



Quarterly Activities Report

For the quarter to 30 June 2015

ASX RELEASE:
22 July 2015

ASX : TAW

CORPORATE DIRECTORY

Executive Chairman & CEO
Wayne Richards

Executive Director, CFO & Co. Sec.
Michael Naylor

Non-Executive 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 product⁴

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 completed³✓
- 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✓

CONTACT DETAILS

288 Churchill Avenue
Subiaco Perth WA 6008
Email: admin@tawana.com.au
Website: www.tawana.com.au
Phone: +61 8 9489 2600



Highlights

Mofe Creek Iron Ore Project

Project Studies - Mine, Logistics, Infrastructure and Approvals

- The recent discovery of Direct Shipping Ore (DSO) on the newly acquired tenement MEL1223/14 presents the Company with a potential strategic opportunity to mine and supply high-grade feed to an early start-up, low capital intensity project at a significantly reduced OPEX and CAPEX cost, due to very simple crushing and screening requirements only (i.e. no beneficiation).
- A Memorandum of Understanding (MoU) was executed between the Company and WISCO-CAD (WISCO) for the use of the Freeport iron ore facility in Monrovia. WISCO is the owner-operator of the iron ore port facility and is currently exporting iron ore. A draft Cooperation Agreement has been forwarded to WISCO for review and negotiation. The MoU provides the platform for negotiating a commercially viable end-to-end logistics solution for the Mofe Creek project during its early stages of development and ramp-up.
- The Company was granted an eight-month extension of the initial three-year exploration term for both licences MEL12029 and MEL1223/14 by the Ministry of Lands, Mines and Energy (MLME), in consideration of the Ebola outbreak and acknowledged Force Majeure event.

Environmental and Community

- Tawana was awarded its Environmental Protection Agency (EPA) permit for the Southern Licence - MEL1223/14. This permit allows the Company to progress field exploration activities and is a legal requirement under Liberian regulation.
- Tawana is currently preparing the Mofe Creek Scoping Report and Terms of Reference for the environmental and community aspects of the Environmental Social Impact Assessment (ESIA), following the completion of detailed baselines studies and community meetings.

Exploration and Leases

- A new discovery was made of high-grade mineralisation at the Company's MEL1223/14 Mofe Creek South licence which incorporated grades up to 66% Fe - Direct Shipping Ore (DSO) mineralisation, in addition to coarse-grained, friable itabirite mineralisation over a strike of greater than 4.5km.
- Low-cost exploration activities currently being progressed, including geological mapping to define further new targets within both the Company's 100%-owned tenements MEL 12029 and MEL1223/14, continue to provide encouraging results. A total of 74 potential mineralised targets have been mapped to date.

Corporate

- As at 30 June 2015, Tawana Resources was in a strong financial position with AUD\$1.6 million in cash.
- Expressions of interest have been received to purchase the Company's total shareholding and loan account in Diamond Resources SA (a 100% - owned subsidiary of Tawana Resources NL).

Mofe Creek Iron Ore Project

Studies

Mofe Creek Preliminary Feasibility Study (PFS)

Engineering and direct design work associated with the PFS was minimised during the quarter, with the aim of conserving cash, and advancing the Mineral Development Agreement and value-accretive programs linked to the ESIA and field exploration programs.

However, work has progressed on transshipment criteria for the longer-term operation of an independent logistics chain for the Mofe Creek project.

With the recent discovery of the DSO, all current and future (short-term) operational strategies and financial modelling will focus on a potential low CAPEX, low OPEX, early start-up operation, including the mining and processing of DSO. The DSO project will utilise existing roads to the port of Monrovia, and will culminate in the potential despatch of the ore via the port of Freeport, under a potential Cooperation Agreement with WISCO CAD (currently being negotiated under a MoU – Refer ASX Release 18 May 2015).

