana announced positive metallurgical test work results relating to the Bald Hill Project. The share price decreased 2.3% on the day of the announcement to close at $0.215, before increasing 14.0% over the three-days subsequent to close at $0.245.

On 2 August 2017, the Company announced significant high-grade lithium discoveries at the Bald Hill Project. The share price increased 2.3% on the day of the announcement to close at $0.225, before increasing 6.7% over the subsequent three-day period to close at $0.240.

On 25 July 2017, Tawana announced the finalisation of environmental approvals relating to the construction and operation of the dense media separation plant at the Bald Hill Project. The share price increased 8.6% on the day of the announcement to close at $0.190, and a further 10.5% over the subsequent three-day period to close at $0.210.

On 6 July 2017, the Company responded to an ASX Price and Volume Query, stating that it was not aware of any information concerning it that had not been announced to the market. The share price increased by 9.3% on the day of the announcement to close at $0.235, before decreasing by 4.3% over the subsequent three-day period to close at $0.2125

On 14 June 2017, Tawana announced a maiden indicated and inferred lithium mineral resource, (independently estimated by CSA Global Pty Ltd) for the Bald Hill Project. The share price decreased by 6.2% on the day of the announcement to close at $0.225, before decreasing a further 13.3% over the subsequent three-day trading period to close at $0.195.

On 28 April 2017, the Company released its Quarterly Cashflow Report and Activities Statement, which highlighted the results of metallurgical test work undertaken during the quarter and the signing of a long term offtake agreement. On the date of the announcement the share price decreased by 1.9% to close at $0.265, before decreasing by a further 9.4% over the subsequent three-day trading period to close at $0.240.

27 April 2017 the Company announced that it had received commitments to raise $15 million though the issue of 60 million new fully paid ordinary shares at an issue price of $0.25 per share. On the date of the announcement the share price closed unchanged at $0.270, before decreasing by 7.4% over the subsequent three-day trading period to close at $0.250

On 11 April 2017, Tawana announced the finalisation of the Lithium Rights Joint Venture Agreement with Alliance and the appointment of Canaccord Genuity (Australia) Limited as corporate advisor. The share price increased 9.8% on the day of the announcement to close at $0.280, before decreasing 5.4% over the subsequent three-day period to close at $0.265.

To provide further analysis of the market prices for a Tawana share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 4 April 2018.

ASX	04-Apr-18	10 Days	30 Days	60 Days	90 Days
Closing price	$0.455				
Volume weighted average price (VWAP)		$0.452	$0.454	$0.470	$0.460

Source: Bloomberg, BDO analysis

JSE (ZAr)	04-Apr-18	10 Days	30 Days	60 Days	90 Days
Closing price	490.00				
Volume weighted average price (VWAP)		467.04	508.84	553.54	513.31

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of Tawana shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Tawana shares for the twelve months to 4 April 2018 is set out below:

Trading days (ASX)	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 Day	$0.450	$0.470	1,691,251	0.30%
10 Days	$0.425	$0.470	24,280,681	4.35%
30 Days	$0.400	$0.515	70,127,395	12.57%
60 Days	$0.365	$0.585	197,068,848	35.32%
90 Days	$0.320	$0.585	335,242,661	60.08%
180 Days	$0.195	$0.585	641,042,904	114.88%
1 Year	$0.175	$0.585	775,626,503	139.00%

Source: Bloomberg, BDO analysis

Trading days (JSE)	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 Day	ZAr 488.00	ZAr 490.00	1,100	0.00%
10 Days	ZAr 450.00	ZAr 490.00	51,117	0.01%
30 Days	ZAr 410.00	ZAr 615.00	294,338	0.05%
60 Days	ZAr 410.00	ZAr 700.00	1,114,247	0.20%
90 Days	ZAr 360.00	ZAr 700.00	1,650,528	0.30%
180 Days	ZAr 205.00	ZAr 700.00	4,602,698	0.82%
1 Year	ZAr 200.00	ZAr 700.00	8,372,614	1.50%

Source: Bloomberg, BDO analysis

The table above indicates that Tawana's shares display a high level of liquidity, with 139.00% of the Company's current issued capital being traded in a twelve month period on the ASX and 1.50% of the Company's current issued capital being traded in a twelve month period on the JSE. This collectively resulted in 140.50% of the Company's current issued capital being traded in a twelve-month period. RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Tawana, a liquid and active market exists for Tawana shares, with 60.08% of the Company's issued capital being traded on the ASX and 0.30% being traded on the JSE in a 90-day period.

Our assessment is that a range of values for Tawana shares based on market pricing, after disregarding post announcement pricing, is between $0.400 and $0.500.

11.3 Assessment of Tawana value

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Sum-of-Parts (Section 11.1)	0.210	0.254	0.299
QMP method (Section 11.2)	0.400	0.450	0.500

Source: BDO analysis

We note the values obtained under the QMP method are higher than the values obtained from the Sum-of-Parts method. The difference in values under the QMP and Sum-of-Parts methodologies may be explained by the following:

- It is not uncommon for mining exploration and production companies to trade at a premium to their intrinsic value. This is due to investors typically anticipating some potential upside of 'blue sky' prospects for the company, for example the discovery of further mineral deposits, the release of strong feasibility results, or bullish sentiment towards future commodity prices, which are factored into the share price in advance of any such value being realised. We note that lithium in particular has had significant recent publicity regarding the proposed increases in demand for lithium into the future, which may be reflected in the QMP value;
- Our Sum-of-Parts valuation includes an independent valuation of the Bald Hill Exploration Assets performed by SRK. SRK have relied on a combination of valuation methodologies, which reflect the market value of the Bald Hill Exploration Assets. Depending on the assumptions used, investors may yield a higher value than that derived from the market based assessment (comparable transaction analysis), yardstick approach and geoscientific rating method adopted by SRK;
- We note that our Sum-of-Parts valuation only incorporates 15% of the value of the exploration assets being demerged as part of the demerger of Cowan Lithium Limited, whereas our QMP value includes investors' perception on 100% of the value of the exploration assets being demerged as part of the demerger of Cowan Lithium Limited; and
- Under RG111.69 (d), the QMP methodology is considered appropriate when a liquid and active market exists for the securities. From our analysis in Section 11.2, we note that approximately 60% of the Company's issued capital was traded on the ASX in the 90-trading-day period prior to the announcement of the Scheme. This represents a high level of liquidity, and therefore, the quoted market price of Tawana could be expected to accurately reflect the market value of the Company's value.

For the reasons stated above, we consider the Sum-of-Parts to be the most appropriate method to value Tawana prior to the implementation of the Scheme. In particular, our Sum-of-Parts methodology incorporates the technical assessment of the Bald Hill Project and valuation of the Bald Hill Exploration Assets by SRK, an independent technical specialist.

We also consider the Sum-of-Parts valuation, prior to the implementation of the Scheme, to be more accurately comparable, and assessable in relative terms, to our Sum-of-Parts valuation of the Proposed Merged Entity following implementation of the Scheme.

Based on the results above, we consider the value of a Tawana share prior to the implementation of the Scheme, on a minority interest basis, to be between $0.210 and $0.299, with a preferred value of $0.254.

12. Valuation of the Proposed Merged Entity

We have employed the Sum-of-Parts method in estimating the fair market value of 1.10 Proposed Merged Entity shares on a minority basis following implementation of the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration for the following:

- Value of 100% of the Bald Hill Project;
- Value of 100% of the Bald Hill Exploration Assets;
- Amount of cash received from capital raisings completed after 30 April 2018;
- Amount of cash received from the intended drawdown of proposed Debt Facility;
- Amount of cash received from a notional capital raising (to fund the ongoing capital expenditure and working capital of the Bald Hill Project);
- Value of Tawana's 15% shareholding in the demerged entity, Cowan Lithium Limited;
- Value of other assets and liabilities of Tawana;
- Value of other assets and liabilities of Alliance;
- Stamp duty payable on implementation of the Scheme; and
- Present value of Proposed Merged Entity's corporate overhead costs.

12.1 Sum-of-Parts valuation of the Proposed Merged Entity

The value of the Proposed Merged Entity's assets on a going concern basis is reflected in our valuation below:

Summary of Sum-of-Parts valuation	Ref	Low value $000s	Preferred value $000s	High value $000s
Equity value of the Bald Hill Project	12.1.1.	261,000	281,000	301,000
Add: Value of Bald Hill Exploration Assets	12.1.2.	115,380	154,610	189,530
Add: Cash received from Tawana Placement	11.1.3.	4,756	4,756	4,756
Add: Cash received from Alliance Placements	12.1.3.	30,933	30,933	30,933
Add: Drawdown from Debt Facility	11.1.4.	(375)	(375)	(375)
Add: Cash received from notional exercise of Tawana options	11.1.5.	1,841	1,841	1,841
Add: Cash received from notional capital raising	12.1.5.	29,056	29,056	29,056
Add: Value of Tawana's 15% interest in Cowan Lithium	11.1.7.	1,063	1,063	1,063
Add: Value of Tawana's other assets and liabilities	11.1.8.	(4,199)	(4,199)	(4,199)
Add: Value of Alliance's other assets and liabilities	12.1.6.	(16,206)	(16,206)	(16,206)
Less: Transaction costs of the Scheme	12.1.7.	(8,066)	(8,066)	(8,066)
Less: Stamp duty assessment on implementation of the Scheme	12.1.8.	(10,722)	(10,722)	(10,722)
Less: Present value of PME's corporate overhead costs	12.1.9.	(18,795)	(18,795)	(18,795)
Value of Proposed Merged Entity following the Scheme		**385,668**	**444,898**	**499,818**
Number of shares on issue following the Scheme	12.1.11.	1,404,785,659	1,398,447,029	1,392,869,035
Value per Proposed Merged Entity share on controlling interest basis ($)		**0.275**	**0.318**	**0.359**
1.10 shares in Proposed Merged Entity (controlling interest basis) ($)		**0.302**	**0.350**	**0.395**
Discount for minority interest	12.1.10.	28.6%	25.9%	23.1%
1.10 shares in Proposed Merged Entity (minority interest basis) ($)		**0.216**	**0.259**	**0.304**

Source: BDO analysis

The table above indicates that the value of 1.10 shares in the Proposed Merged Entity following the Scheme on a minority interest basis is between $0.216 and $0.304, with a preferred value of $0.259.

12.1.1. Equity value of the Bald Hill Project

We have employed the same method to value the Bald Hill Project as was used in Section 11, using the DCF method, however the Proposed Merged Entity will own the entire Bald Hill Project.

We elected to use the DCF approach in valuing the Bald Hill Project. The DCF approach estimates the fair market value by discounting the future cash flows arising from the Bald Hill Project to their net present value. Performing a DCF valuation requires the determination of the following:

- The expected future cash flows that the Bald Hill Project is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Bald Hill Project to convert them to present value equivalent.

Given that the Proposed Merged Entity will own the entire Bald Hill Project, we determined the operating cash flows of the Bald Hill Project to a project level and determined tax treatment and discount rate specific to the Proposed Merged Entity.

12.1.1.1. Future cash flows

Taking this into account, the forecast mining operations and cash flows determined in the Adjusted Model outlined in Section 11 are consistent prior to, and following, implementation of the Scheme, except for the following assumptions.

Taxation

Taxation has been applied at a notional rate of 30% which represents the current corporate tax rate in Australia. We have obtained expert advice on the available fractions of Tawana's and Alliance's historical tax losses and consider it reasonable to calculate the Proposed Merged Entity's tax payable over the life of mine assuming available historical tax losses of $nil. This is due to the minimal available fractions available as a consequence of the historical capital raises undertaken, and potential implementation of the Scheme, by both Tawana and Alliance.

We have also calculated an indicative tax base uplift as a result of Alliance's acquisition of Tawana. We conducted brief sensitivity analysis on the tax base uplift calculation and consider a +/- 20% change in the assessed tax base uplift to have an insignificant effect on the value of Bald Hill Project.

Given the Model was provided on a pre-tax basis, we have applied tax calculations to the Adjusted Model.

12.1.1.2. Discount rate

Following implementation of the Scheme, we have selected a nominal after tax discount rate in the range of 8.5% and 11.9% per annum to discount the cash flows of the Bald Hill Project to their present value. We have used a rounded discount rate of 10% in our base case.

In selecting this range of discount rate, we have considered the flowing:

- The rate of return for comparable ASX listed lithium and tantalum exploration and production companies; and

- The risk profile of the Proposed Merged Entity, following the Scheme, as compared to other lithium and tantalum exploration and production companies.

A detailed consideration of how we arrived at our adopted discount rate is shown in Appendix 3.

12.1.1.3. Sensitivity analysis

The estimated value of the Bald Hill Project is derived under the DCF approach. Our valuation is highly sensitive to change in the forecast of lithium price (following the period already contracted through offtake agreement), tantalum price (following the period already contracted through offtake agreement), operating costs, capital costs and USD:AUD foreign exchange rates. We have therefore included an analysis to consider the value of the Bald Hill Project under various pricing scenarios and in applying:

- A change of +/- 10% to the lithium price (following the period contracted through offtake agreement);
- A change of +/- 10% to the tantalum price (following the period contracted through offtake agreement);
- A change of +/- 10% to the operating costs;
- A change of +/- 50% to the capital costs;
- A change of +/- 10% to the USD:AUD foreign exchange rates; and
- A discount rate in the range of 7.7% to 11.7%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the Bald Hill Project if our base case assumptions change.

Flex	Lithium price $000s	Tantalum price $000s	Operating costs $000s	AUDUSD rate $000s
10.0%	334,281	286,921	220,451	198,236
7.5%	320,936	285,381	235,556	217,456
5.0%	307,567	283,842	250,638	237,570
2.5%	294,173	282,303	265,710	258,650
0.0%	280,764	280,764	280,764	280,764
-2.5%	267,345	279,225	295,790	303,977
-5.0%	253,911	277,685	310,767	328,351
-7.5%	240,467	276,146	325,688	353,977
-10.0%	227,007	274,606	340,593	381,005

Source: Adjusted Model, BDO analysis

Flex	Capital costs $000s
50.0%	255,365
10.0%	275,686
7.5%	276,955
5.0%	278,225
2.5%	279,494
0.0%	280,764
-2.5%	282,033
-5.0%	283,303
-7.5%	284,572
-10.0%	285,842
-50.0%	306,151

Source: Adjusted Model, BDO analysis

Discount rate	8%	9%	10%	11%	12%
$000s	298,745	289,567	280,764	272,317	264,208

Source: Adjusted Model, BDO analysis

Considering the valuation outcomes above, we estimate the equity value of Bald Hill Project to be in the range of $261 million and $301 million, with a midpoint value of $281 million.

12.1.2. Value of the Bald Hill Exploration Assets

We instructed SRK to value all of the Bald Hill Exploration Assets under the Valmin Code 2015 that are not included in the Model.

The Bald Hill Exploration Assets have been valued by SRK based on comparable transactions, yardstick and geoscientific rating methods.

The value of the Bald Hill Exploration Assets are summarised in the table below:

Bald Hill Exploration Assets	Low value $000s	Preferred value $000s	High value $000s
Mineral Resources	113,400	148,300	183,100
Advanced Exploration	180	310	430
Early Exploration	1,800	6,000	6,000
Bald Hill Exploration Assets	115,380	154,610	189,530
Proposed Merged Entity's ownership following the Scheme	*100%*	*100%*	*100%*
Value of PME's interest in the Bald Hill Exploration Assets	**115,380**	**154,610**	**189,530**

Source: BDO analysis, SRK Independent Technical Report

12.1.3. Cash raised from Alliance Placements

We note that Alliance completed the Alliance Underwritten Placement (as detailed above in Section 4) of 76,522,804 Alliance shares number of shares to raise S$25.25 million at $0.33 per share subsequent to 30 April 2018. We note that a placement fee of 6% of the funds raised is payable to the lead advisor, totalling S$1.52 million, which is to be deducted from the gross amount raised.

We note that Alliance also completed the Alliance Conditional Placement (as detailed above in Section 4) of 13,000,000 Alliance shares at S$0.33 per share and 10,875,115 Alliance shares at S$0.34 per share to raise S$7.99 million subsequent to 30 April 2018. We note that a placement fee of 6% of the funds raised is payable to the lead advisor, totalling S$0.48 million, which is to be deducted from the gross amount raised.

The capital raisings are summarised in the table below:

Alliance capital raisings	000s
Alliance Underwritten Placement (S$000s)	25,253
Placement fee 6% (S$000s)	(1,515)
Alliance Conditional Placement (S$000s)	7,988
Placement fee 6% (S$000s)	(479)
Total funds raised (S$000s)	**31,246**
AUDSGD conversion	0.99
Total funding available ($000s)	**30,933**

Source: BDO analysis

Therefore we consider it appropriate to increase the cash balance to include this cash inflow.

We note that Alliance raised this capital in Singapore Dollars. We have exchanged this at the rate of AUDSGD 0.99, which equates to $30.93 million.

12.1.4. Drawdown on Alliance Debt Facility to fund Bald Hill Project

Following 30 April 2018, Alliance has drawn down on an additional $5 million on its current debt facility to take the balance to a total of $13 million. This does not effect our Sum-of-Parts valuation.

12.1.5. Notional capital raise

We are required by RG 111.15 to assess the funding requirements for a company that is not in financial distress when considering its value, particularly when using the DCF methodology.

We note that Tawana and Alliance both have credible and current track records of obtaining sources of funding, other than equity, as follows:

- Tawana's and Alliance's total current debt of $18 million repayable in December 2019;
- Tawana's and Alliance's current revenue prepayment agreement with the offtake partner totalling $20.625 million; and
- Tawana's proposed Debt Facility for $15 million.

Tawana management has also advised that some major capital expenditure items have scope to be delayed by up to 12 months. Further, Tawana management have also advised that they are in early stage discussions with parties to provide a further working capital facility.

These historical and potential sources of funding give a strong indication that the Proposed Merged Entity would seek sources of funding other than equity, prior to the need to undertake equity funding. However, at the date of this Report, we consider that we do not have reasonable grounds to assume current availability of the additional sources of funding. Therefore, we have included a notional capital raising to fund the remaining capital expenditure and working capital requirements of the Bald Hill Project.

As per our Adjusted Model, the Bald Hill Project requires approximately $55.60 million to fund the project through the plant upgrade period to a stage where it is cash flow positive.

The following table outlines the Proposed Merged Entity's sources of funding at its disposal and commitments that the Company will be required to fund over the period until the Bald Hill Project is taken into a positive cash flow position.

Notional capital raising	$000s
Sources of funding:	
Tawana:	
Cash	27,451
Other major working capital accounts	(26,835)
Cash received from Tawana Placement	4,756
Cash received form exercise of Tawana options	1,841
Cash available from proposed Debt Facility	14,625
Alliance:	
Cash	1,712

Notional capital raising	$000s
Other major working capital accounts	(15,121)
Cash received from Alliance Placements	30,933
Cash available from remaining drawdown of debt facility	5,000
Total funding available	**44,362**
Funding commitments:	
Bald Hill Project	55,601
Corporate costs over period of negative cash flows	4,304
Other costs over period of negative cash flows	13,514
Total funding commitments	**73,418**
Additional funding required by Proposed Merged Entity	**29,056**

Source: BDO analysis

The Tawana and Alliance cash balances outlined above is taken from the 30 April 2018 Balance Sheets that have been reviewed by EY as part of the Scheme.

Alliance's other major working capital accounts consist of the following 30 April 2018 Balance Sheet line items taken from the adjusted balance sheet outlined in section 12.1.6.:

Alliance working capital	Adjusted as at 30-Apr-18 $'000s
Working capital accounts	
Trade and other receivables	1,613
Other current assets	7,255
Prepayments and other assets	1,188
Trade and other payables	(16,554)
Deferred revenue	(8,125)
Interest bearing loans	(169)
Employee benefit liabilities	(329)
Working capital position	**(15,121)**

Source: BDO analysis

We have included these accounts in the funding calculation as they are considered current balance sheet items, and therefore, would be expected to be extinguished in the 12 months following the balance date. Given that the Bald Hill Project is forecast to require funding into positive cash flows over the period, May 2018 to April 2019, we consider these amounts will be extinguished within the period ending April 2019. Note that we have not included the current debt balance as it is not repayable until December 2019.

Corporate costs have been calculated in nominal terms over the period from May 2018 to April 2019.

Other working capital required over the funding period includes interest expenses, transaction costs of undertaking the Scheme, costs related to the demerger of Cowan Lithium and other costs.

The draw down of Alliance's outstanding debt facility, as outlined in Section 12.1.4., provides cash funding of $5 million.

Based on the calculations above, the resultant funds required to fund the capital expenditure and working capital requirements of the Bald Hill Project and the broader business of the Proposed Merged Entity is

approximately $29.06 million (‘**Additional PME Funding Required**’), which we have assumed will be met through a notional equity raise in SGD (as Alliance is currently listed only on the SGX). We have also assumed a notional placement fee of 5% to account for a potential underwriter’s of broker’s fee. This results in the required equity funds to be raised increasing to S$30.59 million.

We note that the Proposed Merged Entity will likely be required to source this additional funding in 2019 as the Proposed Merged Entity has sources of funding at its disposal that would be expected to fund working capital requirements throughout the remainder of 2018.

Given Tawana’s and Alliance’s track record of alternative sources of funding, outlined on the previous page, including:

- Current debt totalling $18 million repayable in December 2019;
- Current revenue prepayment agreement with the offtake partner totalling $20.125 million;
- The proposed Debt Facility for $15 million;
- Early discussions regarding an additional working capital facility; and
- Tawana’s indicative illustration of non-essential capital expenditure that has scope to be delayed to free up working capital,

We consider that there may be alternative funding options available to the Proposed Merged Entity, similar to those outlined above. Therefore we consider the likelihood of the Proposed Merged Entity being required to undertake a capital raise to be low. However, in the absence of information regarding the most likely funding structure, to remain conservative, we have assumed it will be fully funded by equity. As such, we have assumed a notional equity raising will be used to fund the Additional PME Funding Required. Equity funding is a conservative assumption, as such, we have reflected the potential difficulty of raising funds in our assessment of the likely range of prices at which a capital raising may be conducted.

In order to determine the likely price at which the Proposed Merged Entity would have to place its shares to a third party or to current shareholders under a notional capital raising, we considered the recent VWAP of Alliance following the announcement of the Scheme as this represents a proxy for the share price of the Proposed Merged Entity following implementation of the Scheme. The closing price, 10-day and 30-day VWAP of Alliance’s shares at 5 July 2018 are set out in the table below:

Share Price per unit	05-Jul-18	10 Days	30 Days
Closing price	S$0.365		
Volume weighted average price		S$0.370	S$0.359

Source: Bloomberg

Based on the above analysis, we have assessed the price of an Alliance share to be in the range of S$0.35 and S$0.38. However, typically companies must raise capital at a discount to the current market price. As such, we refer to our analysis in Section 11.1.6. in which we consider a placement discount in the range of 8% to 12%, with our preferred being a midpoint of 10%, will be required to provide a sufficient incentive for investors to participate in a capital raising.

The number of shares to be issued under the notional capital raising is set out in the table below:

Notional capital raising	Low	Preferred	High
Additional PME Funding Required ($000s)	29,056	29,056	29,056

Notional capital raising	Low	Preferred	High
AUDSGD conversion	0.99	0.99	0.99
Additional PME Funding Required (S$000s)	29,350	29,350	29,350
Placement fee	5%	5%	5%
Additional PME Funding Required including placement fee (S$000s)	**30,586**	**30,586**	**30,586**
Price per share in PME (S$)	0.380	0.365	0.350
Discount on placement	8%	10%	12%
Placement share price (S$)	**0.350**	**0.329**	**0.308**
Number of PME shares to be issued via notional capital raise	**87,388,571**	**92,966,565**	**99,305,195**

Source: BDO analysis

12.1.6. Value of Alliance's other assets and liabilities

Other assets and liabilities of Alliance represent the assets and liabilities that have not been specifically adjusted. From our review of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between their book value and their market value unless an adjustment has been noted.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Reviewed as at 30-Apr-18 $'000s	Adjusted 30-Apr-18 $'000s
CURRENT ASSETS		
Cash and cash equivalents	1,712	1,712
Trade and other receivables	1,613	1,613
Other current assets	7,255	7,255
Prepayments and other assets	1,188	1,188
Inventory	786	-
TOTAL CURRENT ASSETS	**12,555**	**11,768**
NON-CURRENT ASSETS		
Mine properties	25,766	-
Property plant and equipment	33,302	750
Reimbursement asset	2,664	2,664
TOTAL NON-CURRENT ASSETS	**61,732**	**3,414**
TOTAL ASSETS	**74,287**	**15,182**
CURRENT LIABILITIES		
Trade and other payables	16,554	16,554
Deferred revenue	8,125	8,125
Interest bearing loans	169	169
Employee benefit liabilities	329	329
TOTAL CURRENT LIABILITIES	**25,177**	**25,177**
NON-CURRENT LIABILITIES		
Interest bearing loans	6,211	6,211
Provision for rehabilitation	5,329	-
TOTAL NON-CURRENT LIABILITIES	**11,539**	**6,211**
TOTAL LIABILITIES	**36,716**	**31,388**
NET ASSETS	**37,571**	**(16,206)**

Source: BDO analysis

We note that any cash burn since 30 April 2018 relating to development of the Bald Hill Project or corporate costs will not be considered necessary to deduct from the 30 April 2018 cash balance as we have included the Bald Hill Project and corporate costs as separate line items in our Sum-of-Parts valuation.

We also note that the inventories, mine properties, exploration and evaluation expenditure, property, plant and equipment and provision for rehabilitation relate to the Bald Hill Project and have been incorporated into the equity value of the Bald Hill Project. Therefore we have adjusted the balances to exclude all assets and liabilities related to the Bald Hill Project. We note the remaining $0.75 million of property, plant and equipment relates to the Alliance office space, recently valued at $0.75 million by an independent property valuation specialist.

Additionally, nothing has come to our attention as a result of our procedures that would suggest the need for any further adjustments.

12.1.7. Transaction costs of the Scheme

Estimated transaction costs totalling $8.07 million are to be borne by the Proposed Merged Entity on approval of the Scheme, which includes the $1.20 million borne by Tawana outlined in Section 11.1.9. Therefore we have deducted the value of the transaction costs from our Sum-of-Parts. Further details on the transaction costs can be found in the Scheme Booklet.

12.1.8. Stamp duty payable on implementation of the Scheme

As part of the Scheme, stamp duty will be payable on the acquisition of Tawanas shares by Alliance.

Western Australia ('**WA**') stamp duty will be payable on the acquisition of a 100% interest in the WA land and chattels held by Tawana and its subsidiaries based on the rate of $19,665 plus 5.15% of any excess over $500,000.

We have adopted our assessed preferred value of Tawana's share in the Bald Hill Project and the Bald Hill Exploration Assets, totalling approximately $208 million, as the indicative value on which stamp duty is to be assessed. Therefore, we calculate stamp duty payable will be approximately $10.72 million.

We consider it reasonable to assume the actual assessment and request for payment could be expected around May 2019, however it is also reasonable to assume the Proposed Merged Entity could apply for a six month extension on payment with an appropriate interest charge as consideration.

12.1.9. Present value of Proposed Merged Entity corporate costs

Management has provided us with the forecast corporate costs for Tawana going forward, assuming the Scheme is approved, and Tawana head office becomes the sole corporate head office of the Proposed Merged Entity.

Tawana have assumed that the Alliance corporate head office and corresponding overhead costs will be incurred up until December 2018, at which point the Alliance corporate overhead costs will cease and the Tawana corporate costs (outlined in Section 11.1.10.) will increase to cover the increasing corporate overhead costs that will be incurred to run a relatively larger operation, with the Bald Hill Project ramping up to full production.

We calculated the annual corporate costs over the remaining life of mine of the Bald Hill Project, inflating these costs at Australia's long term inflation rate of 2.5% per annum, given that the Proposed Merged Entity's head office will be located, and incurs costs, in Australia.

The net present value of the Proposed Merged Entity's corporate costs are estimated to be $18.80 million.

12.1.10. Discount for minority interest

The net asset value of the Proposed Merged Entity is reflective of a controlling interest. As determined in Section 3.3, we determined that the Scheme is in effect a Merger of Equals and that the consideration offered and the securities given up should be assessed on an equivalent basis. As the implementation of the Scheme will not preclude either Shareholders or Alliance shareholders from receiving a control premium for their shares in the future, we have assessed the consideration offered and securities given up on a minority interest basis.

In order to convert the Proposed Merged Entity's NAV to a minority interest basis, we must apply a minority interest discount, which is the inverse of a premium for control and is calculated using the formula 1 – (1/1+control premium).

As discussed further in Appendix 5 of our Report, we consider an appropriate control premium for the Proposed Merged Entity to be in the range of 30% and 40%, giving rise to a minority interest discount in the range of 23.1% to 28.6%.

12.1.11. Number of Proposed Merged Entity shares on issue

Following the implementation of the Scheme, the Proposed Merged Entity is set out in the table below. We have not included the exercise of the Proposed Merged Entity options as, at the date of this Report, they are out-of-the-money.

Number of PME shares on issue following the Scheme	Ref	Low	Preferred	High
Number of Proposed Merged Entity shares on issue following the Scheme	4	1,305,480,464	1,305,480,464	1,305,480,464
Add: Shares issued under the Notional Capital Raising	12.1.5.	87,388,571	92,966,565	99,305,195
Total number of PME shares on issue following the Scheme		**1,392,869,035**	**1,398,447,029**	**1,404,785,659**

Source: BDO analysis

13. Is the Scheme fair?

A comparison of the value of a share in Tawana prior to the implementation of the Scheme, on a minority interest basis, and the value of 1.10 shares in the Proposed Merged Entity, on a minority interest basis, is set out below:

	Ref	Low $	Preferred $	High $
Value of a share in Tawana prior to the Scheme (minority interest basis)	11.3	0.210	0.254	0.299
Value of 1.10 shares in the Proposed Merged Entity	12.1	0.216	0.259	0.304

We note from the table above that in the absence of a superior offer and any other relevant information, the Scheme is fair for Shareholders.

14. Is the Scheme reasonable?

14.1 Advantages of Approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

14.1.1. The Scheme is fair

As set out in Section 13, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

14.1.2. Implementation of the Scheme will streamline the ownership structure and operational management of the Bald Hill Project, which may result in cost synergies and efficiency benefits

As detailed in Section 5.2.1, the Bald Hill Project is currently co-owned by Tawana and Alliance, with each holding a 50% interest in the minerals, processing plant and infrastructure at the Project.

If the Scheme is implemented, the Proposed Merged Entity will be able to streamline the development of the Bald Hill Project by reducing the structural and operational inefficiencies that are inherent in a joint venture.

In particular, the simplified corporate structure of the Proposed Merged Entity has been estimated to provide significant corporate cost savings over the Bald Hill Project's life of mine. The Proposed Merged Entity may also be able to realise additional cost synergies and efficiency benefits resulting from the streamlining of management and operational processes following implementation of the Scheme.

14.1.3. Creation of a combined group with a stronger financial position

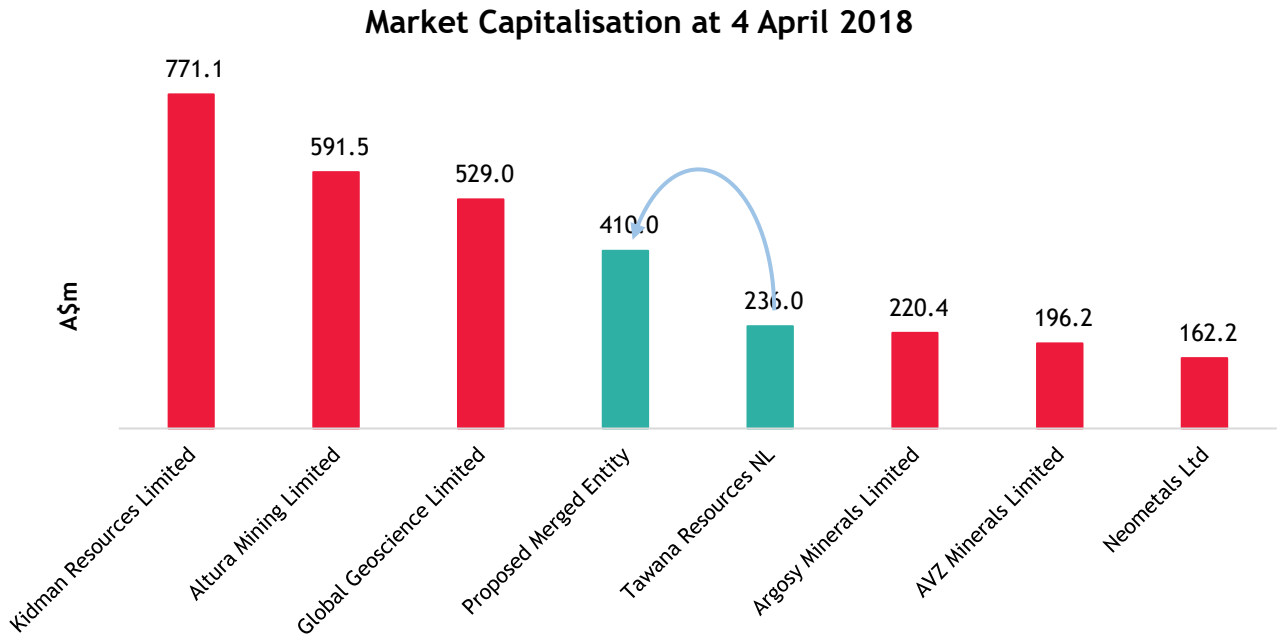
If the Scheme is implemented, Shareholders will become shareholders in the Proposed Merged Entity, which will have a stronger financial position, be larger in size and have an increased market capitalisation compared to Tawana. Following the implementation of the Scheme, the Proposed Merged Entity will have a combined:

- cash position of approximately $29 million (as at 30 April 2018);
- net asset position of approximately $100 million (excluding acquisition adjustments); and
- market capitalisation based on ASX and SGX closing prices of the two companies, prior to the announcement of the Scheme, of approximately $410 million.

The combined market capitalisation of Tawana and Alliance, based on their respective closing prices on the ASX and SGX on 4 April 2018, being the last trading day prior to the announcement of the Scheme, was approximately $410 million.

This combined market capitalisation is derived from Tawana's closing share price on the ASX on 4 April 2018 of A$0.455, and Alliance's closing share price on the SGX of 0.340 Singaporean Dollars (**'SGD'**), which we have converted to AUD at the historical exchange rate of AUD 0.9877/SGD 1.00 as at on 4 April 2018, resulting in an AUD equivalent share price of approximately A$0.336.

The graph below illustrates the market capitalisation of the Proposed Merged Entity relative to Tawana's market capitalisation and a group of companies we consider broadly comparable to Tawana.



Source: Bloomberg and BDO analysis

14.1.4. The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and an increased ability to raise capital

The stronger financial position and increased market capitalisation outlined in Section 14.1.3 is expected to provide the Proposed Merged Entity with increased media and analyst coverage. Additionally, the Proposed Merged Entity will be listed on both the ASX and Catalist Board of the SGX.

In conjunction, these factors will contribute to a larger market presence for the Proposed Merged Entity, which may translate to increased levels of interest from financial markets and access to a wider range of investors, ultimately resulting in the shares of the Proposed Merged Entity being more liquid than Tawana's.

Furthermore, the Proposed Merged Entity may have an enhanced ability to source equity and debt funding on better terms than may otherwise be available to Tawana on a standalone basis, due to its greater scale and liquidity.

The enhanced funding capacity of the Proposed Merged Entity will facilitate the continued development and operation of the Bald Hill Project, in addition to financing future exploration and growth initiatives.

14.1.5. Broader expertise and increased experience of the board of directors of the Proposed Merged Entity

As detailed in Section 4, if the Scheme is implemented, four of the current Tawana directors will join three of the current Alliance directors to form the board of the Proposed Merged Entity. The proposed board members of the Proposed Merged Entity are set out below:

- Mark Turner (non-executive chairperson);

- Mark Calderwood (in capacity as Managing Director and Chief Executive Officer) (Tawana nominee);
- Robert Vassie (Tawana nominee);
- Vicke Xie (Tawana nominee);
- Arnold Chan Ming Fai - a nominee of Burwill (in consultation with Alliance) (Alliance nominee);
- Ong Kian Guan (Joshua Ong) (Alliance nominee); and
- A person, nominated by Alliance with significant mining experience who is a resident of Singapore (Alliance nominee).

The Proposed Merged Entity will be led by a highly credentialed Board of directors and experienced management team with proven successful track records in exploration, project management and open pit mining operations, combined with significant and capital markets experience. Some of the notable experience of the Proposed Merged Entity directors is set out below:

Mr Turner is a mining engineer with more than 30 years' experience in the resources sector. During his career, Mr Turner has served as the General Manager of Operations at Resolute Mining Limited and the Chief operating officer of CGA Mining Limited. Mr Turner is currently the Chief Operating Officer of RTG Mining Inc.

Mr Calderwood is a chartered professional member of the Australasian Institute of Mining and Metallurgy. During his career, Mr Calderwood served as the Managing Director of Perseus Mining. He has had 30 years of mineral exploration experience, including 7 years' experience in pegmatite minerals. Mr Calderwood co-authored the publication 'A guidebook to the Pegmatites of Western Australia'. He is currently the Managing Director of Tawana Resources, and serves as Non-Executive Chairman on the board of Manas Resources Limited.

Mr Vassie is an experienced mining engineer, with over 30 years of international mining experience and 18 years of experience in a range of senior management roles at Rio Tinto. He is currently the Managing Director and Chief Executive Officer of St Barbara Limited.

Ms Xie is an experienced accountant. Ms Xie has served as a chief financial officer and company secretary for companies in both Australia and China. Ms Xie is a representative for Weier.

Mr Ong Kiang Guan joined AMAL in June 2014 as an Independent Director. He has been an Audit Partner with Baker Tilly TFW LLP since 2005, where he is currently the Head of its Assurance and Capital Market practices. He is currently also the Independent director and Chairman of audit committees of Serrano Limited and Weiye Holdings Limited which are listed on SGX-ST, and China XLX Fertilisers Ltd, a company listed on Hong Kong Stock Exchange. Mr Guan obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is a fellow of the Institute of Singapore Chartered Accountants. He is a currently a member of the Investigation and Disciplinary Panel, and has also previously served as a member of the Auditing and Assurance committee of ISCA.

14.2 Disadvantages of Approving the Scheme

If the Scheme is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

14.2.1. The Scheme will result in the dilution of existing Shareholders' interests

If the Scheme is approved, Shareholders will hold approximately 49.48% of the Proposed Merged Entity whilst Alliance shareholders will hold approximately 50.52% of the Proposed Merged Entity, on an undiluted basis.

On a fully diluted basis, Shareholders will hold approximately 51.52% of the Proposed Merged Entity whilst Alliance shareholders will hold approximately 48.48% of the Proposed Merged Entity.

This means that Shareholders interests following the Scheme may be diluted from holding 100% of Tawana, to holding between approximately 48.48% and 49.48% of the Proposed Merged Entity. This will dilute Shareholders' interest and their collective influence on the operations of the Proposed Merged Entity compared to their influence over the operations of the Company.

14.2.2. Some ineligible Shareholders may not be able to receive shares in the Proposed Merged Entity

If the Scheme is implemented, a Shareholder whose address is recorded in Tawana's share registry at the Record Date as being out side of Australia and its external territories, New Zealand, Hong Kong and Singapore, will be an Ineligible Foreign Shareholder for the purpose of the Scheme. The shares in the Proposed Merged Entity which would have been issued to the Ineligible Foreign Shareholders will be issued to a Sale Agent that will sell or procure the sale of all the shares in the Proposed Merged Entity, that would have been issued to the Ineligible Foreign Shareholders. The Sale Agent will then pay to the Ineligible Foreign Shareholders their proportion of the cash proceeds, being the net cash proceeds of the sale of the relevant shares in the Proposed Merged Entity after deduction of any applicable brokerage and other selling costs, taxes and charges.

In effect, if the Scheme is implemented, Ineligible Foreign Shareholders will be forced to exit their respective investments in Tawana without specific control or guarantee in relation to the sale price they receive for their parcel of Tawana shares.

Based on the Company's share register, there will be 40 Ineligible Foreign Shareholders if the Scheme is implemented.

14.3 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Tawana a premium over the value resulting from the Scheme.

14.4 Practical Level of Control

If the Scheme is implemented, Shareholders and Alliance shareholders will have interests of approximately 49.48% and 50.52% in the Proposed Merged Entity on an undiluted basis, respectively. On a diluted basis, Shareholders and Alliance shareholders will have interests of approximately 48.48% and 51.52% in the Proposed Merged Entity, respectively. In addition to this, Tawana and Alliance will each have 3 members

on the board of the Proposed Merged Entity, with a seventh board member, Mr Mark Turner, as non-executive Chairman. Mr Turner is currently a non-executive board member of Tawana.

