



Quarterly Activities Report

For the quarter to 30 September 2015

ASX RELEASE:
28 October 2015

ASX : TAW

CORPORATE DIRECTORY

Executive Chairman & CEO
Wayne Richards

Executive Director, CFO & Co. Sec.
Michael Naylor

Non- Executive Director
Michael Bohm

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 - Working iron ore facilities

LITHOLOGY: High grade DSO discovery (62-66% Fe) plus a +33% Fe friable itabirite resource of 61.9Mt³ 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 completion✓
- Maiden Resource Estimate announced✓
- Pre-Feasibility study commenced✓
- Mineral Development Application advancing ✓
- Resource Mapping and prioritization of drilling targets on both tenements completed
- ESIA - Terms of Reference and Scoping Report approved ✓

CONTACT DETAILS

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Highlights

Mofe Creek Iron Ore Project

Project Studies - Mine, Logistics, Infrastructure and Approvals

- The Mineral Development Agreement (MDA) for Tawana Resources NL's ('Tawana' or 'the Company') 100% owned Mofe Creek project (the Project), incorporating both the northern and southern tenements and a potential early start-up project for Direct Shipping Ore (DSO), is currently under review by Liberia's Inter-Ministerial Concessions Committee (IMCC) and a response is anticipated this month.
- Negotiations on a Port Infrastructure Cooperation Agreement at the port of Freeport, Monrovia with WISCO CAD, following the signing of a Memorandum of Understanding (MoU) ¹ in May 2015 (refer ASX release 18th May 2015), continue to advance, with further commercial and technical meetings being held in Wuhan, China on 22 September 2015.
- In early August, Tawana announced the discovery of new and additional iron ore mineralisation identified from outcropping iron formations at both the Koehnko North East and Koehnko East prospects within the Project.
- Preparation of a low capital-intensive exploration program for the qualification and quantification of the recent DSO discovery at the Goehn project area, on the southern tenement has commenced.
- Finalisation of the geochemical and geophysical report for the analysis of the mineralisation within the proposed future ore bodies is in progress.

Environmental and Community

- Approval of the Project's Terms of Reference document and Scoping Study report was received by the Environmental Protection Agency (refer ASX release 20 October 2015). The approval is an important prerequisite for the advancement of the Project's Environmental and Social Impact Assessment (ESIA), and is a key milestone for the Project.
- Submission of the Environmental Protection Agency renewal licence and annual report for Tawana's northern licence (MEL 12029).

Exploration and Leases

- Submission of the first Quarterly Exploration report for the southern licence (MEL 1223/14).
- Geological mapping of new targets within both the Company's 100%-owned tenements MEL 12029 and MEL1223/14, were progressed during the quarter and a development prioritisation matrix for the 74 potential mineralised targets has been prepared.

Corporate

- A strategic review of the Company's business development opportunities was conducted during the quarter. The Board has commenced a process of reviewing advanced-stage Australian gold project opportunities. This strategy is designed to reduce the potential corporate risk associated with a single commodity focus and to seek to add shareholder value via low-cost acquisition and project advancement leveraging off the opportunities which presently exist in the A\$ gold sector.
- As at 30 September 2015, Tawana Resources was in a strong financial position with A\$1.4 million in cash.
- The company received an R&D refund in September, and a reduction in corporate operating costs and staff salaries (including principal contractors) was also implemented.

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Mofe Creek Iron Ore Project

Project Development

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

Since the discovery, the Company has focused its efforts on the development of financial models, strategic approvals and specific MDA criteria, designed to capitalise on an early start-up project for the potential production of 1 to 2 Mtpa of final product.

The DSO project is designed to use existing roads to the port of Monrovia, and will culminate in the potential despatch of the ore via the port of Freeport, under a proposed Port Services Cooperation Agreement with WISCO CAD (currently being negotiated under a MoU¹ – refer ASX Release 18 May 2015).

Discussions with haulage and road/civil construction groups will continue in the December quarter, once the first draft of the MDA has been received from the Government of Liberia's IMCC committee. The 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 26km by road, from the newly discovered DSO mineralisation at Goehn or 28-32 km by road from Gofolo Main deposit) will be advanced.