Further discussions with haulage and road/civil construction groups have progressed within country, 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 Gofolo Main or 26km from the newly discovered DSO mineralisation at Goehn). The new tenement (MEL 1223/14) and the Goehn mineralisation has the added advantage of being closer to the proposed haul road corridor and nominated coastal port location, and is in very close proximity to the national highway, for future road haulage of the DSO to Monrovia (subject to relevant approvals and licences being granted).

Infrastructure & Logistics

On the 18th May 2015, the Company and WISCO CAD (Hong Kong) Mining Company Limited (WISCO) signed a non-binding memorandum of understanding (MoU)¹ to negotiate in good faith, a potential Cooperation Agreement between the parties in relation to access and use of WISCO's port facilities in the port of Freeport, Monrovia.

Under the terms of the MoU, WISCO and Tawana will negotiate with a view to executing a definitive Cooperation Agreement in relation to the use of the port facilities at Freeport. Under this proposed agreement, both parties will negotiate the logistics and commercial terms relevant to potentially securing access to the existing working port facilities and infrastructure operated by WISCO. The agreement is to be negotiated on the premise of access to stockpiling and ship loading services during the early stage of Tawana's project development and proposed DSO start-up Project.

The MoU provides the platform for negotiating a commercially viable 'end-to-end' logistics solution for the Mofe Creek project during its early stages of development and ramp-up. The production and export of initial smaller scale tonnages from the Mofe Creek project is designed to establish the company within Liberia, while minimising capital expenditure and creating revenue and employment opportunities within the community.



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The recent discovery of DSO on the newly acquired tenement MEL1223/14 (refer ASX release 8 July 2015)² also presents a potential opportunity to mine and supply high-grade feed to an early start-up, low capital intensity project at a significantly reduced OPEX cost, due to very simple crushing and screening requirements only (i.e. no beneficiation).

WISCO, through its related entities, has been granted the concession to operate the Bong Mine in Liberia and has developed, constructed, and operated a bulk handling port facility at the Monrovia (Freeport) port facility for the past two years. WISCO operates a mine, railroad and port facility within Liberia.

In addition, Tawana continued to advance discussions with other in-country iron ore producers and developers on potential co-sharing infrastructure arrangements for a common-user port and infrastructure corridor.

Mineral Development Agreement (MDA)

The Company is currently awaiting a formal response from Liberia's Inter-Ministerial Concessions Committee (IMCC) with regard the first pass submission of Tawana Liberia Inc.'s Mineral Development Agreement. Negotiations are scheduled to progress in the coming month(s). The Government of Liberia also recently concluded the Hummingbird MDA, for a second commercial gold Project within Liberia. Aureus Mining Ltd recently completed its first gold pour in May 2015, under their revised MDA, renegotiated in 2013. Aureus's project is geographically located within 15km of Tawana's Mofe Creek project area.

Environmental and Social Impact Assessment (ESIA)

The Company, through an independent environmental and social consulting group, Earth Environmental Consultancy Inc. of Liberia (EarthCons), completed the requisite site visits and submitted an independent environmental audit report to the Environmental Protection Agency (EPA) in March 2015, as required under the Liberian Exploration Regulations.

The EPA subsequently awarded Tawana a permit for its recently acquired and wholly-owned southern exploration licence MEL1223/14. This permit allows the Company to progress field exploration activities and is a legal requirement under Liberian regulations.

In conjunction with Earth Systems (Australia) and EarthCons (Liberia), Tawana has also advanced the baseline studies and community consultative processes for the development of a Terms of Reference (ToR) document and an ESIA Scoping Report. These documents will be submitted to the EPA in the coming month, and will form the basis of the ESIA process to be executed over the coming quarters, culminating in its final submission for an environmental licence for the Mofe Creek Project. The granting of the EPA licence is a pre-cursor to the approval of a final Mining licence.

Tenure

The Company was granted an eight-month extension of the initial three-year exploration term for both licences MEL12029 and MEL1223/14 by the Ministry of Lands, Mines and Energy (MLME), in consideration of the Ebola outbreak and acknowledged Force Majeure event. The extension demonstrates the support of the MLME, for developers such as Tawana.