As detailed in Section 3.3, we do not consider the Scheme to be a control transaction because if the Scheme is implemented, both Shareholders and Alliance shareholders do not forego the opportunity to receive a control premium in the future. As such, there are no direct control implications resulting from the Scheme.

Nonetheless, we have included the control of the Proposed Merged Entity as a consideration for Shareholders because the board of the Proposed Merged Entity will comprise three members from each of Tawana and Alliance, and Mr Mark Turner, in capacity as non-executive chairman. This may be a relevant consideration for Shareholders if they hold a particular view of the current directors of Tawana or the current directors of Alliance who will be on the board of the Proposed Merged Entity.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. We do not consider there to be any control implications relating to shareholder approval levels because if the Scheme is implemented, there will be no individual shareholder or group of associated shareholders that hold in excess of 25% of the issued capital of the Proposed Merged Entity. Therefore, no individual shareholder or group of associated shareholders will be able to block a special resolution.

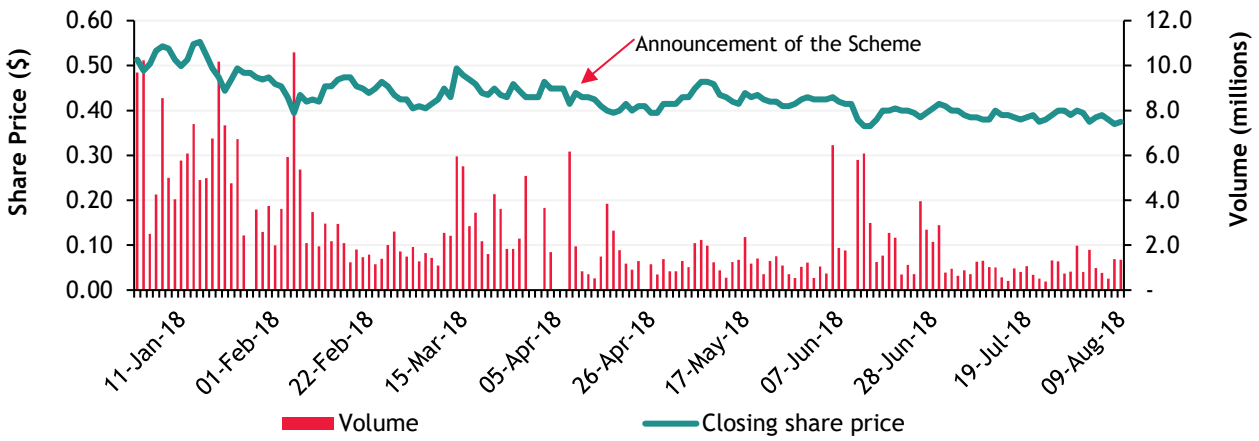
14.5 Post-announcement pricing

We have analysed Tawana and Alliance's share price movements since the Scheme was announced.

Tawana

A graph of Tawana's share price and trade volume leading up to and following the announcement is set out below:

Tawana share price and trading volume history



Source: Bloomberg

The first day of trading subsequent to the announcement of the Scheme was 9 April 2018, on which 6,161,711 shares were traded. This represents approximately 1.1% of the Company's total issued capital.

The table below details the VWAP of Tawana's shares for the 10, 30 and 60 day periods to 9 August 2018

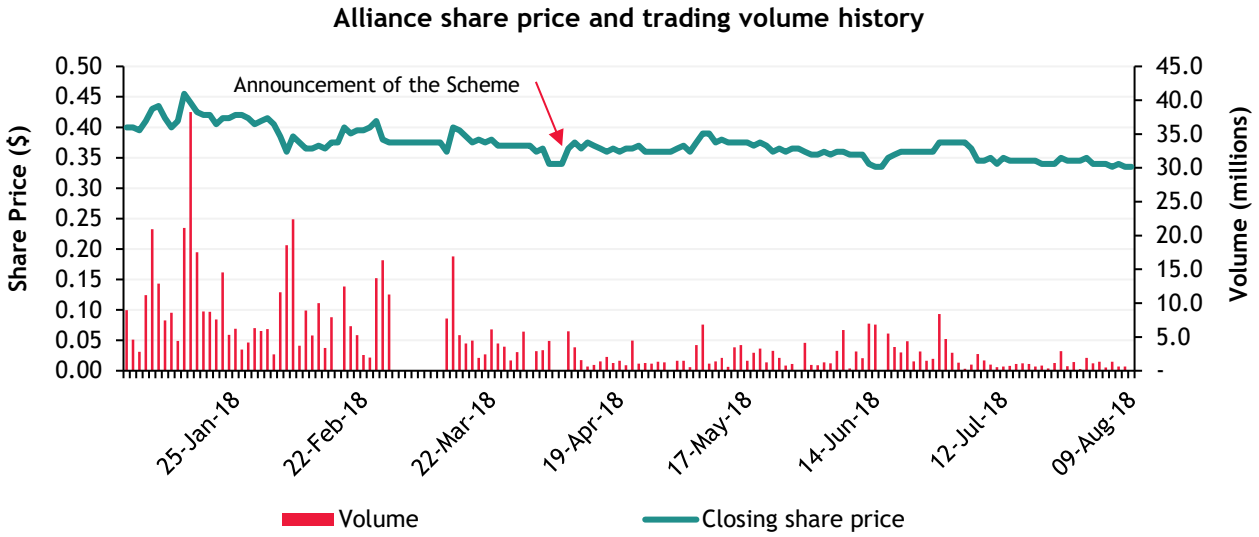
Share Price per unit	09-Aug-18	10 Days	30 Days	60 Days
Closing price	$0.375			
Volume weighted average price		$0.385	$0.390	$0.397

Source: Bloomberg

Following the announcement of the Scheme, Tawana's share price steadily declined to reach a low of $0.365 on 14 June 2018. The share price then entered an upward trend reaching $0.415 on 29 June 2018 before closing at $0.375 on 9 August 2018.

Alliance

A graph of Alliance's share price and trade volume leading up to and following the announcement is set out below:



Source: Bloomberg

The first day of trading subsequent to the announcement of the Scheme was 9 April 2018, on which 5,808,700 shares were traded. This represents approximately 0.9% of the Company's total issued capital.

The table below details the VWAP of Alliance's shares for the 10, 30 and 60 day periods to 9 August 2018.

Share Price per unit	09-Aug-18	10 Days	30 Days	60 Days
Closing price	S$0.335			
Volume weighted average price		S$0.343	S$0.354	S$0.357

Source: Bloomberg

Following the announcement of the Scheme, Alliance's share price trended upwards, reaching S$0.390 on 9 May 2018, before steadily declining to reach S$0.335 on 15 June 2018. The share price then trended updwards, before steadily declining again to close at S$0.335 on 9 August 2018.

14.6 Taxation implications

The Australian income tax consequences for Shareholders of implementing the Scheme will depend upon whether their shares are held on capital account, on revenue account or as trading stock. A distinguishing

feature of shares held on capital account and shares held either on revenue account or as trading stock is the purpose for which they were acquired:

- shares held on revenue account, or as trading stock, are acquired for resale at a profit in the short term; whereas
- shares held on capital account are acquired for the purposes of deriving dividend income and long term appreciation of value.

The implementation of the Scheme should not crystallise Australian Capital Gains Tax for Shareholders who hold their shares on capital account. This is due to the availability of scrip-for-scrip roll-over relief in Australia. However, the availability of scrip-for-scrip roll-over relief has not been confirmed by a ruling and it is possible that the Australian Taxation Office will take a different view. On the basis that scrip-for-scrip roll over relief is available, Shareholders who are Australian tax residents can choose to disregard any capital gain arising upon the exchange of Tawana shares for shares in the Proposed Merged Entity.

Shareholders who hold their shares on revenue account will be subject to income tax on any gains arising from the exchange of Tawana shares for share in the Proposed Merged Entity. Non-resident Shareholders whose revenue gains are sourced in Australia may be protected by an applicable tax treaty.

The impact of these taxation implication will vary for different Shareholders.

Section 24 of the Scheme Booklet provides a detailed summary of the general tax implications of participating in the Scheme. However, the tax implications of the Scheme will affect Shareholders differently subject to their own respective circumstances, and as such, if necessary, Shareholders should seek their own individual tax advice.

15. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that the Scheme is fair and reasonable to the Shareholders of Tawana. Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders.

16. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Audited financial statements of Alliance for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- Audited financial statements of Tawana for the years ended 31 December 2015, 31 December 2016 and 31 December 2017;
- Reviewed financial statements of Alliance of the half year ended 31 December 2017;
- Reviewed balance sheets of Tawana and Alliance as at 30 April 2018;
- Independent Technical Report of the Bald Hill Project dated on or around the date of this Report performed by SRK;
- Scheme Implementation Agreement;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Tawana and Alliance.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $105,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Tawana in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Tawana, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Tawana, Alliance and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Tawana and Alliance and their respective associates.

A draft of this report was provided to Tawana and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Global Natural Resources Leader for BDO.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has

considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

19. Disclaimers and consents

This report has been prepared at the request of Tawana for inclusion in the Scheme Booklet which will be sent to all Tawana Shareholders. Tawana engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed acquisition of all the ordinary issued shares of Tawana by Alliance, by way of a scheme of arrangement.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Alliance. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Tawana, Alliance and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Tawana, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Tawana and Alliance.

The valuer engaged for the mineral asset valuation, SRK, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes

Director

Adam Myers

Director

Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 (Cth)
Additional PME Funding Required	The funds required to fund the capital expenditure and working capital requirements of the Bald Hill Project and the broader business of the Proposed Merged Entity, being approximately $33.20 million
Additional Tawana Funding Required	The funds required to fund the capital expenditure and working capital requirements of the Bald Hill Project and the broader business of Tawana being approximately $14.54 million
Adjusted Model	The BDO adjusted model
Alliance	Alliance Mineral Assets Limited
Alliance Conditional Placement	A non-underwritten placement of 23,875,115 Alliance shares to Burwill Commodity Ltd, an existing substantial shareholder of Alliance, to raise up to an additional S$7.9 million (approximately $7.8 million)
Alliance Underwritten Placement	A fully underwritten placement of 76,522,804 Alliance shares to raise gross proceeds of S$25.3 million (approximately $25.0 million) from sophisticated and institutional investors
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD or A$	Australian Dollars
AVZ Minerals	AVZ Minerals Limited
Bald Hill Exploration Assets	The residual resources (mineral resources and exploration assets) of the Bald Hill Project not included in the DCF valuation
Bald Hill Project	The Bald Hill lithium and tantalum mine located in Western Australia
BDO	BDO Corporate Finance (WA) Pty Ltd
Burwill	Burwill Commodity Ltd

Reference	Definition
CAPM	Capital Asset Pricing Model
The Company	Tawana Resources NL
Compensation Shares	Alliance shares issued to Directors and key management staff as part of its human resource retention strategy
Corporations Act	The Corporations Act 2001 Cth
Cowan Project	The Cowan lithium project located in Western Australia
DCF	Discounted Future Cash Flows
Debt Facility	Tawana intends to obtain a $15 million debt facility to fund the Bald Hill Project capital expenditure and working capital requirements over the period from May 2018 to April 2019
DRC	Democratic Republic of Congo
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EDR	Economic Demonstrated Resource
EY	Ernst & Young
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
Funding Package	A $25 million funding package with German company, Weier Atriebe und Energietechnik GmbH for the continued development of the Bald Hill Project, secured by Tawana
Galaxy	Galaxy Resources Limited
GDP	Gross Domestic Product
H.C. Starck	H.C. Starck GmbH
Independent Technical Report	SRK's Independent Technical Report dated 1 August 2018
Ineligible Foreign Shareholders	Shareholders whose address is recorded in Tawana's share registry as being outside Australia, New Zealand, Hong Kong and Singapore

Reference	Definition
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
JSE	Johannesburg Stock Exchange
Lithco	Lithco No.2 Pty Ltd, a wholly owned subsidiary of Tawana
Lithium Offtake Agreement	A binding lithium concentrate offtake agreement, with a subsidiary of Burwill, covering a period of approximately five years
Living Waters Mining	Living Waters Mining (Australia) Pty Ltd
Merger of Equals	A merger of entities of equivalent value when control of the merged entity will be shared equally between the bidder and the target
Mineral Resources	Mineral Resources Limited
The Model	Detailed cash flow model for the Bald Hill Project prepared by the management of Tawana and Alliance
Mofe Creek Project	Mofe Creek iron ore project located in Liberia
NAV	Net Asset Value
Neometals	Neometals Limited
Optionholders	Tawana optionholders
Orocobre	Orocobre Limited
Pilbara Minerals	Pilbara Minerals Limited
Pilgangoora	The Pilgangoora Lithium Tantalum Project, 100% owned by Pilbara Minerals
Post Announcement Trading Period	9 April 2018 to 18 July 2018
PPE	Property, plant and equipment
The Proposed Merged Entity or PME	The combined entity of Tawana and Alliance following the Scheme
Proposed Merged Entity Options	The options outstanding in the Proposed Merged Entity, being Alliance's current outstanding options register totalling 27 million options
QMP	Quoted market price

Reference	Definition
RBA	Reserve Bank of Australia
Regulations	Corporations Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
The Restructure	The transfer of Tawana's Cowan, Yallari and Mofe Creek Projects to a wholly owned public company, Cowan Lithium Limited
RG 60	Schemes of arrangement (September 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Sale Agent	The shares in the Proposed Merged Entity, which would have been issued to the Ineligible Foreign Shareholders, will be issued to a sale facility agent or nominee of the sale facility agent
The Scheme	The proposed acquisition of all of the issued capital of Tawana by Alliance, by way of a scheme of arrangement
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
SGD	Singaporean Dollars
SGX	Singapore Exchange
Shareholders	Shareholders of Tawana
SIA	Scheme Implementation Agreement
SQM	Sociedad Quimica y Minera de Chile S.A.
SRK	SRK Consulting (Australasia) Pty Ltd
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Tantalum Offtake Agreement	A non-binding in principle term sheet for the offtake of tantalum concentrate from the Bald Hill Project, executed with subsidiaries of H.C. Starck GmbH
Tawana	Tawana Resources NL

Reference	Definition
Tawana Underwritten Placement	An underwritten placement, undertaken by Tawana, for 48,780,488 new ordinary shares at $0.41 per share, to raise gross proceeds of $20 million
USA	United States of America
USD or US$	United States Dollars
USGS	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WA	Western Australia
WACC	Weighted Average Cost of Capital
Weier	Weier Atriebe und Energietechnik GmbH
Yallari Project	The Yallari lithium project located in Western Australia
ZAr	South African cents

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Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (‘**EBIT**’) or earnings before interest, tax, depreciation and amortisation (‘**EBITDA**’). The capitalisation rate or ‘earnings multiple’ is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (‘DCF’)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Discount rates

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('**CAPM**') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' weighted average cost of capital ('**WACC**'), the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + \beta \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
β	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

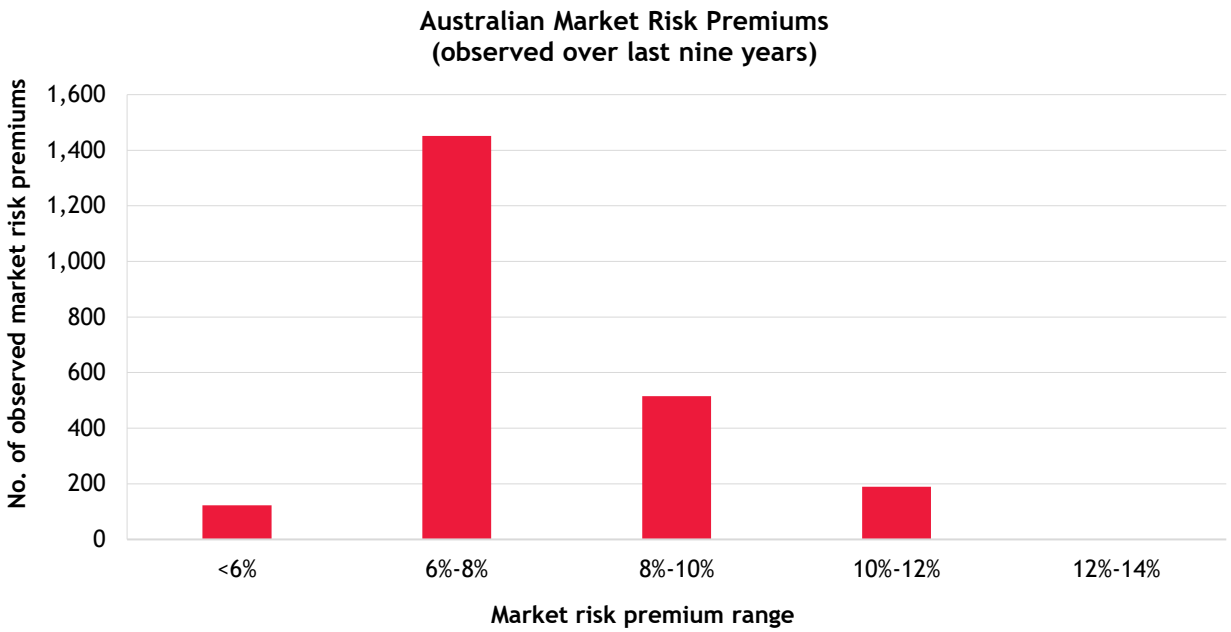
The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received.

We have considered current and implied forward yields for the 10-year Australian Government Bond yield. Based on our analysis, we have adopted a long term estimate of the 10-year Australian Government Bond yield of 3.0%.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last nine years, from 6 July 2009 to 6 July 2018. Our research indicated the market risk premium in Australia has ranged from a low of 4.01% to a high of 11.78%.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice. For the purpose of our report we have adopted a market risk premium of between 6% and 8%.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business' will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta (β_a) by applying the following formula:

$\beta_a = \beta / (1+(D/E \times (1-t))$

In order to assess the appropriate equity beta for Tawana and the Proposed Merged Entity, we have had regard to the equity beta of Tawana and Alliance, as well as other ASX-listed companies predominantly involved in the production of lithium. We consider it appropriate to include Tawana in our data set, as our analysis in Section 11.2 indicates the existence of a liquid and active market for Tawana shares due to 60.08% of the Company's current issued capital being traded on the ASX in the 90-day period prior to the announcement of the Scheme.

The betas below have been assessed over a two-year daily period over the S&P All Ordinaries Index, from 6 July 2016 to 6 July 2018.

Company	Market Capitalisation 06-Jul-18 (A$m)	Geared Beta (β)	Gross Debt/Equity (%)	Ungeared Beta (βa)	R^2
Tawana Resources NL	225.45	1.39	25.1%	1.18	0.02
Alliance Mineral Assets Limited	223.77	1.26	15.0%	1.14	0.03
Pilbara Minerals Limited	1,631.12	1.45	46.4%	1.09	0.07
Altura Mining Limited	591.46	1.35	140.1%	0.68	0.05
Mineral Resources Limited	2,883.10	1.65	18.2%	1.46	0.21
Orocobre Limited	1,415.66	1.27	0.2%	1.26	0.07
AVZ Minerals Limited	186.85	1.01	0.0%	1.01	0.01
Galaxy Resources Limited	1,275.65	1.66	0.0%	1.66	0.09
Neometals Limited	165.90	0.94	0.0%	0.94	0.03
Mean	**955.44**	**1.33**	**27.2%**	**1.16**	**0.06**
Median	**591.46**	**1.35**	**15.0%**	**1.14**	**0.05**

Source: Bloomberg and BDO analysis

Descriptions of the comparable companies are provided in Appendix 4.

In selecting an appropriate beta for Tawana and the Proposed Merged Entity, we have considered the similarities and differences between Tawana, Alliance and the companies set out above. The comparable similarities and differences noted are:

- Alliance's principal project is the Bald Hill lithium and tantalum mine. Tawana and Alliance each have 50% ownership of the Bald Hill Project. As such, we consider Alliance's operations to be highly comparable to those of Tawana;
- Galaxy Resources Limited ('**Galaxy**') and Orocobre Limited ('**Orocobre**') are both lithium producers. Specifically, Galaxy engages in the sale of spodumene concentrate from its Mt Cattlin Project in WA, with Orocobre has lithium operations focussed in Argentina ad produces lithium chemicals. As such, we consider it appropriate to include Galaxy and Orocobre in our final data set;
- Neometals Limited ('**Neometals**') is focussed on the exploration and development of its lithium, titanium, vanadium and other base mineral properties. Neometals has interests in a number of

projects and technologies, however is primarily focussed on development of Mt Marion, of which it owns a 13.8% interest (Mineral Resources; 43.1%, Ganfeng Lithium Co., Ltd; 43.1%). Therefore, we consider it appropriate to include Neometals in our final data set; and

- AVZ Minerals Limited (**'AVZ Minerals'**) is a junior mineral exploration company focussed on development of the Manono Project (lithium and tantalum) located in the southern Democratic Republic of Congo in central Africa. As the Bald Hill Project is located in Australia, AVZ Minerals Limited's beta may reflect additional factors not relevant to Tawana such as sovereign and political risk. Therefore, we have excluded AVZ from our final data set.
- Mineral Resources Limited (**'Mineral Resources'**) operates on a significantly larger scale compared to that of Tawana and has more diverse operations. Mineral Resources produces lithium and iron ore, and offers mining services and infrastructure. In addition, the market capitalisation of Mineral Resources is significantly larger than that of Tawana ($3.17 billion and $226 million, respectively). As such, we have excluded Mineral Resources from our final data set.

In selecting an appropriate ungeared beta for Tawana and the Proposed Merged Entity, we have considered the ungeared betas of the companies listed above (including Tawana and Alliance), and the factors listed above. Based on our assessment above, we consider it appropriate to remove both Mineral Resources and AVZ Minerals from our final data set.

A summary of our final data set is summarised below.

Company	Geared Beta (β)	Gross Debt/Equity	Ungeared Beta (βa)
Tawana Resources NL	1.39	25.1%	1.18
Alliance Mineral Assets Limited	1.26	15.0%	1.14
Pilbara Minerals Limited	1.45	46.4%	1.09
Altura Mining Limited	1.35	140.1%	0.68
Orocobre Limited	1.27	0.2%	1.26
Galaxy Resources Limited	1.66	0.0%	1.66
Neometals Limited	0.94	0.0%	0.94
Mean	**1.33**	**32.4%**	**1.14**
Median	**1.35**	**15.0%**	**1.14**

Source: Bloomberg and BDO analysis

As set out above, the average ungeared beta based on our data set is 1.14. This includes Tawana, which has an ungeared beta of 1.18 and Alliance which has an ungeared beta of 1.14.

Pre-Scheme Analysis:

We note that the historical betas calculated in the table above, particularly Tawana and Alliance, broadly consist of entities that have undertaken significant change from exploration to mid tier production of lithium and tantalum, among other commodities, over approximately the last two years (being the period over which the betas have been calculated). This significant historical business activity and change in the comparables could be reasonably expected to result in a high beta, over the period of analysis, which may be expected to decrease into the future as each business stabilises as a mining production business.

Based on our analysis above, and giving greater weight to the betas of Tawana and Alliance, we consider an appropriate ungeared beta for Tawana to be 1.00 to 1.20.

Post-Scheme Analysis:

We consider the Proposed Merged Entity will mirror the operations of Tawana, however with a lower risk profile due to the following:

- The Proposed Merged Entity will be much larger than Tawana, with a stronger balance sheet, better ability to access funding and stronger share liquidity, which will enhance value and stability to shareholders; and
- The Proposed Merged Entity will own 100% of the Bald Hill Project and the Bald Hill Exploration Assets. This will reduce the current joint venture risks faced by Tawana, associated with holding a 50% interest in Bald Hill, including default risk of the joint venture party and operational and strategic disagreements with the joint venture party.

Based on our analysis above, and having consideration for the fact that the Proposed Merged Entity should have a lower risk profile to that of Tawana, we consider an appropriate ungeared beta for the Proposed Merged Entity to be 0.90 to 1.10.

Gearing

Before a discount rate can be determined, the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period must be determined. The gearing ratio adopted may represent the level of debt that the asset can reasonably sustain (i.e. the higher the expected volatility of cash flows, the lower the debt levels that can be supported) or the actual level of debt that is forecast. The optimum level of gearing will differentiate between assets and will include:

- the variability in earnings streams;
- working capital requirements;
- the level of investment in tangible assets; and
- the nature and risk profile of tangible assets.

Pre-Scheme Debt to Equity Ratio

In our calculation of Tawana's cost of equity, we have assumed an initial debt to equity ratio of approximately 25%. However, it is forecast that the Bald Hill Project will repay outstanding debt commitments in 2019 and be debt free thereafter. Therefore we consider the use of an average debt to equity ratio over the life of mine of approximately 5% to be appropriate. We have regeared Tawana's assessed ungeared beta to be between 1.04 and 1.24.

Post-Scheme Debt to Equity Ratio

In our calculation of the Proposed Merged Entity's cost of equity, we have assumed an initial debt to equity ratio of approximately 22%. However, it is forecast that the Bald Hill Project will repay outstanding debt commitments in 2019 and will be debt free thereafter. Therefore we consider the use of an average debt to equity ratio over the life of mine of approximately 5% to be appropriate. we have regeared the Proposed Merged Entity's assessed ungeared beta to be between 0.93 and 1.14.

Cost of Equity

Pre-Scheme:

We have assessed the cost of equity in our assessment of Tawana prior to implementation of the Scheme to be in the range of 9.2% to 12.9% with rounded midpoint of 11.1%.

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	3.00%
Equity market risk premium	6.00%	8.00%
Beta (regeared)	1.04	1.24
Cost of Equity (rounded)	**9.2%**	**12.9%**

Source: Bloomberg and BDO analysis

Post-Scheme:

We have assessed the cost of equity in our assessment of the Proposed Merged Entity following the implementation of the Scheme to be in the range of 8.6% to 12.1% with a rounded midpoint of 10.4%.

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	3.00%
Equity market risk premium	6.00%	8.00%
Beta (regeared)	0.93	1.14
Cost of Equity (rounded)	**8.6%**	**12.1%**

Source: Bloomberg and BDO analysis

Cost of Debt

We have assessed the cost of debt in our assessment of Tawana prior to and following implementation of the Scheme based on the indicative working capital facility currently proposed to Tawana which is approximately 10%. We have used this rate of debt as it is the most current rate of debt available to Tawana and the Proposed Merged Entity.

Weighted average cost of capital

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the below table:

WACC	
WACC	$= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1- t)$
Where:	
K_e	= expected return or discount rate on equity
K_d	= interest rate on debt (pre-tax)
T	= corporate tax rate
E	= market value of equity
D	= market value of debt
(1- t)	= tax adjustment

Gearing

Before WACC can be determined, the proportion of funding provided by debt and equity (i.e., gearing ratio) over the forecast period must be determined. The gearing ratio adopted may represent the level of debt that the asset can reasonably sustain (i.e., the higher the expected volatility of cash flows, the lower the debt levels which can be supported) or the actual level of debt that is forecast. The optimum level of gearing will differentiate between assets and will include:

- the variability in earnings streams;
- working capital requirements;
- the level of investment in tangible assets; and
- the nature and risk profile of the tangible assets.

As described earlier, we have regeared the beta having regard to the capital structure of Tawana and the Proposed Merged Entity, being an average debt to equity ratio of 5% over the life of mine.

Calculation of WACC

Pre-Scheme:
We have calculated the WACC of Tawana to be as follows:

Input	Value adopted	
	Low	High
Cost of Equity	9.21%	12.94%
Cost of Debt (K_d (1- t))	7.00%	7.00%
Proportion of Equity (E/(E+D))	95.24%	95.24%
Proportion of Debt (D/(D+E))	4.76%	4.76%
WACC	**9.10%**	**12.65%**

Source: BDO analysis

Based on the above inputs, we have determined the post-tax WACC for Tawana to be between approximately 9.1% and 12.7%, with a midpoint of 10.9%. We have adopted the rounded midpoint of 11% as our preferred discount rate.

Post-Scheme:
We have calculated the WACC of the Proposed Merged Entity to be as follows:

Input	Value adopted	
	Low	High
Cost of Equity	8.59%	12.11%
Cost of Debt (K_d (1- t))	7.00%	7.00%
Proportion of Equity (E/(E+D))	95.24%	95.24%
Proportion of Debt (D/(D+E))	4.76%	4.76%
WACC	**8.51%**	**11.86%**

Source: BDO analysis

Based on the above inputs, we have determined the post-tax WACC for the Proposed Merged Entity to be between approximately 8.5% and 11.9%, with a midpoint of 10.2%. We have adopted the rounded midpoint of 10% as our preferred discount rate.

Appendix 4 – Comparable Company Descriptions

Comparable Companies - Discount Rate

Company name	Company description
Alliance Mineral Assets Limited	Alliance Mineral Assets Limited engages in exploring and developing tantalum and lithium mineral resources in Australia. It owns 50% interest in the Bald Hill project located to the southeast of Kalgoorlie in the Eastern Goldfields of Western Australia. The company was formerly known as HRM Resources Australia Limited and changed its name to Alliance Mineral Assets Limited in March 2014. Alliance Mineral Assets Limited was incorporated in 2010 and is headquartered in Osborne Park, Australia.
Pilbara Minerals Limited	Pilbara Minerals Limited engages in the exploration, evaluation, and development of mineral resources in Australia. It focuses on the development of Pilgangoora Lithium-Tantalum Project located in the Pilbara region of Western Australia. Pilbara Minerals Limited has a strategic relationship with POSCO Cements. The company is headquartered in West Perth, Australia.
Altura Mining Limited	Altura Mining Limited engages in the exploration and development of mineral properties in Australia, Indonesia, and internationally. The company operates through Coal Mining, Lithium Mining, Exploration Services, and Mineral Exploration segments. It primarily supplies lithium raw materials. The company focuses on the development of its 100% owned Pilgangoora Lithium project located in the Pilbara region of Western Australia. It also provides drilling services to mining and exploration companies. The company is based in Perth, Australia.
Mineral Resources Limited	Mineral Resources Limited operates as a mining services and processing company in Australia, China, Singapore, and internationally. It operates through three segments: Mining Services & Processing, Mining, and Central. The company offers contract crushing, screening, and processing services on build-own-operate or build-operate basis for mining companies; mine services, such as materials handling, plant and equipment hire and maintenance, tails recovery, and aggregate crushing; and design, engineering, and construction services in the resources sector. It also manages the processing, production, logistics, ship loading, marketing, and export of the resources on behalf of tenement owners. In addition, the company has a portfolio of iron ore assets in the Yilgarn and Pilbara regions of Western Australia; produces manganese from its Sunday Hill and Ant Hill tenements within the Pilbara region; and owns 43.1% interest in the Mt Marion lithium project located to the south west of Kalgoorlie, Western Australia. Further, it offers project management and delivery services for pipeline engineering and construction, mine dewatering systems and hydrocarbon management, HDPE lined steel, polyethylene pipe fittings and components, rock trenching and terrain levelling, underground cable installation, and plant and equipment hire. Mineral Resources Limited was founded in 1993 and is headquartered in Applecross, Australia.
Orocobre Limited	Orocobre Limited explores for and develops lithium and potash deposits in Argentina. Its flagship project is the Salar de Olaroz lithium project located in north-west province of Jujuy. The company also produces boron minerals and refined chemicals. Orocobre Limited is based in Milton, Australia.
AVZ Minerals	AVZ Minerals Limited explores for mineral properties in central Africa. The company holds a 100% interest in the Manono Extension lithium, tin, and tantalum project that comprises two exploration permits covering an area of 242.25 square kilometers; and a 60% interest in the Tanganyika regional project, a lithium, rare earth, and base metal project that include seven exploration licenses covering an area of approximately 1,172 square kilometers in the south of the Democratic Republic of the Congo (DRC). In addition, it holds a 60% interest in the Manono lithium and tantalum project that covers an area of approximately 188 square kilometers in southern DRC. The company was formerly known as Avonlea Minerals Limited. AVZ Minerals Limited is based in Mount Hawthorn, Australia.

Company name	Company description
Galaxy Resources Limited	Galaxy Resources Limited engages in the production of lithium concentrate, and exploration of minerals in Australia, Canada, and Argentina. The company holds interests in the Sal de Vida brine project in Argentina; the Mt Cattlin spodumene mine in Western Australia; and the James Bay spodumene project in Quebec, Canada. Galaxy Resources Limited is based in Applecross, Australia.
Neometals Limited	Neometals Ltd explores and evaluates mineral properties in Australia. It operates through three segments: Lithium, Titanium, and Other. The company explores for lithium, titanium, and vanadium. Its principal assets include the Mt Marion Lithium and Barrambie Titanium projects located in Western Australia. It also provides various processes to extract valuable metals for a range of base, light, and precious metal oxides, as well as for sulphides, intermediates, and waste feeds. The company was formerly known as Reed Resources Ltd. and changed its name to Neometals Ltd in December 2014. Neometals Ltd is based in West Perth, Australia.

Source: S&P Capital IQ

Appendix 5 – Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of both general mining companies and all ASX-listed companies, since 2010. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium).

We have summarised our findings below. We have summarised our findings below:

General mining companies

Year	Number of Transactions	Average Deal Value (A$m)	Average Control Premium (%)
2018	5	31.09	59.04
2017	3	20.76	32.90
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	15	118.46	47.88
2013	17	117.99	63.99
2012	18	207.01	52.45
2011	21	811.55	37.42
2010	21	555.11	50.61

Source: Bloomberg

All ASX listed companies

Year	Number of Transactions	Average Deal Value (A$m)	Average Control Premium (%)
2018	15	2,264.13	38.84
2017	26	1,089.67	45.10
2016	42	718.51	49.58
2015	33	850.04	33.23
2014	45	518.59	40.00
2013	41	128.21	50.99
2012	52	472.10	51.68
2011	68	891.85	44.43
2010	53	574.61	44.37

Source: Bloomberg

The mean and median of the entire data set, comprising control transactions from 2010 onwards for general mining companies and all ASX listed companies, respectively, is set out below.

	General mining companies		All ASX listed companies	
Entire Data Set Metrics	Average Deal Value (A$m)	Average Control Premium (%)	Average Deal Value (A$m)	Average Control Premium (%)
Mean	332.62	53.18	706.56	45.03
Median	44.4	41.57	107.72	35.44

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the long term average control premium paid by acquirers of general mining companies and all ASX listed companies, is approximately 53.18% and 45.03%, respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers. These outliers included 14 general mining transactions and 25 all ASX listed company transactions, in which the announced premium was in excess of 100.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the last eight years was approximately 41.57% for general mining companies and 35.44% for all ASX listed companies.

Based on the above analysis, we consider an appropriate premium for control to be applied is between 30% and 40%, with a midpoint of 35%.

Appendix 6 – Independent Technical Report

Independent Specialist Report – Bald Hill Lithium and Tantalum Mine, Western Australia

Report Prepared for

Tawana Resources NL and BDO Corporate Finance (WA) Pty Ltd

Report Prepared by

SRK Consulting (Australasia) Pty Ltd

BDO011

August 2018

Independent Specialist Report – Bald Hill Lithium and Tantalum Mine, Western Australia

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Executive Summary

Tawana Resources NL (Tawana) has a 50% interest in the Bald Hill Lithium and Tantalum Project (Project or Joint Venture) in the Kambalda district of Western Australia.

Tawana has entered into a Scheme Implementation Agreement with its Singapore-listed joint venture partner, Alliance Mineral Assets Limited (Proposed Transaction), pursuant to which Tawana will propose a scheme of arrangement to its shareholders under which Alliance Mineral Assets Limited (Alliance) will acquire all of the issued share capital in Tawana (the Scheme).

BDO Corporate Finance (WA) Pty Ltd (BDO) has been appointed by Tawana to provide an Independent Expert Report (IER) for inclusion with documentation associated with the Scheme. SRK Consulting (Australasia) Pty Ltd (SRK), as Technical Specialist, has been requested by BDO to provide an Independent Specialist Report (Report) in support of the IER, and SRK understands that its Report is to be included as an appendix to BDO's IER, which provides comment on the fairness and reasonableness of the Proposed Transaction.

Summary of principal objectives

The objective of this Report is to provide an independent assessment of the techno-economic assumptions that would likely be considered by the market as part of a potential investment or transaction process involving the Project and the Project's related tenure.

This Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets – VALMIN Code (2015), which incorporates the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – JORC Code (2012).

Outline of work program

The following aspects were considered by SRK in the preparation of this Report:

- Access to key personnel from the Joint Venture for discussion and enquiry
- High-level review of technical reports and supporting documentation prepared by and/ or on behalf of the Joint Venture
- Compilation of comparable sales and joint venture transactions
- Valuation of the mineral assets.

For the purposes of this Report, SRK has completed a high-level review of recent technical work conducted at the Project to determine its validity from a valuation perspective. SRK has not carried out any Mineral Resource estimation activities for the purposes of its Report. When valuing the Project and the Project's related tenure, SRK has considered methods commonly used to value mineral assets at a similar stage of project maturity.

All monetary figures used in this Report are expressed in Australian dollar (A$) terms. The final valuation is presented in Australian dollars. This Report has adopted an effective valuation date of 20 July 2018.

Overview

SRK has completed a high-level review of the stated Mineral Resource and Ore Reserve estimates for the Project to determine their validity from a valuation perspective. SRK has not performed, nor does it accept the responsibilities of a Competent Person as defined by the JORC Code (2012) in respect of the Mineral Resources and Ore Reserve estimates presented in this Report.

In SRK's opinion, the Mineral Resource and Ore Reserve estimates for the Project are acceptable as a reasonable representation of global grades and tonnages and are suitable for valuation purposes.

SRK's representative, Karen Lloyd, undertook a one-day site inspection at the Project on 11 May 2018.

In addition, SRK has reviewed the proposed mine plan and associated assumptions with respect to mining, processing and cost estimation contained within the Bald Hill financial model (Model) as supplied to SRK by BDO.

Where warranted, SRK has modified production and capital and operating cost projections for use by BDO. These modifications are considered reasonable, based on the available technical data and SRK's experience with similar assets at the same development stage.

When valuing the exploration assets associated with the Project, SRK has considered methods commonly used to value mineral assets at these stages of development. These methods are outlined in this Report.

SRK's recommended valuation ranges and preferred values are detailed in the Valuation section (Section 7) of this Report and are summarised below. SRK has produced a Market Value as defined by the VALMIN Code (2015).

SRK has recommended preferred values and value ranges for the Project and the Project's related tenure on the basis of their perceived potential. SRK has considered Market, Income and Cost based methods of assessment to arrive at a valuation range based on the Mineral Resources and Ore Reserves reported at the Project. SRK's preferred values are positioned at the 75th percentile, given the level of project maturity and executed material contracts.

SRK's recommended valuation ranges and preferred values for the Project are summarised in Table ES-1.

Table ES-1: Summary of SRK's valuation of the Project's resources and related tenure not considered in the cashflow model as at 20 July 2018 on a 100% equity basis

Stage	Low (A$M)	High (A$M)	Preferred (A$M)
Production: Resources not considered in the cashflow model	113.4	183.1	148.3
Advanced Exploration	0.18	0.43	0.31
Early Stage Exploration	1.8	6.0	6.0

Note: Any discrepancies between values in the table are due to rounding.

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Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Tawana Resources NL (Tawana) and BDO Corporate Finance (WA) Pty Ltd (BDO). The opinions in this Report are provided in response to a specific request from BDO to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

1 Introduction and Scope of Report

Tawana Resources NL (Tawana) has a 50% interest in the Bald Hill Lithium and Tantalum Project (Project or Joint Venture) in the Kambalda district of Western Australia.

Tawana has entered into a Scheme Implementation Agreement with its Singapore-listed joint venture partner, Alliance Mineral Assets Limited (Proposed Transaction), pursuant to which Tawana will propose a scheme of arrangement to its shareholders under which Alliance Mineral Assets Limited (Alliance) will acquire all of the Tawana shares (Scheme).

BDO Corporate Finance (WA) Pty Ltd (BDO) has been appointed by Tawana to provide an Independent Expert Report (IER) for inclusion with documentation associated with the Scheme. SRK Consulting (Australasia) Pty Ltd (SRK), as Technical Specialist, has been requested by BDO to provide an Independent Specialist Report (Report) in support of the IER, and SRK understands that its Report is to be included as an appendix to BDO's IER, which provides comment on the fairness and reasonableness of the Proposed Transaction.

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this valuation, the Project and associated tenure was classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

SRK has classified the Bald Hill Project as a Production Project, with Advanced Exploration and Early Stage Exploration Projects classified on the Project's related tenure.

1.1 Nature of the brief and summary of principal objectives

This Report was initiated by BDO. The Report is to be included as an appendix to BDO's IER, which will provide an opinion on the fairness and reasonableness of the Proposed Transaction.

The objective of this Report is to provide an independent technical assessment and valuation of the Project and its associated tenure. SRK was engaged to review the project assumptions contained in the Bald Hill financial model and provide BDO with a technical assessment of the inputs to this cashflow model.

