



Quarterly Activities Report

For the quarter to 31 December 2014

ASX RELEASE:
28 January 2015

ASX : TAW

CORPORATE DIRECTORY

Executive Chairman & CEO
Wayne Richards

Executive Director, CFO & Co. Sec.
Michael Naylor

Technical Director
Len Kolff

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: Private Haul Road, Barging, Transhipment or 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

Key Milestones:

- 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) awarded ✓

CONTACT DETAILS

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Highlights

Mofe Creek Iron Ore Project (the Project)

Studies - Mine, Logistics, Infrastructure and Approvals

- Pre-Feasibility Study (PFS) progressed during the quarter.
- The Company's primary focus was the advancement of:
 - the Environmental and Social Impact Assessment (ESIA);
 - the Mineral Development Agreement (MDA); and
 - Road and port logistics routes and design.
- Initial economics for the PFS (based upon development of an independent 32km haul road and a transhipment berth/port facility) highlights the ongoing technical and financial robustness of the Project.
- PFS focusing on design and construction of modular processing plant(s) and associated logistics for the transportation and export of 2.5 million tonnes per annum (Mtpa).
- Quotes and tenders for maritime studies associated with bathymetric data for the design of a transhipment facility were progressed.

Environmental and Community

- Tawana conducted ongoing community consultation meetings within the Project area
- The Company received formal notification from the Environmental Protection Agency of Liberia of its official right to proceed to conduct the Environmental and Social Impact Assessment for the Project.

Exploration and Leases

- Significant drilling results were received for 1,114m of drilling completed at the Gofolo and Zaway projects; including 72.7m @ 39.6% Fe from surface.
- Results provide confidence in the current resource model and continuity of mineralisation as well as the potential for additional resource tonnes.
- An initial exploration program on the recently granted 100%-owned adjoining tenement - EL 1223/14 has been submitted to the Ministry of Lands, Mines and Energy (MLME) for approval.
- Planning is underway towards the recommencement of full field activities, and site-based drilling in the coming quarter.

Corporate

- As at 31 December 2014, Tawana Resources held \$2.8 million in cash.
- Corporate Appointments effective 01 January 2015:
 - Wayne Richards commenced the dual role of Executive Chairman and Chief Executive Officer.
 - Len Kolff was appointed Technical Director, and continues as an Executive Director on the Board.
 - Matthew Bowles resigned as a Non-Executive Director of the Board.
 - Mr Michael Naylor (Company Secretary and Chief Financial Officer) was appointed as an Executive Director to the Board.
- A Health, Safety, Environmental & Community (HSEC) management plan for future operations is being developed, along with a Risk & Event Management plan, including an Ebola management program.

Mofe Creek Iron Ore Project

Studies

Mofe Creek Preliminary Feasibility Study

The PFS is being prepared to provide a +/- 20% cost estimate for the Project and in particular will focus on the initial mine development, processing plant design and the logistics components to effect the transportation and export of a minimum of 2.5 Mtpa of final product (+65% Fe) from a proposed new coastal port site location - refer Figure 2.

Key engineering and design tasks, associated with the advancement of the PFS, undertaken during the quarter included:

- ROM, Plant and utilities/office layout drawings for the start-up mine and processing facility, tailings storage facility and associated ingress/egress roads for ore transport, were designed and drafted - refer Figure 1 below;