Ebola Virus Disease Update

Liberia was declared Ebola-free by the World Health Organisation (WHO) on the 9th May 2015. The Company remobilised Liberian and expatriate staff in March as a result of significant advances in the containment of the disease as well as the proactive management of the Ebola Virus Disease by the Government of Liberia, the international community, health organisations and NGO's.

Exploration

MEL1223/14 - New Discoveries & DSO Fe Grades

During the quarter, the exploration team commenced a mapping and rock-chip sampling program over MEL 1223/14 to define and quantify potential additional resource tonnage targets for the Mofe Creek project.

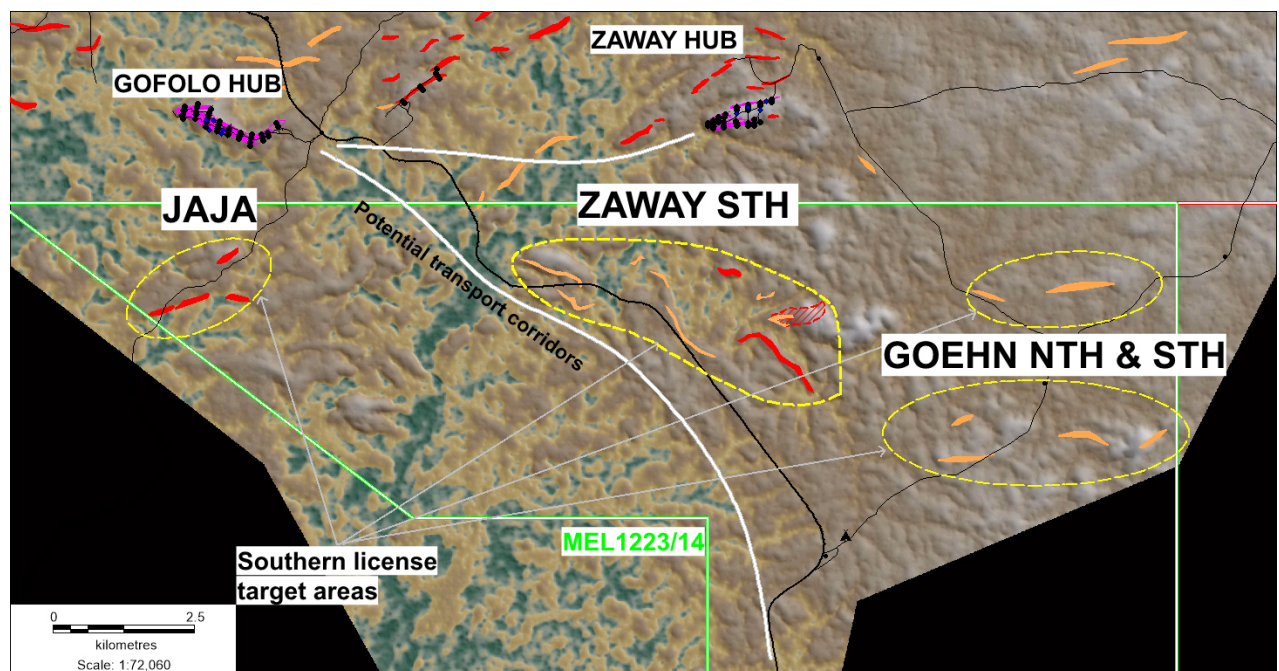


Figure 1 | South license MEL1223/14 target areas

A new 120m strike zone of high-grade DSO hematite mineralisation averaging 62.8% iron (and reaching as high as 66% Fe) was found in the Goehn South East prospect at Mofe Creek (Refer ASX Release 8th July 2015)².

The strike zone is located within a broader 550m strike length of friable itabirite mineralisation and situated within 6km of a bitumen road.

Tawana has also outlined itabirite mineralisation across more than 2.2km of combined strike length at this project site at grades ranging from 26.4% to 52.6%.

The area represents one of four additional targets Tawana identified within the Mofe Creek South licence.