Key areas reviewed by SRK include:

- Mineral Resources and Ore Reserves incorporated into the Model
- Reasonableness of any timing assumptions incorporated in the Model
- Mining physicals (including tonnes of ore mined, ore grade mined and waste material)
- Processing physicals
- Operating costs
- Capital expenditure
- Any other relevant technical assumptions not specified above.

In addition, SRK was requested to provide an independent valuation of exploration and identified resources outside of the life of mine (LOM) schedule components associated with the Project and its related tenure on an unfunded basis.

SRK has selected the most appropriate valuation technique for the Project, based on the maturity of the Project and the available information. This Report expresses an opinion regarding the value of the Project as directed in SRK's mandate from BDO. This Report does not comment on the 'fairness and reasonableness' of any transaction between the owners of these mineral interests and any other parties.

1.2 Reporting standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment and Valuation Report under the guidelines of the VALMIN Code (2015). It should be noted that the authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes. For the avoidance of doubt, this report has been prepared according to:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- The 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

As per the VALMIN Code (2015), a first draft of the report was supplied to BDO and Tawana to check for material error, factual accuracy and omissions before the final report was issued. SRK's scope of work was limited to the second draft of the Report after a round of edits by BDO and Tawana. The final report was issued following review of any comments by Tawana.

For the purposes of this Report, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

1.3 Work program

This assignment commenced in May 2018, with a review of publicly available data and other information sourced by SRK from literature, as well as subscription databases such as S&P Market Intelligence (formerly SNL) database services. Company information was uploaded to an online dataroom and SRK consultants worked through the datasets, the Model and completed research on comparable market transactions to assist with the valuation.

In accordance with Section 11.1 of the VALMIN Code (2015), a site visit to the Project was undertaken by SRK on 11 May 2018.

1.3.1 Legal matters

SRK has not been engaged to comment on any legal matters.

SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has sighted documentation obtained by Tawana from DLA Piper Australia, an independent legal firm. The document, dated 20 July 2018, indicates that the Joint Venture has the legal rights to the minerals which are the subject of this Report. SRK has made all reasonable enquiries into this status as at 20 July 2018.

1.4 Key data sources

Data and information relating to the assets as used by SRK during the preparation of this Report are referenced throughout the Report.

1.5 Effective date

The effective date of this Report is 20 July 2018.

1.6 Project team

This Report has been prepared by a team of consultants from SRK's offices within Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below.

Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc(Hons), MBA, FAusIMM

Karen has more than 20 years international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe. Karen is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Scott McEwing, Principal Consultant (Mining), BE (Mining), FAusIMM(CP)

Scott has over 20 years' mining experience in both open pit and underground mining. Scott is a mining engineer who works in due diligence, project management and with technical mine planning arenas. Scott has been SRK's project manager for the delivery of a number of large multi-discipline feasibility studies. His technical skills include mine planning, optimisation and design. He is proficient in the use of computerised mining software packages – Whittle and MineSight, in particular. Scott has practical experience in both production and planning roles in Australia at Golden Grove and Boddington Gold Mine, and in New Zealand at the Martha Mine. Whilst being a consultant with SRK, Scott has been seconded to several mining operations across a number of commodities. Scott is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Simon Walsh, Associate Principal Consultant (Process Engineering), BSc, MBA (Hons) GAICD, MAusIMM(CP)

Simon has extensive design and operational expertise across a range of mineral processing and hydrometallurgical processes, with particular experience in lithium processing. His broad range of experience covers both management, supervisory and technical roles in plant operations, commissioning, process simulation, project studies, detailed engineering design, metallurgical testwork management and competent person reporting. Simon is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Jeames McKibben, Principal Consultant (Project Evaluation), BSc(Hons), MBA, MAusIMM(CP), MAIG, MRICS.

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 24 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the geological evaluation and valuation of mineral projects worldwide. He is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), a Member of the Australian Institute of Geoscientists (MAIG), and a Member of the Royal Institution of Chartered Surveyors (MRICS). James has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

1.7 Limitations, reliance on information, declaration and consent

1.7.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Tawana throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Tawana was taken in good faith by SRK. SRK has not independently verified Mineral Resources or Ore Reserve estimates by means of recalculation.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by Tawana was complete and not incorrect, misleading or irrelevant in any material aspect. Tawana has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by Tawana was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.7.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no prior association with Tawana regarding the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment capable of affecting its independence.

1.7.3 Indemnities

As recommended by the VALMIN Code (2015), Tawana and BDO have provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by either Tawana and BDO or these parties not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.7.4 Consent

SRK consents to this Report being included, in full, in BDO's documents in the form and context in which the technical assessment is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessment expressed in the Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete report.

1.7.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A$36,000. The payment of this professional fee is not contingent upon the outcome of this Report.

2 Project Overview

2.1 Location, access and climate

The Project is located approximately 105 km south-southeast of Kalgoorlie and about 56 km east of Widgiemooltha in the Goldfields-Esperance region of Western Australia.

Access to the Project is via National Highway 94 (Coolgardie to Esperance Highway), to Widgiemooltha and then via 65 km of the unsealed Binneringie Road from Widgiemooltha (Figure 2-1).

The region surrounding the Project experiences a semi-arid climate. The closest weather stations (Norseman, Balladonia, and Kalgoorlie-Boulder) record annual rainfall averages between 225 mm and 260 mm. Rainfall is most consistent during the winter months. However, isolated thunderstorms and remnants of tropical cyclones in the summer months provide sporadic and heavy downfalls that produce substantial runoff.

The site is accessible all year round except during those periods of high rainfall when the gravel road maybe closed by the shire council for short periods as a damage prevention measure.

Temperatures in the summer months commonly exceed 35 °C, and minimum temperatures during winter commonly drop below 5 °C with occasional frosts.

Relief in the area is typically low, with the dominantly granitic rocks forming an irregular terrain interspersed by sheet wash zones and deep regolith cover. Other minor sedimentary and mafic to ultramafic rocks are overlain by extensive sandplains.

SRK understands that there are no records of Priority or Threatened Ecological Communities within the Project area and that there are no Protected matters within the Project area.

Figure 2-1: Project location

Source: Tawana.

2.2 Ownership and tenements

During 2017, Tawana (through its wholly owned entity, Lithco No. 2 Pty Ltd), completed the expenditure requirements necessary to earn a 50% interest in the Project (tenements, processing plant and infrastructure), and entered a 50:50 Joint Venture with Alliance Mineral Assets Limited (Alliance).

The Project comprises four granted mining leases and two pending mining lease applications, 12 granted exploration licences, one granted general purpose lease, 10 granted miscellaneous licences and two pending miscellaneous licence applications, four granted prospecting licences and one granted retention licence (Table 2-1).

Table 2-1: Tenement schedule

Name	Type	Status	Granted	Expiry	Area (ha)
E15/1058	Exploration Licence	Live	12-Mar-09	11-Mar-19	2,520.00
E15/1066	Exploration Licence	Live	20-Aug-09	19-Aug-19	6,440.00
E15/1067	Exploration Licence	Live	20-Aug-09	19-Aug-19	6,440.00
E15/1161	Exploration Licence	Live	25-Jan-11	24-Jan-21	280.00
E15/1162	Exploration Licence	Live	10-Jan-11	9-Jan-21	840.00
E15/1166	Exploration Licence	Live	31-Aug-10	30-Aug-20	1,400.00
E15/1212	Exploration Licence	Live	2-May-11	1-May-21	2,800.00
E15/1353	Exploration Licence	Live	5-Aug-13	4-Aug-18	20,171
E15/1492	Exploration Licence	Live	23-Feb-17	22-Feb-22	14,280.00
E15/1493	Exploration Licence	Live	24-Feb-17	23-Feb-22	7,280.00
E15/1555	Exploration Licence	Live	16-Mar-17	15-Mar-22	5,600.00
E15/1556	Exploration Licence	Live	16-Mar-17	15-Mar-22	4,480.00
G15/28	General Purpose Lease	Live	25-May-17	24-May-38	1.43
L15/264	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	3.85
L15/265	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	2.33
L15/266	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	1.44
L15/267	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	3.56
L15/268	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	5.77
L15/269	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	7.19
L15/270	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	7.49
L15/348	Miscellaneous Licence	Live	5-Sep-14	4-Sep-35	3.16
L15/365	Miscellaneous Licence	Live	19-Jul-17	18-Jul-38	15.49
L15/366	Miscellaneous Licence	Live	19-Jul-17	18-Jul-38	61.52
L15/380	Miscellaneous Licence	Pending			104.00
L15/384	Miscellaneous Licence	Pending			234.35
M15/1305	Mining Lease	Live	29-Dec-00	28-Dec-21	97.89
M15/1308	Mining Lease	Live	29-Dec-00	28-Dec-21	92.53
M15/1470	Mining Lease	Live	13-May-10	12-May-31	400.00
M15/1840	Mining Lease	Pending			972.69
M15/1851	Mining Lease	Pending			570.30
M15/400	Mining Lease	Live	8-Sep-88	7-Sep-30	501.00
P15/5862	Prospecting Licence	Live	15-Oct-14	14-Oct-18	13.56
P15/5863	Prospecting Licence	Live	15-Oct-14	14-Oct-18	180.24

Name	Type	Status	Granted	Expiry	Area (ha)
P15/5864	Prospecting Licence	Live	15-Oct-14	14-Oct-18	93.30
P15/5865	Prospecting Licence	Live	15-Oct-14	14-Oct-18	15.74
R15/1	Retention Licence	Live	9-Jun-10	8-Jun-19	973.00

SRK has sighted documentation obtained by Tawana from DLA Piper Australia, an independent legal firm. The document, dated 20 July 2018, indicates that the Joint Venture has the legal rights to the minerals which are the subject of this Report. SRK has made all reasonable enquiries into this status as at 20 July 2018.

Further to discussion with Tawana, SRK notes that the Joint Venture plans to renew Exploration Licence E15/1353 prior to its expiry on 4 August 2018.

2.3 Native Title

The Project area falls within the Native Title Claim Determination of the Ngadju people, who have traditional ownership of 102,000 km^2 of land surrounding the town of Norseman, including exclusive title over approximately 45,000 km^2.

The application M15/1840 over the Retention Licence R15/1 containing the known Creekside and Fenceline Prospects, is now subject to stakeholder consultations with the Ngadju people.

Regional Standard Heritage Agreements (RHSAs) and Heritage Agreements are in place for certain exploration licences and prospecting licences. The current Native Title status of the tenements is summarised in Table 2-2, which is an extract from the Tawana Bald Hill Lithium and Tantalum Mine Feasibility Study (Feasibility Study) dated July 2017, subsequently amended to incorporate additional information from DLA Piper Australia's report dated 20 July 2018

Table 2-2: Summary of Native Title and Aboriginal Heritage agreements

Name	Native Title Status
M15/1470	Deferred Production Agreement
P15/5862	RSHA between Alliance and the Ngadju people
P15/5863	RSHA between Alliance and the Ngadju people
P15/5864	RSHA between Alliance and the Ngadju people
P15/5865	RSHA between Alliance and the Ngadju people
E15/1058	RSHA between Alliance and the Ngadju people
E15/1066	RSHA between Alliance and the Ngadju people
E15/1067	RSHA between ABEH Pty Ltd and the Ngadju people (being replaced by RSHA between Alliance and the Ngadju people)
E15/1161	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1162	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1166	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1212	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1353	RSHA between Alliance and the Ngadju people
E15/1492	Heritage Agreement between Alliance and the Ngadju people
E15/1493	Heritage Agreement between Alliance and the Ngadju people
E15/1555	Heritage Agreement between Alliance and the Ngadju people
E15/1556	Heritage Agreement between Alliance and the Ngadju people

2.4 Royalties and material contracts

2.4.1 Royalties

Royalties will be distributed to the Western Australian government at the rate of 5.0% of the royalty value of the concentrate produced. This rate is the ad valorem rate which applies to concentrate material as defined under the Mining Regulations 1981 (Regulation 85).

SRK understands that the Joint Venture has assumed the obligation to pay to Maxwell Peter Strindberg and ABEH Pty Ltd (ACN 098 110 233), the previous holders of M15/1305, M15/1308, E15/756, E15/1058, E15/1066, E15/1067, P15/4156, P15/4157, P15/4696, P15/4697, P15/4698, P15/4699, P15/4700, a royalty in respect of those tenements and any future mining tenements in respect of the land the subject of those tenements (together Royalty Tenements) of the following:

1 2.5% of the gross proceeds of sale, net of GST, of all finished processed materials of tantalum and tin mined and extracted from the land the subject of the Royalty Tenements

2 5% of the gross proceeds of sale, net of GST, of all other finished processed materials mined and extracted from the land the subject of the Royalty Tenements.

SRK understands this royalty is currently payable in respect of M15/1305, M15/1308, M15/1470, E15/1353, P15/5862, P15/5863, P15/5864 and P15/5865.

In addition, John Walter Graham, Sonny Graham, Katie Ray and Jack Schultz for and on behalf of the Ngadju People and Maxwell Peter Strindberg have entered into the Deferred Production Agreement in respect of M15/1470. As at 20 July 2018, SRK understands that neither Tawana, Alliance, or the Joint Venture assumed nor been approached to assume Strindberg's obligations under the Deferred Production Agreement. There may be requirement or an election to do so in future.

The Deferred Production Agreement requires Strindberg to pay:

1 An amount equivalent to a designated percentage of a spot price, calculated with reference to the average LBMA London PM Fix in respect of the relevant quarter (converted to Australian dollars with reference to RBA rates), in respect of any gold produced from M15/1470, being:

   a. 0.75% up to A$600

   b. 1.00% between A$600 and A$800

   c. 1.25% between A$801 and A$1,000

   d. 1.50% between A$1,001 and A$1,200

   e. 1.75% over A$1,201.

2 An amount equivalent to 30% of the royalty payable to the State of Western Australia in respect of any other mineral.

2.4.2 Material contracts

Lithium Concentrate Offtake Agreement

Each of the Joint Venture parties has a separate long-term exclusive lithium concentrate offtake contract in place at the Project. The contracts were executed in October by each Joint Venture party with Burwill Commodity Limited (now Burwill Lithium Company Limited), a wholly owned subsidiary of Burwill Holdings Limited (Burwill) and listed on the Stock Exchange of Hong Kong Limited (Stock Code 0024).

Under the terms of the agreements, Burwill will pay a fixed price for all production up to 31 December 2019 of US$880/t (FOB Esperance) for 6% Li_2O.

From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based upon prevailing market conditions at the time.

SRK has not undertaken a detailed review of the terms of the contracts and has assumed that for the purpose of the Report, the contracts are suitable to allow site operations to continue unimpeded by contractual constraints should the Transaction proceed.

Tantalum Concentrate Offtake Agreement

In January 2018, each of the Joint Venture parties signed a non-binding, in-principle term sheet for the offtake of tantalum concentrate with HC Starck Group, a Munich-based subsidiary of Bayer AG.

In-principle terms agreed include the purchase of a minimum of 600,000 lbs of tantalum concentrate in aggregate from April 2018 to 31 December 2020, or all of the standard grade tantalum concentrate produced at the Project until 31 December 2020 if the total is less than 600,000 lbs at a price to be agreed. The buyer may also purchase any other tantalum materials from the Project, including low-grade concentrate and off-specification material.

Service Agreements

There are various service agreements in place at the Project. SRK has not undertaken a detailed review of these contracts and has assumed that for the Report, the contracts are suitable to allow site operations to continue unimpeded by contractual constraints should the Transaction proceed. These agreements provide for the operation and maintenance (O&M) of the concentrate plant, mining and drill and blast operations, diesel fuel supply, catering and janitorial services, electrical power, crushing and screening services and concentrate haulage.

2.5 History

The Project area has a long history of exploration and production. During the 1970s, small amounts of tin and tantalum were periodically mined from multiple shallow oxide pits by private operators.

The Gwalia Group (Gwalia) undertook tantalum exploration around the Project during the 1980s, including geological mapping, costeaning, and several drilling campaigns, though low prices for tantalum precluded a development decision.

In 2001, further to sterilisation drilling for waste dumps and tailings dams, Haddington International Resources Limited (Haddington) announced a resource of 1,140,000 t at 472 ppm Ta_2O_5. In 2001, Haddington received approval from the Western Australian Department of Environmental Protection for the construction of a 200,000 tpa processing plant and associated infrastructure to support a 4-year mine life and deliver about 145,000 lbs of tantalite to the Sons of Gwalia Ltd's (SoG) Greenbushes treatment plant.

Haddington undertook larger-scale shallow open pit mining between July 2001 and March 2006. Mining was from several small pits. A total of 1.35 Mt of ore was processed through a gravity plant with a throughput rate of 340,000 tpa. A total 4,000 t of concentrate containing 364 t of tantalum pentoxide was sold.

The mine was placed on care and maintenance on 31 March 2006 after Haddington's licence agreement with SoG expired, and it stopped taking third party concentrates: Haddington continued its exploration efforts until 2009.

On 12 September 2009, Living Waters Mining (Australia) Pty Ltd acquired the Project's tenure, as well as tenure to the north of the main pit area where it continued exploration.

In 2011, ownership was transferred to HRM Resources Australia Limited (HRM). HRM continued with exploration, especially testing for extensions of the Boreline, North and South open pits.

In 2014, HRM was re-named Alliance Mineral Assets Limited and listed on the Catalist of the Singapore Exchange Securities Trading Limited on 25 July 2014.

On 4 February 2015, Alliance announced that it had commenced trial mining from the Boreline Pit. Alliance re-furbished and upgraded the processing plant previously operated by Haddington and commissioned the facilities during late 2015 and early 2016.

Although Haddington had noted that the pegmatite ore contained up to 30% to 50% spodumene, lithium was not assayed for or recovered until Alliance noted high levels of spodumene in tantalum concentrates during recommissioning of the Haddington plant in 2015.

On 3 June 2016, Alliance announced that it had executed a binding term sheet with Lithco No. 2 Pty Ltd (Lithco) for, inter alia, a Farm-In and Joint Venture arrangement regarding joint exploration and exploitation of lithium and other minerals at the Project.

On 24 October 2016, Tawana announced that it had entered into an option agreement to acquire all the shares in Lithco for an option fee of $25,000 and 50,000,000 Tawana shares.

On 17 November 2016, Tawana announced that Lithco had intercepted multiple mineralised pegmatites over a large area, indicating significant resource potential. Lithco completed initial metallurgical testwork, and a concept study on a spodumene concentrator followed shortly thereafter.

On 16 January 2017, Tawana announced that its Board had approved the commencement of a Feasibility Study into the potential redevelopment of the Project.

In February 2017, the Farm-In agreement was finalised. Key terms were:

1 Expenditure Commitment: By 31 December 2017 (or a later date as agreed), to spend a minimum of A$7,500,000 on exploration, evaluation and feasibility for 50% of all rights to lithium minerals from the tenements comprising the Project

2 Capital Expenditure: By 31 December 2019, a capital expenditure of A$12,500,000 was required to upgrade and convert the plant for processing ore derived from the Project, infrastructure costs, pre-stripping activities and other expenditures including operating costs.

Completion of the Expenditure Commitment and Capital Expenditure entitled Lithco to a 50% interest in the Project (all minerals from the tenements and the processing plant and infrastructure at Bald Hill).

On 11 July 2017, Tawana released the results of a Pre-Feasibility Study. Key metrics announced were:

1 Forecast annual production of approximately 155,000 tpa of spodumene concentrate from the dense media separation (DMS) circuit, and 260,000 lbs pa of tantalum pentoxide from the existing Tantalum Processing Facility (TPF)

2 A maiden Lithium Ore Reserve of 4.3 Mt at 1.18% Li_2O and 208 ppm Ta_2O_5, representing approximately 90% conversion of existing Indicated Resources and an additional tantalum Ore Reserve of 1.4 Mt at 317 ppm Ta_2O_5

3 An initial starter pit life of 3.6 years, with further growth for the Project expected from infill and extensional drilling

4 An additional 8.2 Mt at 1.14% Li_2O Inferred Resources not included in the Pre-Feasibility Study, which indicate potential for a 10-year mine life prior to resource growth

5 Long-lead items have been ordered, and construction mobilisation has commenced under an early works contract; production scheduled for the 2018 March quarter

6 A Project Internal Rate of Return (IRR) of 185% and payback of approximately 12 months

7 A$42M capital cost (excluding pre-production operating costs), with A$37.5M already committed to the Project from Tawana earnings (A$12.5M) and off-take contractual pre-payments (A$25M)

8 Average EBITDA for the starter pit of approximately A$83M per annum

9 Operating cash flow for the starter pit of approximately A$223M

10 $NPV_{10\%}$ of the starter pit of A$150M, with potential to increase further to conversion of the Inferred Resources and the inclusion of a low-cost lithium fines circuit

11 Estimated life-of-pit operating cash costs of A$508/t (US$381/t) of spodumene concentrate free-on-board (FOB) (including tantalum pentoxide by-product credits), resulting in a 100% pre-tax margin.

In August 2017, Tawana announced that construction of the lithium plant had commenced following the Engineering, Procurement and Construction (EPC) contract award to Primero Group Limited (Primero) to build a 1.2 Mtpa DMS circuit.

In February 2018, Tawana and Alliance announced that commissioning of the DMS circuit had commenced. In addition:

1 Power plant operations had commenced.

2 The Motor Control Centre/ Low Voltage (MCC/ LV) switch room was commissioned.

3 Dry commissioning had commenced.

4 Crushing and stockpiling of ore had commenced.

5 Mining daily movements averaged approximately 20,000 m^3 per day.

6 Practical completion had been achieved.

7 Ferrosilicon media had been introduced to the plant and stabilised.

8 Crushing had commenced after commissioning, and 20,000 t of crushed ore was stockpiled.

On 14 March 2018, Tawana and Alliance announced that lithium production had commenced following commissioning of the DMS circuit.

On 6 June 2018, Tawana announced a production update as well as a resource/ reserve upgrade.

Production update

- Stage 1 DMS circuit achieved 50% of nameplate throughput for month 1 and 75% for month 2 of ramp-up, producing a premium high-quality lithium concentrate.
- Tantalum pre-concentrate recoveries from lithium circuit are exceeding initial expectations.
- Mining was averaging approximately 30,000 BCM per day.
- Logistics, including power, fuel management, concentrate haulage and ship loading were functioning as expected.
- Two shipments were completed in May and the next shipment was anticipated in late June/ early July 2018.

Resource and reserve upgrade

- Total lithium Resources of 26.5 Mt at 1.0% Li_2O (using 0.3% Li_2O grade cut off)
- Lithium Indicated Resources of 14.4 Mt at 1.02% Li_2O (an increase of 55% in contained lithium from October 2017)
- Lithium Ore Reserve of 11.3 Mt at 1.0% Li_2O and 160 ppm Ta_2O_5 – representing an increase of 105% in contained lithium from the July 2017 reserve estimate and supporting a 9-year mine life at a processing rate of 1.2 Mtpa
- Tantalum Ore Reserve of 2.0 Mt at 313 ppm Ta_2O_5 – representing an increase of 43% from the July 2017 reserve estimate.

2.6 Project metrics

Summary Project metrics are:

1 The Project comprises four granted mining leases and two pending mining lease applications, 12 granted exploration licences, one granted general purpose lease, 10 granted miscellaneous licences and two pending miscellaneous licence applications, four granted prospecting licences and one granted retention licence, totalling 769 km^2.

2 Lithium Ore Reserve of 11.3 Mt at 1.0% Li_2O and 160 ppm Ta_2O_5 supporting a 9-year mine life at a processing rate of 1.2 Mtpa

3 Total lithium Resources of 26.5 Mt at 1.0% Li_2O (using 0.3% Li_2O grade cut off)

4 The mine currently consists of an open pit, a DMS circuit 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. Tantalum concentrates will be packed into 205 L drums and/ or bulka bags and exported via Fremantle in standard shipping containers once the tantalum circuit has been commissioned (currently anticipated by year end 2018).

5 Each of the Joint Venture parties has a separate long-term exclusive lithium concentrate offtake contract in place at the Project. The contracts were executed in October by each Joint Venture party with Burwill Commodity Limited (now Burwill Lithium Company Limited), a wholly owned subsidiary of Burwill Holdings Limited (Burwill) and listed on the Stock Exchange of Hong Kong Limited (Stock Code 0024). Under the terms of the agreements, Burwill will pay a fixed price for all production up to 31 December 2019 of US$880/t (FOB Esperance) for 6% Li_2O. From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based upon prevailing market conditions at the time.

6 In-principle terms for the sale of tantalum concentrate have been agreed between each of the Joint Venture parties and the HC Starck Group. These include the purchase of a minimum of 600,000 lbs of tantalum concentrate in aggregate from April 2018 to 31 December 2020, or all of the standard grade tantalum concentrate produced at the Project until 31 December 2020 if the total is less than 600,000 lbs.

7 There are several service agreements in place at the Project. These agreements provide for the operation and maintenance of the concentrate plant, mining and drill and blast operations, diesel fuel supply, catering and janitorial services, electrical power, crushing and screening services and concentrate haulage.

8 Development drilling is underway to determine the grade and continuity of pegmatite-hosted lithium beyond the current Mineral Resource estimate area.

2.7 Site inspection

In accordance with Section 11.1 of the VALMIN Code (2015), a site visit to the Project was undertaken by SRK on 11 May 2018. The site visit included meetings with site personnel to discuss the operating performance to date, a pit and dam tour, and a fixed plant inspection. The site layout is presented in Figure 2-3. SRK is satisfied that the Project is operating under appropriate safety and management plans, and SRK has no reason to believe that the production and operating targets planned for the LOM cannot be achieved.

Of note, there were three key observations:

- Testwork to support the commissioning of the tantalum circuit is ongoing, with results expected by the end of 2018. As a result, the tantalum ore being recovered as a by-product through the lithium concentrator is currently being stored in bulka bags on site, awaiting processing.
- The recirculation of water via historical oxide pits, waterlines and sump-supplied water to the concentrating facilities and mining operation. This system will provide sufficient water for uninterrupted operations until the end of 2018. SRK understands that preliminary cost estimates for the establishment of a borefield and associated infrastructure have been developed and are subject to more detailed study.
- Tailings from the concentrating facilities are being discharged into an historical pit (Boreline). This pit has almost reached capacity, and capital expenditure to lift the pit crest will be required in the coming months. SRK understands that preliminary cost estimates for the establishment of a dedicated tailings storage facility and associated infrastructure have been developed and are awaiting final approval.

Tailings discharge into Boreline Pit

Water re-circulation via historical pits and lines

Mining excavations to provide additional sump capacity

Run of Mine stockpile fingers

Safety signage

Communications tower

Pit panorama

Blast hole drilling

Lithium concentrate stockpile

Figure 2-2: SRK's site visit photos

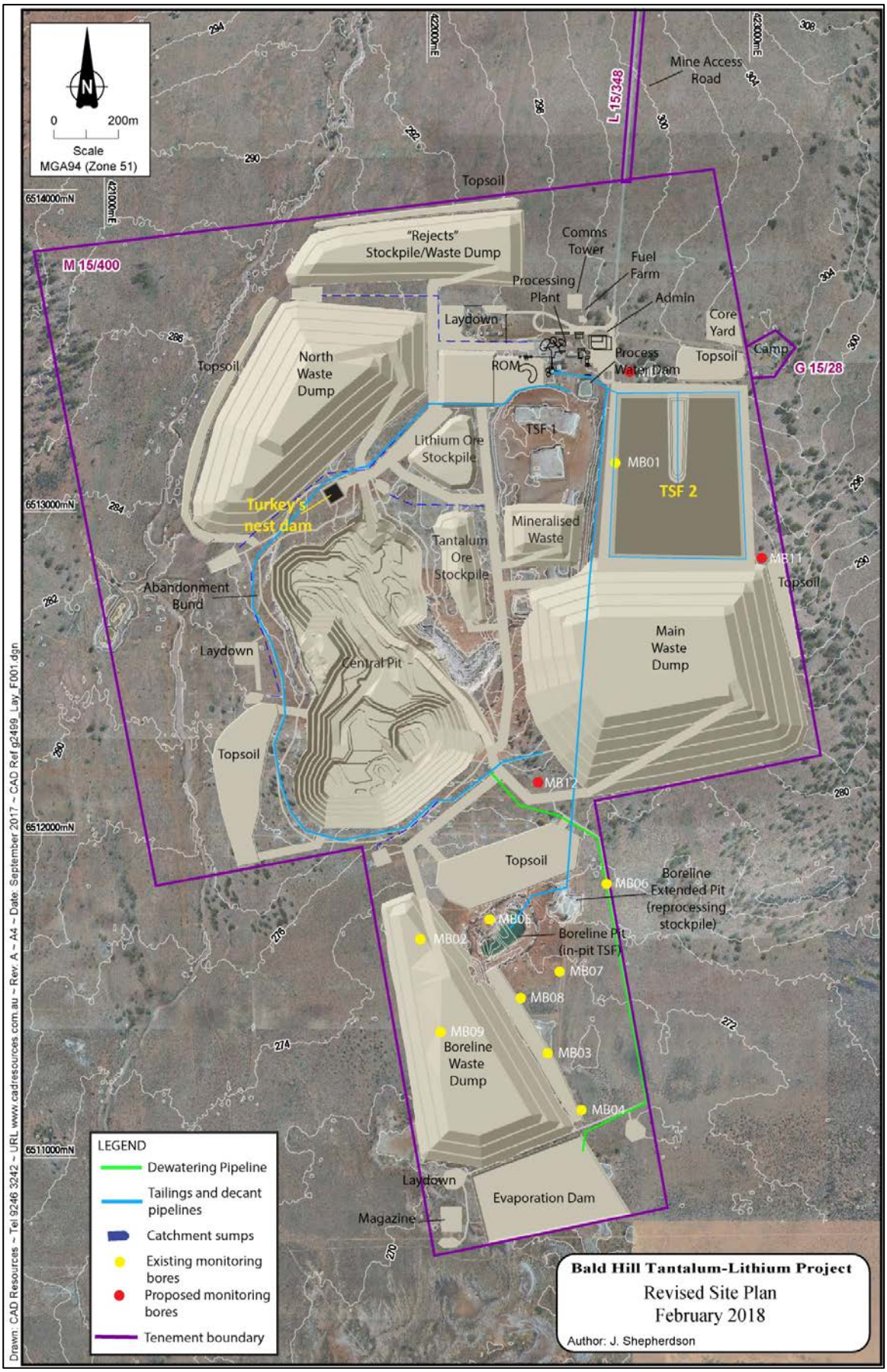

Figure 2-3: Site layout

2.8 Geological setting

2.8.1 Regional geology

The Bald Hill lithium and tantalum mine lies within the Kurnalpi Terrane of the Eastern Goldfields Province in the Yilgarn Craton of Western Australia. The Kurnalpi Terrane comprises the Archean-aged Mount Belches Formation, a metasedimentary sequence of rocks including interbedded wackes and mudstones (Painter & Groenewald, 2001). The Mount Belches Formation contains graded beds, sedimentary structures, Bouma Sequences and channels. Several granitic intrusions within the region are low-calcium and high-calcium monzogranites and granodiorites which have intruded this metasedimentary sequence (Hall & Jones, 2008). Pegmatite dykes intrude the metasedimentary rocks of the Mount Belches Formation. Pegmatites contain feldspar, muscovite, quartz, tantalite and spodumene at Bald Hill. Quartz veins commonly intrude the metasedimentary units as vein arrays, and are typically milky white.

Regionally, the units have been metamorphosed to lower amphibolite grade. Local contact metamorphism with hornfels and metasomatism of the Mount Belches Formation is due to the intrusion of granitic plutons, dykes, quartz veins and the Binneringie Dyke (Painter & Groenewald, 2001).

The Proterozoic Widgiemooltha Dyke Suite with the Binneringie Dyke (a gabbroic dyke), cross-cuts the region for approximately 600 km in an east-northeasterly direction (Hall & Jones, 2008).

Cover sequences of the Eucla Basin overlie Archean basement rocks with recent sediments of calcrete and colluvium (Hall & Jones, 2008).

Deformation within the Bald Hill area has been recognised in the Archean basement and is summarised by Hall & Jones (2008) as D_1 to D_5:

- D_1: Recumbent folding and thrusting
- D_2: Tight upright folding from east–northeast to west–southwest crustal shortening
- D_3–D_4: Regional-scale faults and shear zones (only recognised on aeromagnetic images)
- D_5: Albany–Fraser Orogen-related warping and drag folds of D_2 structures.

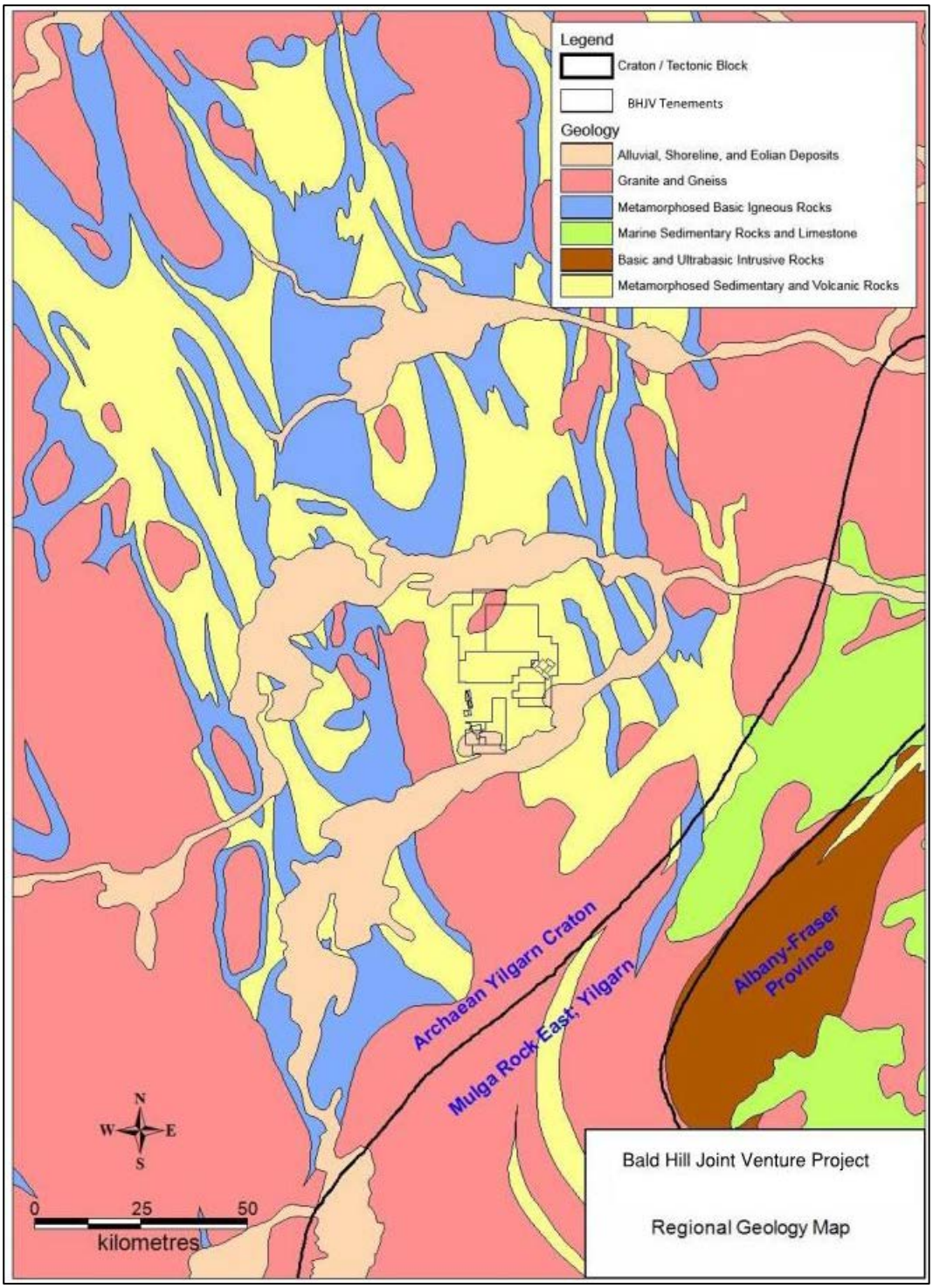

Figure 2-4: Regional geology with Bald Hill location

Source: Tawana.

2.8.2 Local geology and mineralisation

Fetherston (2004) notes that the Bald Hill pegmatites are in the order of 400–600 m in length, and form linear swarms orientated parallel to the regional foliation of about 350°. The pegmatites have intruded Archean metasedimentary rocks, mainly quartz–biotite schists and amphibolites, about 3--6 km east of the Binneringie Granite pluton. Pegmatites in the area are commonly covered by shallow colluvial material and are often deeply weathered to kaolinite in the near-surface environment.

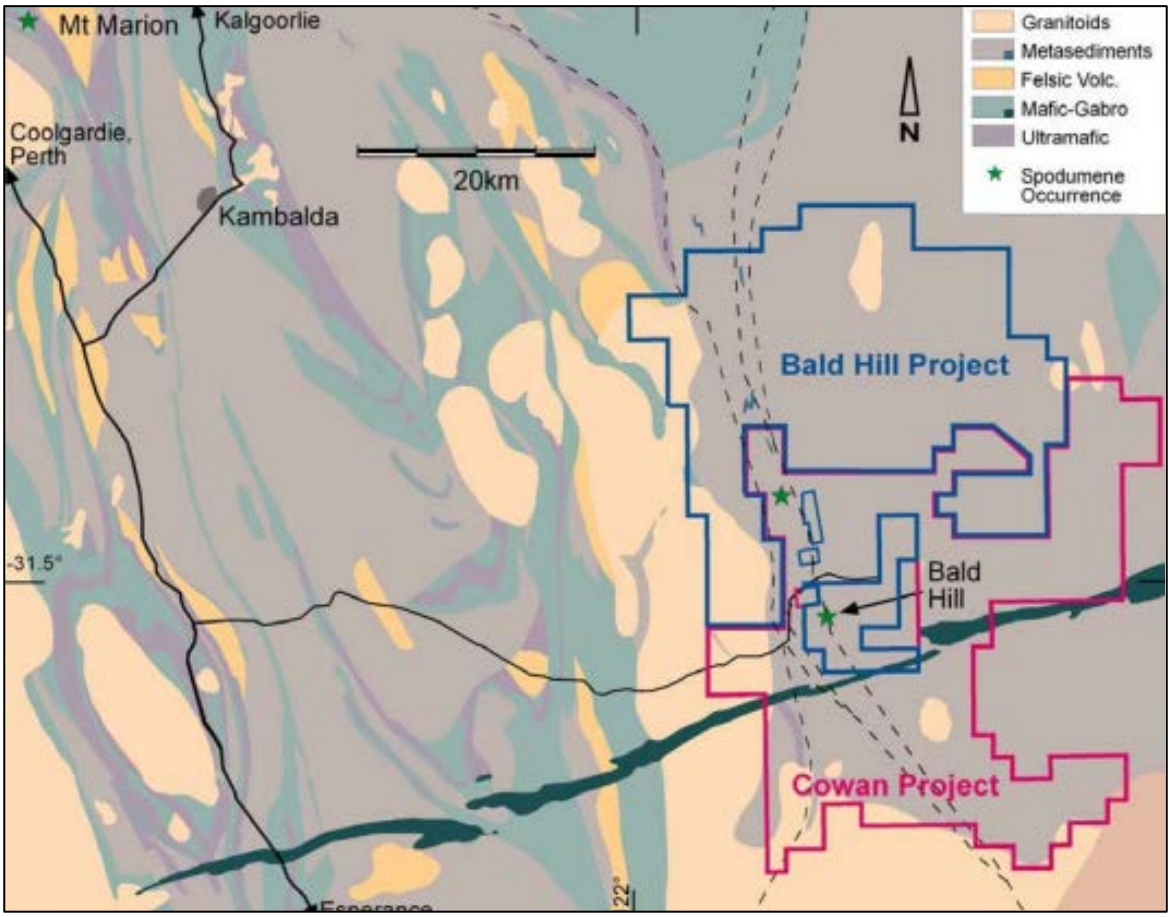

Figure 2-5: Local geology with mapped spodumene occurrences

Source: Tawana.

Two main belts of rare element Lithium-Caesium-Tantalum type (LCT) pegmatites are known in the Project area (Figure 2-6):

1 The Mount Belches–Bald Hill Belt. This pegmatite belt striking north to northwest extends for at least 15 km; however, the pegmatite belt likely extends for a further 10 km under transported cover. A large number of albite-rich and LCT-type albite-spodumene pegmatites occur over a width of about 4 km. Previous exploration and exploitation has been focused on tantalum and tin mineralisation in the region.

2 The Claypan Dam–Madoonia Belt. This less explored northeast-southwest oriented LCT pegmatite belt has a strike of at least 22 km and width of at least 7 km. The belt is known to contain LCT-type albite pegmatites with tantalite and tin and potentially hosts LCT-type albite-spodumene pegmatites.

