



# Quarterly Activities Report

For the quarter to 31 March 2015

**ASX RELEASE:**  
**30 April 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,  
Transshipment 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 completed✓
- Maiden Resource Estimate  
announced✓
- Pre-Feasibility study progressing✓
- Mineral Development Agreement  
negotiations commenced ✓
- PFS Drilling Program and  
Resource Extension Upgrade  
commenced✓
- Environmental and Social Impact  
Assessment (ESIA) awarded and  
Baseline surveys completed✓

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## **Highlights**

### **Mofe Creek Iron Ore Project (the Project)**

#### **Project Studies - Mine, Logistics, Infrastructure and Approvals**

- A number of significant milestones were achieved in the advancement of the Mineral Development Agreement (MDA) including:
  - The President of the Republic of Liberia, Ellen Johnson Sirleaf officially appointing an Inter-Ministerial Concessions Committee (IMCC) to negotiate Tawana's Mofe Creek MDA; and
  - A formal presentation of Tawana's Mofe Creek Iron Ore project to the IMCC in Monrovia, was successfully concluded in April 2015.

#### **Environmental and Community**

- Resumption of site-based activities within Liberia and the subsequent remobilisation of all expatriate staff to Monrovia and the Project area to advance corporate and field activities.
- As part of the Environmental and Social Impact Assessment, the Company commenced an independent and targeted campaign of local community consultation and briefing meetings with stakeholders located within the proposed future mining areas.

#### **Exploration and Leases**

- Local field teams remobilised to site and geological mapping and rock-chip sampling of high-priority targets within the wholly-owned southern MEL1223/14 tenement commenced.
- Four high-priority target areas were defined within MEL1223/14 from remote-sensing data.

### **Corporate**

- Tawana is currently in discussions with Liberian iron ore developers/producers regarding potential infrastructure development options and solutions for the Project. These discussions are reflective of the Company's MDA proposal, an early start-up production scenario, and the longer-term sustained operational paradigm, as outlined in the Scoping Study<sup>1</sup>.
- Expressions of interest have been received to purchase the Company's total shareholding and loan account in Diamond Resources (a 100% - owned subsidiary of Tawana Resources NL).
- The Company conducted international promotional roadshows in the United Arab Emirates and Hong Kong in March, and in London in April.
- As at 31 March 2015, Tawana Resources held \$2.2 million in cash.

The Company is continuing to implement low cost, value-accretive activities including the advancement of the MDA, targeted exploration activities and critical-path dependent ESIA baseline studies, as part of the Pre-Feasibility Study (PFS) deliverables.

## Mofe Creek Iron Ore Project

### Studies

#### *Mofe Creek Preliminary Feasibility Study*

The Company has strategically advanced discussions associated with the potential design and verification of a simple, “fit-for-purpose” transshipment harbour, for the management of an efficient and sustainable transshipment operation of up to 8 Mtpa. Ongoing meetings with selected parties with transshipment expertise and appropriate vessel design/capacity, will progress further in the coming months, as part of the PFS and MDA approvals process.

Preliminary discussions with haulage and road/civil construction groups have commenced, and will form part of a due process of defining the optimal route, design and operation of an independent haul road – from the mining hub(s) to the coastal transshipment port location (nominally located 32km by road), from the centroid of the Mofe Creek project. The new tenement (MEL 1223/14) has the added advantage of being closer to the proposed haul road corridor and nominated coastal port location, and is traversed by the national highway.

The Company acquired detailed radar satellite topographic imagery over the entire Mofe Creek project area including planned mine location(s); infrastructure corridors between mining hubs and the proposed coastal port location site, including the port receipt and export conveyors.

The digital elevation model, which represents a more accurate survey of the earth’s surface without the masking effects of vegetation, provides better topographic control over the Project area for PFS-level engineering studies.

The DEM data has provided the added bonus of enhancing and defining topographic highs associated with potentially new iron ore anomalies, which when observed in conjunction with the aeromagnetics data, complements future exploration targets.