The company said the itabirite mineralisation had similar geological characteristics to its 61.9 million-tonne at 33% Fe - Maiden Resource⁴ for the Mofe Creek project.



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Tawana Executive Chairman and Chief Executive Wayne Richards said the target represented the highest grade, continuous zone over multiple samples, of direct shipping ore hematite mineralisation discovered within the project areas to date.



Figure 2 | Goehn SE target hill looking SE; over 550m strike itabirite and high-grade hematite DSO mineralisation within central portion, Goehn South prospect.

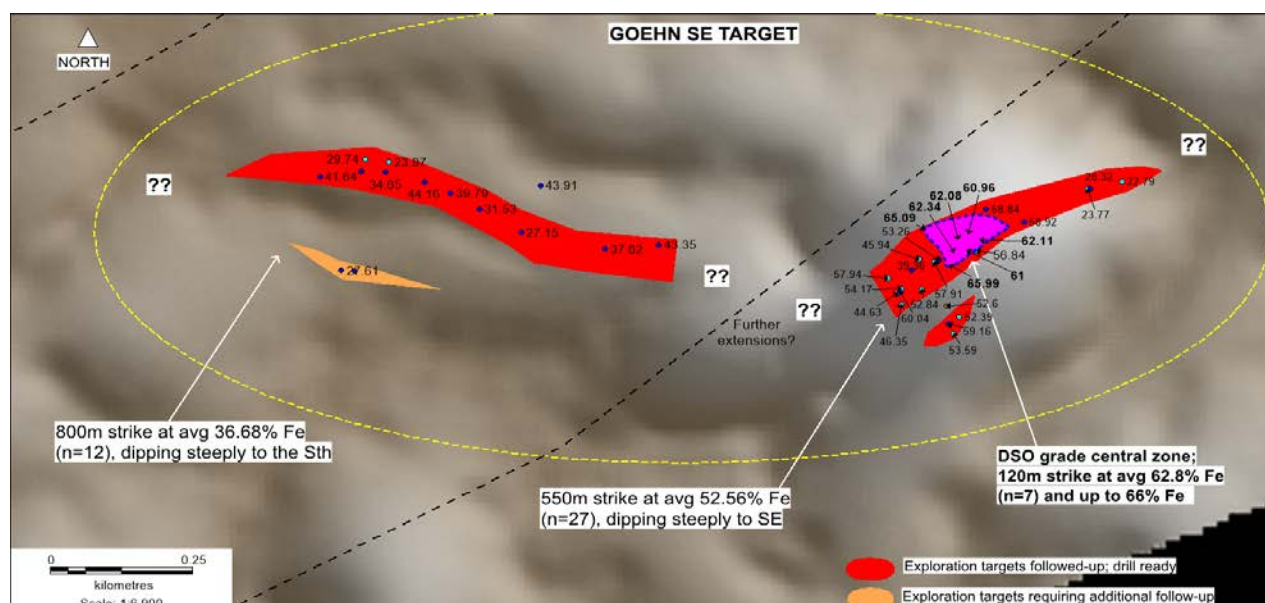


Figure 3 | Detail of Goehn SE target; rock chip sample locations and % Fe content defining DSO mineralised zone (solid pink) within >550m strike itabirite mineralized zone. Itabirite outcrops (blue dots) with % Fe grade; background imagery DEM.