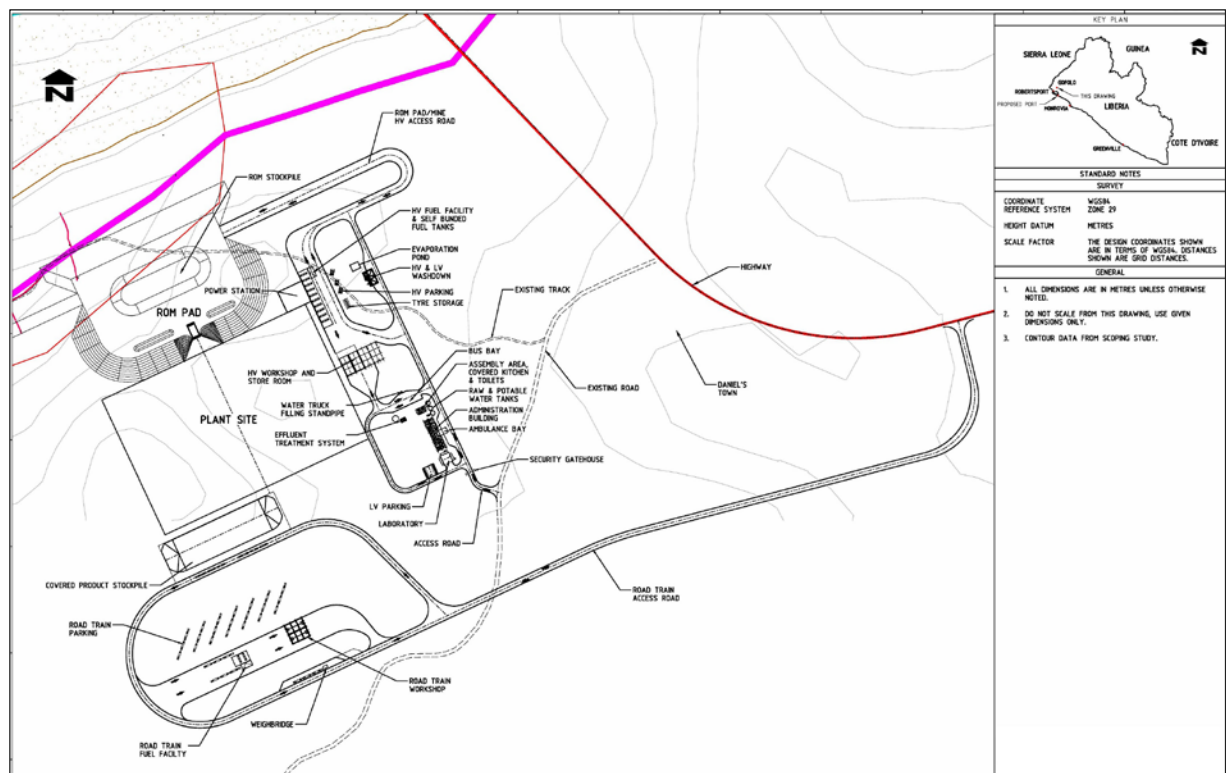


Figure 1 | ROM, Plant and utilities/office layout drawing for first mine site

- Continuous monitoring of climatic conditions within the Project area have progressed throughout the quarter and the country's nominal wet season, to establish baseline data for future plant, civils and design, along with surface and mine water management requirements;
- Landside logistics routes determined from high-level DTM data for the design of an independent heavy-haul road from mine to port, and final product storage and export facilities at the proposed coastal port location;



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Figure 2 | Proposed road transport corridor to new coastal port location

- Expressions of interest and tenders for 'wind and wave' and maritime bathymetric studies associated with the determination of the ultimate coastal port location were progressed, with award pending; and
- Marine infrastructure and logistics studies, including barging solutions for transshipment and direct ship-loading facilities, culminating with the drafting of preliminary port layout drawings - refer Figure 3 overleaf.