The pegmatites at the Project fall into five categories

1 Tantalum – generally narrow, high in tantalum, low in spodumene, which was the main focus of prior mining

2 Zoned lithium-tantalum – generally wider pegmatites with simple zoning, with spodumene richest in the central zone, and tantalum typically richer on the margins

3 Lithium-tantalum – pegmatites with no apparent zonation

4 Lithium – unzoned and simply zoned pegmatites containing abundant spodumene but low tantalum

5 Barren – the least common and often narrow pegmatites, containing <0.1% Li_2O and <100 ppm Ta_2O_5.

The pegmatites can generally be classified as unzoned albite spodumene pegmatites and occur as gently dipping sheets and as steeply dipping veins striking parallel to the north-south regional foliation. They range in thickness from a few metres up to 30 m, and also occur as multiple, parallel dykes or swarms separated by sheared metasediments. Outcrop is limited to those areas not covered by alluvium or colluvium.

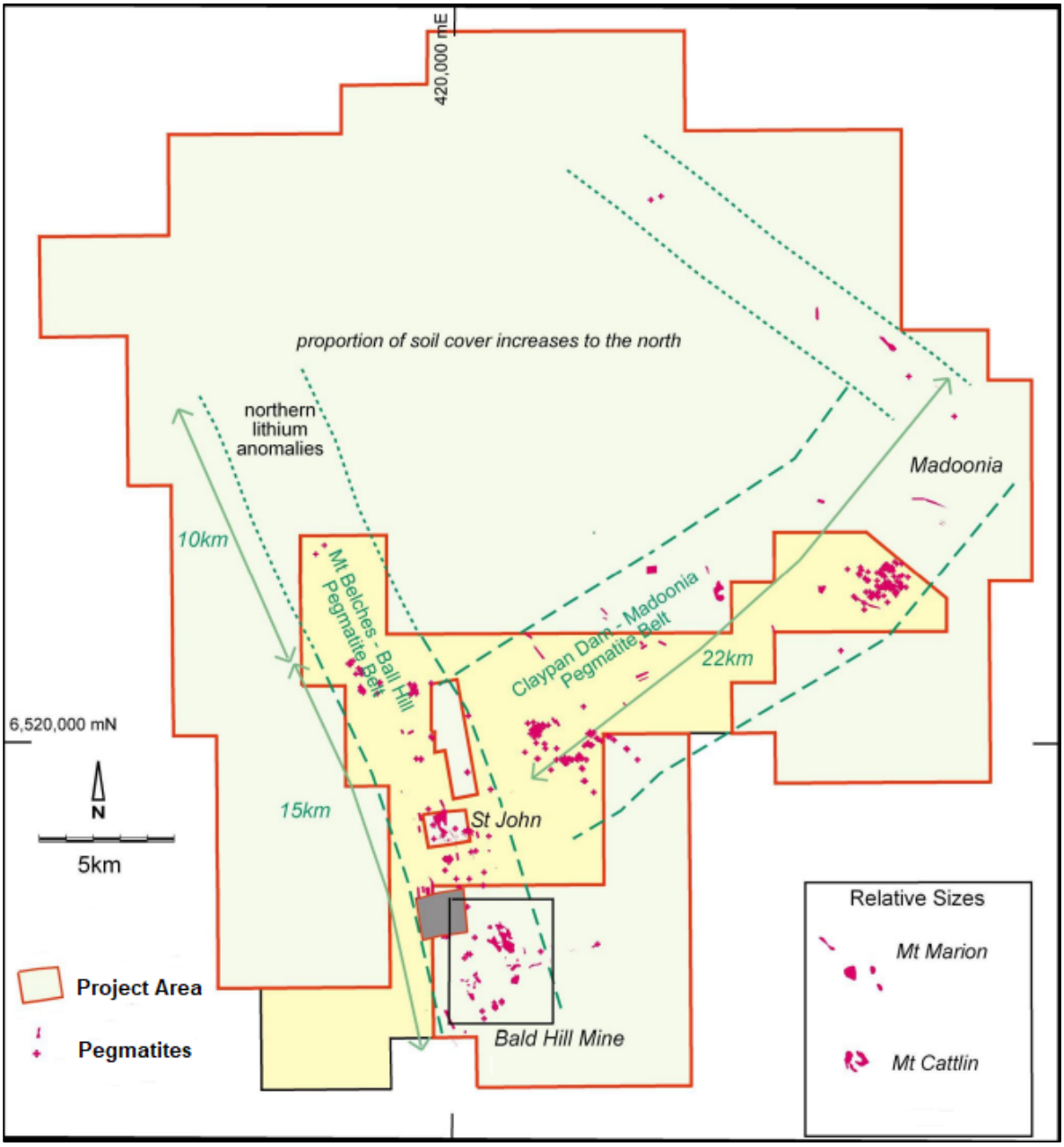

Figure 2-6: Interpreted pegmatite distribution in the Project area

Source: Modified from Tawana.

2.9 Mineral Resources

2.9.1 Historical Resources – tantalum

The focus of exploration and mining at the Project prior to 2017 was on tantalum mineralisation. Prior to 2017, there were no Mineral Resources estimated at the Project for lithium minerals.

Between 2001 and 2005, Haddington, under a sales purchase agreement with Sons of Gwalia Limited, mined tantalite from a number of small oxide pits at the Project.

In 2014, Alliance announced a tantalite Mineral Resource estimate of 2.58 Mt at 352 ppm Ta_2O_5, using a 100 ppm Ta_2O_5 cut-off, which was reported under JORC Code (2012) guidelines and included the Creekside, Boreline and Central Mine Areas.

In 2015, further to additional drilling on the Boreline deposit, Alliance announced an updated Mineral Resource estimate of 2.67 Mt @ 341 ppm Ta_2O_5 using a 100 ppm Ta_2O_5 cut-off.

These estimates have all been superseded by the current estimate which is discussed below.

2.9.2 Current Mineral Resource estimate

CSA Global Pty Ltd (CSA) was commissioned by Tawana in 2017 to compile a maiden lithium Mineral Resource estimate for the Project and to update the historical tantalum Mineral Resource estimate. Tawana reported high grade lithium resources of 18.9 Mt at 1.18% Li_2O and 149 ppm of Ta_2O_5 at a 0.5% cut-off; and additional tantalum resources of 6.4 Mt at 330 ppm of Ta_2O_5 at a 200 ppm Ta_2O_5 cut-off.

The Mineral Resource was classified as Indicated and Inferred in accordance with the JORC Code (2012) on a qualitative basis, taking into consideration numerous factors including drill hole spacing, estimation quality statistics (kriging slope of regression), the number of informing samples, average distance to informing samples in comparison to the semi-variogram model ranges, and overall coherence and continuity of the modelled mineralisation wireframes (Tawana ASX announcement dated 11 July 2017).

In an ASX announcement dated 6 June 2018, Tawana reported revised estimates based on the mine survey as at 30 April 2018. Geological confidence and sample support was increased as a result of infill drilling and a lower cut-off, given the plant's operating performance. The revised Mineral Resource estimate also included a low-grade component grading between 0.3% and 0.5% Li_2O.

Table 2-3: Mineral Resource estimate summary

Table 1: Bald Hill Project – Resources above 0.3% Li_2O cut-off

Resource Category	Tonnes (Mt)	Grade Li_2O (%)	Contained Li_2O (t)	Grade Ta_2O_5 (ppm)	Contained Ta_2O_5 (,000 lbs)
Indicated	14.4	1.02	147,200	168	5,300
Inferred	12.1	0.90	108,000	123	3,300
Total	**26.5**	**0.96**	**255,200**	**149**	**8,600**

Table 2: Bald Hill Project – Tantalum Resources below 0.3% Li_2O and above 200 ppm Ta_2O_5 cut-offs

Resource Category	Tonnes (Mt)	Grade Li_2O (%)	Contained Li_2O (t)	Grade Ta_2O_5 (ppm)	Contained Ta_2O_5 (,000 lbs)
Indicated	3.0	0.16	4,700	333	2,200
Inferred	1.4	0.15	2,200	339	1,100
Total	**4.4**	**0.16**	**6,900**	**336**	**3,300**

Note: The tantalum resources reported in Table 2 are additional to those reported in Table 1.

Source: SGX announcement 6 June 2018.

The Mineral Resource has a total strike length of 1,245 m and a width of up to 990 m. The main pegmatite body is sub-horizontal, strikes north–south, and is surrounded by a number of smaller, discrete pegmatites which are sub-parallel to the main body. The currently defined resource starts approximately 20 m below surface and extends to a total vertical depth of 990 m. The package plunges gently to the south along its strike length, as evident in Figure 2-7.

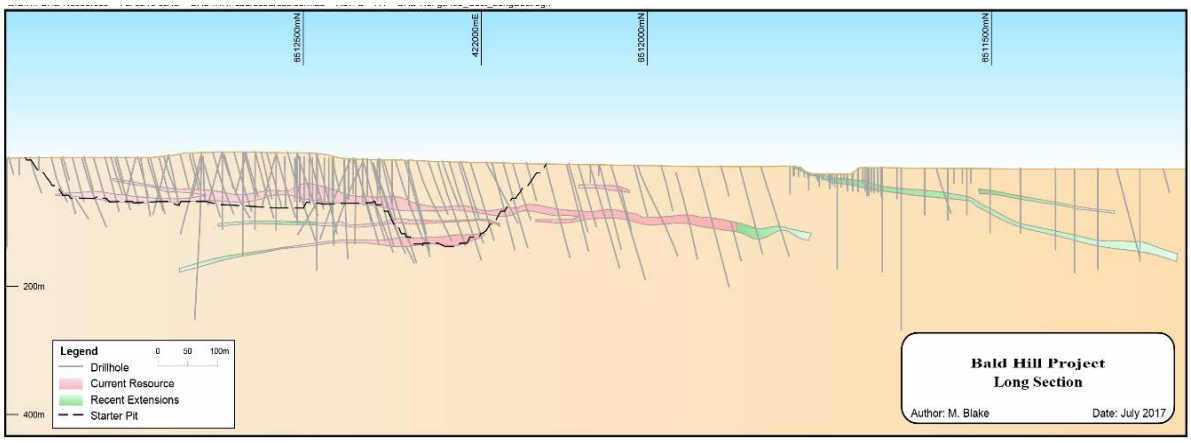

Figure 2-7: Project long section depicting the resource outline

Source: Tawana.

SRK has not independently verified the Mineral Resource estimate by means of recalculation.

2.9.3 Resource extension – target area

A drilling campaign is underway to target mineralisation beyond the current Mineral Resource area. The exploration team is focusing on two areas of initial interest (Figure 2-8 and ASX announcement dated 6 June 2018):

1 Northern Extension (including the Underground Target Area) drilling intercepts include:

- 21 m at 1.50% Li_2O from a 169 m downhole depth, from a 22 m wide pegmatite in drill hole LRC0707, 600 m north of the current pit
- 17 m wide pegmatite from a 128 m downhole depth, which included 9 m at 0.33% Li_2O in drill hole LRC0708, 400 m west of the current pit
- 8 m wide pegmatite from a 43 m downhole depth, which included 6 m at 0.68% Li_2O from 24 m, and 4 m at 1.0% Li_2O from a 45 m downhole depth in drill hole LRC0706.

2 Eastern Extension drilling intercepts include:

- 33 m at 1.33% Li_2O from a 228 m downhole depth, including 20 m at 1.78% Li_2O in drill hole LRC0729
- 24 m at 1.51% Li_2O from a 200 m downhole depth in drill hole LRC0730
- 29 m at 1.31% Li_2O from a 174 m downhole depth in drill hole LRC0755
- 28 m at 1.28% Li_2O from a 179 m downhole depth, including 11 m at 1.73% Li_2O in drill hole LRCD0754.

Additionally, there is a conceptual target area designed to encompass a number of locally exposed pegmatites within the Mount Belches–Bald Hill pegmatite belt (Pegmatite Drilling Area).

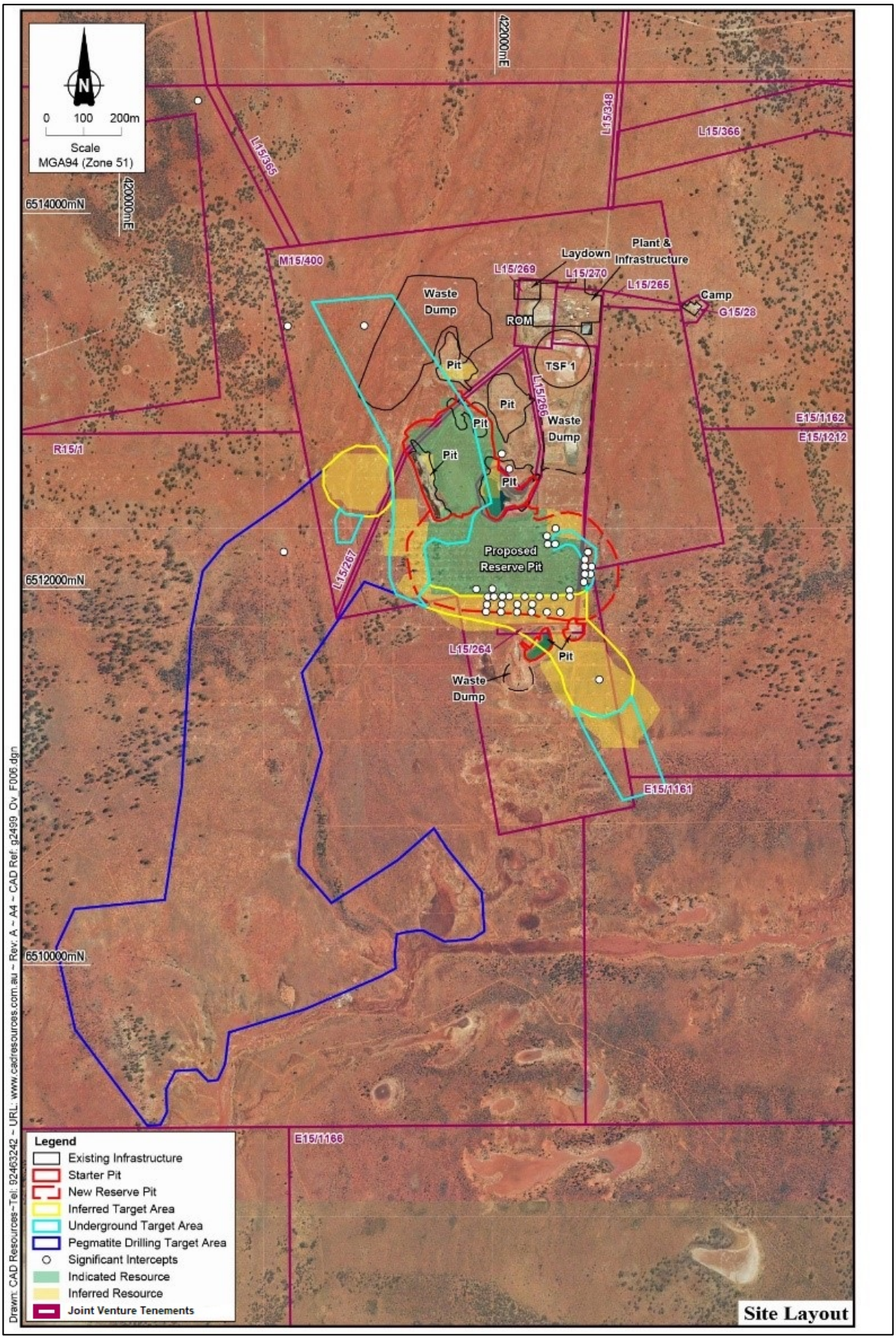

Figure 2-8: Plan view depicting current Mineral Resource and Ore Reserve footprint, with additional target area

2.10 Ore Reserve

CSA was commissioned by Tawana to update the Ore Reserve estimate based on the latest Mineral Resource estimate.

The Ore Reserve was estimated using the March 2018 pit surface.

Table 2-4: Ore Reserve estimate summary

Table 3: Bald Hill Mine – Reserves above 0.3% Li_2O

Reserve Category	Tonnes (Mt)	Grade Li_2O (%)	Contained Li_2O (t)	Grade Ta_2O_5 (ppm)	Contained Ta_2O_5 (,000 lbs)
Proven	–	–	–	–	–
Probable	11.3	1.01	114,100	160	4,000
Total	**11.3**	**1.01**	**114,100**	**160**	**4,000**

Notes: 1) Allows for mining ore loss of 7.5% and dilution of 7.5% at 0% Li_2O and 0 ppm Ta_2O_5
2) Reserves have been cut to the April 2018 end of month mine survey

Table 4: Bald Hill Project – Reserves below 0.3% Li_2O and above 200 ppm Ta_2O_5 cut-offs, April 2018

Reserve Category	Tonnes (Mt)	Grade Ta_2O_5 (ppm)	Contained Ta_2O_5 (,000 lbs)
Proven	–	–	–
Probable	2.0	313	1,400
Total	**2.0**	**313**	**1,400**

Notes: 1) Allows for mining ore loss of 7.5% and dilution of 7.5%.
2) Reserves contained in Table 4 are additional to those reported in Table 3.
3) Reserves have been cut to the April 2018 end of month mine survey; ore stockpiles and concentrates are excluded.

Source: Tawana ASX announcement 6 June 2018.

SRK understands that CSA has undertaken sufficient study work to address all material Modifying Factors required for the conversion of the Mineral Resource estimate into an Ore Reserve estimate. SRK has not independently verified the Ore Reserve estimate by means of review or recalculation of the supporting files.

CSA classified the Ore Reserve in accordance with JORC Code (2012) guidelines and the underlying Mineral Resource classification. The Ore Reserves support a mine life of nine years at a processing rate of 1.2 Mtpa (Table 2-4).

To establish revised mineable quantities and grades, CSA ran a number of optimisations on the resource model using Whittle FourX pit optimisation software to identify a preferred pit shell on which to base a pit design. Inputs used for the optimisation were based on current information provided to CSA by Tawana. A detailed open pit mine design was developed from the initial optimised pit shells to confirm the mined volumes and inform a mining schedule.

The pit was designed using an optimal pit shell derived from Indicated material only. All Inferred Mineral Resources within the pit design were reported as waste during the Ore Reserve estimation. SRK understands that the pit shells created from Whittle optimisations (inclusive of Inferred Mineral Resources) were about 60% larger than those used for the pit design and are currently being used to inform infill drilling.

The mine schedule was completed using MineSched scheduling software using a cut-off grade of 0.30% Li_2O for Indicated material only, and iterations of the mining schedule were run based on the capabilities of the mining equipment on site and to meet a minimum ore mining rate of 110,000 t/month.

Table 2-5 presents a summary of the material inputs used by CSA as the basis for the optimisation.

Table 2-5: Ore Reserve – optimisation inputs

Item	Value
Cut-off	3,000 ppm for Li_2O and 200 ppm for Ta_2O_5
Geotechnical	Domain-based criteria (Dempers & Seymour Consultants) catch berms every 20 vertical metres
Block size	10 m by 10 m by 5 m
Minimum mining width	30 m
Mining dilution	7.5% at 0% grade
Ore loss	7.5%
Mining recovery	92.5%
Inferred resources	Not included
Processing route	Assumes Phase 1 DMS processing only in Year 1; assumes the fines DMS circuit is added from Year 2
Processing recovery	65% for Year 1, then 80% from Year 2
Deleterious elements	Negligible
Prices	US$880/t (FOB Esperance) for 6% Li_2O and US$60/lb (FOB Esperance) for +25% Ta_2O_5
Costs	Mining A$360.7, Processing A$127/t
Royalties	5% ad valorem (WA State Government)

Source: Tawana

2.11 Current mining operation

The operation utilises a conventional truck and shovel open pit mining method. SMS Innovative Mining Solutions Pty Ltd (SMS) is undertaking contract mining using three excavators (1 x 360 t, 1 x 200 t and1 x 120 t), and a fleet of Cat 785/ 777 trucks and ancillary equipment including dozers, graders, loaders and water carts.

Drill and blast is being undertaken under sub-contract to SMS by JSW Pty Ltd Australia using a combination of top hammer and downhole hammer drill rigs.

Ore is being mined on a bench height of 2.5 m, with drill and blast limited to a 5 m depth in areas containing ore. Bulk waste is mined utilising 5 m to 10 m benches, with bulk waste drill and blast targeting 10 m benches.

2.12 Mineral processing

2.12.1 Metallurgical testwork

A metallurgical testwork program was undertaken to support feasibility studies between December 2016 and May 2017. Testing was undertaken on variability samples, a 150 kg composite sample and a 5 t bulk sample (for marketing purposes) of the Bald Hill ores. The tests undertaken were typical of those used for lithium ores and included comprehensive head grade and size by size analysis, mineralogy, wet tabling, heavy liquid separation (HLS), dense media separation (DMS) and impurity removal through upflow classification (using a reflux classifier). DMS and HLS separation was undertaken on coarse and fines fractions. Upgrading of lower grade ores was also undertaken using jigging, DMS and optical sorting, of which only DMS was effective in the preliminary testing. While lithium was the primary focus of the testwork, tantalum recoveries were also reported.

The testing was undertaken at Nagrom Metallurgical (Nagrom), a privately owned Western Australian-accredited metallurgical laboratory. The physical (comminution) testwork was undertaken at Bureau Veritas Pty Ltd's (Bureau Veritas) Perth laboratories.

The testwork successfully demonstrated that:

- Lithium was predominantly contained in spodumene.
- Comminution characteristics were typical of pegmatitic ores, i.e. hard and abrasive.
- A saleable Li_2O concentrate grade above 6% (and generally higher) could be achieved at acceptable Li_2O recoveries.
- Key impurities such as iron can be effectively removed to saleable concentrate levels.
- Lithium concentrate grade was relatively robust (i.e. to a lower) to feed grade.
- Mica (and other impurities) could be effectively removed through screening, DMS and upflow classification.
- Additional gravity separation and/or flotation of the -1 mm fraction is able to recover additional Li_2O at grades above 6% and was to be the subject of future testing.
- Upgrading of lower lithium grade samples was able to recover Li_2O into saleable grades (>6.0%), but the tantalum recovery into this fraction was high and further testwork was identified to optimise this.
- The three testwork campaigns were comparable, repeatable and all demonstrated favourable metallurgical behaviour.

The lithium testwork program was fast-tracked to align with the rapid implementation of the Project. As such, the focus was on the optimal processing of the coarse fraction of the feed. This was considered to have a low processing risk with maximised recovery of Li_2O. The intermediate DMS and fines stockpiles could be potentially reprocessed further to a Phase 2 plant upgrade. Additional testwork has since been undertaken (and is ongoing) to support the future processing of the fines and DMS middlings fractions to increase the overall Li_2O recovery at incremental additional operating cost.

This philosophy has allowed the rapid implementation schedule, lower initial capital cost and has de-risked the processing aspects of the Project.

Tantalum testwork has been extensive in the past, but this is superseded by the two previous operating periods on Bald Hill tantalum ores. This operating data is superior to testwork results for design purposes when processing similar ores. The tantalum ores can be processed through the existing tantalum plant; alternatively, there may be potential to process them through the lithium plant. Further assessment of the optimal tantalum processing flowsheet will be undertaken post start-up to identify the optimal processing route. Until then, spiral concentrates from the new lithium plant are being bagged and stored for further beneficiation. Options such as jigs are currently being considered.

SRK has not undertaken an independent audit of the testwork results.

2.12.2 Processing flowsheet

The process design (and subsequent construction on an EPC basis) has been undertaken by the Primero Group Pty Ltd (Primero), that has experience in the Western Australian lithium sector.

The Project is being developed in two phases:

3 The first phase produces a coarse (+1 mm) spodumene product of >6.0% Li_2O using DMS.

4 The second phase expands production through a possible replication of the DMS circuit or expansion of the existing DMS circuit, and re-processes the -1 mm stockpile as well as second-stage DMS middling stockpile, which are stored in former pits. This potentially requires

milling and either fine DMS processing or flotation of these stockpiles and considers the recovery of tantalum into a separate product. Testwork, flowsheet selection and feasibility studies to support an engineering design of the Phase 2 plant is ongoing.

The processing facilities comprise a new contract crushing operation producing a product < 10 mm. This is fed into a new two-stage DMS (cyclones) circuit using ferrosilicon (FeSi) to control density. It also incorporates mica removal through up-flow classification using reflux classifiers, with rolls-crushing and recycling of the coarse DMS middlings. Two size fractions are processed through the DMS plant, a -10 mm +5 mm fraction and a -5 mm +1 mm fraction. The -1 mm fraction is deslimed, passed over spirals to remove tantalum and then dewatered and stored for future processing. The second stage DMS overflow (middlings) is also dewatered and stored for future processing.

The selection of a flowsheet that stockpiles the -1 mm deslimed fines and second stage DMS middlings has allowed the rapid implementation of the Project and early market production.

The Phase 1 Project design processes 1.41% Li_2O feed at a rate of 161 tph (1.2 Mtpa) with a concentrate mass recovery of 153,417 t at 6.0% Li_2O. While this is approximately 55% Li_2O recovery, the rolls-crushing and recycling of the coarse DMS middlings have since been incorporated into the constructed plant and reflect the 65.8% Li_2O recovery used in cashflow modelling.

The Phase 2 Project may incorporate a replication of the DMS plant as well as additional grinding and either fine DMS separation and/ or flotation of the fines.

Tantalum ores are processed through the existing gravity circuit and recovered from the spiral concentrates from the lithium plant. They are temporarily being bagged and transported to Nagrom in Perth for upgrading to final concentrate using screens, air tables, magnetic separation and electrostatic separation before sale to market.

SRK considers that the flowsheet selection is appropriately premised on the metallurgical testwork results. The flowsheet has been informed by the experience of metallurgical consultants using the experience of other lithium projects and operations in the flowsheet selection. SRK considers it to be a conventional lithium processing flowsheet, typical of other lithium plants. The process technology selected is well-proven and is technically low-risk for spodumene concentrate production.

2.12.3 Throughput and recovery

The processing facility was designed with a capacity of 1.2 Mtpa. This equates to a throughput of 161 tph with an overall uptime (utilisation) of 85%. The equipment sizings and design allowance were reasonable, and the utilisation assumption was appropriate for this flowsheet.

2.12.4 Product specification

A spodumene concentrate specification was established from the testwork. Key elements of the specification are a Li_2O grade above 6.0%, total iron below 0.8% (rejection limit) and moisture below 8.0% (rejection limit). These product specifications, which are at typical spodumene benchmarks, are well-supported by the testwork and are conservative based on the testwork results.

The recent start-up of operations has further demonstrated the capacity of the processing facility to meet and surpass these specifications, with Li_2O products reportedly well above specification, and iron and moisture well below, even when processing lower grade development ore. This has led to the plant operation being ‘relaxed’ to increase Li_2O recovery. It will also allow some flexibility when blending the -1 mm fines and the DMS middlings stockpiles into the main product.

Future consideration will be made whether to undertake a final rinse of the spodumene concentrate with fresh water to reduce the halide content of the ultra-saline water used for processing; however, it is not currently considered an issue. A potential clean water source has been identified if it is required.

2.12.5 Processing plant

A capital cost estimate in Australian dollars was developed by the Joint Venture and its contracted engineer Primero. Primero designed and constructed a new 1.2 Mtpa Stage 1 DMS processing plant, which included a spiral plant for recovering tantalum from -1 mm fines, and the refurbishment of the existing supporting infrastructure. It included owner's costs and working capital. A rapid implementation, fixed price EPC contracting strategy was adopted.

SRK understands that the EPC expenses for the processing plant were A$34.7M.

The Joint Venture have suggested an allowance of A$30M for the future Phase 2 plant expansion. SRK considers this to be a scoping level (+/-50% accuracy) estimate for asset valuation purposes, as this allowance has been informed only by the historical expenses on the Phase 1 plant EPC and not through any feasibility studies.

The Joint Venture has suggested an additional allowance of A$10M for a -1 mm fines processing circuit. SRK considers this to be a Scoping level (+/-50% accuracy) estimate for asset valuation purposes, as this allowance has not been informed by any feasibility studies.

2.12.6 Operating costs

An operating cost estimate in Australian dollars was developed by the Joint Venture and Primero.

The operating cost estimate includes all key cost areas including mining, crushing (contract), processing (lithium and tantalum), product transport and storage, G&A and Corporate and State royalties. Operating costs are dependent on the production rate, feed grade and the proportion of fixed versus variable costs as should be expected.

The build-up of cost reflects a feasibility level of study and includes electrical power, labour, maintenance, reagents and other costs. Power demand is based on the electrical load list with the installed power modified with load and operating factors applied as per normal industry practice. Labour was estimated from a head count, salaries, and on-costs. Maintenance costs were factored based on the installed capital costs. Reagent usage was based on testwork consumptions, supplier quotes and industry standards.

2.13 Infrastructure

The Bald Hill Mine is located approximately 175 km by road, south east of Kalgoorlie in the Goldfields of Western Australia. The site is accessed via the sealed Coolgardie–Esperance Highway and is accessed from the regional mining hub of Kalgoorlie to the turn-off 5 km south of Widgiemooltha, followed by 68 km of unsealed clay and gravel-based roads to site. The unsealed public road is maintained by the Shire of Coolgardie; however, Bald Hill's contribution to road traffic, whilst not excessive, will necessitate a contribution to the upkeep of the road. An upgrade of the road and intersection has been costed. Concentrate is trucked to the Port of Esperance to ship to overseas customers.

The Project uses the Kalgoorlie International Airport which has several daily flights to and from Perth. SRK understands that studies are underway to assess the feasibility of developing a Project-specific airstrip or utilises other local airstrips.

2.13.1 Water supply

Long-term water supply is a critical consideration and project risk. The current supply is from the Boreline and South pits. Future supply will be from the re-establishment of the historical borefield and will require the water yield testing and abstraction licences to be renewed. Currently the site is licensed to take 1.2 GL/year of groundwater for the purposes of dewatering, processing and dust suppression.

This is sufficient for the 1.2 Mtpa operation. Additional water supply through existing borefield equipping, additional drilling and more raw water storage has been costed.

2.13.2 Power supply

Electrical power is provided through a build-own-operate (BOO) diesel-fired power station, as is common practice in off-grid mining operations. The potential for grid connection is also being considered in the medium to long term.

As a recently operating tantalum mine, there was infrastructure adequate to support the previous operation, including access and internal roads, borefield, accommodation village, site buildings, information technology (IT) and communications, sewage and waste water. Some areas need further upgrading even after the restart of operations including IT and communications, security and the accommodation village. Additional upgrading to reduce initial capital costs and help accelerate the Project schedule, including the initial rental of the 150-room Lanfranchi Camp from Panoramic Resources Limited approximately 40 km from Bald Hill, was well-suited to support the proposed rapid restart of operations. This is typical of Australian mineral processing facilities of this scale and did not present any significant risk to the Project restart.

2.13.3 Capital expenditure

SRK understands that a total of A$51.5M capital has been expended on the Project to date, which includes the A$34.7M expended on the processing plant EPC, and A$16.73M expended on the supporting infrastructure and other minor capital items.

2.14 Environment

SRK has sighted documentation obtained by the Joint Venture from DLA Piper Australia, an independent legal firm. The document, dated 20 July 2018, indicates that that all environmental approvals and permits are either in place, under review or planned to allow production at the Project to continue unimpeded for the modelled life of the mine. SRK has made all reasonable enquiries into this status at 20 July 2018.

2.15 Other considerations

2.15.1 Commodity prices

Lithium

Like most specialised commodities, the lithium market is not transparent. Lithium concentrate is not traded on an exchange, and the prices are not set by independent bodies. Lithium concentrate prices quoted by various market sources, such as IM and Roskill Information Services (Roskill), provide a guideline to the price.

Producers of lithium products negotiate prices with individual consumers and price information is rarely reported. Commercial payment terms are also negotiated between buyer and seller and can vary widely.

Spot prices for lithium products have become more widely quoted, although they are not thought to influence contract pricing; rather, they reflect material available off-contract in small volumes and are likely higher (when the market is good) or lower (when the market is poor) than contract prices.

The price profiles quoted by different journals or websites are usually similar over an extended term, although they might show a small, consistent offset. These sources publish prices on a weekly, twice-weekly or month-end basis. They quote the low price and the high price that represent what has been

the general consensus of industry correspondents who have reported spot transactions for the period. Spot transactions, by definition, use the spot price to settle. The spot price itself is open to negotiation between buyer and seller according to the perceived supply/ demand conditions.

There are principally two types of lithium concentrate – technical-grade lithium concentrate and chemical-grade lithium concentrate, which can be produced from lithium ores. The technical-grade lithium concentrates, with 5.0% to 7.5% Li_2O and very low iron levels, are primarily used for manufacturing glasses and ceramics. The chemical-grade lithium concentrate, with 6.0% Li_2O and relatively higher iron levels, is further processed in lithium chemical plants to produce lithium chemicals (Figure 2-9).

Concentrates from the Project can be considered chemical grade.

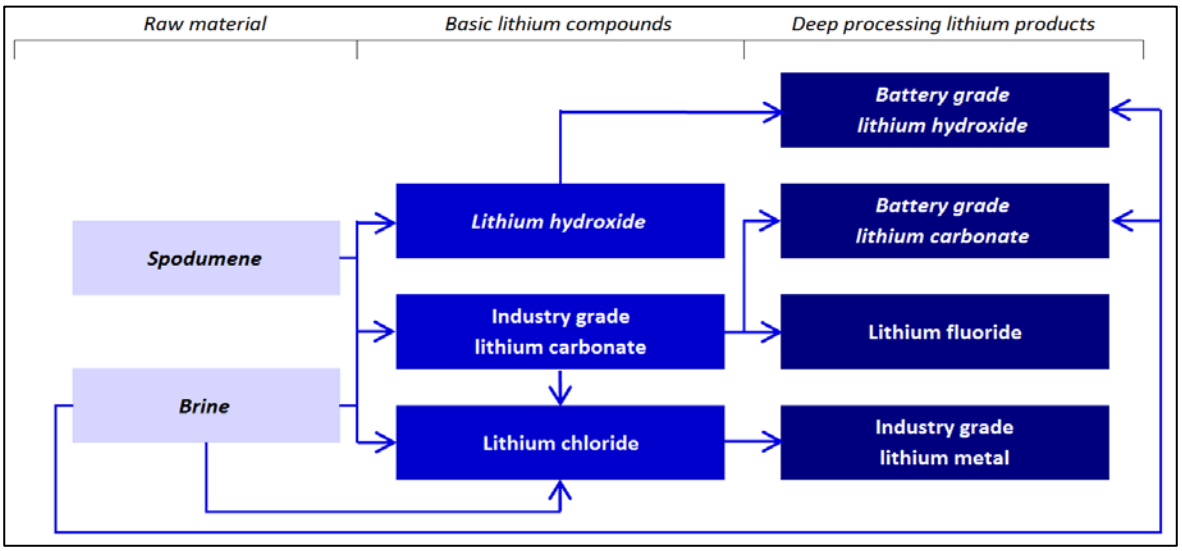

Figure 2-9: Lithium product processing paths

Source: www.deutschebank.com

Lithium prices have increased significantly over the past few years fuelled by demand for products that use lithium-ion batteries such as electric cars and mobile devices.

Roskill notes that battery-grade products formed 46% of the demand in 2017 and suggests that lithium demand is forecast to increase by 15% per year through to 2027 (9 April 2018 presentation, 'Bottlenecks in the lithium supply chain Avoidable or inevitable?'). Citi Australia suggests a 16% growth expectation to 2025, with a supply surplus building over the next few years and then tightening by 2025.

As noted in Section 2.4.2, there is a single, long-term exclusive lithium concentrate offtake contract in place at the Project. A fixed price of US$880/t (FOB Esperance) for all production up to 31 December 2019 for 6% Li_2O has been negotiated. From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based on prevailing market conditions at the time.

Tantalite

Roskill notes that tantalite as a by-product from lithium mining is set to grow from 7% of total new tantalum supply in 2017, to over 20% within a couple of years.

As noted in Section 2.4.2, a non-binding in-principle term sheet with contemplative pricing for the offtake of tantalum concentrate was signed in January 2018. The in-principle terms agreed include the purchase of a minimum of 600,000 lbs of tantalum concentrate in aggregate from April 2018 to 31 December 2020, or all the standard grade tantalum concentrate produced at the Project until 31 December 2020, if the total is less than 600,000 lbs. The buyer may also purchase any other

tantalum materials from the Project, including low-grade concentrate and off-specification material. SRK suggests a long-term forecast price for tantalum concentrate of US$70/lb based on recent confidential project experience.

2.15.2 Previous valuations

The VALMIN Code (2015) requires that an Independent Valuation Report should refer to other recent valuations or Expert Reports undertaken on the mineral properties being assessed.

Having asked the question of the Joint Venture, SRK is not aware of any previous Independent Valuation reports relating to the assets that are the subject of this IVR.

In May 2018, CSA prepared an Independent Valuation on the Cowan Project (CSA valuation), which comprises an area of approximately 174 km^2 immediately adjacent to the assets which are the subject of this IVR.

In preparing this IVR, SRK has considered CSA's valuation where applicable.

3 Valuation

The objective of this section is to provide Alliance with a valuation of the mineral assets of the Project, and the Project's related tenure. SRK has not valued either Tawana or Alliance, these being the corporate entities which are the beneficial owners of the mineral assets considered in this IVR. SRK understands that this IVR is intended for public release.

In assessing the technical aspects relevant to this Valuation, SRK has relied on information provided by the Joint Venture, as well as information sourced from the public domain.

In determining the appropriate parameters for valuation, SRK has considered the assessments that might be made by a willing, knowledgeable and prudent buyer in assessing the value of the Project and the Project's associated tenure.

3.1 Valuation approaches

While the VALMIN Code (2015) states that the selection of the valuation approach and methodology is the responsibility of the Practitioner, where possible, SRK considers a number of methods.

The aim of this approach is to compare the results achieved using different methods to select a preferred value within a valuation range. This reflects the uncertainty in the data and interaction of the various assumptions inherent in the valuation.

The VALMIN Code (2015) outlines three generally accepted Valuation approaches:

1 Market Approach

2 Income Approach

3 Cost Approach.

The *Market Approach* is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets, transacted in an open market (CIMVAL, 2003). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The *Income Approach* is based on the principle of anticipation of economic benefits and includes all methods that are based on the income or cashflow generation potential of the mineral asset (CIMVAL, 2003). Valuation methods that follow this approach include Discounted Cashflow (DCF) modelling, Monte Carlo Analysis, Option Pricing and Probabilistic methods.

The *Cost Approach* is based on the principle of contribution to value (CIMVAL, 2003). Methods include the appraised value method and multiples of exploration expenditure, where expenditures are analysed for their contribution to the exploration potential of the mineral asset.

The applicability of the various valuation approaches and methods vary depending on the stage of exploration or development of the mineral asset, and hence the amount and quality of the information available on the mineral potential of the assets. Table 3-1 presents the various valuation approaches for the valuation of mineral assets at the various stages of exploration and development.

Table 3-1: Suggested valuation approaches according to development status

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015).

The market-based approach to valuation is generally accepted as the most suitable approach for valuation of a Production Project

An income-based method, such as a discounted cashflow (DCF) model is commonly adopted for assessing the Value of a Tenure containing a deposit where an Ore Reserve has been reported following an appropriate level of technical studies and to accepted technical guidelines such as the JORC Code (2012). However, an income-based method is not considered an appropriate method for deposits that are less advanced, i.e. where there is no declared Ore Reserve and supporting mining and related technical studies.

The use of cost-based methods, such as considering suitable multiples of exploration expenditure is best suited to exploration properties, i.e. prior to estimation of Mineral Resources. As current Mineral Resources have been declared for the Pre-development and Advanced Exploration projects, cost-based methods of valuation are considered less suitable than market-based methods of valuation for these properties.

In general, these methods are accepted analytical valuation approaches that are in common use for determining Market Value (defined below) of mineral assets, using market-derived data.

The **"Market Value"** is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the International Valuation Standards Committee's (IVSC) term of the same name. This has the same meaning as Fair Value in Regulatory Guide (RG) 111. In the 2005 edition of the VALMIN Code this was known as Fair Market Value.

The **"Technical Value"** is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

Valuation methods are, in general, subsets of valuation approaches. For example, the income-based approach comprises several methods. Furthermore, some methods can be considered to be primary methods for valuation while others are secondary methods or rules of thumb that are considered suitable only to benchmark valuations completed using primary methods.

The methods traditionally used to value exploration and development properties include:

- Multiples of Exploration Expenditure (MEE)
- Joint Venture Terms (expenditure-based)
- Geoscience Ratings (e.g. Kilburn – area-based)
- Comparable Market Value (real estate based)
- Metal Transaction Ratio (MTR) Analysis (ratio of the transaction value to the gross dollar metal content, expressed as a percentage - real estate based)
- Yardstick/ Rule of Thumb (e.g. $/resource or production unit, percentage of an in-situ value)
- Geological Risk.

In summary, however, the various recognised valuation methods are designed to provide an estimate of the mineral asset or property value in each of the various categories of development. In some instances, a particular mineral asset or property or project may comprise assets which logically fall under more than one of the previously discussed development categories.