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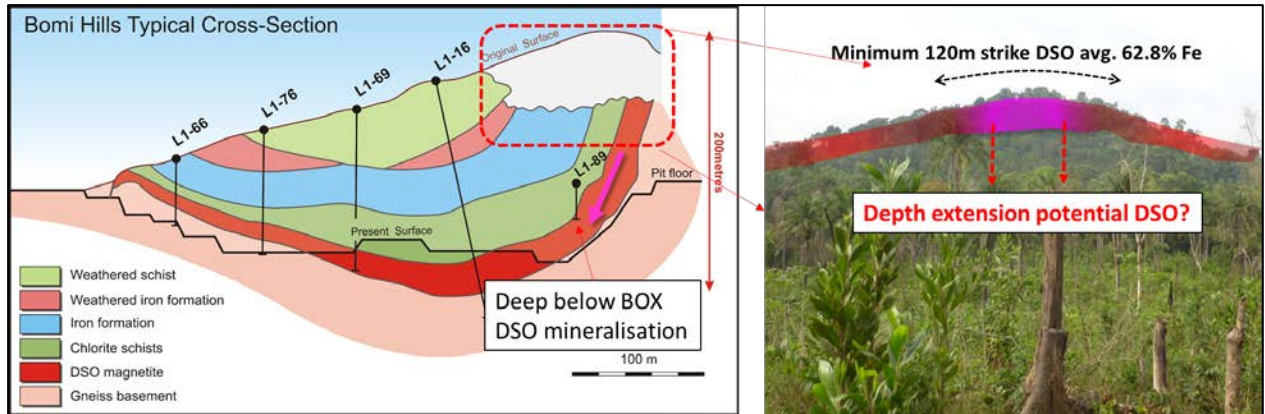


Figure 4 | Potential for deep, below base of oxidation (BOX) DSO mineralisation as per historically mined at Bomi Hills.

The Company also announced (refer ASX release on 7th May 2015)² a discovery of new friable itabirite mineralisation in outcrops over a combined 1.4km strike length and at an average grade of 32.4% Fe at the Gofolo South (Jaja) prospect (refer Figure 1 on page 4). The mineralisation is within a 3km trucking distance of the Gofolo Main resource and is within immediate proximity to the planned independent haul road infrastructure corridor.