### Mineral Development Agreement (MDA)

A number of significant milestones were achieved in the advancement of the MDA during the quarter.

In February 2015, the President of the Republic of Liberia, Ellen Johnson Sirleaf officially appointed an IMCC to negotiate Tawana’s Mofe Creek MDA.

The role of the IMCC in the MDA process is to oversee and coordinate the entire investment concessional review process and its due diligence functions, for the benefit of all parties. All natural resource concession agreements in Liberia, including mining concessions, are negotiated by the IMCC.

The IMCC meeting held in April, was chaired by the Liberian National Investment Committee Chairman, and further constituted by a co-chair from the Ministry of Lands, Mines, and Energy, the Ministry of Justice, and deputy ministers from the Ministries of Labour and Finance. The presentation was also attended by government department representatives and members of the Inter-Ministerial Technical Committee (IMTC), and was very well received.

This presentation represented a key milestone in the advancement of the MDA and was a significant achievement for the Company.



# ASX ANNOUNCEMENT

30<sup>th</sup> April 2015

The IMCC presentation and corresponding negotiations regarding the technical, commercial, financial and socio-economic and labour aspects of the MDA, represent a critical step forward in the advancement and conclusion of Tawana's MDA.



Figure 1 | Key Liberian government representatives and Tawana representatives present at Tawana's recent formal IMCC presentation

## Health, Safety, Environmental and Community

There were no Lost Time Injuries (LTI's) reported during the Quarter.

The remobilisation of Liberian and expatriate staff into Liberia and the Project area occurred during March to advance corporate, project and field-based activities.

Tawana effectively structured and implemented an Ebola Management Plan, as a sub-set of the Company's Risk and Event Management Plan, which was incorporated into the site remobilisation plan.

Liberian consultants Earth Environmental Consulting completed a suite of an independent site visits and field work in preparation for the development and compilation of a project brief to the Environmental Protection Agency for the newly acquired southern tenement (MEL1223/14).





## Ebola Virus Disease Update

As previously stated, the Company remobilised Liberian and expatriate staff in March as a result of significant improvements and ongoing proactive management of the Ebola Virus Disease (EVD) by the Government of Liberia, supporting countries, health organisations and NGOs. Case numbers had drastically reduced during the quarter, with only one new case confirmed in March, following a period of 27 days “Ebola-free” within Liberia prior to this case being diagnosed.

At the time of writing this report, Liberia was aiming to be declared “Ebola-free” by May 15, 2015 - thereby representing 42 days free of any new or confirmed Ebola cases within country. This will be a great outcome for the country, and an opportunity for Tawana to assist with the development of a greenfields project to support the economic recovery of the nation.

## Environmental and Social Impact Assessment (ESIA)

The Company commenced an independent and targeted campaign of local community consultation and briefing meetings with stakeholders during the quarter. Through the consultation process, meetings were held with national and regional government authorities, non-governmental organisations and community stakeholders. These meetings formed the basis of the Scoping Report and ESIA Terms of Reference document, defining the ESIA content and process.

In addition to fulfilling environmental regulatory requirements, the community consultation meetings were an important aspect of the Company’s commitment to establishing and maintaining an open and ongoing relationship with stakeholders.

A geochemistry sampling programme of existing drill samples is also underway, as part of the ESIA baseline for future mine waste and process tailings chemistry analysis.

Monitoring and recording of baseline ground water and weather station data has remained ongoing throughout the quarter.



Figures 2 and 3 | Project briefing with the Garwular District Commissioner (left) and Daniels Town Community Consultation (right)

# ASX ANNOUNCEMENT

30<sup>th</sup> April 2015



Figures 4 and 5 | Community consultations with Gabaeja Town elders and community members (left) and Zaway Town community consultations and Project Briefings (right)

## Exploration

The Company completed a geological review of existing targets within its wholly owned northern MEL12029 exploration license and commenced low-cost exploration activities, including geological mapping to define new targets within the newly acquired, wholly owned southern MEL1223/14 tenement.