3.2 Valuation basis

In estimating the value of the Project as at the Valuation Date, SRK has considered various valuation methods within the context of the VALMIN Code (2015). SRK has considered the Mineral Resources and Ore Reserves associated with the Project, as well as the extent and exploration potential of the granted tenure associated with the Project.

The valuation method applied depends on the relative maturity of assessment for each asset, as well as the amount of available data supporting the project. In preparing its valuation of the Project, SRK has considered the three main approaches (income, market, and cost) as well as the available methodologies under each approach.

Table 3-2: Valuation basis

Development Stage	Description	Valuation basis
Production	Within the Life of Mine Plan	Income: Cashflow Model Market: Comparable Transactions
Advanced Exploration	Current focus of exploration efforts (973 ha)	Market: Comparable Transactions Cost: Geoscientific Rating
Early Stage Exploration	Associated tenure not currently the focus of exploration efforts (73,498ha)	Market: Comparable Transactions Cost: Geoscientific Rating

3.3 Valuation of production stage project

3.3.1 Income approach – discounted cashflow model

Tawana has undertaken a cashflow budget model (Model) to accommodate the first six years of the Project's Ore Reserve and has provided this to SRK (Master Budget 2018-2019 FY 280518.xlsx). SRK has reviewed the production and cost projections and, further to discussions with Tawana personnel to clarify some elements of the capital and operating estimates, has advised BDO that the technical assumptions and projections are reasonable for valuation purposes. SRK understands that BDO has tested the Model mechanics and has provided feedback to Tawana in this regard.

Mineral Resources and Ore Reserves

In SRK's opinion, the Mineral Resources and Ore Reserves considered in the Model are deemed to be reported to a sufficient quality standard under JORC Code (2012) guidelines. During SRK's review of the high-level documents provided, SRK has found no fatal flaws in the resource or reserve estimates and deems them reasonable for the purpose for which they have been estimated.

In SRK's opinion, the proposed mine plan and design is based on sound logic and methodology using appropriate Modifying Factors and is appropriate for valuation purposes.

Processing

SRK considers that the flowsheet selection is appropriately premised on the metallurgical testwork results. SRK considers it to be a conventional lithium processing flowsheet, typical of other lithium plants. The process technology selected is well proven and is technically low risk for spodumene concentrate production.

Lithium and tantalum concentrate production commenced at Bald Hill as announced on 14 March 2018. The Stage 1 DMS circuit achieved 50% of nameplate throughput for month 1 and 75% for month 2 of ramp-up, as expected.

The processing facility was designed with a capacity of 1.2 Mtpa with an overall utilisation of 85%. This is reflected in the Model, with a target of 100,000 t/month feed to the DMS plant.

The Model uses an initial mass recovery of 14.1% and Li_2O recovery of 65.8% including the re-crush of coarse DMS middlings but excluding the fine DMS middlings and the −1 mm fines. The Life of Mine mass yield is variable and can be expressed using: the following formula:

Mass Yield = (grade% / 0.06) X 0.8.

These values reflect the testwork and the associated mass balance table reported in the feasibility study. This has allowed some recovery conservatism as the Model assumes a 6.0% Li_2O product. Using a feed grade of 1.26% Li_2O, product grades of 6.3% concentrate were achieved during the test work. This note is supported by early operations data where >6% concentrate grades are reported.

Capital and Sustaining Costs

Future capital requirements at the Project include upgrades to the tantalum plant, accommodation village, tailings storage facility, borefield refurbishment and development drilling, Binneringie Road and intersection upgrades, camp, IT and communications, and the Phase 2 DMS plant expansion including a −1 mm fines treatment circuit.

Tawana have suggested an allowance of A$30M for the future Phase 2 plant expansion. SRK considers this to be a Scoping level (+/- 50% accuracy) estimate for asset valuation purposes, as this allowance has been informed only by the historical expenses on the Phase 1 plant EPC and not through any feasibility studies. Whilst reasonable, SRK recommends a sensitivity analysis up to 50% to run on this estimate for valuation purposes on the base case which excludes the Phase 2 plant expansion.

Tawana has suggested an additional allowance of A$10M for a −1mm fines processing circuit. SRK considers this to be a Scoping level (+/- 50% accuracy) estimate for asset valuation purposes, as this allowance has not been informed by any feasibility studies. Whilst reasonable, SRK recommends a sensitivity analysis up to 50% to run on this estimate.

Specific sustaining project capital of A$20.24M for defined development activities (tantalum plant upgrade, tailings storage facility, borefield refurbishment, communications upgrade and new accommodation village) has been included in the Model and has been informed by detailed estimates, which seem reasonable.

An allowance of approximately A$7M for rehabilitation costs has been included in the Model. In SRK's opinion, this is reasonable given the footprint area of the existing mine and infrastructure plan; however, SRK considers this to be a Scoping level estimate in the absence of a definitive cost estimate based on a bill of quantities.

Operating Costs

In SRK's opinion, the basis of the operating cost estimate meets the requirements of its purpose. SRK suggests a stress case of 15% be modelled to test the Project's sensitivities to a modest increase in the operating costs, particularly until operations are running at full name plate capacity and are stabilised and optimised.

The Model shows an overall LOM operating cost estimate which reflects the accuracy of the feasibility level estimate. The LOM operating cost estimates are commercial in confidence. There has been a modest rise in some areas which have been informed by more detailed information received by Tawana. The plant is currently in early ramp-up mode, a period of higher cost; therefore, the current actual operating costs are not reflective of the likely long-term costs and cannot be used as a true benchmark.

3.3.2 Market approach – comparable transactions

Using SRK's internal databases and the S&P Global Market Intelligence (formerly SNL Financial) subscription database, transactions involving lithium and tantalum were compiled and researched, with values normalised to the Benchmark Minerals Intelligence 2018 lithium price of US$850/t for a 6% lithium concentrate and analysed to assess the comparability of the mineral assets relative to the Project. Tantalum credits were applied to each project on a lithium price equivalent basis. The mineral assets incumbent within these transactions were assessed according to the project development categories outlined in the VALMIN Code (2015).

- Three (3) transactions were assessed to have been undertaken on pre-Development tenure (the unfunded comparable to the Production project). Of these, two (2) were considered truly comparable with respect to project maturity, jurisdiction, existing material contracts and the availability of infrastructure.

Details of the transactions considered by SRK are presented in Table 3-3 and Table 3-4.

SRK notes a fourth transaction which was undertaken on a Pre-Development stage Project, but which was fully funded and which included a strategic option to develop a secondary processing facility. As such, SRK excluded this transaction from the analysis.

In December 2017, in consideration for the acquisition of a 50% joint venture interest in the Mount Holland Lithium Project, Sociedad Quimica y Minera de Chile S.A.(SQM) agreed to pay Kidman Resources Limited A$146.67M, comprising a cash payment of A$40M to Kidman, and a staged payment of A$106.67M to fund the initial costs of the development of the Mount Holland Lithium Project. Under the agreement, Kidman has an option to participate for up to a 50% interest in a proposed refinery to produce lithium carbonate/ hydroxide from the Mount Holland ore.

Table 3-3: Market comparables per contained resource tonne

Project	Buyer	Location	Completion date	Normalised deal value (A$) per contained resource tonne
Lynas Find project: Dakota Minerals Limited	Pilbara Minerals Limited (100%)	Australia	12/01/2016	Not comparable
Sirmac Lithium Property: Nemaska Lithium Inc.	ABE Resources Inc (100%)	Canada	31/01/2018	940.75
Moblan project: Shenzhen Zhongjin Lingnan Nonfemet Company Limited	Guo AO Lithium Ltd (60%)	Canada	16/10/2017	762.21

Using the multiples implied by the recent transactions involving comparable hard rock lithium projects, SRK considers the market would pay within the ranges in Table 3-4 for a 100% interest in the Production project on an unfunded basis:

Table 3-4: Valuation ranges per contained resource tonne (no cut-off)

Stage	Low (A$/t)	High (A$/t)	Preferred (A$/t)
Mineral Resource	762	941	852

On this basis, using the comparable transaction approach as applied to the Project's resources not considered in the cashflow model, valuation is estimated to lie between A$114.3M and A$141.1M, with a preferred estimate of A$127.8M (Table 3-5).

Table 3-5: Valuation ranges of resources not considered in the cashflow model

Stage	Low (A$/M)	High (A$/M)	Preferred (A$/M)
Mineral Resource	114.3	141.1	127.8

3.3.3 Yardstick estimates – resources not considered in the cashflow model

As a cross-check to the comparable transaction analysis, SRK has considered a yardstick value for its valuation of the defined resources at the Project which are not considered in the cashflow model.

Under the yardstick method of valuation, specified percentages of the spot prices are used to assess the likely value. SRK has considered typical yardstick ranges and has elected to apply a yardstick measure of 0.5%–1% of current prices to the Project.

Using the lithium concentrate price of $US880/t (US$1: A$ 0.75), the yardstick assumptions are listed in Table 3-6.

Table 3-6: Yardstick assumptions – lithium

Percentage of spot price		A$/concentrate tonne (6% Li_2O)	
Low	**High**	**Low**	**High**
0.5%	1%	5.5	11

Using the tantalum price of A$70/lb, the yardstick assumptions are listed in Table 3-7.

Table 3-7: Yardstick assumptions – tantalum

Percentage of spot price		A$/lb	
Low	**High**	**Low**	**High**
4%	5%	0.35	0.7

On this basis, using the Yardstick method as applied to the Project's resources not considered in the cashflow model, valuation is estimated to lie between A$112.5M and A$225.0M, with a preferred estimate of A$168.7M (Table 3-8).

Table 3-8: Yardstick valuation range for the Project's resources not considered in the cashflow model

Commodity	Amount	Low (A$M)	High (A$M)	Preferred (A$M)
6% Li_2O	20.45 Mt	112.5	225.0	168.7
Ta_2O_5	4,713 t	0.001	0.003	0.002
Total		**112.5**	**225.0**	**168.7**

The preferred value derived using the yardstick method is approximately 25% higher than the range derived using the comparable transactions analysis for producing lithium assets.

Table 3-9: Comparison between comparable transactions analysis and yardstick valuation of assets not considered in the cashflow model (unfunded resources)

Method	Low (A$M)	High (A$M)	Preferred (A$M)
Comparable transactions analysis	114.3	141.1	127.8
Yardstick evaluation	112.5	225.0	168.7

On this basis, the value of resources not considered in the cashflow model is estimated to lie between A$113.4M and A$183.1M, with a preferred estimate of A$148.3M (Table 3-10).

Table 3-10: Valuation ranges of resources not considered in the cashflow model

Stage	Low (A$M)	High (A$M)	Preferred (A$M)
Production	113.4	183.1	148.3

3.4 Valuation of advanced exploration tenure

3.4.1 Market approach – comparable transactions

Transactions involving lithium and tantalum were compiled and researched, with values normalised to the Benchmark Minerals Intelligence 2018 lithium price of US$850/t for a 6% lithium concentrate (A$1,122/t) and analysed to assess the comparability of the Advanced Exploration tenure. Tantalum credits were applied to each project on a lithium price equivalent basis.

- Seven (7) transactions were assessed to have been undertaken on Advanced Exploration, which SRK considered to be truly comparable with respect to project maturity.

Details of the transactions considered by SRK are presented in Table 3-11.

Table 3-11: Market comparables per advanced exploration hectare

Project	Buyer	Location	Completion date	Normalised deal value (A$) per Advanced Exploration hectare
Seven mining licenses: Liontown Resources Limited	Draig Resources Limited	Australia	12/12/2017	1.23 (Low Outlier)
Bynoe project: Liontown Resources Limited	Core Exploration Limited	Australia	11/07/2017	694.65
Four tenements: Undisclosed sellers	Tawana Resources NL	Australia	3/03/2017	130.68
Kathleen Valley project: Ramelius Resources Limited	Liontown Resources Limited	Australia	12/09/2016	84.72
Two tenements: Western Areas Limited	Kidman Resources Limited	Australia	2/28/2017	5,697.9 (High Outlier)
Lithium exploration portfolio: Fortescue Metals Group Limited	Metalicity Limited	Australia	1/17/2017	29.57
Cowan Project: Metalicity Limited	Tawana Resources NL	Australia	11/07/2017	7.08

SRK considers the Western Area Limited/ Kidman Resources Limited transaction to be a very high outlier given the strategic value of the transaction and excluded it from the analysis. SRK considers the Liontown Resources Limited/ Draig Resources Limited transaction to be a low outlier given the extensive nature of the tenement package and excluded it from the analysis.

Table 3-12: Statistics relating to Advanced Exploration stage projects*

Statistical analysis	Normalised deal value (A$) per Advanced Exploration hectare
Statistics for All Projects (n=5) excluding outliers	
Minimum	7.1
Maximum	694.7
Median	84.7
Mean	189.3
Weighted Average	76.35

Using the multiples implied by the recent transactions involving comparable hard rock lithium projects, SRK considers the market would pay within the range in Table 3-13 for Advanced Exploration tenure.

Table 3-13: Valuation ranges per contained hectare

Stage	Hectares	Low (A$/ha)	High (A$/ha)	Preferred (A$/ha)
Advanced Exploration	973	189.3	442	133

On this basis, using the comparable transactions approach as applied to the Project's Advanced Exploration, tenure is estimated to lie between A$0.18M and A$0.43M, with a preferred estimate of A$0.31M (Table 3-14).

Table 3-14: Valuation ranges of Advanced Exploration tenure using comparable transactions

Stage	Low (A$'000)	High (A$'000)	Preferred (A$'000)
Advanced Exploration	184	430	307

3.4.2 Cost approach – Geoscientific Rating

SRK has used the Geoscientific Rating method as its secondary method to estimate the market value of the Advanced Exploration and the Early Stage Exploration tenure. The geoscientific rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate Multipliers (factors) applied to an appropriate base (or intrinsic) value. The intrinsic value is referred to as the Base Acquisition Cost (BAC) and is critical because it forms the standard base from which to commence a valuation. It represents the 'average cost to identify, apply for and retain a base unit of area of title'.

Multipliers are considered for Off-property aspects, On-property aspects, Anomaly aspects, and Geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement. A further market factor is then considered to derive a Market Value.

A BAC of A$20/ha (average of exploration and prospecting leases) has been assumed in this valuation, which incorporates annual rental, and administration and application fees in addition to nominal indicative minimum expenditure on acquisition.

In converting its implied technical values to a market value, SRK considers that market participants would add a premium to technical value of the Advanced Exploration tenure given the current market sentiment. As such, SRK has allocated a market factor of 1.3 to the analysis.

The rating criteria use for assessing the modifying factors are provided in Table 3-15. These ratings criteria have been modified by SRK.

Table 3-15: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/ basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified, initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	
2.5			Well-defined exploration model applied to new areas	Significant grade intercepts evident but not linked on cross or long sections
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				Several economic grade intercepts on adjacent sections
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	
5.0	Along strike for a world class deposit		Well-understood exploration model, with valid targets in well understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World class mine		

Source: Modified after Xstract, 2009 and Agricola Mining Consultants, 2011.

Table 3-16: Geoscientific approach – modified Kilburn rating

BAC/ha A$20, Market Factor 1.3			Off-property		On-property		Anomaly		Geology		Technical value		Valuation (A$)		
Tenement/ sub-block	Area (ha)	BAC	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Preferred
E15/1058	2,520	50,400	1.5	2	1	1.5	0.9	1	0.9	1	61,236	151,200	79,607	196,560	138,083
E15/1066	6,440	128,800	1.5	2.5	1.5	2.5	1	2	0.9	1	260,820	1,610,000	339,066	2,093,000	1,216,033
E15/1067	6,440	128,800	1.5	2.5	1.5	2.5	1	2	0.9	1	260,820	1,610,000	339,066	2,093,000	1,216,033
E15/1161	280	5,600	1.5	2.5	1.5	2.5	1	2	0.9	1	11,340	70,000	14,742	91,000	52,871
E15/1162	840	16,800	1.5	2.5	1.5	2.5	1	2	0.9	1	34,020	210,000	44,226	273,000	158,613
E15/1166	1,400	28,000	1.5	2.5	1.5	2.5	1	2	0.9	1	56,700	350,000	73,710	455,000	264,355
E15/1212	2,800	56,000	1.5	2.5	1.5	2.5	1	2	0.9	1	113,400	700,000	147,420	910,000	528,710
E15/1353	20,171	392,000	1.5	2	1	1.5	0.9	1	0.9	1	490,155	1,210,260	637,202	1,573,338	1,105,270
E15/1492	14,280	285,600	1.5	2	1	1.5	0.9	1	0.9	1	347,004	856,800	451,105	1,113,840	782,473
E15/1493	7,280	145,600	1.5	2	1	1.5	0.9	1	0.9	1	176,904	436,800	229,975	567,840	398,908
E15/1555	5,600	112,000	1.5	2	1	1.5	0.9	1	0.9	1	136,080	336,000	176,904	436,800	306,852
E15/1556	4,480	89,600	1.5	2	1	1.5	0.9	1	0.9	1	108,864	268,800	141,523	349,440	245,482
M15/1305	98	1,958	1.5	2	1	1.5	0.9	1	0.9	1	2,379	5,873	3,092	7,635	5,364
M15/1308	93	1,851	1.5	2	1	1.5	0.9	1	0.9	1	2,248	5,552	2,923	7,217	5,070
P15/5862	14	3,996	1.5	2	1	1.5	0.9	1	0.9	1	330	814	428	1,058	743
P15/5863	18	3,996	1.5	2	1	1.5	0.9	1	0.9	1	443	1,094	576	1,423	999
P15/5864	93	1,997	1.5	2	1	1.5	0.9	1	0.9	1	2,267	5,598	2,947	7,277	5,112
P15/5865	16	3,997	1.5	2	1	1.5	0.9	1	0.9	1	382	944	497	1,228	862
R15/1 (M15/1840)	973	19,460	2.5	3	1.5	2	1.5	2	1	1	109,463	233,520	142,301	303,576	222,939

Using the multiples implied by the geoscientific approach, SRK considers the market would pay within the range shown in Table 3-17 for Advanced Exploration tenure.

Table 3-17: Valuation range for the Advanced Exploration Tenure using the geoscientific rating approach

Stage	Hectares	Low (A$'000)	High (A$'000)	Preferred (A$'000)
Advanced Exploration	973	146	312	229

On this basis, using the geoscientific approach as applied to the Project's Advanced Exploration, tenure is estimated to lie between A$0.15M and A$0.30M, with a preferred estimate of A$0.23M (Table 3-18).

Table 3-18: Comparison between comparable transactions analysis and geoscientific rating valuation of the Advanced Exploration tenure

Method	Low (A$'000)	High (A$'000)	Preferred (A$'000)
Comparable transactions analysis	184	430	307
Geoscientific	146	312	229

SRK has elected to use the comparable transactions method as its primary valuation technique for the Advanced Exploration tenure, given the current market sentiment and availability of comparable transactions information.

On this basis, the estimated valuation as applied to the Project's Advanced Exploration tenure is estimated to lie in the range between A$0.18M and A$0.43M, with a preferred estimate of A$0.31M (Table 3-19).

Table 3-19: Valuation range of Advanced Exploration tenure

Stage	Low (A$M)	High (A$M)	Preferred (A$M)
Advanced Exploration	0.18	0.43	0.31

3.5 Valuation of early stage exploration tenure

3.5.1 Market approach – comparable transactions

Transactions involving lithium and tantalum were compiled, researched, values normalised to the Benchmark Minerals Intelligence 2018 lithium price of US$850/t for a 6% lithium concentrate, (A$1,122/t), and analysed in order to assess the comparability of the Early Stage Exploration tenure. Tantalum credits were applied to each project on a lithium price equivalent basis.

Eighteen (18) transactions were assessed to have been undertaken on Early Stage Exploration which SRK considered to be truly comparable with respect to project maturity.

Details of the transactions considered by SRK are presented in Table 3-20.

Table 3-20: Market comparable transactions per Advanced Exploration hectare

Project	Buyer	Location	Completion date	Normalised deal value (A$) per Advanced Exploration hectare
Moolyella project: Anova Metals Limited	Lithium Australia NL	Australia	4/19/2018	0.15
Nine tenements: Gempart (NT) Pty Ltd	Northern Cobalt Limited	Australia	2/08/2018	0.96
Bynoe project: Orema Pty Ltd	Liontown Resources Limited	Australia	8/03/2017	16.58
Bynoe project: Liontown Resources Limited	Core Exploration Limited	Australia	11/07/2017	692.58 (High Outlier)
Lithium Portfolio: Charge Lithium Pty Ltd	Cohiba Minerals Ltd	Australia	11/09/2016	26.11
Exploration Licence 31058: Excedo Group Pty Ltd.	Core Exploration Limited	Australia	12/19/2016	3.74
Greenbushes project: Undisclosed seller	Lithium Australia NL	Australia	11/11/2016	3.50
Mt Edwards lithium project: Undisclosed sellers	Estrella Resources Limited	Australia	12/28/2016	696.13 (High Outlier)
E59/2140 and E59/2077: Undisclosed seller	Macarthur Minerals Limited	Australia	10/12/2016	61.36
EL 29698 Licence: Au Exploration Pty Limited	Core Exploration Limited	Australia	8/15/2016	34.86
Lithium licence Portfolio: Charge Lithium Pty Ltd	Cohiba Minerals Limited	Australia	11/09/2016	20.45
Widgiemooltha project: Undisclosed seller	Investor group	Australia	7/11/2016	37.48
Lithium rights on E63/1722 & E63/1733: Lefroy Exploration Limited	Lithium Australia NL	Australia	10/16/2016	82.80
E59/2092 tenement: Private investor – Bruce Legendre	Sayona Mining Limited	Australia	6/30/2016	17.86
Wodgina East project: Undisclosed sellers	Mining Projects Group Limited	Australia	5/31/2016	248.68 (High Outlier)
Tenement E59/2055: Attgold Pty Ltd	Sayona Mining Limited	Australia	3/23/2016	4.71
Hang Gong property: A & SF Maddalozzo Pty Limited	Liontown Resources Limited	Australia	3/22/2016	488.45 (High Outlier)

SRK notes that four (4) of the transactions appear to be high outliers with respect to the price paid per Early Stage Exploration hectare (Figure 3-1). Interestingly, these four transactions all took place when market sentiment for lithium exploration tenure was at its peak. SRK has excluded these four transactions from its analysis.

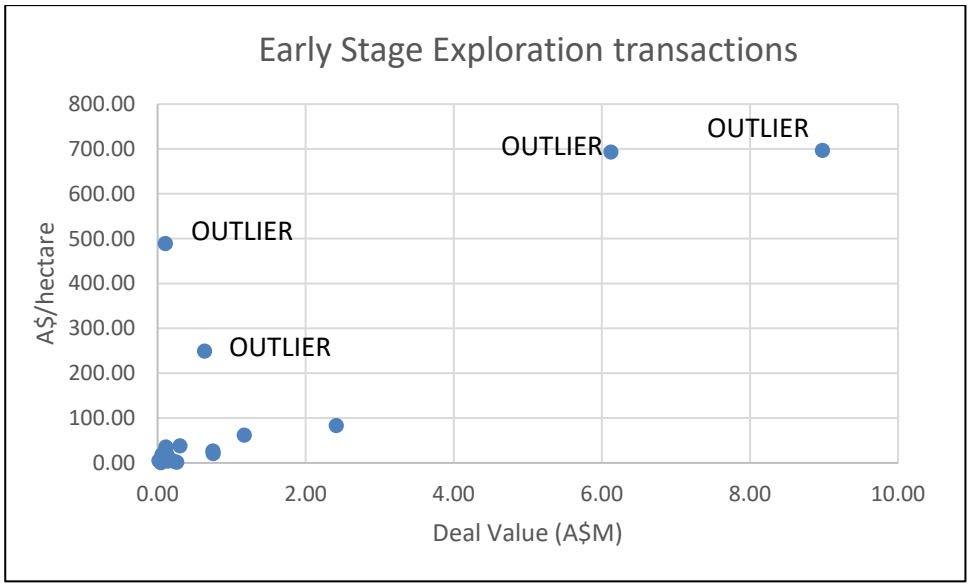

Figure 3-1: Early Stage Exploration transaction outliers

Table 3-21: Statistics relating to Early Stage Exploration stage projects*

Statistical analysis	Normalised deal value (A$) per Early Stage Exploration hectare
Statistics for All Projects (n=14) excluding outliers	
Minimum	0.1
Maximum	82.8
Median	19.2
Mean	25.8
Weighted Average	51.23

Using the multiples implied by the recent transactions involving comparable hard rock lithium projects, SRK considers the market would pay at the high end of the valuation range for Early Stage Exploration tenure.

Table 3-22: Valuation ranges per hectare

Stage	Hectares	Low (A$/ha)	High (A$/ha)	Preferred (A$/ha)
Early Stage Exploration	72,862	25.8	82.8	82.8

On this basis, using the comparable transactions approach as applied to the Project's Early Stage Exploration tenure, valuation is estimated to lie between A$1.8M and A$6.0M, with a preferred estimate of A$6.0M (Table 3-23).

Table 3-23: Valuation ranges of Early Stage Exploration tenure using comparable transactions

Stage	Hectares	Low (A$M)	High (A$M)	Preferred (A$M)
Early Stage Exploration	72,862	1.8	6.0	6.0

3.5.2 Cost approach – Geoscientific rating

SRK has used the geoscientific rating method as its secondary method to estimate the market value of the Early Stage Exploration tenure.

A BAC of A$20/ha (average of exploration and prospecting leases) has been assumed in this valuation, which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition.

In converting its implied technical values to a market value, SRK considers that market participants would add a premium to technical value of the Early Stage Exploration tenure given the current market sentiment. As such, SRK has allocated a market factor of 1.3 to the analysis.

Using the multiples implied by the geoscientific approach, SRK considers the market would pay within the range in Table 3-24 for Early Stage Exploration tenure.

Table 3-24: Valuation range for the Early Stage Exploration tenure using the geoscientific approach

Stage	Hectares	Low (A$M)	High (A$M)	Preferred (A$M)
Early Stage Exploration	72,862	2.69	10.19	6.44

On this basis, using the geoscientific approach as applied to the Project's Early Stage Exploration Tenure, valuation is estimated to lie between A$2.69M and A$10.19M, with a preferred estimate of A$6.44M (Table 3-25).

Table 3-25: Comparison between comparable transactions analysis and geoscientific valuation of the Early Stage Exploration Tenure

Method	Low (A$M)	High (A$M)	Preferred (A$M)
Comparable transactions analysis	1.80	6.00	6.00
Geoscientific	2.69	10.18	6.43

SRK has elected to use the comparable transactions method as its primary valuation technique for the Early Stage Exploration tenure, given the current market sentiment and availability of comparable transactions information.

On this basis, the valuation as applied to the Project's Early Stage Exploration tenure is estimated to lie between A$1.8M and A$6.0M, with a preferred estimate of A$6.0M (Table 3-26).

Table 3-26: Valuation range of Early Stage Exploration tenure

Stage	Low (A$M)	High (A$M)	Preferred (A$M)
Early Stage Exploration	1.8	6.0	6.0

4 Valuation Summary

Table 4-1 summarises the market value of a 100% interest in the Project's resources and tenure not considered in the cashflow model as at the effective valuation date based on Geoscientific Rating and Comparable Market Transactions.

Based on its review of the values implied by the various valuation methodologies, SRK considers the market would pay in the range A$115M to A$189M, with a preferred value of A$155M for a 100% interest in the Project, as at the valuation date

Table 4-1: Valuation summary– resources and tenure not considered in the cashflow model

Stage	Low (A$M)	High (A$M)	Preferred (A$M)
Production: Resources not considered in the cashflow model	113.4	183.1	148.3
Advanced Exploration	0.18	0.43	0.31
Early Stage Exploration	1.8	6.0	6.0

4.1 Discussion on SRK's valuation range

In assigning its valuation range and preferred value, SRK is mindful that the valuation range is also indicative of the uncertainty associated with early stage to advanced stage exploration assets.

The range in value is driven by the confidence limits placed around the size and grade of mineralised occurrences assumed to occur within each project area. Typically, this means that as exploration progresses and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated or Measured Resource categories to Reserve status, there is greater confidence around the likely size and quality of the contained coal and its potential to be extracted profitably.

Table 4-2 presents a general guide of the confidence in targets, resource and reserve estimates, and hence value, referred to in the mining industry.

Table 4-2: General guide regarding confidence for target and Resource/ Reserve estimates

Classification	Estimate range (90% confidence limit)
Proven/ Probable Reserves	±5 to 10%
Measured Resources	±10 to 20%
Indicated Resources	±30 to 50%
Inferred Resources	±50 to 100%
Exploration target	+100%

This level of uncertainty with advancing project stages can be seen in Figure 4-1.

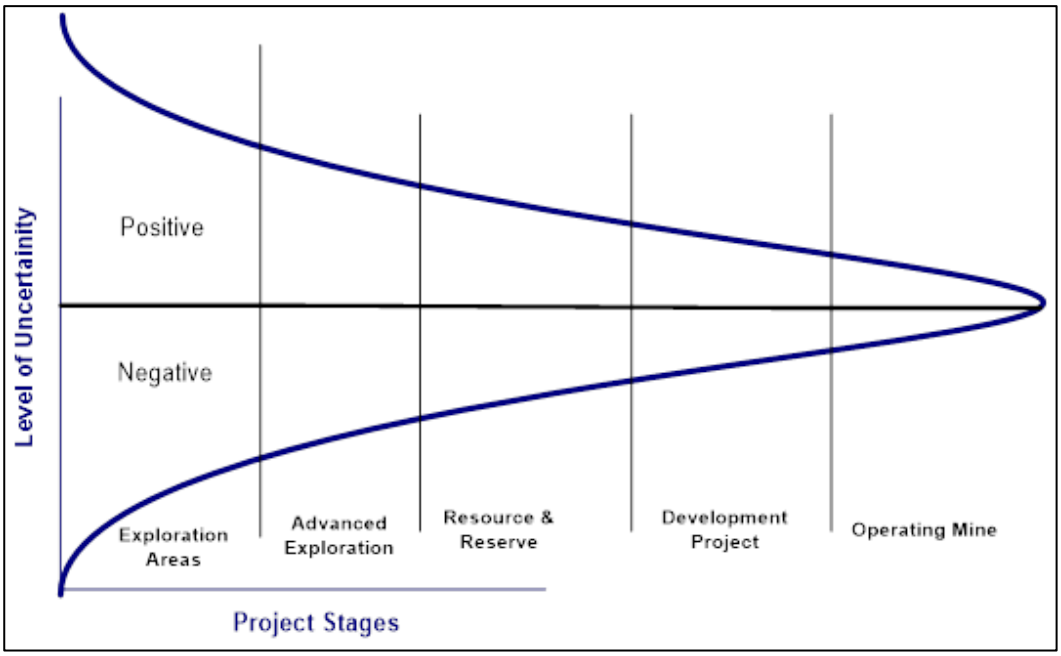

Figure 4-1: Uncertainty by advancing exploration stage

Estimated confidence of +/- 60% to 100% or more, are not uncommon for exploration areas and are within acceptable bounds, given the level of uncertainty associated with early stage exploration assets. By applying narrower confidence ranges, one is actually implying a greater degree of certainty regarding these assets than may be the case in reality. Where possible, SRK has endeavoured to narrow its valuation range.

4.2 Valuation risks

SRK is conscious of the risks associated with valuing assets which can impact the valuation range. In defining its valuation range, SRK notes that there are always inherent risks involved when deriving any arm's length valuation. These factors can ultimately result in significant differences in valuations over time. The key risks include but are not limited to risks outlined in the following subsections.

4.2.1 Resources and Reserves

Mineral Resources and Ore Reserves prepared under the JORC Code (2012) are best estimates based on individual judgement and reliance upon knowledge and experience using industry standards and the available database. SRK deems the resource to reserve conversion to be low risk when considering the resources outside those considered in the cashflow model.

4.2.2 Mining and production risk

In SRK's opinion, the continuity of the new mining operation is dependent upon the provision of an adequate water supply and tailings storage facilities. Whilst SRK considers the risk associated with mining and processing to be very low, it considers the infrastructure risk to be moderate.

4.2.3 Environmental risk

SRK considers the environmental risk at the Project to be low, given the appropriate approvals and permits are in place.

4.2.4 Land access

SRK considers the land access risk to be very low, given the status of the tenure at the valuation date.

Project Number: BDO011

Report Title: Independent Specialist Report on the Bald Hill Lithium and Tantalum Mine, Western Australia

Compiled by

Karen Lloyd

Associate Principal Consultant

Peer Reviewed by

Jeames McKibben

Principal Consultant

SRK Report Client Distribution Record

Project Number: BDO011

Report Title: Independent Specialist Report on the Bald Hill Lithium and Tantalum Mine, Western Australia

Date Issued: 1 August 2018

Name/Title	Company
Sherif Andrawes	BDO Corporate Finance (WA) Pty Ltd
Michael Naylor	Tawana Resources NL

Rev No.	Date	Revised By	Revision Details
0	28/06/2018	David Slater / Karen Lloyd	Final Report
1	28/06/2018	Karen Lloyd	Final Report (revised)
2	24/07/2018	Karen Lloyd	Final Report (revised)
3	26/07/2018	Karen Lloyd	Final Report (revised)
4	01/08/2018	Karen Lloyd	Final Report (revised)

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ANNEXURE B INDEPENDENT LIMITED ASSURANCE REPORT

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17 August 2018

The Board of Directors
Tawana Resources NL
Level 3, 20 Parkland Road
Osborne Park
WA 6017

The Board of Directors
Alliance Mineral Assets Limited
Unit 6, 24 Parkland Road
Osborne Park
WA 6017

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON TAWANA HISTORICAL FINANCIAL INFORMATION, AMAL HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Tawana Resources NL ("Tawana" or the "Company") and Alliance Mineral Assets Limited ("AMAL") to report on the historical financial information of Tawana, the historical financial information of AMAL and pro forma historical financial information of Tawana and AMAL (the "Merged Group") for inclusion in the scheme booklet to be dated on or about 20 August 2018 ("Scheme Booklet"), and to be issued by Tawana, in relation to a proposal from AMAL to acquire all of the issued shares in Tawana ("the Proposed Transaction").

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Stephen Lomas is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Tawana Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following historical financial information:

- the historical consolidated statements of profit or loss and other comprehensive income for Tawana for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 as set out in Section 4.10 (c) of the Scheme Booklet;
- the historical consolidated statements of financial position for Tawana as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 April 2018 as set out in Section 4.10 (d) of the Scheme Booklet; and
- the historical consolidated statements of cash flows for Tawana for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 as set out in Section 4.10 (e) of the Scheme Booklet.

(Hereafter the "Tawana Historical Financial Information").

The Tawana Historical Financial Information as at and for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 have been derived from the financial statements of Tawana for the respective years, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial statements which contained:

- an emphasis of matter on going concern on the financial statements for the year ended 31 December 2015; and
- a material uncertainty paragraph related to going concern on the financial statements for the years ended 31 December 2016 and 31 December 2017.

The historical consolidated statement of financial position for Tawana as at 30 April 2018 has been derived from its interim financial statements for the four months ended 30 April 2018 which were reviewed by Ernst & Young. Ernst & Young issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements of AASB 134 *Interim Financial Reporting*. The modified limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The Tawana Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS").

AMAL Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following historical financial information:

- the historical statements of profit or loss and other comprehensive income for AMAL for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and for the six months period ended 31 December 2017 as set out in Section 5.4 (c) of the Scheme Booklet;
- the historical statements of financial position for AMAL as at 30 June 2015, 30 June 2016, 30 June 2017, 31 December 2017 and 30 April 2018 as set out in Section 5.4 (d) of the Scheme Booklet; and
- the historical statements of cash flows for AMAL for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and for the six months period ended 31 December 2017 as set out in Section 5.4 (e) of the Scheme Booklet.

(Hereafter the “AMAL Historical Financial Information”).

The AMAL Historical Financial Information as at and for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 have been derived from the financial statements of AMAL for the respective years, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on the financial statements of AMAL for the years ended 30 June 2015 and 30 June 2016. Ernst & Young issued an unqualified audit opinion, which contained a material uncertainty paragraph related to going concern, on the financial statements of AMAL for the year ended 30 June 2017.

The AMAL Historical Financial Information as at and for the six months ended 31 December 2017 have been derived from the interim financial statements of AMAL for the six months ended 31 December 2017, which was reviewed by Ernst & Young. Ernst & Young issued an unmodified limited assurance conclusion, which included a material uncertainty paragraph related to going concern.

The historical statement of financial position of AMAL as at 30 April 2018 has been derived from its interim financial statements for the ten months ended 30 April 2018 which were reviewed by Ernst & Young. Ernst & Young issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements AASB 134 *Interim Financial Reporting*. The modified limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The AMAL Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS.

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the pro forma historical consolidated statement of financial position for the Merged Group as at 30 April 2018 as set out in Section 6.5 (e) of the Scheme Booklet.

(Hereafter the ”Pro Forma Historical Financial Information”).

(the Tawana Historical Financial Information, AMAL Historical Financial Information and the Pro Forma Historical Financial Information is collectively referred to as the “Financial Information”).

The Pro Forma Historical Financial Information has been derived from the historical consolidated statement of financial position of Tawana and historical statement of financial position of AMAL as at 30 April 2018 and adjusted for the effects of pro forma adjustments described in Section 6.5 (f) and (g) of the Scheme Booklet.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 30 April 2018.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s or the Merged Group’s actual or prospective financial position.

The Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors’ Responsibility

The directors of Tawana are responsible for the preparation and presentation of the Tawana Historical Financial Information. The directors of AMAL are responsible for the preparation and presentation of the AMAL Historical Financial Information.

The directors of AMAL are also responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the historical consolidated statement of financial position of Tawana and historical statement of financial position of AMAL as at 30 April 2018 and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the respective directors determine are necessary to enable the preparation of the Tawana Historical Financial Information, AMAL Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Tawana Historical Financial Information, AMAL Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Tawana Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Tawana Historical Financial Information comprising:

- the historical consolidated statements of profit or loss and other comprehensive income for Tawana for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 as set out in Section 4.10 (c) of the Scheme Booklet;
- the historical consolidated statements of financial position for Tawana as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 April 2018 as set out in Section 4.10 (d) of the Scheme Booklet; and
- the historical consolidated statements of cash flows for Tawana for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 as set out in Section 4.10 (e) of the Scheme Booklet,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.10 (b) of the Scheme Booklet.

AMAL Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the AMAL Historical Financial Information comprising:

- the historical statements of profit or loss and other comprehensive income for AMAL for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and for the six months period ended 31 December 2017 as set out in Section 5.4 (c) of the Scheme Booklet;

- the historical statements of financial position for AMAL as at 30 June 2015, 30 June 2016, 30 June 2017, 31 December 2017 and 30 April 2018 as set out in Section 5.4 (d) of the Scheme Booklet; and

- the historical statements of cash flows for AMAL for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and for the six months period ended 31 December 2017 as set out in Section 5.4 (e) of the Scheme Booklet,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.4 (b) of the Scheme Booklet.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical consolidated statement of financial position for the Merged Group as at 30 April 2018, as set out in Section 6.5 (e) of the Scheme Booklet, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.5 (b) of the Scheme Booklet.

Material Uncertainty Related to Going Concern

We draw attention to Sections 4.10 (f), 5.4 (f) and 6.5 (d) of the Scheme Booklet which describes the principal conditions that raise doubt about Tawana's, AMAL's and the Merged Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about these entities ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Sections 4.10 (b), 5.4 (b) and 6.5 (b) of the Scheme Booklet, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Scheme Booklet in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of the Proposed Transaction other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

Stephen R Lomas

Stephen Lomas
Director and Representative

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $11,000 (inclusive of GST). Further amounts may be paid to Ernst & Young in accordance with its time-based charge-out rates.

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Ernst & Young undertook financial due diligence with respect to this engagement. The fee for professional services paid or payable to Ernst & Young for these services to the date of this Scheme Booklet is approximately $111,000 (inclusive of GST). Further amounts may be paid to Ernst & Young in accordance with its time-based charge-out rates.

Except for the fees and benefits disclosed above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the *Corporations Act 2001*.

Contacting Ernst & Young Transaction Advisory Services	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

ANNEXURE C REGULATORY COMPARISON OF TAWANA SHARES AND AMAL SHARES

Tawana, as Australian incorporated company admitted to the Official List, is subject to the Relevant Australian Law.

AMAL, as an Australian incorporated company admitted to the Catalist board of the SGX-ST, is currently subject to the Corporations Act and Australian common law, as well as Relevant Singaporean Law. Upon completion of the Transaction and AMAL's admission to the Official List, AMAL will also become subject to the ASX Listing Rules and ASX Settlement Rules.

The table below identifies some of the more material differences between being an AMAL Shareholder and a Tawana Shareholder as a result of their respective constitutions, ASX and SGX-ST regulations and other applicable corporate regulations.