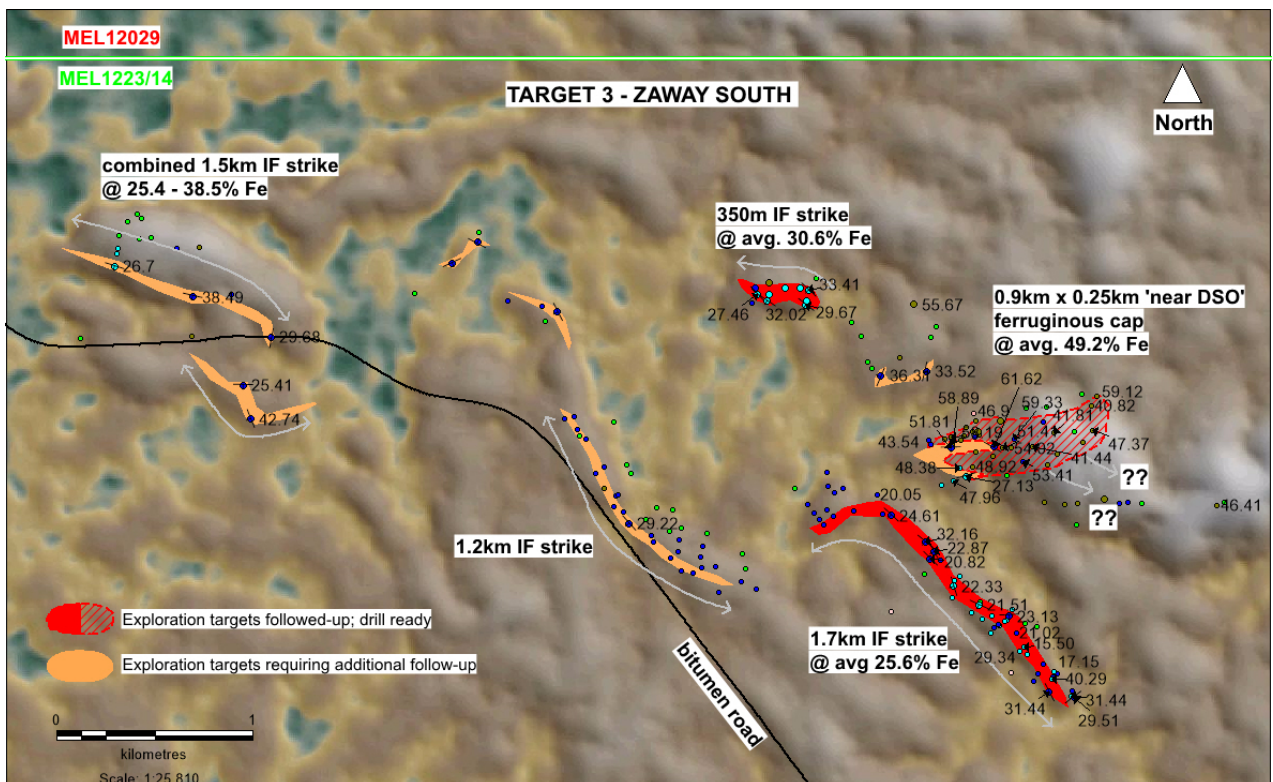


Figure 5 | Rock chip sample locations and % Fe content defining DSO grade zone (hatched red) and a combined >4.5km strike itabirite target within 3km potential trucking distance of Zaway Main. Itabirite outcrops (blue dots) with % Fe grade; background imagery DEM.



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Detailed mapping over the Gofolo South (Jaja) target defined 1.4km combined strike length at an average of 32.4% Fe with low contaminant levels from 19 surface rock chip samples using handheld XRF (refer Figure 6 overleaf).