On the basis of the initial review of the northern license, the Zaway North-West target was highlighted as the Company's highest priority exploration target and an initial 19-hole programme for 1,640m was defined. A drilling plan has been prepared to maximise the potential to add new resource tonnes as well as provide valuable geotechnical and metallurgical diamond core for future test-work.

A total of 16 drill holes have been defined over Zaway North-West to test width, depth and strike potential of the high-grade friable itabirite exposed in road and drill pad cuttings over a combined 3.5km strike length. An additional 3 holes were defined at the Zaway Main deposit, where previous drilling, not included within the maiden resource estimate (refer ASX release 31 March 2014)<sup>2</sup>, has confirmed mineralisation is still open to the south.





# ASX ANNOUNCEMENT

30<sup>th</sup> April 2015

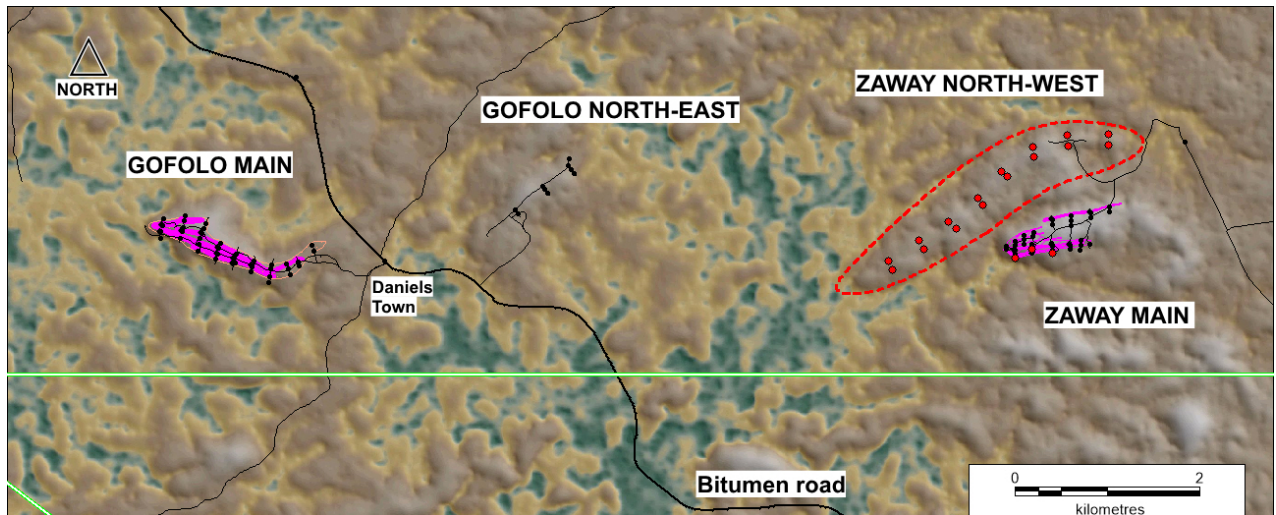


Figure 6 | Planned drill holes (red) relative to existing drilling (black) over the Zaway North-West exploration target (circled red) and Zaway Main deposit (resource footprint pink outline); and distance relative to Gofolo Main area.



Figure 7 | Friable itabirite mineralisation in drill pad cuttings (left) and hand specimen (right) at Zaway NW

Field staff commenced low-cost mapping and rock-chip sampling using the hand-held XRF analyser within the southern license MEL1223/14 to define additional high-priority exploration targets.

Field work concentrated on four discrete target areas defined from remote sensing data and further enhanced by the aforementioned high-resolution digital elevation model which better defined topographic features.