The Company has also conducted discussions with several international and domestic Mining and Service provider groups with interests in the potential co-development of the Mofe Creek project, by way of either: equity investment; farm-in arrangements at the asset level; and/or joint funding at the asset development level. These discussions are ongoing and have not resulted in any material agreement being finalised to date.

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 definitive Cooperation Agreement between the parties in relation to access and use of WISCO CAD's port facilities in the port of Freeport, Monrovia.

WISCO and Tawana progressed negotiations towards executing this definitive Cooperation Agreement during the quarter. Both parties are negotiating the key logistics and commercial/technical terms associated with the co-export and shipping requirements of the respective companies ores, using the existing port storage, reclaim and ship loading plant and equipment, operated by WISCO.

The agreement is being negotiated on the premise of gaining access to stockpiling and ship loading services during the early stage of Tawana's project development and proposed DSO start-up project.



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Mineral Development Agreement (MDA)

The Company is currently awaiting a formal response from Liberia's IMCC with regard to the first pass submission of Tawana Liberia Inc.'s Mineral Development Agreement in the December 2015 quarter. Negotiations are scheduled to progress in November.

Environmental and Social Impact Assessment

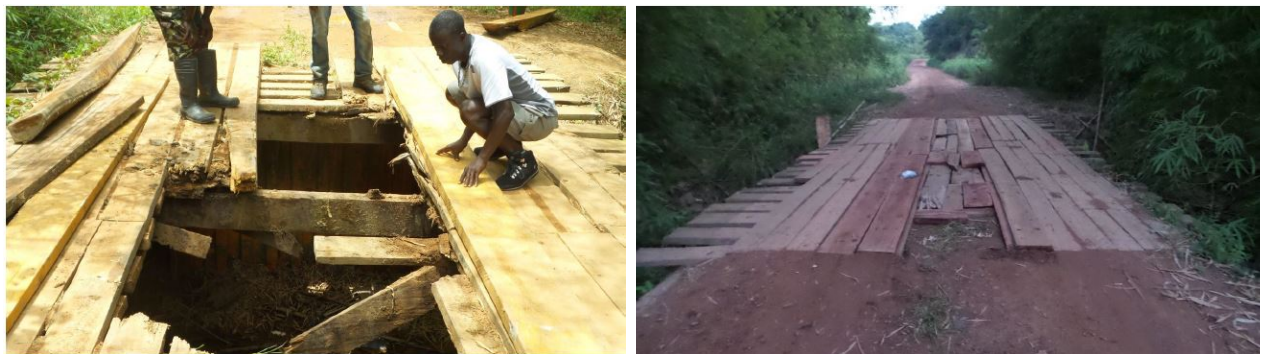
The Company announced in August 2015 that a Scoping Report and Terms of Reference report for an Environmental and Social Impact Assessment (ESIA), for the Company's Mofe Creek project had been submitted for review to the Environmental Protection Agency (EPA) of Liberia.

At the time of writing this report, the Scoping Report and Terms of Reference report had been granted EPA approval, allowing the Mofe Creek project's ESIA studies to fully progress. This approval represents a key step forward in the ESIA process, and forms part of Tawana's commitment to obtaining an Environmental Permit and Mining Licence for the Project.

Community

Community consultation work was undertaken on MEL 1223/14, with county and district officials as well as community and town leaders. All meetings were conducted prior to fieldwork commencing at Goehn and surrounding areas. Town and youth leaders were involved in recruiting local workers for this field work. This involvement has laid the groundwork for establishing very good working relations with the local communities within Tawana's newly granted licence area.

As part of Tawana's support towards developing an effective social/community responsibility program, two bridges near Goehn town were refurbished within the quarter and the Company is preparing to provide further support in areas of need within the communities.



Figures 1 & 2 | Goehn Bridge pre and post refurbishment by Tawana Liberia Inc.



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Exploration

MEL1223/14

Quarterly Report

The first quarterly report for year one of the licence period for MEL1223/14 was submitted to the Liberian Ministry of Lands Mines & Energy in August 2015 and was subsequently approved in October.

Advancement of Field Exploration/Trenching/Drilling Program

During the quarter, the exploration team finalised the mapping and rock-chip sampling work conducted in the June Quarter, over MEL 1223/14. The program was designed to map and define additional DSO and mineralisation resource targets for the Company's Mofe Creek project.