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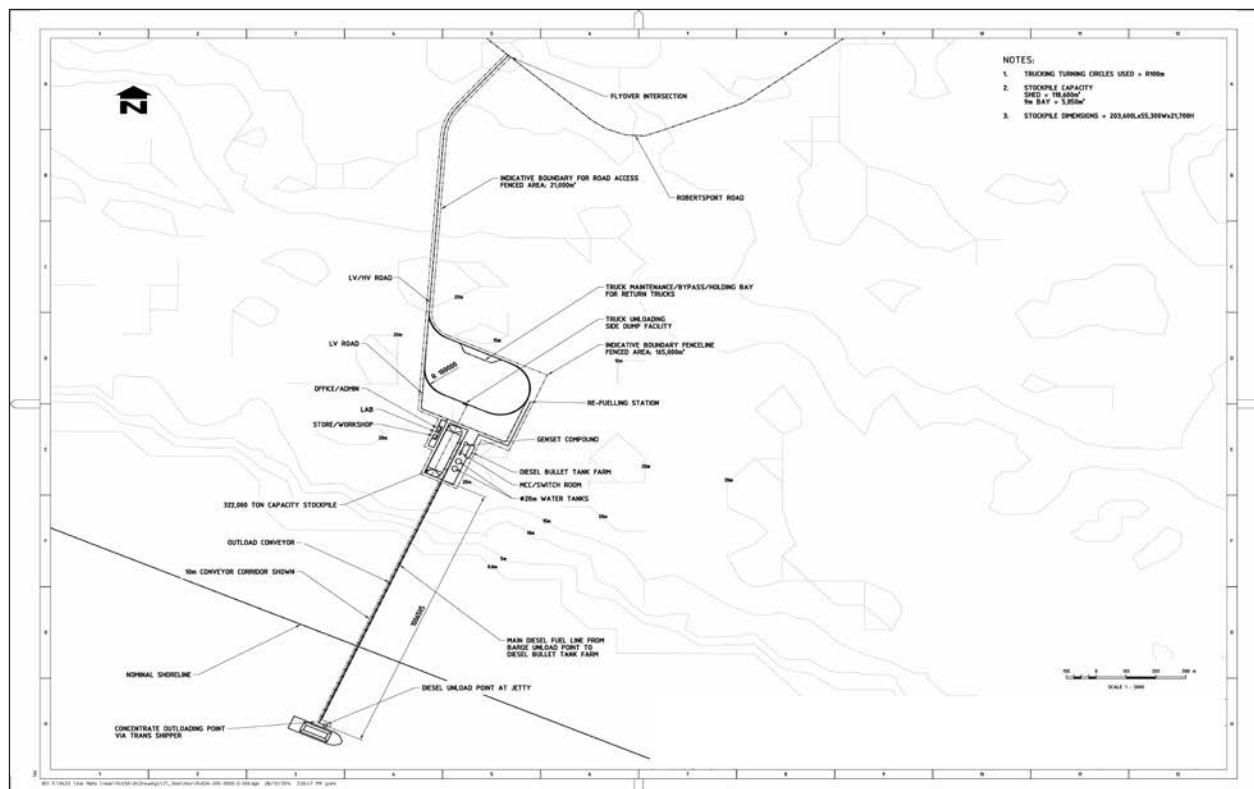


Figure 3 | Proposed port layout design, including receipt, storage and export of the ore

Modelling of the sea-conditions at the optimal coastal port location will progress in the forthcoming quarter, once site access has been fully re-established.

A study undertaken by CSL Transshipment Group has confirmed the effective transshipment design and vessel capacity required to ensure a minimal export capacity of 2.5 Mtpa. This capacity can be readily expanded to a nominal output capacity of 8 Mtpa. The expanded design capacity incorporates a higher utilisation of the proposed, single self-unloading transshipment vessel (TSV). A simulation model with trade-offs on transshipment vessel design, draft and loading/unloading times, inclusive of prevailing weather assumptions, has been developed.

A preliminary design of a port receipt, storage and discharge system has been drafted, confirming the simplified approach to the proposed design, minimising site civils and limiting transfer points and/or conveyor runs. The port design is readily expandable to greater than 2.5 Mtpa.

The port layout is being designed to receive 150-220t payload trucks, which will side-tip into a conveyor system, direct to undercover storage. The product will be reclaimed by front-end loaders at a nominal rate of 4000 t/hr, and the TSV loading and unloading rates will be designed to match these tonnages.

Several marine engineering firms are currently conceptualising the design of a “fit for purpose” wharf, that will minimise start-up capital and is readily constructed, with minimal piling and structural complexity. An example of an ‘A’-frame wharf design being considered is presented in Figure 4 overleaf:



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Figure 4 | Aerial view of an 'A' Frame jetty with ore loading onto a waiting barge or TSV

As an additional and alternate design to an "A" Frame" jetty, the Project will also address the technical, environmental, commercial and capital merits of an "internal" harbour, or small sheltered inlet - with direct access to sea. This design is depicted in Figure 5 below, and has varying economic trade-offs and variances to a traditional wharf or jetty design.



