

Tawana Resources Project Update

ASX RELEASE
16th September 2014

ASX: TAW

CORPORATE DIRECTORY

Exec. Chair Wayne Richards
Managing Director Len Kolff
Non-Exec. Dir Matthew Bowles
Joint Co. Sec Winton Willesee
/Aaron Finlay

Mofe Creek Iron Ore Project -
Liberia, West Africa

LIBERIA: Proven Iron Ore Country

LOCATION: Project located 20km from coast, adjacent to historic rail alignment, 85km to Port of Monrovia

LITHOLOGY: High grade +33% Fe friable itabirite resource of 61.9Mt with ability to produce a +64 to 68% Fe product

LOGISTICS: Road transport (and/or Rail optionality) Barging, Transshipment, Direct ship loading

LEADERSHIP: Proven Executive Team with 'In-Country' Iron Ore expertise

Rakana JV (6.7%), South Africa
Meletse Iron Ore and Avontuur Manganese JV managed by Baosteel Iron and Steel Group

On track in Q3 CY2014

- Scoping Study completion✓
- Maiden Resource Estimate announced✓
- Pre-Feasibility study commenced✓
- Mineral Development Application commenced ✓
- PFS Drilling Program and Resource Extension Upgrade commenced✓
- Environmental and Social Impact Assessment (ESIA) commenced and NOI broadcasted ✓

CONTACT DETAILS

Suite 25, 145 Stirling Highway
Nedlands WA 6009
Email: admin@tawana.com.au
Website: www.tawana.com.au
Phone: +61 8 9287 4333
Facsimile: +61 8 9287 4334



www.tawana.com.au

Iron ore developer Tawana Resources NL (ASX: TAW) ("the Company" or "Tawana") would like to further advise its shareholders and stakeholders that the Company is diligently continuing to progress the development of its Mofe Creek project ("the Project") in Liberia, in accordance with our original intent. The Project economics are still very real, robust and sustainable, independent of the recent fall in the global seaborne price of iron ore, and the immediate challenge associated with the Ebola virus.

As a potential low-cost producer with forecast bottom quartile operating costs (<US\$41/t FOB), and finite start-up capital (US \$53M), for a 1.2 Mtpa iron ore production rate (refer ASX release 3rd July 2014), the Project is still poised to generate strong, sustainable profit margins, even at current iron ore pricing of US\$82/t (CFR to Tianjin).

Tawana is well positioned to "ride-out" the current iron-ore pricing and supply/demand rationalisation occurring within the global iron ore market and has strategically advanced the Project from an engineering and design basis, an Approvals and Application perspective and from a Community/Environmental consultative perspective.

The Company has assisted, where practical (both financially and physically) to support the eradication of the Ebola virus within the wider Liberian community. With the help of international health organisations, and the advancement of improved preventative transmittal procedures/programs and improved health management facilities, this virus should be effectively managed.

In the interim, the Company has adopted a tight fiscal regime to manage the Project's financial affairs, with all value-accretion tasks and opportunities during this period being advanced to ensure the Project continues to progress at the most optimal pace, in preparation for a potential iron ore price recovery and the recommencement of full site-based activities.

Work is ongoing in the collection and dissemination of the weather data within the Project area, along with community meetings outlining the Project's development intention and timeline, as highlighted in the Company's ASX release dated 14th August 2014.



Figure 1 | Weather station at Gofolo Main Project area

Tenders and “Expressions of Interest” for the development of a transhipment and/or a direct ship loading wharf at our preferred coastal port location (within 30km of the Project area) are nearing finalisation.

Drilling results from the 1000+ metres of diamond core drilling conducted on the Gofolo Main Deposit in July and early August, are also being progressed, with results pending this late month.



Figures 2 & 3 | Field pictures of diamond drill rig and core taken during a recent Project site visit by the Liberian Ministry of Mines, Land and Energy delegation.

All staff and personnel with outstanding annual leave have been placed on leave or temporary redundancy during this period, to minimize cash-burn, but with the intent of maintaining their skills and intellectual property for the future development program.

A recent Company roadshow to Singapore, Hong Kong and China also demonstrated that there is opportune interest in the “right” projects around the world, providing they are of low capital intensity and lower quartile operating costs. The Mofe Creek Project “ticks” both these boxes. Product off-take discussions have been initiated with potential strategic investors and/or end-users, with strong interest in the superior grade product of 64-68% Fe forecast to be produced by the Project.

The Company is also making several organisational changes in the coming months to ensure the Company is effectively resourced with the optimal skills and officers to advance the Project from a Pre-Feasibility Studies (“PFS”) PFS level, into operation.

The Company is also advancing the development of its pilot plant design, in preparation for receipt of the Liberian approval of our pilot mining and extraction licence.