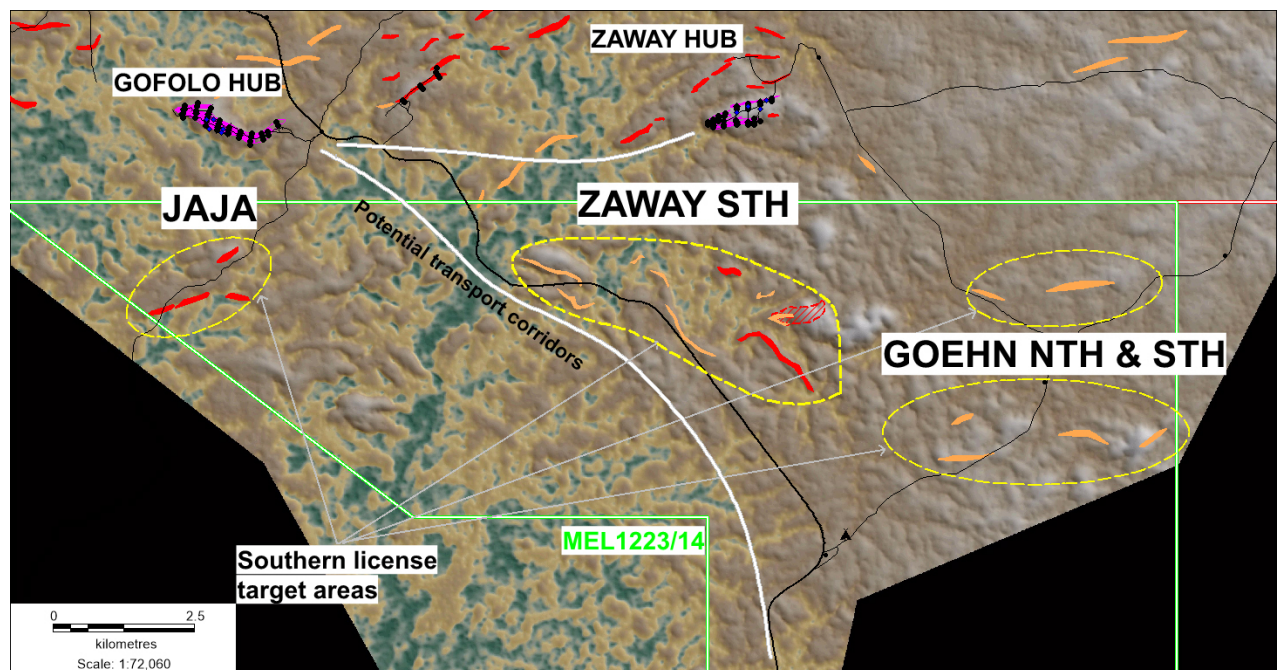


Figure 3 | South license MEL1223/14 - targeted Mineralisation areas

As previously announced, 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 is situated within 6km of the bitumen highway running to Monrovia, the location of one of the nation's operating iron ore port facilities, currently owned/operated by WISCO CAD.

Tawana Executive Chairman Mr Wayne Richards said he looks forward to further advancing the Company's knowledge of the quantum and grade potential of the DSO at Goehn, during the next quarter(s). The Goehn target represented the highest grade, continuous zone over multiple samples, of direct shipping ore hematite mineralisation discovered within the project areas.



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The Company is currently developing a low cost, DSO mineralisation field program to assist in the qualification and quantification of the recently discovered DSO at the Goehn deposit in July this year (refer ASX release 8 July 2015)².

With the wet season now abating, this exciting new field program could commence as early as November, subject to gaining full access to the mineralisation outcrops and deposits.