Figure 5 | Potential design of an inner harbor loading facility



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The length of the potential wharf design will be confirmed via local bathymetric surveys, to be conducted later this year. The final coastal (land-side) or sea-side point for loading the TSV, will be contingent on the water depth required to load varying draft vessels.

A picture of a more recently constructed self-unloading vessel, direct to an ocean-going vessel (OGV) is presented in Figure 6 below:



Figure 6 | Self-unloading TSV, directly into an Ocean Going Vessel (OGV).

Radar satellite imagery and high resolution optical satellite imagery was also acquired for the Project, inclusive of the proposed mine locations, logistics corridor(s) and port handling and despatch areas. This data will greatly assist with the contour mapping and preliminary design of the road and port receipt and storage facility.

Mineral Development Agreement - MDA

A detailed presentation to the Ministry of Lands, Mines and Energy confirming Tawana's technical and financial capability to develop the Mofe Creek project, was forwarded to the Ministry in November 2014.

A formal review of this document has been conducted by the MLME and relevant Government of Liberia officials, and an approval to commence formal negotiations with the elected Inter-Ministerial Concessional Committee ("IMCC") is pending.

The MDA is a legally binding agreement, outlining the technical, commercial and social/environmental commitments to be undertaken to build, operate and sustain a project within Liberia, and is a legislative document passed as a bill in parliament, for a term of 25 years.



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The MDA negotiation process is scheduled to proceed for a period of up to nine months, and is ideally being coordinated to align with the completion of the Project's PFS.

Health, Safety, Environmental and Community

Tawana has effectively structured and implemented an Ebola Management Plan, as a sub-set of the Company's Risk and Event Management Plan ("EMP") and has incorporated the key aspects of the plan(s) into the site remobilisation plan.

Ebola Virus Disease Update

The Company temporarily suspended all non-essential field activities within Liberia, in response to the Ebola Virus Disease ('EVD'), in August last year.

Liberian President, Ms Ellen Johnson Sirleaf lifted the State of Emergency in December 2014. Whilst curfews between the hours of 24:00 and 06:00 hours remain in place, at the time of writing this report, the management of the EVD has advanced significantly, and there have now been recent days of no new cases being confirmed within the country.

To this end, the Company announced (refer ASX release 22 January 2015) that subject to a final assessment of the Ebola virus situation in the Grand Cape Mount County (the area in which the Mofe Creek Project is located), the Company would re-mobilise personnel back into the Project area during the forthcoming month. The Company is in discussions with relevant contractors and consultants on the recommencement dates and is developing appropriate work programs and health and safety management plans, to effect remobilisation.

The Company has assisted, where practical (both financially and physically) to support the eradication of the EVD within the community in which the Project is located and the wider Liberian community.

Environmental and Social Impact Assessment (ESIA)

The Company received formal notification from the Environmental Protection Agency of Liberia of its official right to proceed to conduct the Environmental and Social Impact Assessment for the Project (refer ASX release 1 October 2014).

The Company completed two independent and targeted campaigns of local community consultation and briefing meetings with stakeholders.

As previously outlined, the additional detailed satellite imagery acquired will likewise assist with the detailed mapping of land use around the project area; an integral component of the baseline studies.



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Figure 7 | Community consultation meetings within the associated Project area

Exploration

The Company received all assay results for 1,114.6m of drilling (including re-drills) of a 7,500m planned programme (refer ASX release 23 October 2014)². The drilling programme was designed to increase the current resource from 61.9Mt¹ (refer ASX release 31 March 2014) to a targeted 100Mt to 120Mt for the Pre-Feasibility Study. As previously outlined, drilling was temporarily suspended in August 2014 due to the Ebola virus situation.