For the purposes of this Annexure C:

- "Relevant Australian Law" means the Corporations Act, ASX Listing Rules, ASX Settlement Rules and Australian common law, as applicable; and
- "Relevant Singaporean Law" means the SGX Listing Rules, the Code of Corporate Governance (2012) (the Code of Corporate Governance),[8][9] the Securities and Futures Act, Chapter 289 of Singapore (the SFA), the Singapore Code on Take-Overs and Mergers (the Singapore Take-Over Code) and any laws of Singapore in so far as they apply to or affect an Australian incorporated company admitted to the Catalist board of the SGX-ST.

This comparison is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Tawana Shareholders should consult with their own legal adviser if they require further information. The following descriptions do not purport to be complete and are qualified in its entirety by reference to the full text of such materials. Tawana Shareholders should review the full text of such materials.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Rights attaching to shares		
Share capital	Under Australian law there is no concept of authorised capital, and the shares of a company have no par value.	Under Australian law there is no concept of authorised capital, and the shares of a company have no par value.
Purchase of own shares	Under the Corporations Act, Tawana may buy-back its shares under a specific buy-back scheme: a. if the buy-back does not materially prejudice Tawana's ability to pay its creditors; and b. Tawana follows the procedures set out in the Corporations Act. Share buy-backs that intend to buy-back more than 10% of the votes attaching to the smallest number of shares in the previous 12 months require approval by Tawana's Shareholders by way of ordinary resolution. The form of shareholder approval (e.g. ordinary resolution or special/unanimous resolution), if required, and the notice period and disclosure requirements to be given to Tawana Shareholders will depend on the type of buy-back. Generally, buy-back schemes can be characterised as minimum holding, equal access, selective, on-market or relating to employee share schemes.	In addition to the requirements under the Corporations Act, pursuant to the Catalist Rules, AMAL may purchase its own shares if it has obtained prior approval by AMAL Shareholders by way of ordinary resolution. A share buy-back may only be made by way of: a. on-market purchases made on the SGX-ST (Market Purchases); or b. off-market acquisitions in accordance with an equal access scheme. Unless a lower limit is prescribed under Australian law, share buy-backs shall not exceed 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) as at the date of the shareholders' approval. Market Purchases may only be made at a price which is not more than 5% above the average of the closing market prices of the AMAL shares over the last five market days, before the day on which the purchases were made; and deemed to be adjusted for any corporate action that occurs after such five day period.

8 The Catalist Rules require AMAL to disclose its corporate governance practices with specific references to the principles of the Code of Corporate Governance in its annual report and disclose any deviations and explanations for such deviations.

9 The Monetary Authority of Singapore has on 6 August 2018 issued a revised Code of Corporate Governance which will take effect for annual reports covering financial years commencing from 1 January 2019.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Transfer of shares	Under Tawana's constitution, the directors may refuse to register any transfer of Tawana Shares where the ASX Listing Rules permit or require Tawana to do so. The directors will refuse to register any transfer of Tawana Shares where: a. the Corporations Act or the ASX Listing Rules require Tawana to do so, or the transfer is in breach of the ASX Listing Rules; or b. those Tawana Shares are restricted securities and the transfer is in breach of any restriction agreement in respect of those Tawana Shares.	The provisions of the ASX Listing Rules applicable to Tawana in relation to the transfer of shares will be equally applicable to AMAL following implementation of the Scheme and admission to ASX. Under AMAL's constitution, the directors may refuse to register any transfer of AMAL Shares where the Corporations Act or Catalist Rules permit or require AMAL to do so. The directors will refuse to register any transfer of AMAL Shares where: a. the Corporations Act or the Catalist Rules require AMAL to do so; b. those AMAL Shares are restricted securities and the transfer is in breach of the Catalist Rules or any restriction agreement in respect of those AMAL Shares; or c. the Company has lien on those AMAL Shares.
Voting rights	Under Tawana's constitution, generally, each Tawana Shareholder has one vote on a show of hands and, on a poll, one vote for each share fully paid and if not fully paid, a fraction of a vote equivalent to the portion of the share paid up.	Under AMAL's constitution, generally, each AMAL Shareholder has one vote on a show of hands and, on a poll, one vote for each share fully paid and if not fully paid, a fraction of a vote equivalent to the portion of the share paid up. Under the Catalist Rules, votes at any general meeting of AMAL are to be carried out by way of poll and at least one scrutineer shall be appointed for each general meeting.
Dividends and distribution	Under Tawana's constitution, the directors may from time to time declare a dividend to be paid to the Tawana Shareholders entitled to the dividend. Under the Corporations Act, Tawana must not pay a dividend unless: a. Tawana's assets exceed its liabilities immediately prior to the dividend declaration (and the excess is sufficient for the payment of the dividend); b. the payment of the dividend is fair and reasonable to the Tawana Shareholders as a whole; and c. the payment of the dividend does not materially prejudice Tawana's ability to pay its creditors.	Under AMAL's constitution, the directors may from time to time declare a dividend to be paid to the AMAL Shareholders entitled to the dividend. Subject to the restrictions under the Corporations Act on paying a dividend, the directors may direct payment of the dividend to be made wholly or in part by the distribution of specific assets or documents of title (including, without limitation, paid-up shares, debentures or debenture stock of AMAL or any other company) or in any one or more of these ways. Under the Catalist Rules, any recommendation or declaration of dividend must be announced. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, an announcement stating that fact must also be made. Under the Catalist Rules, AMAL must not announce any dividend after the end of each of the first three quarters of the financial year or the financial year, unless such announcement is accompanied by the results of the quarter, half year or financial year, as the case may be. In addition, at least five market days' of notice (excluding the date of announcement and books closure date) must be given for any books closure date.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Variation of class rights	Under Tawana's constitution, if at any time the share capital of Tawana is divided into different classes of Tawana Shares, the rights attached to any class may be varied or cancelled (unless otherwise provided by the terms of the issue of that class of Tawana Shares) with the consent in writing of holders of 75% of the issued shares of that class or by a special resolution passed at a separate meeting of the Tawana Shareholders included in that class.	Under AMAL's constitution, if at any time the share capital of AMAL is divided into different classes of AMAL Shares, the rights attached to any class may be varied or cancelled (unless otherwise provided by the terms of the issue of that class of AMAL Shares) with the consent in writing of holders of 75% of the issued shares of that class or by a special resolution passed at a separate meeting of the AMAL Shareholders included in that class.
Access to share register	Under the Corporations Act a shareholder has a right to inspect and request a copy of the register of members. A company must give a person a copy of the register within seven days of an application. Such an application must state each purpose for which the person is accessing a copy. The purpose must not be a prescribed purpose under the Corporations Act, which includes: a. soliciting a donation from a member of Tawana; b. soliciting a member of a company by a person who is authorised to assume or use the word stockbroker or sharebroker in accordance with section 923B of the Corporations Act; c. gathering information about the personal wealth of a member of Tawana; and d. making an unsolicited offer to purchase a financial product made by a person. Further, a person must not use information about a person obtained from a register to contact or send material to the person, or knowingly disclose such information for that purpose. However, that prohibition does not apply if the use of the information is relevant to the holding of the interests recorded in the register or the exercise of the rights attached to them. Similarly the prohibition does not apply if Tawana approves the use or disclosure of the information to contact or send material to the persons.	Under the Corporations Act, AMAL Shareholders have the same rights to access the company register as Tawana Shareholders. Under the Catalist Rules, AMAL must give the SGX-ST an extract of the share register. Where the shares are traded on CDP, AMAL authorises CDP to provide the SGX-ST, at the SGX-ST's request, with an extract of AMAL's securities held in each securities account maintained by CDP.
Capital raising		
Issue of shares	Under Tawana's constitution, unissued Tawana Shares are under the control of the directors who, subject to the Corporations Act, the ASX Listing Rules and any rights attached to any special class of Tawana Shares may, on behalf of Tawana, allot or dispose of all or any of those unissued Tawana Shares to such persons, at such times at such price and on such terms and conditions, with such preferred, deferred, or other special rights or restrictions as the directors think fit.	Under AMAL's constitution, unissued AMAL Shares are under the control of the directors who, subject to the Corporations Act, the Catalist Rules (and the ASX Listing Rules upon AMAL's admission to ASX) and any rights attached to any special class of AMAL Shares may, on behalf of AMAL, allot or dispose of all or any of those unissued AMAL Shares to such persons, at such times at such price and on such terms and conditions, with such preferred, deferred, or other special rights or restrictions as the directors think fit.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
ASX Listing Rules/ SGX Listing Rules	Under ASX Listing Rules (subject to specified exceptions) outlined below, Tawana is restricted from issuing or agreeing to issue more equity securities than the number calculated below in any 12 month period unless Tawana has obtained prior shareholder approval, that is 15% of the total of: a. the number of shares on issue 12 months before the date of the issue or agreement to issue; plus b. the number of shares issued in the 12 months before the date of the issue or agreement to issue without shareholder approval but pursuant to one of the specified exceptions; plus c. the number of shares issued in the preceding 12 months with shareholder approval; less d. the number of partly paid shares that became fully-paid in the 12 months; plus e. the number of shares cancelled in that 12 month period; less f. the number of shares issued or agreed to be issued in the preceding 12 months without shareholder approval and without the benefit of one of the specified exceptions. Tawana may issue or agree to issue equity securities in excess of its rolling 15% capacity (described above) and without obtaining shareholder approval if the issue or agreement to issue is: a. a pro rata issue; b. an issue under an underwriting agreement in relation to a pro rata issue; c. upon conversion of convertible securities which were issued in compliance with the ASX Listing Rules; d. under a takeover bid or scheme of arrangement; e. to fund the cash component of a takeover bid (excluding a reverse takeover) or scheme of arrangement f. under a dividend distribution plan; or g. under an employee incentive scheme which has been approved by shareholders. Under the ASX Listing Rules, equity securities may not be issued to related parties (including directors) without the prior approval of Tawana Shareholders, subject to, amongst other things, the exceptions outlined above. Such persons and their associates must abstain from exercising any voting rights on the matter.	Under the Catalist Rules, except where a general mandate for the issue of shares has been obtained, AMAL must obtain shareholders' prior approval for: a. the issue of equity securities; or b. the issue of equity securities by a principal subsidiary of AMAL that will or may result in: i. the principal subsidiary ceasing to be a subsidiary of AMAL; or ii. a percentage reduction of 20% or more of AMAL's equity interest in the principal subsidiary. Specific shareholder approval is not required if AMAL Shareholders approve a general mandate to the directors, either conditionally or unconditional, to issue equity securities. Under the Catalist Rules, the general mandate may be approved by ordinary resolution, in which case, AMAL must not issue equity securities exceeding 50% of AMAL's issued capital as at the time of approving the mandate, unless by way of pro rata issue in which case the limit may be 100% of the AMAL's issued capital as at the time of approving the mandate. However, if the general mandate is approved by special resolution, AMAL may issue equity securities (whether on a pro rata or non pro rata basis) up to 100% of the AMAL's issued capital as at the time of approving the mandate. AMAL cannot rely on the general mandate for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities. Under the Catalist Rules, except in the case of an issue made on a pro rata basis to shareholders or share scheme that complies with the Catalist Rules, AMAL must not issue equity securities to related parties (including directors) and substantial shareholders in AMAL without prior shareholder approval, or (in the case of placement of equity securities to substantial shareholders) if the substantial shareholder does not have board representation or control or influence over AMAL in connection with its day-to-day affairs and the terms of the placement, and certain other conditions are met. The restrictions under the ASX Listing Rules in relation to the issue of equity securities applicable to Tawana will be equally applicable to AMAL following implementation of the Scheme and AMAL's admission to ASX. To the extent of any inconsistency, AMAL shall comply with the more onerous requirement.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Continuous disclosure	Under ASX Listing Rules, once Tawana becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or the value of its securities, Tawana must immediately tell ASX that information. The requirement to disclosure such information to ASX does not apply if: a. one or more of the following applies: i. it would be a breach of law to disclose the information; ii. the information concerns an incomplete proposal; iii. the information is insufficiently definite to warrant disclosure; iv. the information is generated for internal management purposes; or v. the information is a trade secret; and b. the information is confidential; and c. a reasonable person would not expect the information to be disclosed.	The Catalist Rules contain a similar continuous disclosure regime as the ASX Listing Rules. AMAL will also be subject to this regime upon admission to ASX.
Directors		
Number of directors	Under Tawana's constitution, the number of directors must be not less than three nor more than 10. Under the Corporations Act, at least two directors of Tawana must reside in Australia.	Under AMAL's constitution, the number of directors must be not less than three nor more than 9. In addition to the Corporations Act requirements, the Catalist Rules provide that AMAL's board must have at least two non-executive directors who are independent and free of any material business or financial connection with AMAL, and at least one of these directors must be resident in Singapore. The Code of Corporate Governance recommends that there should be a strong and independent element on the AMAL Board, with independent directors making up at least one-third of the Board. Notwithstanding this, independent directors should make up at least half of the Board where: a. the Chairman of the AMAL Board and CEO (or equivalent) is the same person; b. the Chairman and CEO are immediate family members; c. the Chairman is part of the management team; or d. the Chairman is not an independent director. An "independent" director is one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interference, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Directors' remuneration	Tawana's constitution provides the following with respect to the remuneration of Tawana's directors, including: a. that such remuneration will be paid out of the funds of Tawana, by way of remuneration for their services as directors; b. that such remuneration will be a sum not exceeding such fixed sum per annum as may be determined by the directors prior to the first annual general meeting of Tawana, to be divided among themselves and, in default of agreement, then in equal shares; c. that such remuneration shall not be increased except pursuant to a resolution passed at a general meeting of Tawana, where notice of the suggested increase has been given to Tawana Shareholders in the notice convening the meeting; d. no non-executive director will be paid as whole or part of his remuneration a commission on or a percentage of operating revenue; e. no executive directors will be paid as part or whole of their remuneration, a commission on or a percentage of profits, or a commission on or a percentage of operating revenue; f. the remuneration of directors will accrue from day to day; and g. a director is entitled to be reimbursed for travelling and other expenses properly incurred by them in attending, participating in and returning from meetings or otherwise in connection with the business of the company.	AMAL's constitution provides the following with respect to the remuneration of AMAL's directors, including: a. that such remuneration will be paid out of the funds of AMAL, by way of remuneration for their services as directors; b. that such remuneration will be a sum not exceeding such fixed sum per financial year as may be determined by AMAL Shareholders at a general meeting, to be divided among themselves; c. that such remuneration shall not be increased except pursuant to a resolution passed at a general meeting of AMAL, where notice of the suggested increase has been given to AMAL Shareholders in the notice convening the meeting; d. no non-executive director will be paid as whole or part of his remuneration a commission on or a percentage of profits or turnover; e. no director (other than a non-executive director) will be paid as part or whole of their remuneration, a commission on or a percentage of profits, or a commission on or a percentage of profits or turnover; f. the remuneration of directors will accrue from day to day; and g. a director is entitled to be reimbursed for travelling and other expenses properly incurred by them in or about the performance of their duties.
Powers of the board of directors	Under Tawana's constitution, subject to the Corporations Act, the ASX Listing Rules and Tawana's constitution, the business of Tawana is to be managed by the Tawana Board, and the Tawana Board may pay all expenses incurred in promoting and forming Tawana and may exercise all such powers of Tawana which are not required by the Corporations Act or Tawana's constitution to be exercised by Tawana in general meeting.	Under AMAL's constitution, subject to the Corporations Act, the Catalist Rules (and the ASX Listing Rules upon AMAL's admission to ASX) and AMAL's constitution, the business of AMAL is to be managed by the AMAL Board, and the AMAL Board may pay all expenses incurred in promoting and forming the company and may exercise all such powers of AMAL which are not required by the Catalist Rules, Corporations Act or AMAL's constitution to be exercised by AMAL in general meeting.

Transaction involving directors, officers and other related parties.	Under the Corporations Act, Tawana is prohibited from giving related parties (including directors) a financial benefit unless it: a. obtains the approval of Tawana Shareholders and gives the benefit within 15 months after approval; or b. the financial benefit is exempt (such as benefits given on arms' length terms). A related party is defined to include any entity which controls Tawana, directors of the Tawana, directors of any entity which controls Tawana and, in each case, spouses and certain relatives of such persons. A director who has a material interest in a matter that relates to the affairs of a company must give the other directors notice of that interest. This is confirmed in Tawana's constitution. A director who has a material personal interest in a matter must not be present at a meeting where the matter is considered or vote on the matter unless: a. the interest did not need to be disclosed in certain prescribed circumstances; b. the directors who do not have a material personal interest have passed a resolution that, identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the company and states that those directors are satisfied that the interest should not disqualify the director from voting or being present; or c. ASIC approves. Directors of Tawana, when entering into transactions with Tawana, are subject to the common law and statutory duties to avoid conflicts of interest imposed by Australian law. Under ASX Listing Rules, Tawana (including its child entities) is prohibited from acquiring a substantial asset (being an asset the value or consideration for which is 5% or more of the Tawana's equity interests) from, or disposing a substantial asset to, the following persons without obtaining prior shareholder approval: a. a related party; b. a child entity; c. a shareholder of Tawana, if that person (and their associates) have a relevant interest in , or had a relevant interest at any time on the past 6 months, in at least 10% of the shares in Tawana; d. an associate of a person referred to above; or e. a person whose relationship with Tawana is such that ASX determined that the rule should apply, unless: a. the transaction is between Tawana and a wholly-owned subsidiary; b. the transaction is between wholly-owned subsidiaries of Tawana;	In addition to the requirements under the Corporations Act, under the Catalist Rules, AMAL must make an immediate announcement for any "interested person transaction" of a value equal to, or more than, 3% of AMAL's latest audited net tangible assets (on a group consolidated basis), unless the value of the transaction is less than $100,000. Further, AMAL must obtain shareholder approval for any "interested person transaction" of a value equal to, or more than: a. 5% of AMAL's latest audited net tangible assets (on a group consolidated basis); or b. 5% of AMAL's latest audited net tangible assets (on a group consolidated basis), when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by AMAL Shareholders, or is the subject of aggregation with another transaction that has been approved by AMAL Shareholders, need not be included in any subsequent aggregation, unless the value of the transaction is less than $100,000. An "interested person transaction" is a transaction between (i) the Company, its unlisted subsidiary or unlisted associated company over which the group or its interested person has control, and (ii) a director, chief executive officer, or controlling shareholder of AMAL (and their associates). However, the following transactions do not require prior AMAL Shareholder approval under the Catalist Rules pertaining to interested person transactions: a. payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of AMAL's shares, made to all AMAL Shareholders on a pro-rata basis, including the exercise of rights, options or warrants granted under the preferential offer; b. the grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme for which a listing and quotation notice has been issued by the SGX-ST; c. a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through AMAL, is less than 5%; d. a transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to AMAL at the time of the transaction; e. AMAL director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments); f. insurance coverage and indemnities for directors and chief executive officers;

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	c. the transaction is an issue of securities by Tawana for cash; or d. the transaction is between Tawana and a person who is a related party by reason only of the transaction. For the purpose of obtaining shareholder approval, shareholders are required to be provided with an independent experts report opining on whether the proposed transaction is fair and reasonable.	g. the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation; h. an investment in a joint venture with an interested person (subject to certain requirements); and i. the provision of a loan to a joint venture with an interested person (subject to certain requirements). The restrictions under the ASX Listing Rules in relation to transactions with persons of influence applicable to Tawana will be equally applicable to AMAL following implementation of the Scheme and AMAL's admission to ASX. To the extent of any inconsistency, AMAL shall comply with the more onerous requirement.
Removal of directors	Under the Corporations Act and Tawana's constitution, Tawana Shareholders may remove a director by passing a resolution at a general meeting. A notice of intention to move the resolution must be given to Tawana at least two months before the meeting is to be held. However, if Tawana calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than two months after the notice of intention is given.	Under the Corporations Act and AMAL's constitution, AMAL Shareholders may remove a director by passing a resolution at a general meeting.
Rotation of directors	Under the ASX Listing Rules, the directors of Tawana, other than the managing director, are to retire by rotation. Under Tawana's constitution, at every annual general meeting, one third of the directors or, any director who has held office for three years or more (other than the managing director), must retire from office. Such directors are eligible to be re-elected. The directors to retire must be those who have been longest in office since their last election. No director, except a managing director, can hold office for a period of more than three years or until the third annual general meeting following his appointment, whichever is longer, without submitting himself for re-election.	Under AMAL's constitution, one third of the directors of AMAL or, any director who has held office for three years or more (other than the managing director), must retire from office. Such directors are eligible to be re-elected. The directors to retire must be those who have been longest in office since their last election. The Code of Corporate Governance recommends that all directors should be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years. From 1 January 2019, the Catalist Rules will require all directors to submit themselves for re-nomination and re-appointment at least once every three years.
Retirement benefits	Under the Corporations Act, Tawana is allowed to pay benefits to directors and officers on their retirement or termination. Such benefits require shareholder approval in certain circumstances. Under ASX Listing Rules, termination benefits to directors (that are or may be payable to all officers) must not exceed 5% of the equity interests of Tawana as set out in its latest financial statements given to ASX. The 5% limit may, however, be exceeded with shareholder approval.	In addition to the restrictions under the Corporations Act, the Catalist Rules (and the ASX Listing Rules upon AMAL's admission to ASX), payment of directors' fees and remuneration, and employment remuneration are exempted from the announcement and shareholders' approval requirements under the Catalist Rules pertaining to interested person transactions, unless such payments are "golden parachute" payments.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Indemnification of directors and officeholders	Under the Corporations Act, indemnification of Tawana's directors against specific liabilities is prohibited. These are liabilities: a. owed to a company or a Related Body Corporate; b. for a pecuniary penalty order or a compensation order; or c. that is owed to someone other than a company or a Related Body Corporate and did not arise out of conduct in good faith. Additionally, under the Corporations Act an indemnity for legal costs in specific circumstances (such as where an officer is liable, found guilty or where the grounds for a court order have been made out) is prohibited. Payments by Tawana of insurance premiums which cover conduct that involves a wilful breach of duty or a breach of certain statutory directors duties is also prohibited under the Corporations Act.	AMAL is subject to the same prohibitions as Tawana under the Corporations Act regarding the indemnification of officeholders.
Directors' liability	Under the Corporations Act, there is a general prohibition on Tawana or a Related Body Corporate exempting officers from liability.	Under the Corporations Act, there is a general prohibition on AMAL or a Related Body Corporate exempting officers from liability.
Directors' duties	Under Australian law, the directors of Tawana have certain fiduciary obligations to Tawana. These fiduciary obligations include: a. a duty to act in good faith in the best interests of the company; b. a duty to act for a proper purpose; c. a duty not to fetter their discretion; d. a duty to exercise reasonable care and diligence; e. a duty to avoid conflicts of interest; f. a duty not to use their position to their advantage; and g. a duty not to misappropriate Tawana property.	AMAL directors are subject to the same requirements and fiduciary obligations existing under Australia law as Tawana Directors.
Nomination of directors	Under ASX Listing Rules, Tawana is required to accept nominations for the election of its directors up to 35 days (30 days in the case of a meeting requested by Tawana Shareholders) before the date of a general meeting at which the directors are elected.	Under AMAL's constitution and subject to the Corporations Act, AMAL is required to accept nominations for the election of its directors up to 45 days (but no earlier than 90 days) (9 days in the case of a nomination by the AMAL directors) before the date of a general meeting at which the directors are elected. No person (other than an AMAL director seeking re-election or nominated by the AMAL Board) shall be eligible for election as an AMAL director unless that person has been nominated by at least the number of AMAL Shareholders required to requisition a general meeting in accordance with the Corporations Act.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Casual vacancies	Under Tawana's constitution, Tawana in a general meeting or the Tawana Board is authorised to appoint a person to fill a casual vacancy, or as an addition to the Tawana Board. Under ASX Listing Rules and Tawana's constitution, any such appointed director may hold office only until the next annual general meeting of Tawana. They will then be eligible for election at that meeting but will not be taken into account in determining the number of directors who are to retire by rotation at that meeting.	Under AMAL's constitution, the company in general meeting or the AMAL Board is authorised to appoint a person to fill a casual vacancy, or as an addition to the AMAL Board. Any such appointed director may hold office only until the next annual general meeting of AMAL. They will then be eligible for election at that meeting but will not be taken into account in determining the number of directors who are to retire by rotation at that meeting.
Corporate governance	The structures of the Tawana Board, and Tawana's corporate policies as a whole, must comply with the requirements of ASX Listing Rules in relation to corporate governance.	The Catalist Rules require AMAL to disclose its corporate governance practices with specific references to the principles of the Code of Corporate Governance in its annual report and disclose any deviations and explanations for such deviations. Upon AMAL's admission to ASX, AMAL will also be required to comply with the requirements of ASX Listing Rules in relation to corporate governance.
Insider trading	Under the Corporations Act, any person who possesses price sensitive information relating to Tawana or its securities is prohibited (subject to exceptions) from buying or selling those securities or procuring others do so, or from communicating the information to third parties.	In addition to the prohibitions and potential liability under the Corporations Act, under the SFA, a person who possesses information concerning AMAL that is not generally available, but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of AMAL's securities, must not: a. subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell; b. procure another person to subscribe for, purchase or sell, any securities of AMAL; or c. directly or indirectly communicate such information or cause such information to be communicated to another person if he knows or ought reasonably to know, that the other person would or would likely to subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, such securities or procure a third person to do so. Under the Catalist Rules, AMAL and its officers should also not deal in AMAL's securities during the period commencing two weeks before the announcement of its financial statements for each of the first three quarters of its financial year and one month before the announcement of its full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of its half year and full year financial statements (if not required to announce quarterly financial statements).
Members' meetings		
Quorum of shareholders	Under Tawana's constitution, the quorum for a general meeting of Tawana Shareholders is three Tawana Shareholders who are entitled to vote.	Under AMAL's constitution, the quorum for a general meeting of AMAL Shareholders is two AMAL Shareholders who are present and entitled to vote.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Annual general meeting	Under the Corporations Act, the annual general meeting of Tawana is required to be held at least once every calendar year and within five months after the end of each financial year (unless an extension is granted by ASIC).	AMAL's constitution and the Catalist Rules requires the annual general meeting of AMAL to be held within four months after the end of each financial year. The Catalist Rules require AMAL to hold all its general meetings in Singapore unless prohibited by relevant laws and regulations in Australia.
Notice of shareholders meetings	Under Tawana's constitution and the Corporations Act, not less than 28 days' notice of a general meeting must be given to Tawana Shareholders. The notice of a meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting.	Under the Corporations Act, not less than 21 days' notice of a general meeting must be given to AMAL Shareholders. Following amendments to AMAL's constitution prior to admission to ASX, AMAL will be required to give not less than 28 days' notice of a general meeting to AMAL Shareholders. The notice of a meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting. Notice of such meetings shall be given by way of advertisement in the daily press and on the SGXNET (which can be found on the SGX website www.sgx.com/wps/portal/sgxweb/home.) All general meetings are to be held in Singapore.
Calling meetings	Under Tawana's constitution, the Tawana Board is given the power to convene a general meeting at any time, provided that if there are no directors holding office, the secretary will convene a general meeting for the purpose of electing directors. Under the Corporations Act, a general meeting of Tawana Shareholders may be called by individual directors, or by Tawana Shareholders holding at least 5% of the total votes that may be cast at the meeting.	Under AMAL's constitution, the AMAL Board is given the power to convene a general meeting at any time, provided that if there are no directors holding office, the secretary will convene a general meeting for the purpose of electing directors. Under the Corporations Act, a general meeting of AMAL Shareholders may be called by individual directors, or by AMAL Shareholders holding at least 5% of the total votes that may be cast at the meeting.
Shareholder proposed resolutions	Under the Corporations Act, Tawana Shareholders holding at least 5% of the votes that may be cast at a general meeting, or at least 100 Tawana Shareholders who are entitled to vote at the meeting may, by written notice to the company, propose a resolution for consideration at the next general meeting occurring more than two months after the date of their notice.	Under the Corporations Act, AMAL Shareholders holding at least 5% of the votes that may be cast at a general meeting, or at least 100 AMAL Shareholders who are entitled to vote at the meeting may, by written notice to the company, propose a resolution for consideration at the next general meeting occurring more than two months after the date of their notice.
Passing resolutions at a general meeting	Under Australian law, an ordinary resolution at a general meeting of Tawana Shareholders is to be passed by a simple majority of votes cast by the Tawana Shareholders present and voting at the meeting.	Under AMAL's constitution, an ordinary resolution at a general meeting of AMAL Shareholders is to be passed by a simple majority of votes cast by the AMAL Shareholders present and voting at the meeting. Under the Catalist Rules, votes at any general meeting of AMAL are to be carried out by way of poll and at least one scrutineer shall be appointed for each general meeting.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Special resolutions	Under the Corporations Act, a special resolution is to be passed by 75% of the votes cast by Tawana Shareholders present and voting on the resolution. Under the Corporations Act, approval by special resolution of Tawana Shareholders is required for actions such as: a. modifying or repealing a company's constitution; b. changing a company's name or type; c. selectively reducing or buying back capital (in some circumstances); d. giving financial assistance in connection with the acquisition of shares in a company; and e. undertaking a voluntary winding up of a company.	Under the Corporations Act, a special resolution is to be passed by 75% of the votes cast by AMAL Shareholders present and voting on the resolution. In addition to matters requiring a special resolution as required in the Corporations Act, the Catalist Rules require approval by special resolution by AMAL Shareholders for actions such as: a. approving a general mandate for the issue of securities, the limit of which, whether on a pro rata or non pro rata basis, may be up to 100% of the total shares on issue as at the time of approving the mandate; b. delisting of AMAL from Catalist (provided in addition that the resolution has not been voted against by 10% or more of the AMAL's issued shares held by AMAL Shareholders present and voting); and c. transferring AMAL's listing from the Catalist to the SGX-ST Main Board.
Relationship between the company and its members		
Derivative action and shareholder class action	Under the Australian common law, Tawana Shareholders do not have the right to bring a common law action on behalf of Tawana. Under the Corporations Act, a statutory derivative action may be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder. In all cases, leave of the court is required. Such leave will be granted if: a. it is probable that Tawana will not itself bring the proceedings or properly take responsibility for them; b. the applicant is acting in good faith; c. it is in the best interests of Tawana; d. there is a serious question to be tried; and e. either: i. at least 14 days before making the application, the applicant gave written notice to Tawana of the intention to apply for leave and of the reasons for applying; or ii. it is otherwise appropriate for the court to grant leave.	AMAL Shareholders do not have the right to bring a statutory derivative action in Singapore under the Companies Act, Chapter 50 of Singapore (Companies Act) as AMAL is not incorporated in Singapore. Under Singapore common law, AMAL Shareholders may have the right to bring a common law derivative action. Leave of the Singapore Court is required to bring such an action. Such leave will generally be granted if: a. the applicant can demonstrate that AMAL has a reasonable or legitimate case against the defendant for which AMAL may recover damages or otherwise obtain relief; b. there is 'fraud on the minority', i.e. the alleged wrongdoers have committed "fraud" against the company and are themselves in control of the company such that the company is unable to sue; and c. the action is bona fide in the best interest of AMAL and is not for the applicant's ulterior purpose.
Relief from oppression	Under the Corporations Act, any shareholder can bring an action in cases of conduct which is either contrary to the interests of Tawana Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Tawana Shareholders in their capacity as a shareholder, or themselves in a capacity other than as a shareholder. Former Tawana Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.	Under the Corporations Act, any shareholder can bring an action in cases of conduct which is either contrary to the interests of AMAL Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any AMAL Shareholders in their capacity as a shareholder, or themselves in a capacity other than as a shareholder. Former AMAL Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder. AMAL Shareholders do not have the right to bring a statutory action for relief against oppression or injustice in Singapore under the Companies Act as AMAL is not incorporated in Singapore.

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Statutory rights of action for misrepresentations	Under the Corporations Act, any shareholder who suffers a loss as a result of misleading or deceptive conduct relating to securities can bring an action against the person engaged in the conduct. Similarly, any shareholder who suffers loss as a result of a misleading or deceptive statement contained in a disclosure document (i.e. a prospectus) can bring an action against the company, any director or the underwriter to the offer made through the disclosure document.	In addition to any rights under the Corporations Act, under the SFA, any person (including an AMAL Shareholder) who suffers loss as a result of, among other things: a. false or misleading conduct or statements which have occurred in Singapore relating to AMAL's securities; and/ or b. false or misleading conduct or statements which have occurred outside of Singapore relating to AMAL's securities that are listed for quotation on the SGX-ST, can bring an action against the person engaged in the conduct. Leave of the Singapore Court is required to bring such action if: (i) criminal proceedings under the SFA against the contravening person have been commenced; or (ii) if the Monetary Authority of Singapore has brought an action in court against the contravening person to seek an order for a civil penalty in respect of that contravention.
Inspection of books	Under the Corporations Act, a Tawana Shareholder must obtain a court order to obtain access to Tawana's books and records.	Under the Corporations Act, an AMAL Shareholder must obtain a court order to obtain access to AMAL's books and records.
Financial records and reports	Under the Corporations Act, Tawana must report annually to its members, which report must include a financial report, directors report (which includes the remuneration report) and the auditor's report on the financial report for each relevant year. The annual report must be provided no later than 3 months' after the end of the accounting period. The ASX Listing Rules also require Tawana to provide ASX the following: a. a quarterly activities report for each calendar quarter no later than 1 month after the end of each quarter; and b. its reviewed half-year accounts (along with the review report) no later than 75 days after the end of the accounting period; and c. a preliminary final financial report no later than 2 months' after the end of the accounting period.	AMAL is also subject to the reporting requirements of the Corporations Act. Under the Catalist Rules, AMAL must: a. announce its financial statements for the full financial year no later than 60 days after the relevant financial period; and b. announce its financial statements for each of the three calendar quarters of its financial year no later than 45 days after each quarter end. Upon admission to ASX, AMAL will also be required to report in accordance with the ASX Listing Rules.
Takeovers		
Takeovers	Under the Corporations Act, any acquisition by a person of a "relevant interest" in a "voting share" of Tawana is restricted where, because of a transaction, that person or someone else's percentage "voting power" in Tawana increases above 20% (or, where the person's voting power was already above 20% and below 90%, increases in any way at all). There is an exception from these restrictions where the shares are acquired under takeover offers made under the Corporations Act to all shareholders, which must be on the same terms for all Tawana Shareholders (subject to minor exceptions) and which must comply with the timetable and disclosure requirements of the Corporations Act.	AMAL is subject to the same takeover provisions contained in the Corporations Act as applicable to Tawana. Additionally, AMAL is also subject to the Singapore Take-Over Code as it is primary listed on the SGX-ST. Under the Singapore Take-Over Code, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting shares in AMAL must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Singapore Take-Over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting shares

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
	There are also other exceptions from the 20% limit for acquisitions made through permitted gateways such as acquisitions with shareholder approval or "creeping" by acquiring up to 3% every six months (if throughout the six months before the acquisition the person has had voting power in the company of at least 19%). The purpose of these provisions is to attempt to ensure that Tawana Shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.	acquires additional voting shares representing more than 1% of the voting shares in any six-month period. An application to The Securities Industry Council of Singapore for a waiver from the obligation to make a general offer may be sought where the obligation arises as a result of the issue of new securities as consideration for an acquisition or a cash injection or in fulfilment of an agreement to underwrite the issue of new securities, subject to, amongst others, the appointment of an independent financial adviser to advise the independent shareholders and independent shareholders' approval being obtained for the waiver. Unless the contrary is established, the Singapore Take-over Code presumes, amongst others, that the following individuals and companies to be persons acting in concert with each other: a. the following companies: i. a company; ii. a parent company of (ii); iii. the subsidiaries of (i); iv. the fellow subsidiaries of (i); v. the associated companies of (i); vi. companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and vii. any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).

	Tawana Shares (listed on ASX)	AMAL Shares (listed on ASX and SGX-ST)
Disclosure of substantial holdings	Under the Corporations Act, a shareholder who begins or ceases to have a substantial holding in Tawana or has a substantial holding in Tawana, and there is a movement by at least 1% in their holding, must give a notice to the company and ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in Tawana.	AMAL Shareholder are subject to the substantial holding disclosure requirements of the Corporations Act. In addition, under the SFA, a substantial shareholder of AMAL must give written notice to AMAL within two business days of becoming aware that (i) he has become a substantial shareholder (being a person who has an interest in voting shares in AMAL for which the total votes attached to such shares is not less than 5% of the total votes attached to all voting shares in AMAL), (ii) when there has been a change in his shareholding percentage level, or (iii) he has ceased to be a substantial shareholder. Under the SFA, AMAL has the obligation to keep a register of substantial shareholding interests and to announce the information in the notices to the SGX-ST no later than the end of the following business day after receiving written notice of such substantial shareholding, change in substantial shareholding or cessation of substantial shareholding. The Catalist Rules also require the names and interests of substantial shareholders to be disclosed in the annual report.
Winding up		
Winding up	Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors. The Tawana Shareholders rank behind the creditors. Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting. Tawana's constitution states that if Tawana is wound up, the liquidator may, with the sanction of a special resolution, divide among the Tawana Shareholders in kind, the whole or any part of the property of Tawana, and may for that purpose set whatever value the liquidator considers fair on any property to be so divided and determine how the division should be carried out between the Tawana Shareholders or different classes of Tawana Shareholders.	Australian insolvency provisions are applicable to AMAL. AMAL's constitution states that if AMAL is wound up, the liquidator may, with the sanction of a special resolution, divide among the AMAL Shareholders in kind, the whole or any part of the property of AMAL, and may for that purpose set whatever value the liquidator considers fair on any property to be so divided and determine how the division should be carried out between the AMAL Shareholders or different classes of AMAL Shareholders.

ANNEXURE D SCHEME OF ARRANGEMENT

KING&WOOD MALLESONS

Scheme of Arrangement

Tawana Resources NL (**Tawana**)

Scheme Participants

King & Wood Mallesons
Level 30
QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia
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DX 210 Perth
www.kwm.com

Scheme of Arrangement
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Scheme of Arrangement

Details

Parties	**Tawana** and **Scheme Participants**	
Tawana	Name	**Tawana Resources NL**
	ABN	69 085 166 721
	Address	Level 3, 20 Parkland Road, Osborne Park WA 6017
	Email	mark.calderwood@tawana.com.au
	Fax	+61 8 9489 2600
	Attention	Mr Mark Calderwood (Managing Director)
Scheme Participants	Name	Each person registered as a holder of fully paid ordinary shares in Tawana as at 5.00pm on the Record Date other than an Excluded Shareholder

Recitals

A Tawana is a public no liability company incorporated in Australia and registered in Western Australia, Australia and is admitted to the official list of the ASX.

B AMAL is a public company limited by shares incorporated in Australia and registered in Victoria, Australia and is admitted to the official list of the SGX.

C AMAL and Tawana have entered into a scheme implementation agreement dated 5 April 2018, as varied on 6 July 2018 (**Scheme Implementation Agreement**) pursuant to which, amongst other things, Tawana has agreed to propose this Scheme to Tawana Shareholders, and each of AMAL and Tawana has agreed to take certain steps to give effect to this Scheme.

D If this Scheme becomes Effective, then:

(a) all of the Scheme Shares will be transferred to AMAL and the Scheme Consideration will be issued to the Scheme Participants in accordance with the provisions of this Scheme; and

(b) Tawana will enter the name and address of AMAL in the Register as the holder of all of the Scheme Shares.

	E AMAL has entered into the Deed Poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations under this Scheme.
Governing law	Western Australia
Date of agreement	See Signing page

General terms

1 Definitions and interpretation

1.1 Definitions

In this Scheme:

AMAL means Alliance Mineral Assets Limited ABN 56 147 393 735.

AMAL Register means the register of members of AMAL maintained by or on behalf of AMAL in accordance with section 168(1) of the Corporations Act.

AMAL Share means a fully paid ordinary share in the capital of AMAL.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as appropriate.

ASX Consideration Shares means all AMAL Shares issued as Scheme Consideration (other than AMAL Shares the subject of a valid election by a Scheme Participant under clause 6.1), being AMAL Shares held by a Scheme Participant on, and recorded in, the AMAL Register (and not in the Depository Register) upon their issue.

ASX Listing Rules means the listing rules of the ASX.

Business Day means a business day as defined in the ASX Listing Rules.

Catalist means the sponsor-supervised board of the SGX.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia.

Deed Poll means the deed poll dated 15 August 2018 executed by AMAL under which AMAL covenants in favour of each Scheme Participant to perform its obligations under this Scheme.

Depository means The Central Depository (Pte) Limited.

Depository Agent has the meaning ascribed to the term in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Depository Register has the meaning ascribed to the term in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Election Form means the form pursuant to which Scheme Participants (other than Ineligible Shareholders) may elect to receive Scheme Consideration in the form of SGX Consideration Shares.

Electing Scheme Participant means a Scheme Participant who has made a valid election under clause 6.1 to receive the Scheme Consideration in the form of SGX Consideration Shares.