The necessary components for the pilot plant are currently being assessed, with the processing test work planned to commence in the new calendar year. Representative ore from several of the deposits will be processed through the pilot plant, to re-affirm the physical properties of the ore, future pit designs and battering angles, equipment selection (for mining and processing) and geotechnical data for the mining and transport of the ore. The pilot plant will confirm the final processing route for the optimal OPEX and CAPEX parameters of the Project, and generate sufficient ore to market the product throughout Europe, the Middle East and Asia. It is planned that a



portion of the final product produced from the pilot plant will be used for sinter characterisation test work, and “value in use” determinations.

The pilot-scale plant will also ensure a vocational training and development opportunity for the local employees, as a pre-cursor to future operations and maintenance of the plant and equipment. The Company is also looking at the potential of co-developing a laboratory and training facility at the University of Liberia Straz - Sinje Technical and Vocational College campus, located directly behind our Project “village” in Sinje.



Figures 4, 5 & 6 | Images of local communities taken during a recent site visit to the proposed coastal port location area

Pending results from the recently completed diamond drilling and re-logging exercise of previous RC drilling utilising improved geological understanding have the potential to expand the current maiden resource and improve the Company’s understanding of the ore bodies.

The acquisition of high resolution satellite imagery of sufficient quality and resolution to allow PFS mining and engineering studies to be completed is currently being assessed at a significant cost reduction as compared with traditional aerial surveys.

Following a positive review of the Environmental Impact Assessment permit application submission, a Notice of Intent to formally commence the Environmental and Social Impact Assessment (“ESIA”) studies was published and broadcast in Monrovia and throughout the Grand Cape Mount County. Detailed imagery evaluation, mapping and analysis of existing information and resources for the ESIA studies have now commenced. The Project is well placed to make notable advances on these studies based on preliminary information collected by Earth Systems and their local partner Earth Environmental Consultancy in early 2014. Planning for the first formal field work component is currently being undertaken starting with a scoping exercise and stakeholder consultation.

Likewise, the Mineral Development Agreement process continues to be accelerated with the selection of legal representatives currently being finalised. A report from the Inter-Ministerial Technical Committee is forecast to be issued later this month.

The further refinement of the financial model for the Project will be undertaken once the processing plant PFS design details are finalised and the refined capital and operating costs are determined. This model and the technical data will form the basis for negotiating strategic off-take agreements, and the appropriate structuring of Project financing reflective of market conditions.



Tawana recently participated in the annual Africa Downunder Conference held in Perth, Western Australia. Executive Chairman Wayne Richards gave a well-received presentation entitled 'Tawana Resources - Africa's most exciting new iron ore project' and also capitalised on the opportunity to meet with strategic investors, international funds and infrastructure designers/developers during the three-day event.

Mr Richards said "I look forward to our shareholders remaining true to course and supporting the Project and market capitalisation of the Company, as we balance the current macro-environmental and local challenges. With the sustainable development of our Project, both the community and shareholders alike will benefit from our perseverance."

About Tawana (ASX & JSE: TAW)

Tawana Resources NL is an iron ore focused ASX and JSE-listed company with its principal project in Liberia, West Africa. Tawana's 100%-owned Mofe Creek Project is a new discovery in the heart of Liberia's historic iron ore district, located 20km from the coast and 85km from the country's capital city and major port, Monrovia.

Tawana is committed to becoming a mid-tier iron ore producer through the development of its 100% owned Mofe Creek Project, which covers 285km² of highly prospective tenements in Grand Cape Mount County. The Project hosts high-grade friable itabirite mineralisation, which can be easily upgraded to a premium quality iron ore product of +64-68% Fe grade, via simple, low capital intensity beneficiation.

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

For further information, contact:

Wayne Richards
Executive Chairman
Tel +61 8 9287 4344

Cautionary Statement

Full details of the Scoping Study referred to in this announcement were initially released to the ASX in an announcement dated 3 July 2014, and should be read in conjunction with this announcement. All material assumptions underpinning the Scoping Study, production targets and forecast financial information derived from the production targets as well as any cautionary statements and disclosures as required under the ASX Listing Rules and 2012 JORC Code are set out in the announcement dated 3 July 2014 and continue to apply and have not materially changed.

The Scoping Study referred to in this announcement is preliminary in nature as its conclusions are drawn on inferred (74%) and indicated mineral resources (26%). The Scoping Study is based on lower-level technical and economic assessments, and are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. There is also no certainty that the forecast financial information derived from the production targets will be realised.

Competent Persons Statement

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Len Kolff and Iain Macfarlane, who are members of the Australian Institute of Geoscientists. Len Kolff is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Iain Macfarlane is a full-time employee of Coffey Mining Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Len Kolff and Iain Macfarlane consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Forward Looking Statement

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Tawana Resources NL operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Tawana Resources NL cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Tawana Resources NL only as of the date of this presentation. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Tawana Resources NL will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcements referred to in this letter. All material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