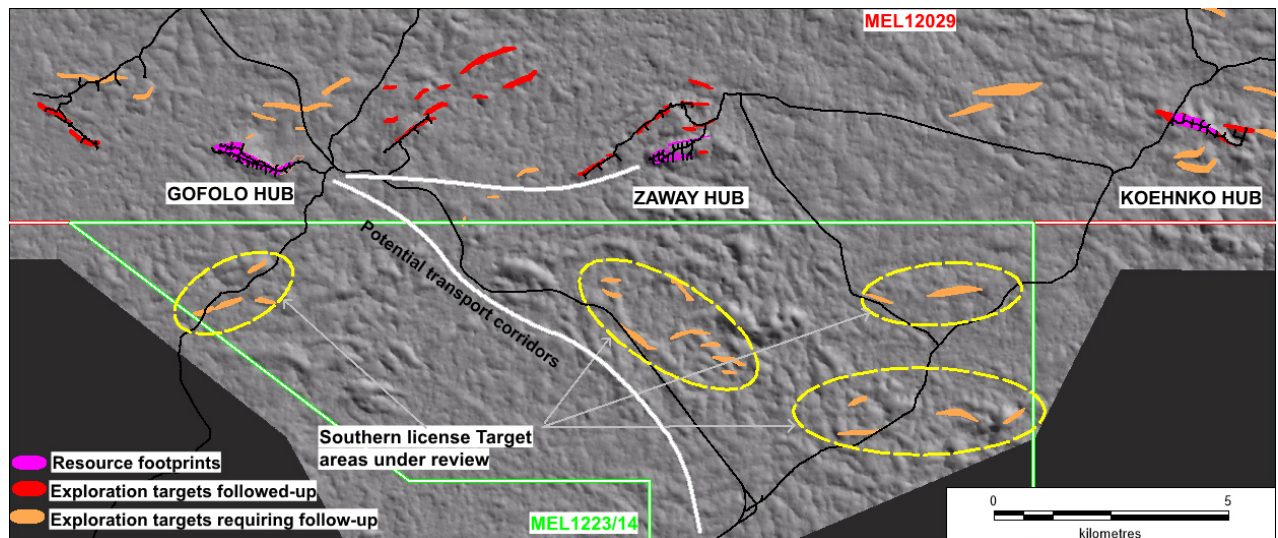


Figure 8 | High-priority target areas defined within MEL1223/14 from remote sensing data, relative to existing resource footprints; topography greyscale image background.

## Corporate

### Cash

As at 31 March 2015, Tawana Resources held \$2.2 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

Appropriate fiscal management programs and policies continue to be monitored and implemented to minimise expenditure both at a corporate and project level. The Company will continue to implement low cost, value-accretive activities in the coming quarter, which will include the advancement of the MDA, targeted exploration activities and ESIA/PFS strategic activities.

The Executive Chairman and CEO conducted international roadshows in March and April, meeting with potential strategic partners and investors in the United Arab Emirates, London and Hong Kong. The Company presented to a significant number of interested funds and institutional investors during these visits, along with conducting meetings with potential parties that would consider product off-take and/or provide pre-operational funding linked to off-take agreements.

Meetings were also conducted with potential Build, Own and Operate (BOO) and Turn-key Project developers, for the design, operation and/or maintenance of processing plants and logistical infrastructure arrangements. Whilst preliminary in their content and definition, the opportunity to BOO and/or turn-key specific components of the mining, processing, logistics and/or transshipment aspects of the Project, has the potential to minimise up-front capital expenditure and simplify the funding needs of the Project.

Tawana is progressing discussions with current and future iron ore developers/producers within Liberia, regarding potential infrastructure options and solutions for both an integrated development plan for a northern Liberian port and/or a rail option, along with the use of existing working infrastructure.





# ASX ANNOUNCEMENT

30<sup>th</sup> April 2015

## Divestment of Non-Core Assets

Closure of the Botswana entity is ongoing with PWC preparing de-registration documents.

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

## 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 475km<sup>2</sup> 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 and Chief Executive Officer

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Detailed information on all aspects of Tawana's projects can be found on the Company's website [www.tawana.com.au](http://www.tawana.com.au)



# ASX ANNOUNCEMENT

30<sup>th</sup> April 2015

## 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.

## Notes

<sup>1</sup>: 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.

<sup>2</sup>: For more information on the 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.



# ASX ANNOUNCEMENT

30<sup>th</sup> April 2015

## 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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