Encumbrance means any mortgage, lien, charge, pledge, encumbrance, assignment by way of security, security interest (including any 'security interest' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), title retention, preferential right or trust arrangement, contractual right of set-off, claim, covenant, or any other security arrangement or any other arrangement having the same effect, whether registered or unregistered.

End Date means 31 December 2018 or such other date as is agreed in writing by AMAL and Tawana.

Excluded Shareholders means AMAL and its Related Bodies Corporate (if any).

Excluded Shares means Tawana Shares held by Excluded Shareholders on the Record Date.

Implementation Date means the fifth Business Day following the Record Date or such other date as is agreed in writing by Tawana and AMAL.

Ineligible Shareholder means, subject to clause 6.9 of this Scheme, a Scheme Participant whose address shown in the Register at 5:00pm on the Record Date is a place outside Australia and its external territories, New Zealand, Hong Kong and Singapore, unless AMAL and Tawana agree, acting reasonably, that it is lawful and not unduly onerous or impracticable to issue or provide a Scheme Participant with an address outside those jurisdictions with AMAL Shares under the Scheme.

JSE means JSE Limited or the financial market operated by it known as the Johannesburg Stock Exchange, as appropriate.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Record Date means the fifth Business Day following the Effective Date or such other date as Tawana and AMAL agree in writing.

Register means the share register of Tawana maintained by or on behalf of Tawana in accordance with section 168(1) of the Corporations Act.

Registered Address means, in relation to a Tawana Shareholder, the address shown in the Register.

Regulatory Authority means:

(a) ASX, ASIC, JSE and SGX;

(b) the Takeovers Panel;

(c) a government or governmental, semi-governmental or judicial entity or authority in Australia;

(d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government in Australia; and

(e) any regulatory organisation established under statute in Australia.

Related Body Corporate has the meaning it has in the Corporations Act.

Relevant Foreign Resident means an entity that is described in subsection 14-210(1) of Schedule 1 of the *Taxation Administration Act 1953* (Cth).

Sale Agent means an entity appointed by AMAL to sell the AMAL Shares that are attributable to Ineligible Shareholders.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Tawana and Scheme Participants under which all of the Scheme Shares will be transferred to AMAL as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Tawana and AMAL in accordance with clause 8.2 of this Scheme.

Scheme Consideration means the consideration to be provided to Scheme Participants under the terms of this Scheme in the form of ASX Consideration Shares or, if a Scheme Participant has made a valid election under clause 6.1, in the form of SGX Consideration Shares.

Scheme Implementation Agreement means the scheme implementation agreement dated 5 April 2018, as varied on 6 July 2018, between Tawana and AMAL under which, amongst other things, Tawana has agreed to propose this Scheme to Tawana Shareholders, and each of AMAL and Tawana has agreed to take certain steps to give effect to this Scheme.

Scheme Meeting means the meeting of Tawana Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Tawana Shareholders will vote on this Scheme.

Scheme Participant means a person registered as a Tawana Shareholder at 5.00pm on the Record Date, other than an Excluded Shareholder.

Scheme Shares means all Tawana Shares on issue as at 5.00pm on the Record Date, other than the Excluded Shares.

Scheme Transfer means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Date means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

SGX means Singapore Exchange Securities Trading Limited.

SGX Consideration Shares means the AMAL Shares issued as Scheme Consideration in respect of which a Scheme Participant has made a valid election under clause 6.1, being AMAL Shares which will be held by a Scheme Participant as recorded in the Depository Register.

SGX Securities Account means, in respect of an Electing Scheme Participant, the relevant securities account maintained by the Electing Scheme Participant with the Depository or a Depository Agent.

Tawana Option means an option issued by Tawana in respect of Tawana Shares, whether vested or unvested.

Tawana Share means a fully paid ordinary share in the capital of Tawana.

Tawana Shareholder means each person registered in the Register as a holder of Tawana Shares.

1.2 Reference to certain general terms

Unless the contrary intention appears, a reference in this Scheme to:

(a) **(variations or replacement)** a document, agreement (including this Scheme) or instrument is a reference to that document, agreement or instrument as amended, consolidated, supplemented, novated or replaced;

(b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule of this Scheme;

(c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

(e) **(singular includes plural)** the singular includes the plural and vice versa;

(f) **(party)** a party means a party to this Scheme;

(g) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;

(h) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(i) **(dollars)** Australian dollars, dollars, A$ or $ is a reference to the lawful currency of Australia;

(j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;

(k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(l) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and

(m) **(time of day)** time is a reference to Perth, Western Australia time.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Scheme.

2 Preliminary

2.1 Tawana

Tawana is:

(a) a public no liability company;

(b) incorporated in Australia and registered in Western Australia; and

(c) admitted to the official list of each of the ASX and the JSE, and Tawana Shares are officially quoted on the securities market conducted by ASX and JSE.

As at 13 August 2018, Tawana's issued securities comprise:

(a) 578,086,517 Tawana Shares; and

(b) 18,693,880 Tawana Options.

2.2 AMAL

AMAL is:

(a) a public company limited by shares;

(b) incorporated in Australia and registered in Victoria; and

(c) admitted to the official list of Catalist and AMAL Shares are officially quoted on the securities market conducted by the SGX.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

(a) in consideration of the transfer to AMAL of each Scheme Share held by a Scheme Participant, AMAL will, on the Implementation Date, provide to each Scheme Participant the Scheme Consideration in accordance with the terms of the Scheme Implementation Agreement, this Scheme and the Deed Poll;

(b) all Scheme Shares, and all the rights and entitlements attaching to them, will be transferred to AMAL on the Implementation Date; and

(c) Tawana will enter the name of AMAL in the Register in respect of all Scheme Shares transferred to AMAL in accordance with the terms of this Scheme.

2.4 Scheme Implementation Agreement

By executing the Scheme Implementation Agreement, Tawana and AMAL have agreed to implement the terms of this Scheme.

2.5 Deed Poll

This Scheme attributes actions to AMAL but does not itself impose an obligation on AMAL to perform those actions. AMAL has undertaken in favour of each Scheme Participant, by executing the Deed Poll, that it will fulfil its obligations under the Scheme Implementation Agreement and do all acts and things necessary or desirable on its part to give full effect to this Scheme, including to issue to each Scheme Participant the Scheme Consideration for each Scheme Share held by the Scheme Participant.

3 Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;

(b) all of the conditions precedent in schedule 2 of the Scheme Implementation Agreement having been satisfied or waived (other than the condition precedent relating to approval of the Scheme by the Court in item 3) in accordance with the terms of the Scheme Implementation Agreement;

(c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and, if applicable, Tawana and AMAL having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act and any such conditions having been satisfied or waived; and

(d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3 Certificate in relation to conditions precedent

Tawana and AMAL must each provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived as at 8.00am on the Second Court Date.

The certificates referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived as at 8.00am on the Second Court Date.

4 Scheme

4.1 Effective Date

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

This Scheme will lapse and be of no further force or effect if:

(a) the Scheme has not become Effective on or before the End Date; or

(b) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless Tawana and AMAL agree otherwise in writing.

5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

Tawana will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of any Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as AMAL and Tawana agree in writing.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to the issuance of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.2 to 6.5 of this Scheme and AMAL having provided Tawana with written confirmation thereof:

(a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to AMAL without the need for any further act by any Scheme Participant (other than acts performed by Tawana as attorney and agent for Scheme Participants under clause 8.1 of this Scheme) by:

(i) Tawana delivering to AMAL a duly completed and executed Scheme Transfer executed on behalf of the Scheme Participants; and

(ii) AMAL duly executing the Scheme Transfer and delivering it to Tawana for registration; and

(b) immediately after receipt of the duly executed Scheme Transfer, Tawana must enter the name of AMAL in the Register in respect of all Scheme Shares transferred to AMAL in accordance with the terms of this Scheme.

5.3 Timing

Notwithstanding any other provision of this Scheme, while AMAL Shares forming the Scheme Consideration must be issued (and the AMAL Register updated to record their issuance) on the Implementation Date, any requirements under clause 6 for the sending of holding statements or allotment advices (or

equivalent) may be satisfied as soon as practicable after the Implementation Date.

5.4 Excluded Shareholders

Nothing in this Scheme requires AMAL to provide Scheme Consideration to any Excluded Shareholder.

5.5 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to AMAL of the Scheme Shares:

(a) each Scheme Participant (who is not an Ineligible Shareholder) will be issued the Scheme Consideration in respect of each of their Scheme Shares as at 5.00pm on the Record Date; and

(b) the Sale Agent will be issued the Scheme Consideration (in the form of AMAL Shares) in respect of the Scheme Shares held by all Ineligible Shareholders as at 5.00pm on the Record Date,

in accordance with clause 6 of this Scheme.

5.6 Title and rights in Tawana Shares

Subject to the issuance of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, AMAL will be beneficially entitled to the Scheme Shares transferred to it under this Scheme, pending registration by Tawana of AMAL in the Register as the holder of the Scheme Shares.

5.7 Scheme Participants' agreements

Under this Scheme:

(a) each Scheme Participant (other than an Ineligible Shareholder) that is issued AMAL Shares under this Scheme agrees to become a shareholder of AMAL in respect of those AMAL Shares, to be bound by the constitution of AMAL and to have their name entered in the AMAL Register (including via the Depository, as the case may be);

(b) each Scheme Participant that is an Ineligible Shareholder agrees and acknowledges that the payment to it of an amount in accordance with clause 6.8 constitutes the satisfaction in full of its entitlement under this Scheme; and

(c) each Scheme Participant agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme.

5.8 Warranty by Scheme Participants

Each Scheme Participant warrants to AMAL, and is deemed to have authorised Tawana to warrant to AMAL as agent and attorney for the Scheme Participant by virtue of this clause 5.8, that:

(a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to AMAL under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and

(b) they have full power and capacity to sell and to transfer all their Scheme Shares (including any rights and entitlements attaching to those shares) to AMAL under the Scheme.

5.9 Transfer free of Encumbrances

To the extent permitted by law, all Tawana Shares (including any rights and entitlements attaching to those shares) which are transferred to AMAL under this Scheme will, at the date of the transfer of them to AMAL, vest in AMAL free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.10 Appointment of AMAL as sole proxy

Subject to the issuance of the Scheme Consideration for the Scheme Shares as contemplated by clauses 6.2 to 6.5 of this Scheme, on and from the Implementation Date until Tawana registers AMAL as the holder of all of the Tawana Shares in the Register, each Scheme Participant:

(a) irrevocably appoints Tawana as attorney and agent (and directs Tawana in such capacity) to appoint AMAL and each of its directors from time to time (jointly and each of them individually) as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to Tawana Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.10(a));

(b) must take all other actions in the capacity of the registered holder of Tawana Shares as AMAL directs; and

(c) acknowledges and agrees that in exercising the powers referred to in clause 5.10(a), AMAL and any director, officer, secretary or agent nominated by AMAL under clause 5.10(a) may act in the best interests of AMAL as the intended registered holder of the Tawana Shares.

Tawana undertakes in favour of each Scheme Participant that it will appoint AMAL and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.10(a) of this Scheme.

6 Scheme Consideration

6.1 Election procedure

(a) Subject to the remaining provisions of this clause 6.1, each Scheme Participant (other than Ineligible Shareholders) will be entitled to elect to receive, as consideration for the transfer of its Scheme Shares to AMAL under this Scheme, SGX Consideration Shares as an alternative to receiving ASX Consideration Shares by completing the Election Form and returning it to the address specified in the Election Form so that it is received by 5.00pm on the Record Date. An election under this clause 6.1 must be made in accordance with the terms and conditions on the Election Form including provision of the Scheme Participant's SGX Securities Account.

(b) An Ineligible Shareholder may not make any election pursuant to this clause 6.1 and any election purportedly made will be invalid. ASX

Consideration Shares will be issued in respect of each Ineligible Shareholder and the ASX Consideration Shares will be dealt with in accordance with clause 6.8.

(c) A Scheme Participant (other than an Ineligible Shareholder) who does not validly elect to receive SGX Consideration Shares will receive ASX Consideration Shares. Accordingly, a Scheme Participant who wishes to receive ASX Consideration Shares does not need to make an election under this clause 6.1.

(d) Subject to clause 6.1(e), an election made by a Scheme Participant (other than an Ineligible Shareholder) under this clause 6.1 will be deemed to apply in respect of the Scheme Participant's entire registered holding of Scheme Shares, regardless of whether the Scheme Participant's holding of Scheme Shares is greater or less than the Scheme Participant's holding at the time of the election.

(e) A Scheme Participant (other than an Ineligible Shareholder) who is noted on the Register as holding one or more parcels of Tawana Shares as trustee or nominee for, or otherwise on account of, another person, may make separate elections under this clause 6.1 in relation to each of those parcels of Tawana Shares (subject to it providing to Tawana any substantiating information that may be reasonably required), and an election made in respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels.

(f) Tawana may, with the agreement of AMAL, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on Tawana, AMAL and the relevant Scheme Participant.

6.2 Consideration under the Scheme

On the Implementation Date, Tawana must procure AMAL to issue the Scheme Consideration to the Scheme Participants in accordance with clauses 6.3, 6.4 and 6.5 of this Scheme.

6.3 Rounding entitlements

If the number of Scheme Shares held by a Scheme Participant as at 5.00pm on the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration is such that a fractional entitlement to an AMAL Share arises, then the entitlement of that Scheme Participant must be rounded up to the nearest whole number of AMAL Shares.

6.4 Satisfaction of obligations

The obligation of Tawana to procure issuance of the Scheme Consideration in the form of AMAL Shares pursuant to clause 6.2 of this Scheme will be satisfied by Tawana using its best endeavours to procure that:

(a) in the case of AMAL Shares to be issued to Scheme Participants who are not Electing Scheme Participants:

(i) the name and address of each Scheme Participant is entered into the AMAL Register on the Implementation Date in respect of the ASX Consideration Shares to which it is entitled;

(ii) a holding statement is sent to the registered address of each Scheme Participant, representing the number of ASX Consideration Shares issued to the Scheme Participant;

(b) in the case of AMAL Shares to be issued to Electing Scheme Participants:

(i) that number of AMAL Shares that will enable the Depository to credit to SGX Securities Accounts the SGX Consideration Shares envisaged by clause 6.4(b)(iii) are issued to the Depository to be held on trust for the Electing Scheme Participants;

(ii) the name and address of the Depository is entered into the AMAL Register on the Implementation Date in respect of the number of AMAL Shares which Electing Scheme Participants are entitled;

(iii) each Electing Scheme Participant's SGX Securities Account is credited by the Depository with the number of SGX Consideration Shares to which the Electing Scheme Participant is entitled; and

(iv) a holding statement (or equivalent) is sent to each Electing Scheme Participant, representing the number of SGX Consideration Shares credited to the Scheme Participant; and

(c) in the case of AMAL Shares to be issued in respect of Scheme Consideration due to Ineligible Shareholders:

(i) the name and address of the Sale Agent is entered into the AMAL Register on the Implementation Date in respect of the AMAL Shares required to be issued to it under this clause 6;

(ii) a holding statement in the name of the Sale Agent is sent to the Sale Agent representing the number of ASX Consideration Shares issued to it; and

(iii) the Sale Agent sells those AMAL Shares on behalf of Ineligible Shareholders, and pays the proceeds in accordance with clause 6.8.

6.5 Issuance of Scheme Consideration

On the Implementation Date, subject to receipt of the Scheme Consideration from AMAL in accordance with clause 6.4 of this Scheme, Tawana must procure the issuance to each Scheme Participant of the Scheme Consideration for each Scheme Share transferred to AMAL on the Implementation Date by that Scheme Participant.

6.6 Joint holders

In the case of Scheme Shares held in joint names:

(a) the AMAL Shares to be issued under this Scheme will be issued to and registered in the names of the joint holders; and

(b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Register as at 5.00pm on the Record Date.

6.7 Binding instructions or notifications

Except for a Scheme Participant's tax file number, any binding instruction or notification between a Scheme Participant and Tawana relating to Scheme Shares as at 5.00pm on the Record Date (including any instructions relating to payment of dividends or to communications from Tawana) will, from 5.00pm on the Record Date, be deemed (except to the extent determined otherwise by AMAL in its sole discretion) to be a similarly binding instruction or notification to, and accepted by AMAL, in respect of the AMAL Shares issued to the Scheme Participant until that instruction or notification is revoked or amended in writing addressed to AMAL, provided that any such instructions or notifications accepted by AMAL will apply to and in respect of the AMAL Shares issued as Scheme Consideration only to the extent that they are:

(a) not inconsistent with the other provisions of this Scheme; or

(b) recognised under Australian law or AMAL's constituent documents.

6.8 Ineligible Shareholders

(a) AMAL will be under no obligation to allot or issue, and will not issue, any AMAL Shares to any Ineligible Shareholder and, instead, will issue the AMAL Shares to which the Ineligible Shareholder would have otherwise been entitled to the Sale Agent, on trust for the Ineligible Shareholder who is the beneficial owner thereof.

(b) AMAL will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the Sale Agent sells all of the AMAL Shares issued to the Sale Agent pursuant to clause 6.8(a) in such manner, on such financial market, at such price and on such other terms as the Sale Agent determines in good faith and at the risk of the Ineligible Shareholders.

(c) AMAL will procure that, as soon as reasonably practicable after the sale of all of the AMAL Shares issued to the Sale Agent, the Sale Agent remits to each Ineligible Shareholder the proportion of the net proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) received pursuant to clause 6.8(b) to which that Ineligible Shareholder is entitled (calculated on an average basis so that all Ineligible Shareholders receive the same price per Scheme Share subject to rounding).

(d) AMAL will pay the relevant fraction of the proceeds of sale referred to in clause 6.8(c) to each Ineligible Shareholder in accordance with any current notification made by each such Ineligible Shareholder for the payment of any Tawana dividends by deposit to a nominated bank account or, where there is no such current notification, by sending or procuring the despatch to each such Ineligible Shareholder by prepaid post to the registered address of the Ineligible Shareholder at 5.00pm on the Record Date, a cheque in the name of that Ineligible Shareholder for the relevant amount (denominated in Australian dollars or, in the case of Ineligible Shareholders who are the beneficial holder of Tawana Shares registered on the South African branch register, South African Rand).

(e) Each Ineligible Shareholder appoints Tawana as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Shareholders under the Corporations Act.

6.9 Foreign resident capital gains tax withholding

Notwithstanding any other provision of this Scheme, if Tawana or AMAL determine (acting reasonably) that such treatment is required in order for AMAL to comply with its obligations under the foreign resident capital gains tax withholding law within Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth):

(a) a Scheme Participant that AMAL reasonably believes is a Relevant Foreign Resident may be treated as an Ineligible Shareholder for the purposes of this Scheme; and

(b) AMAL may withhold and remit to the Australian Taxation Office a sum equal to 12.5% (or some lesser rate approved by the Commissioner of Taxation) of that Scheme Participant's proportion of the net proceeds of sale referred to in clause 6.8(c).

6.10 Status of AMAL Shares

Subject to this Scheme becoming Effective, AMAL will:

(a) issue the AMAL Shares required to be issued by it under this Scheme on terms such that each such AMAL Share will rank equally in all respects with all existing AMAL Shares;

(b) ensure that each AMAL Share issued as Scheme Consideration is validly issued, fully paid and free form any Encumbrance or other third party rights; and

(c) use all reasonable endeavours to ensure that:

(i) all SGX Consideration Shares issued as Scheme Consideration are approved for listing on the official list of the Catalist and trading on SGX and that trading in the SGX Consideration Shares commences on the SGX on the first trading day on SGX following the Implementation Date (or such later date as the SGX requires); and

(ii) ASX gives approval for the Official Quotation of all ASX Consideration Shares issued as Scheme Consideration and that trading in the ASX Consideration Shares commences on the ASX on the first trading day on the ASX following the Implementation Date (or such later date as ASX requires).

7 Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by Tawana if registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00pm on the Record Date at the place where the Register is kept, and Tawana will not accept for registration, or recognise for the purpose of establishing the identity of Scheme Participants, any transmission application or transfer in respect of Tawana Shares received after 5.00pm on the Record Date.

7.2 Register

Tawana must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1 of this Scheme on or before 5.00pm on the Record Date.

7.3 No disposals after Record Date

(a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

(b) Tawana will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 5.00pm on the Record Date (except a transfer to AMAL pursuant to this Scheme and any subsequent transfer by AMAL or its successors in title) or received prior to 5.00pm on the Record Date but not in registrable or actionable form.

7.4 Maintenance of Tawana Register

For the purpose of determining entitlements to the Scheme Consideration, Tawana will maintain the Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been issued to the Scheme Participants and AMAL has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of holding statements

Subject to issuance of the Scheme Consideration and registration of the transfer to AMAL contemplated in clauses 5.2 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after 5.00pm on the Record Date as documents of title in respect of those shares. After 5.00pm on the Record Date, each entry current on the Register as at 5.00pm on the Record Date (other than entries in respect of the Excluded Shareholders or their successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6 Details of Scheme Participants

As soon as practicable after the Record Date, and in any event within one Business Day of the Record Date, Tawana will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at 5.00pm on the Record Date, are made available to AMAL in such form as AMAL reasonably requires.

7.7 Quotation of Tawana Shares

(a) Tawana will:

(i) apply to ASX to suspend trading on ASX in Tawana Shares; and

(ii) apply to JSE to suspend trading on JSE in Tawana Shares,

with effect from the close of trading on ASX and JSE (respectively) on the Effective Date.

(b) After the Scheme has been fully implemented, Tawana will apply:

(i) for termination of the Official Quotation of Tawana Shares on ASX and termination of official quotation of Tawana Shares on JSE; and

(ii) to have itself removed from the official list of ASX and JSE.

8 General Scheme provisions

8.1 Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Tawana and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

(a) executing any document necessary or expedient to give effect to this Scheme including the Scheme Transfer;

(b) enforcing the Deed Poll against AMAL,

and Tawana accepts such appointment. Tawana, as agent for each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.1 to any or all of its directors and officers (jointly, severally, or jointly and severally).

8.2 Variations, alterations and conditions

Tawana may, with the consent of AMAL (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose. Each Scheme Participant agrees to any such variation, alteration or condition.

8.3 Further action by Tawana

Tawana will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

8.4 Authority and acknowledgement

Each of the Scheme Participants:

(a) irrevocably consents to Tawana and AMAL doing all things necessary or expedient for or incidental to the implementation of this Scheme; and

(b) acknowledges that this Scheme binds Tawana and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Tawana.

8.5 No liability when acting in good faith

Neither Tawana nor AMAL, nor any of their respective officers, employees and advisers (as applicable), will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

8.6 Enforcement of Deed Poll

Tawana undertakes in favour of each Scheme Participant to enforce the Deed Poll against AMAL on behalf of, and as agent and attorney for, each Scheme Participant.

8.7 Stamp duty

AMAL will pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

8.8 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Tawana, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Tawana's registered office or at the office of the registrar of Tawana Shares.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Shareholder shall not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9 Governing law

9.1 Governing law

This Scheme is governed by the law in force in Western Australia.

9.2 Jurisdiction

Each party irrevocably and unconditionally:

(a) submits to the non-exclusive jurisdiction of the courts of Western Australia; and

(b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

ANNEXURE E DEED POLL

KING&WOOD MALLESONS

Deed Poll

Dated 15 August 2018

Alliance Mineral Assets Limited (**AMAL**)

In favour of each registered holder of fully paid ordinary shares in Tawana Resources NL (**Tawana**) as at 5.00pm on the Record Date, other than the Excluded Shareholders (**Scheme Participants**)

King & Wood Mallesons
Level 30
QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia
T +61 8 9269 7000
F +61 8 9269 7999
DX 210 Perth
www.kwm.com

Deed Poll
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Deed Poll

Details

Party	**AMAL**	
AMAL	Name	**Alliance Mineral Assets Limited**
	ABN	56 147 393 735
	Address	Unit 6, 24 Parkland Rd, Osborne Park WA 6017
	Email	pauline.gately@allianceminералassets.com.au
	Fax	+61 8 9388 8837
	Attention	Ms Pauline Gately (Chairperson)
In favour of	Each registered holder of fully paid ordinary shares in Tawana as at 5.00pm on the Record Date (other than the Excluded Shareholders).	
Recitals	**A**	Tawana and AMAL have entered into the Scheme Implementation Agreement.
	B	In the Scheme Implementation Agreement, AMAL agreed (amongst other things) to provide the Scheme Consideration to the Scheme Participants, subject to the satisfaction of certain conditions.
	C	AMAL is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations in relation to the Scheme.
Governing law	Western Australia	
Date of deed poll	See Signing page	

Deed Poll

General terms

1 Definitions and interpretation

1.1 Definitions

In this deed poll (unless the context otherwise requires):

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Tawana and Scheme Participants under which all the Scheme Shares will be transferred to AMAL, substantially in the form of Annexure A to this deed poll with any amendment or modification made pursuant to section 411(6) of the Corporations Act (to the extent so approved in writing by Tawana and AMAL).

Scheme Implementation Agreement means the scheme implementation agreement dated 5 April 2018, as varied on 6 July 2018, between Tawana and AMAL under which, amongst other things, Tawana has agreed to propose the Scheme to Tawana Shareholders, and each of AMAL and Tawana has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this deed poll have the same meaning as given to them in the Scheme.

1.2 Interpretation

Clause 1.2 of the Scheme applies to the interpretation of this deed poll except that references to “this Scheme” in that clause are to be read as references to “this deed poll”.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed poll.

1.4 Nature of deed poll

AMAL acknowledges that:

(a) this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and

(b) under the Scheme, Tawana undertakes in favour of each Scheme Participant to enforce this deed poll against AMAL on behalf of, and as agent and attorney for, each Scheme Participant.

2 Conditions precedent and termination

2.1 Conditions precedent

AMAL’s obligations under clause 4 are subject to the Scheme becoming Effective.

2.2 Termination

AMAL's obligations under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

(a) the Scheme has not become Effective on or before the End Date; or

(b) the Scheme Implementation Agreement is terminated in accordance with its terms,

unless AMAL and Tawana otherwise agree in writing.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

(a) AMAL is released from further performing its obligations under this deed poll except those obligations contained in clause 8.1; and

(b) each Scheme Participant retains the rights, powers or remedies they have against AMAL in respect of any breach of this deed poll which occurs before it is terminated.

3 Performance of obligations generally

AMAL undertakes in favour of each Scheme Participant that it will fulfil its obligations under the Scheme Implementation Agreement and do all acts and things necessary or desirable on its part to give full effect to the Scheme.

4 Scheme Consideration

Subject to clause 2, AMAL undertakes in favour of each Scheme Participant to issue to the Scheme Participant the Scheme Consideration for each Tawana Share held by each Scheme Participant subject to and in accordance with the terms of the Scheme.

5 Representations and warranties

AMAL represents and warrants that:

(a) it is a corporation validly existing under the laws of its place of registration;

(b) it has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary action to authorise its entry into this deed poll and has taken or will take all necessary action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) the AMAL Shares which are issued to Scheme Participants, in accordance with the Scheme, will:

(i) rank equally with all existing AMAL Shares; and

(ii) be issued fully paid and free from any Encumbrances;

(e) this deed poll is valid and binding upon AMAL and enforceable against AMAL in accordance with its terms; and

(f) this deed poll does not conflict with, or result in the breach of or default under, any provision of the constitution of AMAL or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which AMAL is a party, is subject to or is bound.

6 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) AMAL has fully performed its obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2.2.

7 Notices

7.1 Form - all communications

Unless expressly stated otherwise in this deed poll, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed poll must be:

(a) in writing;

(b) signed by the sender (if an individual) or an Authorised Officer of the sender; and

(c) in the case of communications to AMAL, marked for the attention of the person identified in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified), with a copy sent to Scott Gibson, Partner, DLA Piper Australia, Scott.Gibson@dlapiper.com.

In the case of communications to Tawana, a copy must be sent to Heath Lewis, Partner, King & Wood Mallesons, heath.lewis@au.kwm.com.

7.2 Form - communications sent by email

Communications sent by email need not be marked for the attention of the person identified in the Details (or, if the recipient has notified otherwise, in the way last notified). The email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.

7.3 Delivery

Communications must be:

(a) left at the address set out or referred to in the Details with a copy to be sent by email to the address set out or referred to in the Details;

(b) sent by regular post (airmail if appropriate) to the address set out or referred to in the Details with a copy to be sent by email to the address set out or referred to in the Details;

(c) sent by email to the email address set out or referred to in the Details;

(d) sent by fax to the fax number set out or referred to in the Details; or

(e) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

7.4 When effective

Communications take effect from the time they are received or taken to be received under clause 7.5 (whichever happens first) unless a later time is specified.

7.5 When taken to be received

Communications are taken to be received:

(a) if sent by post, 6 Business Days after posting (or 10 Business Days after posting if sent from one country to another);

(b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or

(c) if sent by email;

(i) when the sender receives an automated message confirming delivery; or

(ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

7.6 Receipt outside business hours

Despite clauses 7.4 and 7.5, if communications are received or taken to be received under clause 7.5 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

8 General

8.1 Stamp duty

AMAL must:

(a) pay all stamp duty (including fines, penalties and interest) payable and assessed on or in connection with this deed poll, the performance of this deed poll, or any instruments entered into under this deed poll (including, in connection with the transfer of Tawana Shares to AMAL in accordance with the terms of the Scheme) and in respect of a transaction effected by or made under the Scheme and this deed poll;

(b) pay other costs incurred in connection with the transfer of Tawana Shares to AMAL in accordance with the terms of the Scheme; and

(c) indemnify on demand each Scheme Participant against any liability arising from failure to comply with clause 8.1(a) or 8.1(b).

8.2 Waiver

A right may only be waived in writing, signed by the person giving the waiver, and:

(a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;

(b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and

(c) the exercise of a right does not prevent any further exercise of that right or of any other right.

8.3 Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless:

(a) the variation is agreed to by Tawana and AMAL in writing; and

(b) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event AMAL must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

8.4 Remedies cumulative

The rights, powers and remedies of AMAL and the Scheme Participants under this deed poll are cumulative and are in addition to, and do not exclude any, other rights, powers and remedies given by law independently of this deed poll.

8.5 Assignment

The rights and obligations of AMAL and each Scheme Participant under this deed poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of AMAL and Tawana.

8.6 Governing law and jurisdiction

This deed poll is governed by the law in force in the place specified in the Details. AMAL irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place.

8.7 Further action

AMAL must, at its own expense, execute all deeds and other documents and do all things (on its own behalf or on behalf of each Scheme Participant) necessary or expedient to give full effect to this deed poll and the transactions contemplated by it.

EXECUTED as a deed poll

Deed Poll

Signing page

DATED: 15 August 2018

EXECUTED by **ALLIANCE MINERAL ASSETS LIMITED ACN 147 393 735** in accordance with section 127(1) of the Corporations Act 2001 (Cth) by authority of its directors:	)	
[Signed] ..... Signature of director	)	[Signed] ..... Signature of director
PAULINE GATELY ..... Name of director (block letters)	)	SHAUN MENEZES ..... Name of director

Deed Poll

Annexure A - Scheme

[INTENTIONALLY REMOVED]

ANNEXURE F NOTICE OF SCHEME MEETING

Tawana Resources NL
(ACN 085 166 721)
(**Company**)

NOTICE OF SCHEME MEETING

Notice is hereby given that by an order of the Federal Court of Australia made on 17 August 2018 pursuant to section 411(1) of the Corporations Act 2001 (Cth) (**Corporations Act**) a meeting of the holders of ordinary shares will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 26 September 2018 at 1:00pm.

BUSINESS OF THE MEETING

To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act 2001 (Cth):

"That, in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth):

a. the arrangement proposed between Tawana Resources NL (**Tawana**) and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting (**Scheme**), is agreed to; and

b. the directors of Tawana are authorised to agree to such alterations or conditions as are thought fit by the Court and, subject to approval of the Scheme by the Court, the board of directors of Tawana is authorised to implement the Scheme with any such alterations or conditions".

By order of the Court

Alexei Fedotov
Company Secretary

Date: 20 August 2018

EXPLANATORY NOTES:

These notes should be read in conjunction with this Notice of Scheme Meeting.

TERMINOLOGY

Capitalised terms which are defined in Section 11 of the Scheme Booklet which accompanies this Notice of Scheme Meeting have the same meaning when used in this Notice of Scheme Meeting (including these notes) unless the context requires otherwise.

CHAIRPERSON

The Court has directed that Mr Robert Benussi act as Chairperson of the Scheme Meeting or, failing him, Mr Mark Turner (unless the Tawana Shareholders at the Scheme Meeting elect some other person to act as Chairperson of the Scheme Meeting) and has directed the Chairperson to report the result of the Scheme Meeting to the Court.

MAJORITY REQUIRED

In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution contained in this Notice of Scheme Meeting must be passed by:

a. unless the Court orders otherwise, a majority in number (more than 50%) of Tawana Shareholders (other than Excluded Shareholders, if any) who are present and voting at the Scheme Meeting (either in person, by proxy, attorney or, in the case of Tawana Shareholders that are incorporated, by duly appointed corporate representative); and

b. at least 75% of the total number of votes cast on the resolution contained in this Notice of Scheme Meeting.

The vote will be conducted by poll.

ENTITLEMENT TO VOTE

The Court has ordered that, for the purposes of the Scheme Meeting, Tawana Shares will be taken to be held by the persons who are registered as Tawana Shareholders at 5:00pm on 24 September 2018. Accordingly, registrable transmission applications or transfers of Tawana Shares registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

VOTING IN PERSON

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 26 September 2018 at 1:00pm.

You will be admitted to the Scheme Meeting and given a voting card upon disclosure at the point of entry of your name and address.

If you plan to attend the Scheme Meeting, we ask that you arrive at the venue at least 30 minutes prior to the time designated for the Scheme Meeting so that we may check the number of your Tawana Shares and note your attendance.

VOTING BY PROXY

Proxy appointment – Tawana Shareholders other than SA Holders

a. A member entitled to attend and vote may appoint a proxy.

b. A member entitled to cast two or more votes may appoint not more than two proxies.

c. A proxy can be an individual or a body corporate and need not be a member.

d. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.

e. At least 48 hours before the meeting, the Company must receive:

   i. the proxy's appointment; and

   ii. any authority under which the appointment was signed or a certified copy of the authority.

f. The proxy appointment and any authority appointing an attorney can be lodged:

Online:

at www.investorvote.com.au, using the holding details as shown on the proxy form

Mail:

to Tawana Resources NL
C/- Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By mobile:

by scanning the QR Code on your proxy form and follow the prompts

Custodian Voting:

for Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Fax:

to 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Hand delivered:

to Tawana Resources NL
Level 3/20 Parkland Rd
Osborne Park WA 6017
Australia

VOTING BY PROXY – CERTIFICATED SA HOLDERS

Certificated SA Holders who wish to vote may complete and lodge their proxy form as follows:

Mail:

to Computershare Investor Services Proprietary Limited, P O Box 61051, Marshalltown, 2107, South Africa

Email:

to proxy@computershare.co.za

Fax:

to Computershare Investor Services Proprietary Limited on +27 11 688 5238

Hand delivered:

to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.

Forms of proxy to be delivered or given by Certificated SA Holders must be delivered by no later than 48 hours prior to commencement of the Scheme Meeting. Forms of proxy delivered by Certificated SA Holders after this time will not be effective.

JOINTLY HELD SECURITIES

If Tawana Shares are jointly held, only one of the joint Tawana Shareholders is entitled to vote. If more than one joint Tawana Shareholder votes, only the vote of the Tawana Shareholder whose name appears first in the Register will be counted.

VOTING BY ATTORNEY

A Tawana Shareholder entitled to attend and vote at the Scheme Meeting may appoint an attorney to vote at the Scheme Meeting.

Persons who are attending as an attorney should bring the original or a certified copy of the power of attorney to the Scheme Meeting, unless it has already been noted by Tawana. A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their name and address at the point of entry to the Scheme Meeting.

The sending of a Proxy Form will not preclude a Tawana Shareholder from attending in person and voting at the Scheme Meeting. However, the Corporations Act specifies that the presence of a Tawana Shareholder at a meeting suspends his or her proxy's rights to speak and vote.

VOTING BY CORPORATE REPRESENTATIVE

To vote at the Scheme Meeting a corporation who is a Tawana Shareholder, or who has been appointed as a proxy by a Tawana Shareholder, may appoint a person to act as its representative.

Persons who are attending as a corporate representative for a corporation must bring evidence of their appointment. The appointment must comply with section 250D of the Corporations Act. An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing, at the point of entry to the Scheme Meeting, written evidence of their appointment (including any authority under which it is signed), their name and address and the identity of their appointer.

COURT APPROVAL

If the resolution contained in this Notice of Scheme Meeting is approved at the Scheme Meeting by the Requisite Majority, the implementation of the Scheme (with or without modification) will be subject to, among other things, the subsequent approval of the Court.

DEMATERIALISED SA HOLDERS

Dematerialised SA Holders, including 'own name' holders, should provide their CSDP or broker with their voting instructions in the manner and subject to the cut-off time stipulated in the custody agreement governing their relationship with their CSDP or broker. If their CSDP or broker does not obtain instructions, it will be obliged to act in accordance with the instructions contained in the custody agreement governing such relationship.

Dematerialised SA Holders wishing to attend the Scheme Meeting in person should promptly contact their CSDP or broker to obtain a letter of representation to enable them to so attend. Although Dematerialised SA Holders may attend the Scheme Meeting they may not vote in person or by proxy at the Scheme Meeting. Dematerialised SA Holders should not complete the Proxy Form which accompanies this Scheme Booklet.

ANNEXURE G OTHER FINANCIAL INFORMATION

Alliance Mineral Assets Limited and its controlled entities
ACN 147 393 735
Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2017

	31 December 2017 A$
Revenue	
Interest income	188,976
Other	36,975
Total revenue	**225,951**
Expenses	
Accounting and audit expense	(369,549)
Administrative expense	(1,840,731)
Merger related transaction costs	(18,788,620)
Consulting and director fees	(752,275)
Employee benefits expense	(1,353,459)
Share based payment expense	(5,274,598)
Depreciation expense	(96,631)
Site operating costs	(838,501)
Impairment on exploration and evaluation asset	(2,790,565)
Gain on Cowan Lithium Demerger	1,839,369
Foreign exchange loss	(31,882)
Borrowing costs	(372,388)
Other expenses	(317)
Total expenses	**(30,670,147)**
Loss before income tax	**(30,444,196)**
Income tax expense	**-**
Loss after income tax	**(30,444,196)**
Other comprehensive income	
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	
Exchange differences on translation of foreign operations	(177,000)
Translation reserve realised on de-merger of Cowan	(1,839,369)
Total other comprehensive loss	**(2,016,369)**
Total comprehensive loss for the year attributable to members	**(32,460,565)**

Alliance Mineral Assets Limited and its controlled entities
ACN 147 393 735
Unaudited Pro forma Historical Consolidated Statements of Financial Position
As at 30 April 2018 and 31 December 2017

	30 April 2018 A$	31 December 2017 A$
Current assets		
Cash and cash equivalents	10,374,914	13,001,210
Trade and other receivables	2,709,853	3,097,324
Prepayments and deposits	1,826,341	2,180,193
Inventory	1,600,972	27,346
Total current assets	**16,512,080**	**18,306,073**
Non-current assets		
Mine properties	132,635,687	103,981,036
Exploration and evaluation expenditure	77,587,446	77,498,514
Property, plant and equipment	65,991,195	48,282,505
Deposits	75,280	72,932
Goodwill	57,004,384	54,132,071
Investment in associate	634,000	634,000
Total non-current assets	**333,927,992**	**284,601,058**
Total assets	**350,440,072**	**302,907,131**
Current liabilities		
Trade and other payables	26,189,050	13,931,934
Deferred revenue	19,625,000	17,720,000
Interest bearing loans and borrowings	168,911	94,002
Provisions	587,327	225,596
Total current liabilities	**46,570,288**	**31,971,532**
Non-current liabilities		
Deferred revenue	1,000,000	2,905,000
Interest bearing loans and borrowings	12,973,400	8,356
Provision for rehabilitation	5,374,062	1,368,758
Total non-current liabilities	**19,347,462**	**4,282,114**
Total liabilities	**65,917,750**	**36,253,646**
Net assets	**284,522,322**	**266,653,485**
Equity		
Contributed equity	368,766,573	349,537,889
Reserves	4,244,099	3,796,058
Accumulated losses	(88,488,350)	(86,680,462)
Total equity	**284,522,322**	**266,653,485**

The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 30 April 2018 of $30,058,208 and at 31 December 2017 of $13,665,459. (Refer to Note 6 for further details).