Selected significant intersections at a 20% Fe cut-off with a maximum of 2m internal dilution included²:

- GMDD013 72.7m @ 39.6% Fe from surface
- GMDD015 29.3m @ 39.6% Fe from surface
- GMDD012 45.8m @ 34% Fe from 14.3m; and
37.7m @ 32.4% Fe from 80.3m
- ZDD006 20m @ 38.7% Fe from 131.5m
- ZDD009 7.6m @ 45.4% Fe from 23m

Results were extremely pleasing and provided confidence in the mineralisation continuity across the deposits as well as the potential for additional resource tonnes due to thicker mineralised widths intersected on the expanded sections.

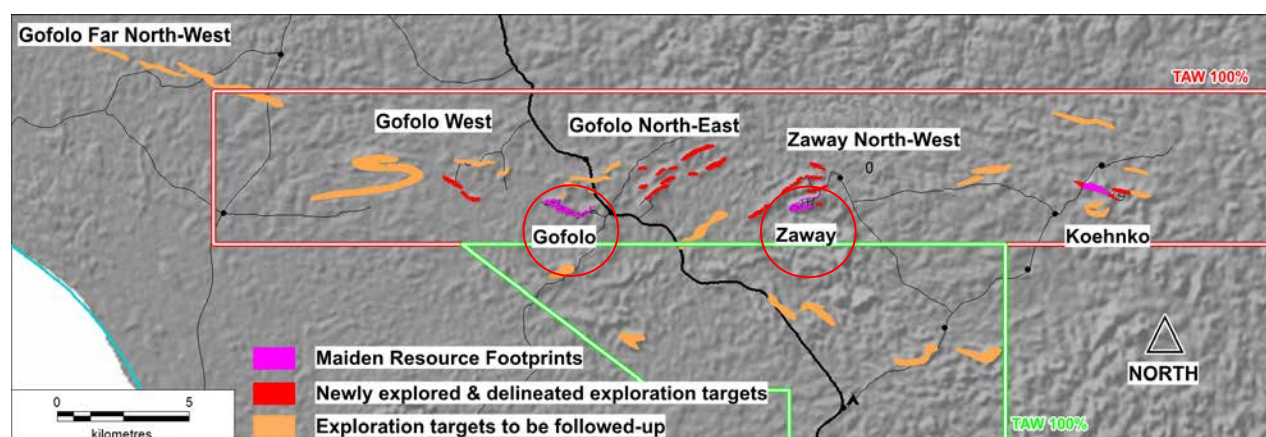


Figure 8 | Targeted PFS drilling areas circled (in red)



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Drilling was completed using two Atlas Copco CS1000 rigs in PQ and HQ diamond core.



Figure 9 - Diamond drill rig at the Zaway Main deposit.

Drilling results received confirmed the mineralisation continuity between drill sections and down dip; potentially converting mineralisation on relevant sections from Inferred to Indicated resources. On certain sections, drilling results have increased mineralised width when compared to the current resource model. This is significant as it may result in an increased resource estimate. All intersections reported at Gofolo Main are listed in Table 1 below.

| Prospect | Hole | From | To | Interval | Fe | SiO2 | Al2O3 | P | S | Mn | LOI 1000 |
|-------------|---------|--------|--------|----------|-------|-------|-------|-------|-------|------|----------|
| Gofolo Main | GMDD012 | 0.00 | 3.20 | 3.20 | 36.39 | 27.74 | 9.93 | 0.054 | 0.044 | 0.05 | 9.64 |
| Gofolo Main | GMDD012 | 14.30 | 60.10 | 45.80 | 34.00 | 28.80 | 9.72 | 0.046 | 0.070 | 0.36 | 9.18 |
| Gofolo Main | GMDD012 | 80.34 | 118.00 | 37.66 | 32.36 | 47.66 | 1.60 | 0.073 | 0.040 | 0.15 | BDL |
| Gofolo Main | GMDD013 | 0.00 | 72.67 | 72.67 | 39.62 | 27.94 | 5.41 | 0.077 | 0.027 | 0.10 | 8.73 |
| Gofolo Main | GMDD014 | 0.00 | 4.00 | 4.00 | 32.17 | 28.05 | 12.65 | 0.020 | 0.088 | 0.38 | 12.03 |
| Gofolo Main | GMDD014 | 29.00 | 40.00 | 11.00 | 31.22 | 34.79 | 6.13 | 0.015 | 0.063 | 0.90 | 11.82 |
| Gofolo Main | GMDD014 | 56.00 | 59.10 | 3.10 | 27.79 | 49.62 | 2.50 | 0.042 | 0.369 | 0.72 | BDL |
| Gofolo Main | GMDD014 | 93.50 | 137.90 | 44.40 | 31.76 | 46.02 | 1.07 | 0.068 | 0.018 | 0.24 | BDL |
| Gofolo Main | GMDD014 | 143.90 | 171.90 | 28.00 | 33.23 | 44.85 | 0.92 | 0.045 | 0.026 | 0.24 | BDL |
| Gofolo Main | GMDD015 | 0.00 | 29.30 | 29.30 | 39.58 | 32.92 | 5.67 | 0.020 | 0.041 | 0.01 | 4.60 |