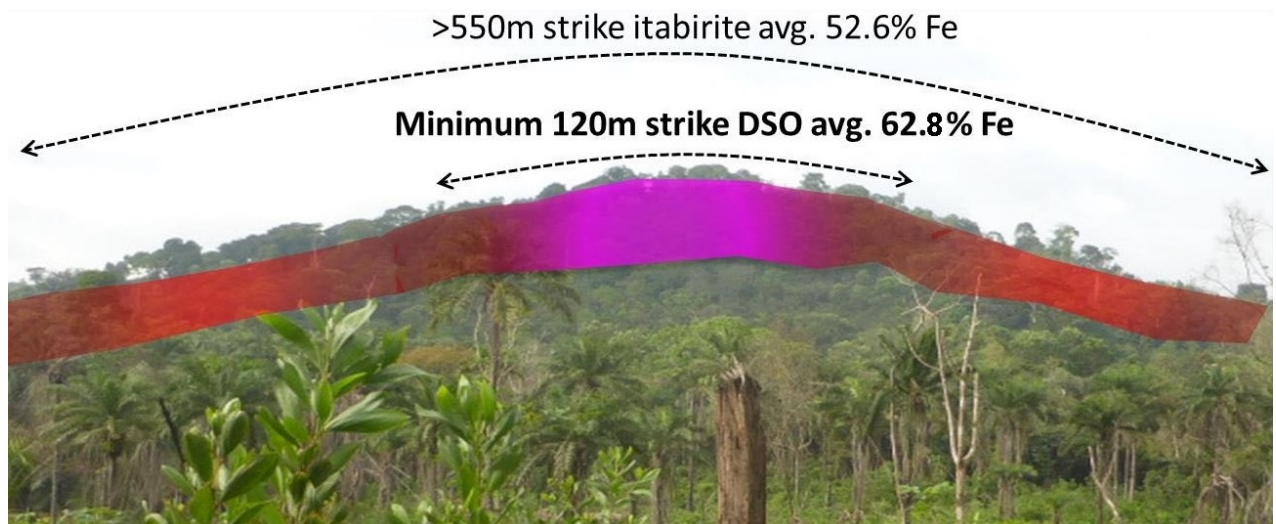


Figure 4 | Goehn SE target hill looking SE; over 550m strike itabirite and high-grade hematite DSO mineralisation within central portion, Goehn South prospect.

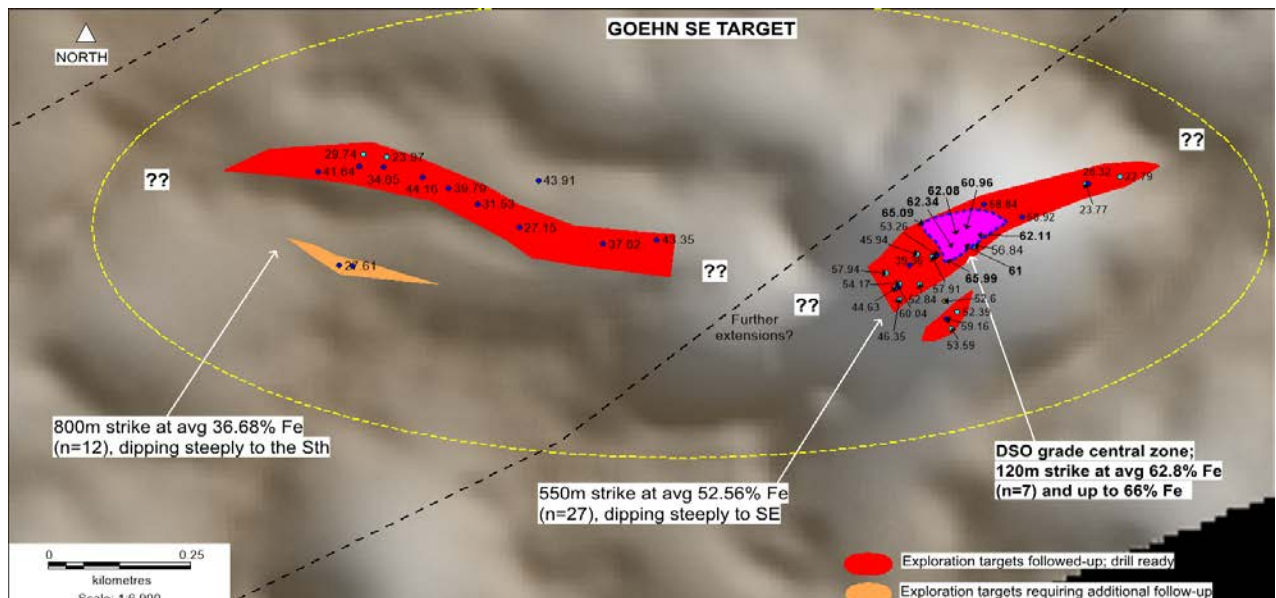
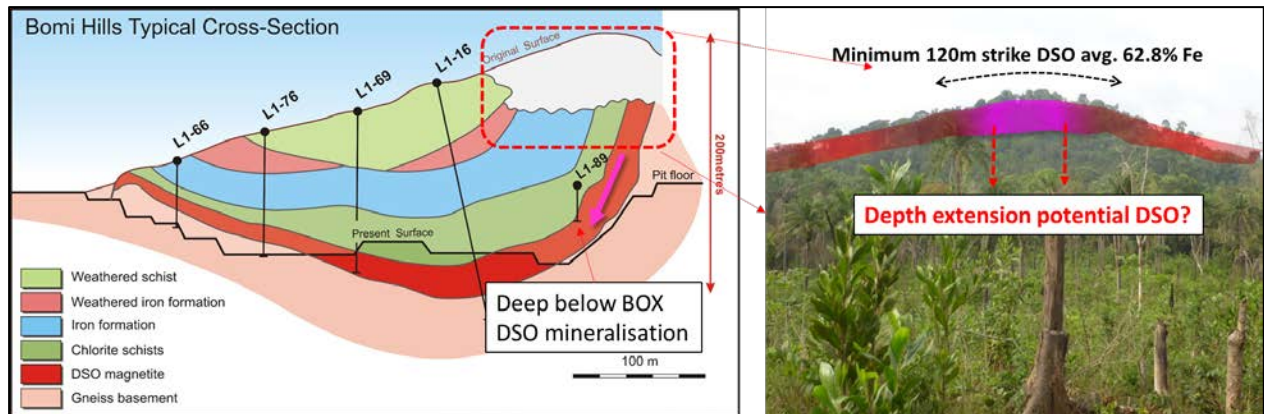