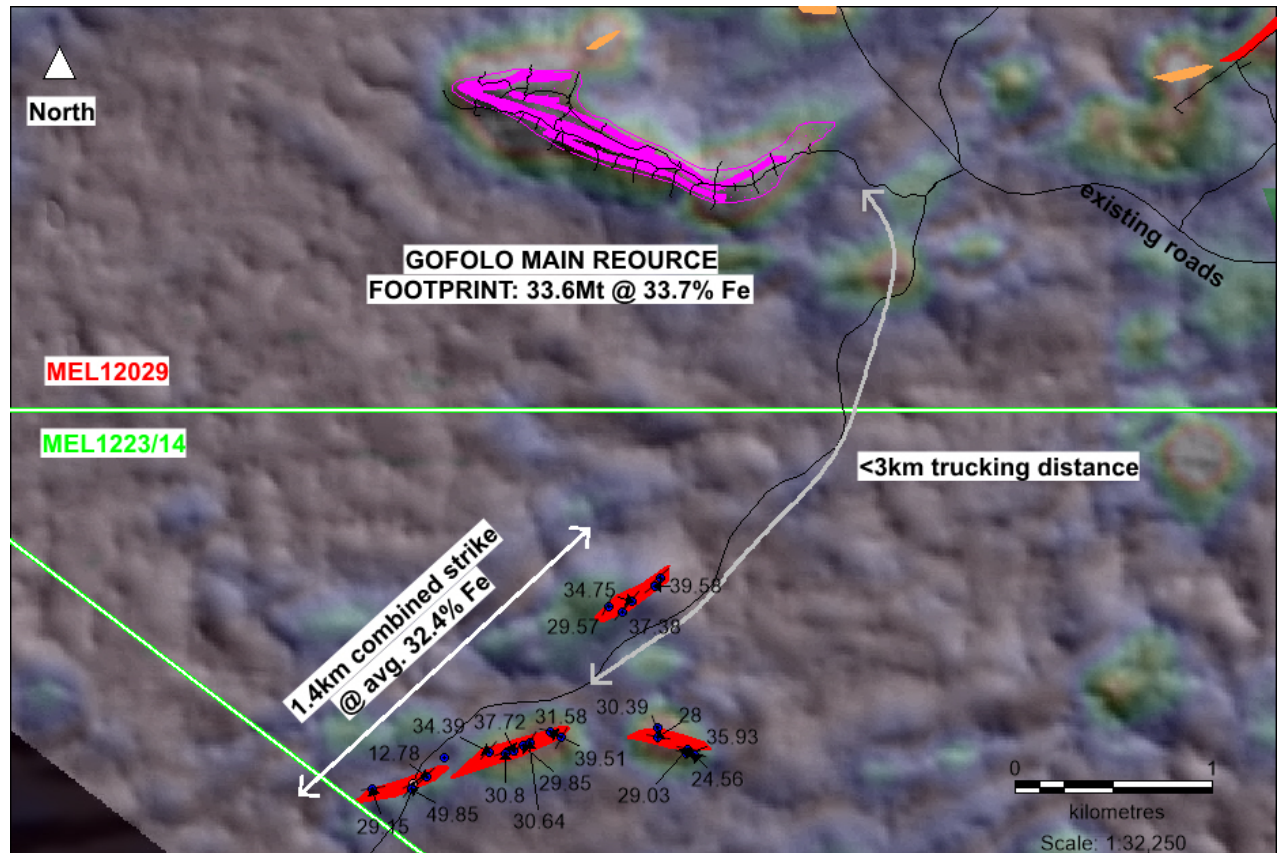


Figure 6 | Rock chip sample locations and % Fe content defining new combined 1.4km strike itabirite target within 3km potential trucking distance of Gofolo Main. Itabirite outcrops (blue dots) with % Fe grade; background imagery semi-transparent DEM with magnetics ANSIG image below.

Mapping teams continue to assess remaining exploration targets within the new licence area with the aim of prioritising drill targets with the highest potential to increase the current resource and/or formalize a DSO Resource.



Figures 7 & 8 | High-grade itabirite mineralisation in outcrop within the Zaway South prospect.



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Cash

As at 30 June 2015, Tawana Resources held \$1.6 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 undertake low cost, value-accretive activities in the coming quarter, which will include the advancement of the MDA, targeted exploration activities, advancement of the ESIA Scoping Report and Terms of Reference document and strategic activities associated with the potential development of a DSO, early-start-up project.

Board Changes

Michael Bohm has been appointed to the Board of Directors as an Independent Non-Executive Director of the Company with effect from 1 August 2015.

Michael is an experienced mining professional with extensive corporate, project and operational management experience in the minerals industry in Australia, South East Asia, Africa, Chile, Canada and Europe/UK. A graduate of the WA School of Mines, Michael has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director. He has been directly involved in a number of project developments in the resources sector both in Australia and offshore.

Michael's corporate experience includes previous directorships at Sally Malay Mining Limited (now Panoramic Resources) in Australia (ASX), Ashton Mining of Canada (TSX), Herencia Resources (AIM) and Argyle Diamond Mines Pty Ltd. Michael currently serves on the board of ASX/TSX listed gold producer Perseus Mining Limited and ASX listed gold producer Ramelius Resources Limited.

In conjunction with the appointment of Michael, Mr Len Kolff will step down from the Board to pursue other career opportunities effective 1 August 2015.

Divestment of Non-Core Assets

The Company's Botswana subsidiary has been deregistered and the Company will no longer incur administration costs associated with this Project.

BlueRock Diamonds continue to express a desire to purchase the Company's total shareholding and loan account in Diamond Resources (a 100% -owned subsidiary of Tawana Resources NL). An outcome on the sale is expected in the coming quarters.



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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 the Mofe Creek project, which covers 475km² of highly prospective tenements in Grand Cape Mount County. The Project hosts DSO and 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

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

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 currently a Director 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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Notes

¹ Disclaimer:

- (i) the MOU represents a non binding intention of the parties to negotiate a formal cooperation agreement in good faith. The parties are yet to agree on any definitive operational, commercial and/or legal terms (including tonnage capacity or delivery schedules) for the cooperation agreement;
- (ii) the obligation to negotiate in good faith comes to an end on the earlier of execution of a definitive cooperation agreement or 31 December 2015; and
- (iii) there is no certainty or assurance that parties will reach a final agreement on the terms of the cooperation agreement.
- (iv) Refer to ASX announcement on 18 May 2015 for further information.

²: Tawana is not aware of any new information or data that materially affects 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.

⁴: 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.



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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