Table 1 | Reported drill intersections at Gofolo Main at a 20% Fe cut-off and inclusive a maximum 2m of internal waste (BDL= Below Detection Limit).²



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Six additional holes were completed at Gofolo Main (including re-drills) prior to suspension of activities - refer Figure 10. Drilling intersected friable and fresh iron formations (itabirite) which conform to the current resource model.

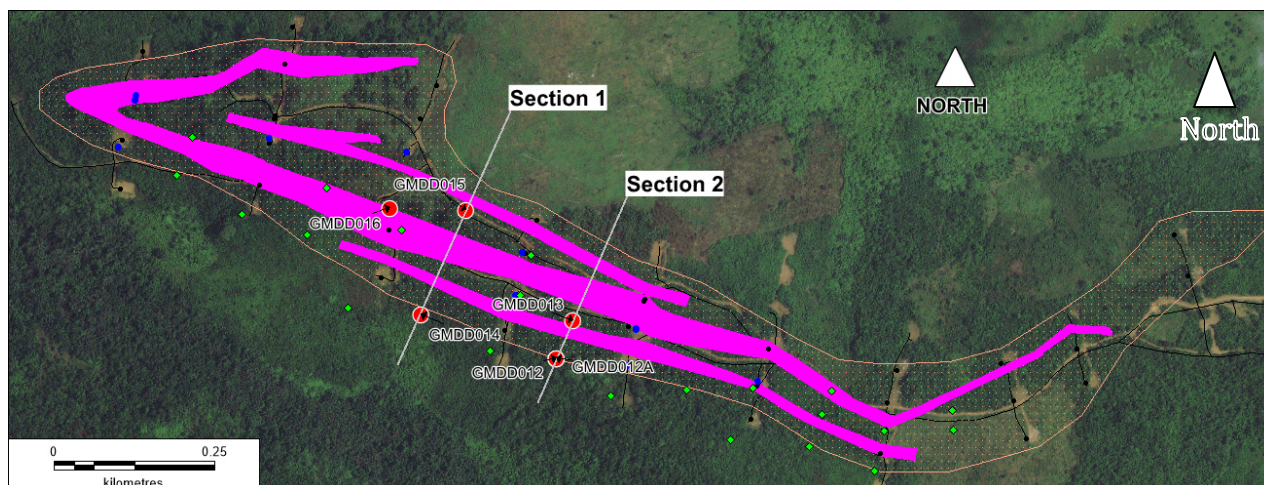


Figure 10 | Additional holes completed at Gofolo Main (labelled red dots), previous drilling (RC -black dots, diamond -blue dots) and planned holes (green dots) over satellite imagery and mineralised bodies highlighted.