Figure 5 | Detail of Goehn SE target; rock chip sample locations and % Fe content defining DSO mineralised zone (solid pink) within >550m strike itabirite mineralized zone. Itabirite outcrops (blue dots) with % Fe grade; background imagery DEM.



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Corporate

Cash and Fiscal Management

As at 30 September 2015, Tawana Resources held \$1.4 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

The Company received an R&D refund of \$379,004 (net of fees) for its fiscal year 2014 (1 January to 31 December 2014) in September.

The Company has diligently continued to reduce corporate and Liberian expenditure (while advancing the Project's principal activities) to minimise cash outflow whilst maintaining key personnel and advancing the time-critical components of the Project.

Key corporate and senior executive officers of the Company (both permanent and contract personnel) have accepted a 20% salary reduction in a bid to further reduce operating and governance expenditure while maximising the Company's healthy cash position.

Board Changes

Mr Michael Bohm commenced as a Non-Executive Director of the Company on 01 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) 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.

Mr Len Kolff resigned as Executive Director and Technical Director on 31 July 2015.



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The Board is now constituted by one full time Executive Chairman and CEO (Mr Wayne Richards), one part-time Company Secretary/CFO and Executive Director (Mr Michael Naylor) and one independent Non-Executive Director (Mr Michael Bohm).

Corporate Opportunities

In conjunction with the strategic advancement of the highly viable Mofe Creek iron ore Project, the company has commenced a process of reviewing Australian-based resource commodity projects/companies with income exposure linked to United States dollars.

The Board is predominantly reviewing Australian gold projects for investment opportunities. This strategy is designed to reduce corporate risk associated with a single commodity focus, expand the company's potential and to capitalise on the current investor interest and support for Aussie gold projects.

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

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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

Competent Persons Statement

The information in this report that relates to Exploration Results and Resources is based on information compiled by Shane Tomlinson, who is a member of the Australian Institute of Geoscientists. Shane Tomlinson 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'. Shane Tomlinson consents to the inclusion of the matters in this report based on his information in the form and context in which it appears.

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.



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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: The Mineral Resource estimate for the Mofe Creek project of 61.9Mt @ 33% Fe comprises Indicated Mineral Resources of 16.2Mt @35.4% Fe and Inferred Resources of 45.7Mt @32.1% Fe. 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 affects 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



