

Tawana plans non-core spinoff

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LITHIUM producer Tawana Resources will spin out three non-core assets to focus efforts on its flagship Bald Hill lithium project.

The restructure involves the transfer of the Cowan and Yallari lithium projects in the Eastern Goldfields, as well as the Mofe Creek iron ore project in Liberia, into a wholly-owned public company 'SpinCo', before undertaking a capital reduction and distribution of 85 per cent of all SpinCo shares to Tawana's shareholders.

The new company would not initially seek an ASX listing, but this would be considered by the SpinCo board in due course, Tawana stated.

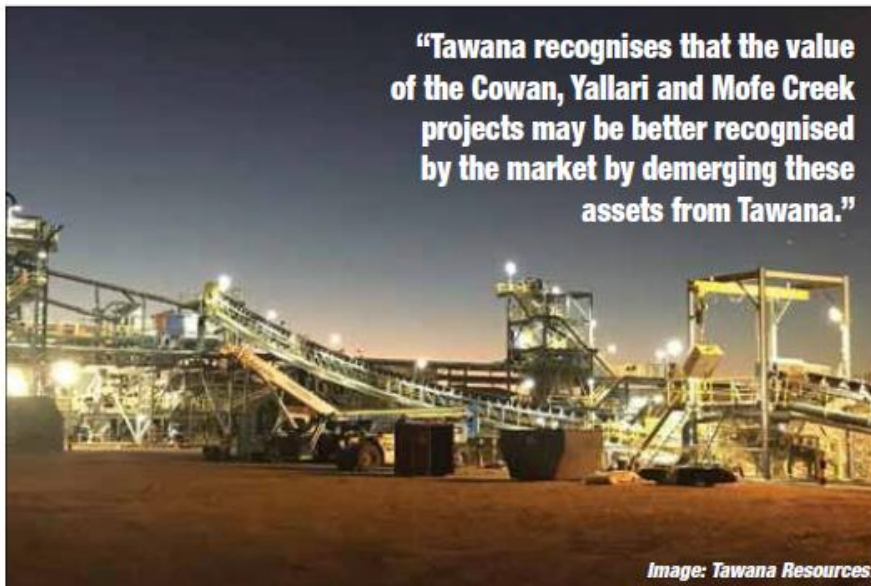
"Following the recent commissioning and first spodumene concentrate production at Bald Hill, Tawana's primary focus is to ensure effective ramp-up of production and to ensure exploration activities are focused 'near mine'

to drive growth in mineable reserves and extend associated mine life at Bald Hill, of which the company has explored less than 5 per cent of the known prospective area," Tawana managing director Mark Calderwood said.

"Furthermore, the board of Tawana recognises that the value of the Cowan, Yallari and Mofe Creek projects may be better recognised by the market by demerging these assets from Tawana to form a new standalone exploration company.

"Following the proposed transaction, both companies, Tawana and SpinCo, will be better placed to advance their respective asset portfolios, which are at different stages of maturity.

"Demerging the prospective assets should unlock better value for SpinCo shareholders."



Tawana said the spin out would unlock better asset value for SpinCo shareholders.