A total of 5 additional holes (including re-drills) were completed at Zaway Main - refer Figure 11. All intersections at a 20% Fe cut-off and a maximum 2m of internal dilution are listed in Table 2 below.

| Prospect | Hole | From | To | Interval | Fe | SiO ₂ | Al ₂ O ₃ | P | S | Mn | LOI 1000 |
|----------|--------|--------|--------|----------|-------|------------------|--------------------------------|-------|-------|------|----------|
| Zaway | ZDD006 | 131.50 | 151.50 | 20.00 | 38.65 | 42.61 | 0.87 | 0.045 | 0.007 | 0.03 | BDL |
| Zaway | ZDD007 | 95.30 | 104.40 | 9.10 | 38.39 | 42.79 | 0.84 | 0.059 | 0.010 | 0.04 | BDL |
| Zaway | ZDD007 | 113.40 | 127.80 | 14.40 | 37.56 | 43.55 | 1.54 | 0.040 | 0.012 | 0.02 | BDL |
| Zaway | ZDD007 | 130.50 | 138.50 | 8.00 | 38.49 | 42.88 | 0.99 | 0.050 | 0.013 | 0.03 | BDL |
| Zaway | ZDD008 | 96.70 | 110.30 | 13.60 | 32.98 | 42.55 | 4.22 | 0.067 | 0.123 | 0.10 | BDL |
| Zaway | ZDD009 | 23.00 | 30.60 | 7.60 | 45.42 | 30.51 | 1.97 | 0.016 | 0.014 | 0.05 | 2.43 |
| Zaway | ZDD009 | 41.30 | 50.60 | 9.30 | 31.49 | 49.88 | 2.56 | 0.023 | 0.004 | 0.03 | BDL |

Table 2 | Reported drill intersections at Zaway Main at a 20% Fe cut-off and inclusive a maximum 2m of internal waste (BDL = Below Detection Limit).²

Drilling intersected both friable and fresh iron formation (likely itabirite) interlayered with metasediments and quartzites. Drilling results have confirmed the current resource model, and on all sections drilled; extended mineralisation depth, resulting in the potential for a resource upgrade.



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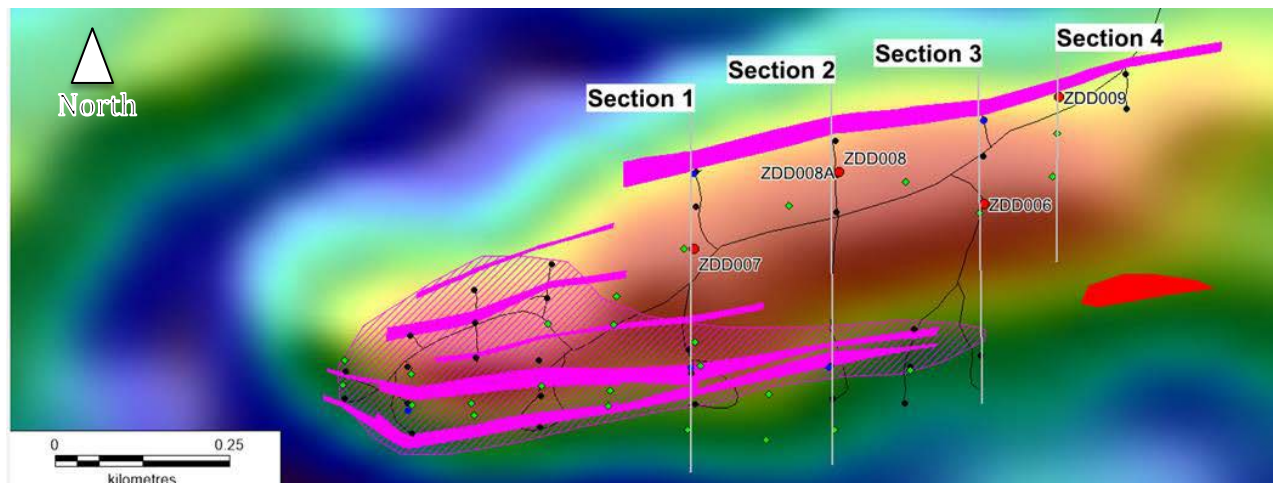


Figure 11 | Additional holes completed at Zaway Main (labelled red dots), previous drilling (RC -black dots, diamond -blue dots) and planned holes (green dots) over DTM and mineralised bodies highlighted.

Corporate

Cash

As at 31 December 2014, Tawana Resources held \$2.8 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

The Company is in a strong cash position to advance the PFS and has prudently managed the study and value-accretion activities of the staff and Liberian employees.