Alliance Mineral Assets Limited and its controlled entities
ACN 147 393 735
Unaudited Pro Forma Historical Consolidated Statement of Cash Flows
For the Year Ended 31 December 2017

	31 December 2017 A$
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received	192,139
Interest paid	(10,657)
Service income received	33,814
R&D tax rebate on operating expenditure	399,774
Proceeds received in advance	20,625,000
Merger transaction costs	(18,788,620)
Payments to suppliers	(6,730,324)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(4,278,874)**
CASH FLOWS FROM INVESTING ACTIVITIES	
R&D tax rebate on capital expenditure	705,619
Payments for mine properties	(5,401,534)
Payments for exploration costs	(6,715,990)
Proceeds from sale of plant and equipment	2,610
Payments for property, plant and equipment	(31,117,545)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(42,526,840)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from share issues	55,394,000
Share issue costs	(2,160,000)
Payment to insurance premium loan principal	(105,588)
Payment to finance lease principal	(17,680)
Proceeds from borrowing	78,776
Cash lost on Cowan Lithium Demerger	(750,000)
Repayment of unsecured loan	(1,785,754)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**50,653,754**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3,848,040**
Cash and cash equivalents at the beginning of the period	10,301,767
Net foreign exchange difference on cash balances	16,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**14,166,210**

Alliance Mineral Assets Limited and controlled entities
ACN 147 393 735
Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

These selective notes form an integral part of and should be read in conjunction with the accompanying Unaudited Pro Forma Historical Financial Information.

The Unaudited Pro Forma Historical Financial Information refers to the financial information of the merged group of companies as defined under note 1 below and comprises the Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income, the Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017, the Unaudited Pro Forma Historical Consolidated Statements of Financial Position as at 31 December 2017 and as at 30 April 2018 and related notes (together the "Unaudited Pro forma Historical Financial Information").

1. General Information

The Unaudited Pro Forma Historical Financial Information has been prepared for inclusion in the merger circular (the "Merger Circular") to be issued to the shareholders of Alliance Mineral Assets Limited (the "Company" or "AMAL") in connection with the proposed transaction between AMAL and Tawana Resources NL and its controlled entities ("Tawana") (the "Proposed Transaction").

The merged group of companies comprising AMAL, Tawana and its subsidiaries, following the completion of the Proposed Transaction, are collectively known as the "Merged Group".

2. Corporate Information

Alliance Mineral Assets Limited is a public company limited by shares incorporated in Australia and listed on SGX-ST. The Company is principally engaged in the business of exploring and developing Lithium and Tantalum mineral resources in Australia. During the financial periods under consideration, the principal activity was exploration, evaluation and development for lithium and tantalum at the Bald Hill Project. The Company's registered office and principal place of business is Unit 6, 24 Parkland Road, Osborne Park, Western Australia 6017.

3. The Proposed Transaction

On 5 April 2018, AMAL and Tawana entered into a Scheme Implementation Agreement pursuant to which AMAL will acquire all of the Tawana's Shares by way of a scheme of arrangement under the Corporations Act 2001 (the "Proposed Scheme"). Under the Proposed Scheme, each Tawana Share will be exchanged for 1.1 ASX Listed Alliance Shares, which trade on ASX, or, if elected, 1.1 SGX Listed Alliance Shares, which trade on the SGX-ST. Upon implementation of the Proposed Scheme, AMAL Shareholders will own approximately 50.91% of the Merged Group and Tawana Shareholders will own approximately 49.09% of the Merged Group. AMAL will directly and indirectly own a 100% interest in the Bald Hill Project. As of 27 July 2018, there were 18,693,880 unexercised Options on issue. If these Options are not exercised by the Record Date, the Options would be cancelled in exchange for an aggregate of up to 10,106,775 AMAL Shares. As noted below in section 7(e), the issue of AMAL Shares in settlement of unexercised Options at the Implementation Date will be accounted for as a modification of a share based payment arrangement. Had the settlement of unexercised Options for AMAL Shares been taken into account in determining the shareholding of the Merged Group, AMAL Shareholders would have owned approximately 50.52% of the Merged Group and Tawana Shareholders would have owned approximately 49.48% of the Merged Group.

The Proposed Scheme extends to any Tawana Shares that are issued prior to the Record Date as a result of the exercise of any Options. Each holder of Options has entered into an Option Cancellation Deed under which, conditional on the Proposed Scheme becoming Effective, the holder agrees that its Options will be cancelled automatically on the Implementation Date in exchange for such number of AMAL Shares, to the extent those Options are not exercised into Tawana Shares prior to the Record Date..

As at 15 August 2018, there are 18,693,880 Options on issue which are exercisable into an aggregate of 18,693,880 Tawana Shares at exercise prices of between $0.06 and $0.50 per Option. Pursuant to the Option Cancellation Deeds, if these Options are not exercised before the Record Date, the Options would be cancelled in exchange for an aggregate of up to 10,106,775 AMAL Shares.

The Proposed Scheme is conditional upon approval by the Requisite Majority at the Scheme Meeting and is also subject to Australian regulatory approvals/consents, AMAL Shareholder approval, Court approval, third party approvals and ASX approval for the quotation of AMAL Shares, together with certain other conditions customary for a transaction of this nature. The Proposed Scheme is not subject to any due diligence or financing conditions.

Australian Accounting Standards require that where two or more entities combine through an exchange of equity for the purposes of a combination, one of the entities must be deemed to be the accounting acquirer. AMAL is the legal acquirer under the Proposed Scheme (in that, if the Proposed Scheme is implemented, AMAL will acquire all of the Tawana Shares on issue on the Record Date), and will therefore be the legal parent company of the Merged Group. However, after assessing the guidance set out in Australian Accounting Standard AASB 3 *Business Combinations* (IFRS 3) and in particular the expected Board and management composition of the Merged Group, Tawana has been assessed to be the accounting

acquirer. Therefore, the future consolidated financial statements of the Merged Group will represent the continuation of the operations of the accounting acquirer, Tawana.

The fair value of the deemed consideration transferred by the accounting acquirer is based on the number of equity interests the legal subsidiary would have had to issue to give the owners of the legal parent the same percentage equity interest in the combined entity that results from the Proposed Scheme. The fair value of the number of equity interests calculated in that way, based on the share price of the accounting acquirer at the date of acquisition, is used as the fair value of consideration transferred.

For the purposes of the Unaudited Pro Forma Historical Financial Information, the fair value on acquisition date of the deemed consideration transferred by Tawana, is estimated to be $243,489,966 as set out below. This is based on the closing Tawana share price on 27 July 2018. The calculation assumes that no Options will be exercised between 27 July 2018 and the Implementation Date and consequently all Options outstanding on 27 July 2018 will be converted into AMAL Shares.

Pro Forma fair value of the deemed consideration transferred:

Number of Tawana shares on issue at 30 April 2018	554,084,489
Number of Tawana options exercised between 1 May 2018 and 27 July 2018	11,653,060
Shares issued by Tawana to Metalicity Energy Ltd on transfer of final Lake Cowan Project tenement on 21 May 2018	153,846
Tawana shares issued pursuant to the conditional placement on 6 July 2018	12,195,122
Expected total number of shares on issue considered for the purpose of calculating the pro forma fair value of the deemed consideration transferred	**578,086,517**
Maximum number of AMAL shares expected to be issued to Tawana Shareholders on the Implementation Date in accordance with the Proposed Scheme Consideration[(i)]	635,895,169
Number of AMAL shares expected to be on issue immediately prior to the Implementation Date	659,471,907
Total number of AMAL shares expected to be on issue on Implementation Date	**1,295,367,076**
Number of Tawana shares that would have to be issued to maintain the same 50.91%/49.09% ownership ratio	599,519,915
Closing Tawana share price on 27 July 2018	A$0.40
Pro forma fair value of Tawana shares transferred	A$239,807,966
Pro forma fair value of replacement share based payment options considered to be part of the consideration transferred[(ii)]	A$3,682,000
Pro forma fair value of the deemed consideration transferred	**A$243,489,966**

[(i)] Subject to no Options being exercised between 27 July 2018 and the Record Date. Figures may change due to rounding under the Proposed Scheme.

[(ii)] In accordance with AASB 3 (IFRS 3), the fair value attributed to the AMAL options on issue at 30 April 2018 that had vested prior to the acquisition date is recognised as part of the deemed consideration transferred. It is assumed that none of these options will be exercised prior to the acquisition date. A summary of key assumptions adopted in the Black Scholes model to estimate the fair value of these options at 30 April 2018 for the purposes of the Unaudited Pro Forma Historical Financial Information is detailed below (the same values have been used for the purpose of the 31 December 2017 Unaudited Pro Forma Historical Financial Information):

Number of options	15,600,000	3,800,000	3,800,000	3,800,000
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	65%	65%	65%	65%
Risk free interest rate (%)	2%	2%	2%	2%
Expected life (years)	2.9 years	2.1 years	2.1 years	2.1 years
Share price $SGD	0.36	0.36	0.36	0.36
Exercise price $SGD	0.49	0.24	0.30	0.36
Fair value per option $AUD	0.13	0.18	0.15	0.13

Under AASB 3 (IFRS 3), the actual measurement date of the deemed consideration transferred will occur on the acquisition date which is generally taken to be date the Proposed Scheme is implemented. Consequently, the value of the deemed consideration transferred will differ from the amount assumed in the Unaudited Pro Forma Historical Financial Information due to any further changes in the market price of Tawana Shares or in the number of Tawana Shares issued and outstanding.

Both Tawana and AMAL are parties to the Bald Hill Joint Venture which is currently accounted for as a joint operation by both Tawana and AMAL.

In accounting for the business combination, the Tawana Directors have elected to apply a policy to carry Tawana's existing interest in the net assets of the Bald Hill Project at cost. Accordingly, the deemed consideration transferred will be allocated over the net assets acquired which includes AMAL's 50% interest in the net assets of the joint operation. The preliminary purchase price allocation is subject to change and is summarised as follows:

	30 April 2018	**31 December 2017**
	A$	**A$**
Pro forma total fair value of deemed consideration transferred	243,489,966	243,489,966
Estimated fair value of the net assets acquired:		
Exploration and evaluation expenditure (a)	77,305,000	77,305,000
Mine properties (b)	100,325,577	85,935,595
Property, plant and equipment (c)	33,302,390	24,470,477
Borrowings (d)	(8,142,311)	-
Net other assets and liabilities acquired (including cash) (e)	(16,305,074)	1,646,823
Deferred tax asset/liability (f)	-	-
Net identifiable assets	**186,485,582**	**189,357,895**
Provisional goodwill at date of acquisition (g)	**57,004,384**	**54,132,071**

The purchase price accounting for the net assets acquired has been determined on a provisional basis. The preliminary estimate of the fair values of the assets and liabilities of AMAL is summarised below:

(a) The fair value of AMAL's interest in exploration and evaluation expenditure at 30 April 2018 and 31 December 2017 has been estimated to be $77,305,000 based on the preferred valuation of the Resources not included in the life of mine based on Tawana's Technical Specialist Report included as an annexure to its Independent Expert's Report in Annexure A of the Tawana Scheme Booklet. This has resulted in a pro forma fair value uplift of $77,305,000 on exploration and evaluation expenditure for 31 December 2017 and 30 April 2018.

(b) The fair value of AMAL's interest in mine properties at 30 April 2018 has been estimated at $100,325,577. This was based on the preferred fair value as determined by Tawana's Independent Expert in its Independent Expert's Report included in Annexure A of the Tawana Scheme Booklet which was then adjusted to include estimated fair value of AMAL's office space of $750,000 and exclude the estimated fair value of property, plant and equipment (see below), estimated fair value of consumables of $786,000 and rehabilitation liabilities of $2,664,340.

The estimated fair value for mine properties of $100,325,577 compared to the carrying value of mine properties in the Historical Statement of Financial Position of AMAL at 30 April 2018 of $25,765,723 resulted in a pro forma fair value uplift of $74,559,854 for mine properties.

In estimating the fair value of mine properties at 31 December 2017 for the purpose of preparing the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at that date, management has deducted AMAL's share of capital expenditure on mine properties between 31 December 2017 and 30 April 2018 amounting to $14,389,982 from the fair value of the mine properties adopted at 30 April 2018. This has resulted in a pro forma fair value uplift of $79,856,625 on mine properties.

(c) The fair value of AMAL's interest in property, plant and equipment at the Bald Hill Project at 30 April 2018 and 31 December 2017 has been assumed to be equal to its carrying value at each respective reporting date.

(d) The fair values of AMAL's borrowings was determined by using the discounted cash flow method using a current market borrowing cost of approximately 20%. This has resulted in a pro forma fair value uplift of $1,762,730 on interest bearing loans and borrowings at 30 April 2018.

(e) Except for prepaid borrowing costs, the fair value of other assets and liabilities has been assumed to be equal to their carrying value. For the purpose of the Unaudited Pro Forma Historical Financial Information no value has been ascribed to the prepaid borrowing cost recognised by AMAL at 30 April 2018 amounting to $1,187,842.

(f) It is assumed that AMAL will form a tax consolidated group prior to the settlement of the Proposed Transaction and on settlement Tawana will join the AMAL tax consolidated group. For the purposes of the Unaudited Pro Forma Historical Financial Information it is assumed that the accounting fair value uplift in net assets will be matched by at least an equivalent increase in the tax base of the assets and liabilities. Accordingly, no additional deferred tax is recognised as a provisional adjustment.

(g) This reflects the resulting difference between the pro forma fair value of deemed consideration transferred and the provisional fair values of the assets acquired and liabilities assumed. The excess is recognised as provisional goodwill.

The actual fair value of the net assets of AMAL acquired by Tawana as an "accounting acquirer" will ultimately be determined after implementation of the Scheme. Therefore, it is likely that the allocation of the purchase price will vary from those shown above and the differences may be material.

4. Tawana Restructuring - the Cowan Lithium Demerger

At an extraordinary general meeting held on 6 July 2018, Tawana Shareholders approved resolutions to give effect to the restructure of its assets to focus on the Bald Hill Project and the Cowan Lithium Demerger. As part of this restructuring, Tawana transferred to Cowan Lithium its:

a) 100% owned Cowan Lithium Project in Western Australia comprising exploration licences which Tawana holds through its wholly-owned subsidiary Mount Belches Pty Ltd;
b) 100% owned Yallari Lithium Project in Western Australia comprising exploration licences which Tawana holds through its wholly-owned subsidiary Mount Belches Pty Ltd;
c) 100% owned Mofe Creek Iron Ore Project in Liberia comprising mineral exploration licences which Tawana holds through its wholly-owned subsidiaries, Kenema-Man Holdings Liberia Pty Ltd and Tawana Liberia Inc; and
d) 26% interest in Rakana Consolidated Mines Pty Ltd which itself holds a 26% interest in the Avontuur Manganese Project in South Africa,
e) Tawana also paid Cowan Lithium A$750,000

In consideration for the above, Cowan Lithium issued 9,064,920 shares to Tawana.

The demerger was achieved through a capital reduction satisfied by way of a pro rata in-specie distribution of 85% of the fully paid ordinary shares in the capital of Cowan Lithium to Tawana Shareholders ("Cowan Lithium Demerger"). The record date for capital reduction was 13 July 2018 with a completion date of 18 July 2018.

The split of the capital reduction between contributed equity and demerger reserve was $1,976,000 and $1,615,000 respectively.

Following the completion of the Cowan Lithium Demerger, Tawana retained a 15% interest in the share capital of Cowan Lithium and has the right to maintain its proportionate interest in the future. In addition, for so long as Tawana holds at least a 10% interest in the share capital of Cowan Lithium, it has the right to appoint a nominee director to the board of Cowan Lithium. Upon completion of the demerger, Tawana will account for its equity interest in Cowan Lithium as an investment in an associate using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture from the acquisition date. The assets and liabilities associated with Cowan Lithium as at 1 January 2017, 31 December 2017 and 30 April 2018 are as follows:

	1 January 2017 A$	31 December 2017 A$	30 April 2018 A$
Current assets			
Cash and cash equivalents	750,000	750,000	751,000
Trade and other receivables	9,517	162,625	2,000
Prepayments and deposits	-	6,536	4,000
Total current assets	**759,517**	**919,161**	**757,000**
Non-current assets			
Exploration and evaluation expenditure	4,809,628	7,466,000	3,451,000
Property, plant and equipment	-	21,368	19,000
Total non-current assets	**4,809,628**	**7,487,368**	**3,470,000**
Total assets	**5,569,145**	**8,406,529**	**4,227,000**
Current liabilities			
Trade and other payables	112,691	144,393	2,000
Total current liabilities	112,691	**144,393**	**2,000**
Total liabilities	112,691	**144,393**	**2,000**
Net assets	**5,456,454**	**8,262,136**	**4,225,000**

Following the decision to demerge Cowan Lithium from Tawana on 22 March 2018, all assets and liabilities relating to Cowan Lithium were reclassified as a disposal group held for distribution in Tawana's Historical Consolidated Statement of Financial Position at 30 April 2018.

As reflected in Tawana's Historical Consolidated Statement of Financial Position at 30 April 2018, the fair value less costs to distribute (FVLCD) of Cowan Lithium amounted to $4,225,000 as at 30 April 2018. For the purposes of the Unaudited Pro Forma Historical Financial Information this fair value has been applied at each of the pro forma demerger dates being 1 January 2017, 31 December 2017 and 30 April 2018 (see basis of preparation in Note 6 below). The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. In determining the FVLCD, estimates were made in relation to the underlying resources and the valuation multiple.

5. The Merged Group

Under the Proposed Transaction and following the completion of Cowan Lithium Demerger, the Company will have the following subsidiaries:

Name of company	Country of incorporation	Principal activities	Effective interest %
Subsidiary of AMAL			
Alliance Mineral Assets Exploration Pty Ltd*	Australia	Dormant	100
Tawana Resources NL	Australia	Mine Development	100
Subsidiaries held by Tawana			
Lithco No.2 Pty Ltd	Australia	Mine development	100
Tawana Gold Pty Ltd	Australia	Dormant	100
Waba Holdings Pty Ltd	Australia	Holding Company	100
Achean Holdings	Liberia	Holding Company	100
Tawana Resources SA Pty Ltd	South Africa	Mineral Exploration	100

*Incorporated on 28 June 2018

6. Basis of preparation of the Unaudited Pro Forma Historical Financial Information

The Unaudited Pro Forma Historical Financial information has been compiled by the directors of AMAL to illustrate the impact of the Proposed Scheme and the Cowan Lithium Demerger on the Company's historical financial position as at 31 December 2017 and 30 April 2018, as if the Proposed Scheme and Cowan Lithium Demerger had taken place at 31 December 2017 and 30 April 2018 respectively and its financial performance and cash flows for the year ended 31 December 2017, as if the Proposed Scheme and Cowan Lithium Demerger had taken place on 1 January 2017.

The Unaudited Pro Forma Historical Financial Information is presented in Australian Dollars and all values are disclosed to the nearest dollar except where otherwise indicated.

The Unaudited Pro Forma Historical Financial Information is for illustrative purposes only. The objective is to show what the historical financial information of the Merged Group might have been had it existed at an earlier date. However, the pro forma historical financial information of the Merged Group, by its nature may not give a true picture of the Merged Group's actual or prospective financial position, financial performance and cashflows and is not necessarily indicative of the results of the operations, cashflows or related effects on the financial position that would have been attained had the above mentioned Merged Group existed at an earlier date.

The Unaudited Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS"), which are consistent with International Financial Reporting Standards ("IFRS"), other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the Proposed Transaction and the Cowan Lithium Demerger as if they occurred from the dates described above.

The Unaudited Pro Forma Historical Financial Information of the Merged Group has been compiled based on the following historical financial information adjusted for pro forma adjustments described in note 7:

- unaudited financial statements of AMAL for the 12 month period ended 31 December 2017 prepared in accordance with AAS and IFRS, on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 101 *Presentation of Financial Statements* ("AASB 101") (IAS1);
- audited financial statements of Tawana for the year ended 31 December 2017 prepared in accordance with AAS and IFRS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern;
- unaudited interim financial statements of AMAL for the ten-month period ended 30 April 2018 prepared in accordance with AASB 134 *Interim Financial Reporting* ("AASB 134") and IAS 34, on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 (IAS 34); and
- unaudited interim financial statements of Tawana for the four months ended 30 April 2018, prepared in accordance with AASB 134 and IAS 34 on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. Additionally there was a modification with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 (IAS 34).

The significant accounting policies adopted by AMAL in the preparation of the Unaudited Pro Forma Historical Financial Information are consistent with those disclosed in Tawana's 31 December 2017 Annual Report except for the adoption of AASB 9: Financial Instruments ("AASB 9") (IFRS 9), AASB 15: Revenue from Contracts with Customers ("AASB 15") (IFRS 15) which were adopted by Tawana with effect from 1 January 2018. The impact of adopting AASB 9 and AASB 15 was disclosed in the interim financial statements of Tawana for the four months ended 30 April 2018. As disclosed in the interim financial statements of Tawana for the four month period ended 30 April 2018, the adoption of AASB 9 impacted the classification of certain financial assets but had no measurement impact at the date of adoption and the adoption of AASB 15 had no impact at the date of adoption. AMAL has not yet adopted AASB 9 and AASB 15. Based on management analysis, as disclosed in the unaudited interim financial statements of AMAL for the ten-month period ended 30 April 2018, the adoption of these Accounting Standards is not expected to have a significant impact on AMAL.

Going concern

The Unaudited Pro Forma Historical Financial Information has been prepared on a going concern basis which assumes the continuity of the Merged Group's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of the Merger Circular, AMAL and Tawana have worked together to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), the Merged Group will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment. Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, the Merged Group will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown, failures, and operational errors.

The AMAL Directors and the Tawana Board recognise that the Merged Group will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

Subsequent to 30 April 2018:

AMAL raised the following additional funds via equity raisings:

- on 2 May 2018, AMAL issued 76,522,804 AMAL Shares to sophisticated and institutional investors outside of Singapore to raise approximately $25.0 million (before costs);
- on 4 July 2018, AMAL issued 13,000,000 AMAL Shares to Burwill Holdings Ltd to raise approximately $4.2 million (approximately S$4.3 million) (before costs); and
- on 24 July 2018, AMAL issued 3,275,115 AMAL Shares to an institutional investor and 7,600,000 AMAL Shares to Canaccord (as underwriter) to raise approximately $3.6 million (approximately S$3.7 million) (before costs).

Tawana raised the following additional funds via equity raisings:

- on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately $4.9 million (before costs); and
- 11,653,060 Options were exercised at an average price of $0.158 per Option to raise approximately $1.8 million.

In addition, Tawana is currently negotiating the terms of a proposed $15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana's exposure to cash flow risks during the initial phase of the Bald Hill Project.

The AMAL Directors and the Tawana Board are satisfied that they will be able to raise additional funds as required and thus it is appropriate to prepare the Unaudited Pro Forma Historical Financial Information on a going concern basis.

In the event that the Merged Group is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Unaudited Pro Forma Historical Consolidated Statements of Financial Position.

The Unaudited Pro Forma Historical Consolidated Statements of Financial Position do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Merged Group not be able to continue as a going concern.

7. Statement of adjustments

The following adjustments have been made in compiling the Unaudited Pro Forma Historical Financial information.

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Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income for the year ended 31 December 2017

	Aggregated historical statement of comprehensive income of Merged Group before Adjustments A$	Note	Pro forma adjustments for Merged Group A$	Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income A$
Revenue				
Interest income	188,976		-	188,976
Other income	257,334	(b)	(220,359)	36,975
Total revenue	**446,310**		**(220,359)**	**225,951**
Expenses				
Accounting and audit expense	(369,549)		-	(369,549)
Administrative expense	(1,840,731)		-	(1,840,731)
Merger related transaction costs	-	(c)	(18,788,620)	(18,788,620)
Consulting and director fees	(752,275)		-	(752,275)
Employee benefits expense	(1,353,459)		-	(1,353,459)
Share based payment expense	(5,274,598)	(e)	-	(5,274,598)
Depreciation expense	(96,631)		-	(96,631)
Site operating costs	(932,575)	(a)	94,074	(838,501)
Impairment on exploration and evaluation asset	(1,559,111)	(a)	(1,231,454)	(2,790,565)
Gain on Cowan Lithium Demerger	-	(a)	1,839,369	1,839,369
Loss on foreign exchange	(31,882)		-	(31,882)
Borrowing costs	(372,388)		-	(372,388)
Other expenses	(352,566)	(b)	352,249	(317)
Total expenses	**(12,935,765)**		**(17,734,382)**	**(30,670,147)**
Loss before income tax	**(12,489,455)**		**(17,954,741)**	**(30,444,196)**
Income tax expense	-		-	**-**
Loss after income tax	**(12,489,455)**		**(17,954,741)**	**(30,444,196)**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations	(177,000)		**-**	(177,000)
Translation reserve realised on de-merger of Cowan	-	(a)	(1,839,369)	(1,839,369)
Total other comprehensive loss	**(177,000)**		**(1,839,369)**	**(2,016,369)**
Total comprehensive loss for the year attributable to members	**(12,666,455)**		**(19,794,110)**	**(32,460,565)**

Alliance Mineral Assets Limited and controlled entities
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Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017

	Aggregated historical statement of cash flows of Merged Group before Adjustments A$	Note	Pro forma adjustments for Merged Group A$	Unaudited Pro Forma Historical Consolidated Statement of Cash Flows A$
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	192,139		-	192,139
Interest paid	(10,657)		-	(10,657)
Services income received	244,806	(b)	(210,992)	33,814
R&D tax rebate on operating expenditure	399,774		-	399,774
Proceeds received in advance	20,625,000		-	20,625,000
Merger related transaction costs	-	(c)	(18,788,620)	(18,788,620)
Payments to suppliers (admin)	(6,730,324)		-	(6,730,324)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**14,720,738**		**(18,999,612)**	**(4,278,874)**
CASH FLOWS FROM INVESTING ACTIVITIES				
R&D tax rebate on capital expenditure	705,619			705,619
Payments for mine properties	(6,163,330)	(b)	210,992	(5,401,534)
		(b)	550,804	
Payments for exploration costs	(7,880,990)	(a)	1,165,000	(6,715,990)
Proceeds from sale of plant and equipment	2,610		-	2,610
Payments for property, plant and equipment	(31,117,545)		-	(31,117,545)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(44,453,636)**		**1,926,796**	**(42,526,840)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issues	55,394,000		-	55,394,000
Share issue costs	(2,160,000)		-	(2,160,000)
Payment to insurance premium loan principal	(105,588)		-	(105,588)
Payment to finance lease principal	(17,680)		-	(17,680)
Proceeds from borrowing	78,776		-	78,776
Cash demerged to Cowan Lithium	-	(a)	(750,000)	(750,000)
Repayment of unsecured loan	(1,785,754)		-	(1,785,754)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**51,403,754**		**(750,000)**	**50,653,754**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**21,670,856**		**(17,822,816)**	**3,848,040**
Cash and cash equivalents at the beginning of the period	10,301,767		-	10,301,767
Net foreign exchange difference on cash balances	16,403		-	16,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**31,989,026**		**(17,822,816)**	**14,166,210**

Alliance Mineral Assets Limited and controlled entities
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Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 31 December 2017

	Aggregated historical statement of financial position of Merged Group before Adjustments A$	Note	Pro forma adjustments for Merged Group A$	Unaudited Pro Forma Historical Consolidated Statement of Financial Position A$
Current assets				
Cash and cash equivalents	31,989,026	(b)	550,804	13,001,210
		(a)	(750,000)	
		(c)	(18,788,620)	
Trade and other receivables	6,617,208	(b)	(3,081,857)	3,097,324
		(b)	(275,402)	
		(a)	(162,625)	
Prepayments and deposits	2,462,131	(b)	(275,402)	2,180,193
		(a)	(6,536)	
Inventory	27,346		-	27,346
Total current assets	**41,095,711**		**(22,789,638)**	**18,306,073**
Non-current assets				
Mine properties	24,124,411	(d)	79,856,625	103,981,036
Exploration and evaluation expenditure	7,659,514	(a)	(7,466,000)	77,498,514
		(d)	77,305,000	
Property, plant and equipment	48,303,873	(a)	(21,368)	48,282,505
Deposits	72,932		-	72,932
Reimbursement asset - rehabilitation obligation	662,396	(b)	(662,396)	-
Goodwill	-	(d)	54,132,071	54,132,071
Investment in associate	-	(a)	634,000	634,000
Total non-current assets	**80,823,126**		**203,777,932**	**284,601,058**
Total assets	**121,918,837**		**180,988,294**	**302,907,131**
Current liabilities				
Trade and other payables	17,158,184	(b)	(3,081,857)	13,931,934
		(a)	(144,393)	
Deferred revenue	17,720,000		-	17,720,000
Interest bearing loans and borrowings	94,002		-	94,002
Provisions	225,596		-	225,596
Total current liabilities	**35,197,782**		**(3,226,250)**	**31,971,532**
Non-current liabilities				
Deferred revenue	2,905,000			2,905,000
Interest bearing loans and borrowings	8,356			8,356
Provision for rehabilitation	2,031,154	(b)	(662,396)	1,368,758
Total non-current liabilities	**4,944,510**		**(662,396)**	**4,282,114**
Total liabilities	**40,142,292**		**(3,888,646)**	**36,253,646**
Net assets	**81,776,545**		**184,876,940**	**266,653,485**
Equity				
Contributed equity	166,559,198	(a)	(1,976,000)	349,537,889
		(d)	243,489,966	
		(d)	(58,535,275)	
Reserves	10,839,189	(a)	(3,193,692)	3,796,058
		(d)	(3,849,439)	
Accumulated losses	(95,621,842)	(a)	(2,458,444)	(86,680,462)
		(c)	(18,788,620)	
		(d)	30,188,444	
Total equity	**81,776,545**		**184,876,940**	**266,653,485**

The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 31 December 2017 of $13,665,459. (Refer to Note 6 for further details).

Alliance Mineral Assets Limited and controlled entities
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Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 30 April 2018

	Aggregated historical statement of financial position of Merged Group before Adjustments A$	Note	Pro forma adjustments for Merged Group A$	Unaudited Pro Forma Historical Consolidated Statement of Financial Position A$
Current assets				
Cash and cash equivalents	29,163,534	(c)	(18,788,620)	10,374,914
Trade and other receivables	10,378,090	(b)	(7,668,237)	2,709,853
Disposal Group held for distribution	4,225,000	(a)	(4,225,000)	-
Prepayments and deposits	8,552,702	(b)	(5,538,519)	1,826,341
		(d)	(1,187,842)	
Inventory	1,600,972		-	1,600,972
Total current assets	**53,920,298**		**(37,408,218)**	**16,512,080**
Non-current assets				
Mine properties	58,075,833	(d)	74,559,854	132,635,687
Exploration and evaluation expenditure	282,446	(d)	77,305,000	77,587,446
Property, plant and equipment	65,991,195			65,991,195
Deposits	75,280			75,280
Reimbursement asset - rehabilitation obligation	2,664,340	(b)	(2,664,340)	-
Goodwill	-	(d)	57,004,384	57,004,384
Investment in associates	-	(a)	634,000	634,000
Total non-current assets	**127,089,094**		**206,838,898**	**333,927,992**
Total assets	**181,009,392**		**169,430,680**	**350,440,072**
Current liabilities				
Trade and other payables	39,395,806		(13,206,756)	26,189,050
Deferred revenue	19,625,000		-	19,625,000
Interest bearing loans and borrowings	168,911		-	168,911
Provisions	587,327		-	587,327
Total current liabilities	**59,777,044**		**(13,206,756)**	**46,570,288**
Non-current liabilities				
Deferred revenue	1,000,000		-	1,000,000
Interest bearing loans and borrowings	11,210,670	(d)	1,762,730	12,973,400
Provision for rehabilitation	8,038,402	(b)	(2,664,340)	5,374,062
Total non-current liabilities	**20,249,072**		**(901,610)**	**19,347,462**
Total liabilities	**80,026,116**		**(14,108,366)**	**65,917,750**
Net assets	**100,983,276**		**183,539,046**	**284,522,322**
Equity				
Contributed equity	185,787,882	(a)	(1,976,000)	368,766,573
		(d)	243,489,966	
		(d)	(58,535,275)	
Reserves	12,876,655	(a)	(1,615,000)	4,244,099
		(d)	(7,017,556)	
Accumulated losses	(99,268,953)	(a)	1,578,692	(88,488,350)
		(c)	(18,788,620)	
		(d)	27,981,531	
Amounts recognised in equity relating to disposal group	1,587,692	(a)	(1,578,692)	-
Total equity	**100,983,276**		**183,539,046**	**284,522,322**

The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 30 April 2018 of $30,058,208. (Refer to Note 6 for further details).

Alliance Mineral Assets Limited and controlled entities
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Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

Details of pro forma adjustments and assumptions are as follows:

(a) Being adjustments to account for the Cowan Lithium Demerger as detailed in Note 4.

For the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2017 this includes:
- Recognition of the capital distribution split between contributed equity and the demerger reserve (see Note 4)
- recognition of a gain on demerger of $1,578,692 and an impairment expense of $4,037,136 calculated using the latest fair value of the Disposal Group to be distributed of $4,225,000;
- Derecognition of assets and liabilities associated with Cowan Lithium on settlement of the distribution:
- the recycling of the translation reserve realised on Cowan Lithium Demerger of $1,578,692; and
- the recognition of the 15% retained interest in Cowan Lithium of $634,000 as an investment in an associate in the Unaudited Pro Forma Historical Financial Information of the Merged Group. This was calculated as 15% of the fair value of the disposal group as set out above.

For the Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 April 2018 this includes:
- Recognition of the capital distribution split between contributed equity and the demerger reserve (see Note 4)
- Derecognition of the assets held for distribution of $4,225,000:
- the recycling of the translation reserve realised on Cowan Lithium Demerger of $1,578,692 and the recognition of a gain on disposal of an equivalent amount; and
- the recognition of the 15% retained interest in Cowan Lithium of $634,000 as an investment in an associate in the Unaudited Pro Forma Historical Financial Information of the Merged Group. This was calculated as 15% of the fair value of the disposal group as set out above.

For the Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income for the year ended 31 December 2017 this includes:
- recognition of a gain on demerger of $1,839,369 and an impairment expense of $1,231,454 calculated using the latest fair value of the Disposal Group to be distributed of $4,225,000;
- the recycling of the translation reserve realised on Cowan Lithium Demerger of $1,839,369; and
- the recognition of the 15% retained interest in Cowan Lithium as an investment in an associate. The Merged Group's share of losses generated by the Cowan Lithium Group for the year ended 31 December 2017 is considered to be insignificant.

For the Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017 this includes the derecognition of payments for exploration costs within investing activities of $1,165,000 and cash demerged to Cowan Lithium of $750,000.

(b) Being adjustments to eliminate intercompany transactions between AMAL and Tawana during the financial year ended 31 December 2017 and intercompany balances between AMAL and Tawana at 31 December 2017 and 30 April 2018. These include:
- elimination of amounts owing between AMAL and Tawana at the respective balance sheet dates:
- elimination of the Reimbursement Asset recognised by AMAL in relation to AMAL's right under the Bald Hill Joint Venture to claim 50% of its rehabilitation expenditure from Tawana;
- elimination of intercompany income, expenditure and cash flows between AMAL and Tawana during the financial year ended 31 December 2017; and
- the reversal of the loss on disposal of the 50% interest in the Bald Hill Project recognised by AMAL in October 2017 amounting to $352,249.

(c) Being adjustments to reflect the estimated transaction costs of $18,788,620 (which includes estimated stamp duty of $10.72 million) relating to the Proposed Scheme. These costs have been expensed on a pre-tax basis in the Unaudited Pro Forma Historical Financial Information of the Merged Group.

(d) Being adjustments to account for the Proposed Scheme as detailed in Note 3. This includes :
- adjustments to eliminate AMAL's contributed equity (as a result of Tawana being the accounting acquirer), reserves and accumulated losses as at 31 December 2017 for the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 31 December 2017 and as at 30 April 2018 for the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 30 April 2018;
- recognition as contributed equity the Pro forma fair value of the deemed consideration transferred amounting to $243,489,966 as discussed in Note 3:

- recognition of the fair value uplift on the net assets acquired which includes AMAL's 50% interest in the net assets of the Bald Hill Joint Venture as discussed in Note 3.

(e) The issue of AMAL shares in settlement of unexercised Options at the Implementation Date will be accounted for as a modification of a share based payment arrangement. For the purposes of the Unaudited Pro Forma Historical Financial Information it is assumed that the exchange of shares for options provides the option holders with no incremental benefit and accordingly, no adjustments have been made in preparing the Unaudited Pro Forma Historical Financial Information.

8. Subsequent capital raisings and borrowings

The following capital raisings and borrowings were made by AMAL and Tawana subsequent to 31 December 2017:

AMAL

- On 28 March 2018, the Company entered into a loan deed for up to $13 million with a consortium of investors to fund the development of the Bald Hill lithium and tantalum mine, which is secured over the Company's 50% interest in the Bald Hill Joint Venture and its interest in all tenements connected with the joint venture. The loan can be drawn down by the Company for up to $8 million pending the registration of the mortgage security and up to $13 million thereafter. The loan is repayable on the second anniversary of the advance date and interest of 11% per annum is payable for the first 6 calendar months, and thereafter at 20% per annum for the remaining tenure. An establishment fee of 1.5% is also payable to the lenders. The lenders were also granted 15.6 million options exercisable at S$0.4875 per share, expiring 3 years from date of issue. A commission of 5% is payable to the joint arrangers. As at the date of this report, the loan is fully drawn down.
- On 2 May 2018, AMAL issued 76,522,804 ordinary shares to raise A$25.0 million (before cost) through a fully underwritten placement to sophisticated and institutional investors outside of Singapore
- On 4 July 2018, AMAL issued 3,500,000 ordinary shares to certain directors and executives of Alliance as part of their remuneration. These shares were valued at $1.1 million at the date of issue.
- on 4 July 2018, AMAL issued 13,000,000 AMAL Shares to Burwill Holdings Ltd to raise approximately $4.2 million (approximately S$4.3 million) (before cost);
- on 24 July 2018, AMAL issued 3,275,115 AMAL Shares to an institutional investor and 7,600,000 AMAL Shares to Canaccord as the underwriter to raise approximately $3.6 million (approximately S$3.7 million) (before cost); and

Tawana

- On 5 February 2018, Lithco No.2 Pty Ltd (Lithco), Tawana's wholly-owned subsidiary which holds Tawana's 50% interest in the Bald Hill Lithium and Tantalum Mine, executed a binding A$5 million loan agreement with Red Coast Investment Limited, an investment company nominated by German company Weier Antriebe und Energietechnik GmbH (Weier). The key terms of the loan agreement are
  - Interest of 11% per annum payable quarterly in arrears;
  - Single draw down before 30 June 2018;
  - Maturity and single repayment date of 31 December 2019;
  - Loan may be prepaid at any time before maturity without penalty;
  - No facility fees;
  - Provision of security over Lithco's interest in the DMS plant.
- On 9 April 2018, Tawana raised gross proceeds of A$20 million (before cost) via the issue of 48,780,488 new fully paid ordinary shares at an issue price of A$0.41 per Share.
- On 6 July 2018, gross proceeds of $4.9 million (before cost) was raised via the issue of 12,195,000 shares.
- 11,653,060 options were exercised at an average price of $0.158 per option for proceeds of $1.8 million.

The above capital raisings and borrowings have not been included in the pro forma adjustments to compile the Unaudited Pro Forma Historical Consolidated Statement of Financial Position at 31 December 2017, and the Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017. In respect of the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 30 April 2018 any of the capital raising and borrowing activities from 1 May 2018 onwards have not been included in the pro forma adjustments to compile the Unaudited Pro Forma Historical Consolidated Statement of Financial Position at 30 April 2018.

As at 10 August 2018, the cash balances of AMAL and Tawana was $17,113,265 and $21,727,919 respectively.

New and amended Accounting Standards and Interpretations issued but not yet effective

Other than AASB 16: *Leases* ("AASB 16") (IFRS 16) no other new and amended Accounting Standards and Interpretations that have been issued but are not yet effective are expected to have a material impact on the Merged Group in future reporting periods.

AASB 16 (IFRS 16)

Nature of change

AASB 16 (IFRS 16) requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under the existing AASB 117 *Leases* ("AASB 117") (IAS 17). The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under AASB 117 (IAS 17). Lessors will continue to classify all leases using the same classification principle as in AASB 117 (IAS 17) and distinguish between two types of leases: operating and finance leases.

Application date

Annual reporting periods beginning on or after 1 January 2019.

Impact on initial application

Both AMAL and Tawana are in the process of reviewing their leases and service agreements to assess the impact of AASB 16 (IFRS 16) on adoption. It is expected that some lease commitments may be covered by the exceptions for short-term and low-value leases. Finance and operating lease commitments of the Merged Group as at 30 April 2018 (derived from the interim financial statements of AMAL for the ten months ended 30 April 2018 and the interim of financial statements of Tawana for the four months ended 30 April 2018) are summarised below:

Finance lease commitments	**Merged Group $**
Not longer than one year	17,000
Longer than one year, but not longer than five years	2,000
Longer than five years	-
Total	**19,000**
Operating lease commitments	
Not longer than one year	7,068,000
Longer than one year, but not longer than five years	838,000
Longer than five years	-
Total	**7,906,000**

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