Appropriate fiscal management programs and policies continue to be implemented across the business, both within Australia and Liberia, and the Company has recently completed its fiscal year-end (that being 31 December 2014).

The Company will conduct the relevant year-end audits and reconciliations and is targeting an Annual General Meeting date of 26 May 2015.

Divestment of Non-Core Assets

Closure of the Botswana entity is ongoing with international accounting firm PwC preparing de-registration documents.

BlueRock Diamonds have expressed their ongoing desire to purchase the Company's total shareholding and loan account in Diamond Resources (a 100% -owned subsidiary of Tawana Resources NL).

Subsequent to Baosteel Iron and Steel Group's acquisition of Aquila Resources during the September quarter, representatives of the newly formed entity completed site visits to the Company's Rakana RSA assets. Tawana met with the newly appointed Australian-based General Manager of Development. Work on the valuation and strategic direction of this Project is ongoing.



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Board and Executive Management Changes

As part of a continuing focus on the advancement of the Mofe Creek project, the following Board and Executive Management changes were implemented with effect from 01 January 2015:

- Mr Wayne Richards commenced the dual role of Chief Executive Officer and Executive Chairman of Tawana Resources NL.
- Mr Len Kolff stepped into the role of Technical Director, stepping down from the role of Managing Director. Mr Kolff will remain an Executive Director of the Board of Tawana Resources NL and any relevant subsidiary companies.
- Mr Matthew Bowles resigned from the Board in order to focus on other business commitments. Mr Bowles was a valued member of the Board over three years and the Board would like to take this opportunity to thank and acknowledge his involvement and commitment during his directorship.
- In conjunction with Mr Bowles' resignation, current Tawana Chief Financial Officer and Company Secretary, Mr Michael Naylor accepted the role as Executive Director of the Board of Tawana Resources NL.
- Mr Naylor has 18 years' experience in corporate advisory and public company management. Mr Naylor previously worked as a Finance Director and Company Secretary of ASX listed Dragon Mining Limited; Chief Executive Officer and Managing Director of dual ASX/TSX-V listed Coventry Resources Inc. and is concurrently the Chief Financial Officer of Gryphon Minerals Limited.

Mr Winton Willesee retired as Company Secretary effective 30 November 2014, and was replaced by Mr Naylor.

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 ("the 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 the Mofe Creek project, which covers 471km² of highly prospective tenements in Grand Cape Mount County. The Project hosts high-grade friable itabirite mineralisation which can be easily upgraded to a superior quality iron ore product in the 64-68% Fe grade range, for which there is consistent global demand, attracting significant price premiums.

Wayne Richards

Executive Chairman & Chief Executive Officer

Tel +61 8 9489 2600

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



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Notes

- ¹ For more information on the 61.9Mt Resource estimate, refer to ASX announcement dated 31 March 2014. Tawana Resources is not aware of any new information or data that materially effects the information included in the said announcement.
- ² For full details of exploration results refer to ASX announcement dated 23 October 2014. Tawana Resources is not aware of any new information or data that materially effects the information included in the said announcement.
- ³ 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, which 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 Exploration Results and Resources is based on information compiled by Len Kolff, who is a member 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'. Len Kolff consents to the inclusion of the matters in this report based on his information in the form and context in which it appears.

The information in this Report relating to the Mofe Creek Resource Estimate and Scoping Study are extracted from the 31 March 2014 Maiden Resource and 3 July 2014 Scoping Study announcements. The Company is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward Looking Statement

This report may contain certain forward looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Tawana Resources NL. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Tawana Resources NL does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither TAW or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of TAW, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.



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Appendix 1 | Tawana Resources NL Tenements

| Tenement | Location | Structure |
|-------------------------------|----------|--|
| MEL-12029 Mofe Creek | Liberia | 100% Tawana Resources through its 100% owned Liberian subsidiary |
| MEL-1223/14 Mofe Creek Sth | Liberia | 100% Tawana Resources through its 100% owned Liberian subsidiary |

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil



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