



Quarterly Activities Report

For the quarter to 31 December 2015

Highlights

ASX RELEASE:
08 Jan 2016

ASX : TAW

CORPORATE DIRECTORY

Non-Executive Chairman
Michael Bohm

Executive Director, CFO & Co. Sec.
Michael Naylor

Non- Executive Director
Robert Benussi

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, Transhipment or Direct ship loading

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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), continues to be under review by Liberia's Inter-Ministerial Concessions Committee (IMCC) and a response is anticipated in the March 2016 quarter.
- A definitive Port Infrastructure Cooperation Agreement at the port of Freeport, Monrovia with WISCO CAD is progressing, following the signing of a Memorandum of Understanding (MoU)¹ in May 2015. The agreement is based on the premise of gaining access to stockpiling and ship loading services during the early stage of the Project's development and proposed DSO start-up project.

Environmental and Community

- Approval of the Project's Terms of Reference document and Scoping Study report was received by Liberia's Environmental Protection Agency.
- 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.

Exploration

- The Company completed a low cost, six-hole, 300m diamond drill programme focused on the potential DSO mineralisation targets at the Project's newly discovered Goehn South East (SE) prospect. Results are pending.
- The Goehn SE target is one of the Company's highest priority exploration targets. No drilling has previously been completed over this newly explored target, however DSO hematite mineralisation, averaging 62.8% Fe and up to 66% Fe has previously been defined and it is located a short trucking distance to the operating port of Freeport, Monrovia

Corporate

- As at 31 December 2015, Tawana Resources had A\$0.8 million in cash.
- The following Board changes were made effective 4 December 2015:
 - Mr Robert Benussi was appointed as an independent Non-Executive Director. Mr Benussi brings extensive experience in finance, corporate advisory, stockbroking and business development to the Tawana Board.
 - Mr Wayne Richards resigned as a Director of the Company.
 - Mr Michael Bohm assumed the role as Non-Executive Chairman.
- The company continued a process of reviewing Australian-based project opportunities.



Mofe Creek Iron Ore Project

Mineral Development Agreement (MDA)

The Company is still awaiting a formal response from Liberia's IMCC with regard to the first pass submission of Tawana Liberia Inc.'s Mineral Development Agreement. A response is anticipated in the March 2016 quarter.

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.

Infrastructure & Logistics

On 18 May 2015, Tawana 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 continued negotiations towards executing a definitive Cooperation Agreement. In particular 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 are being negotiated.

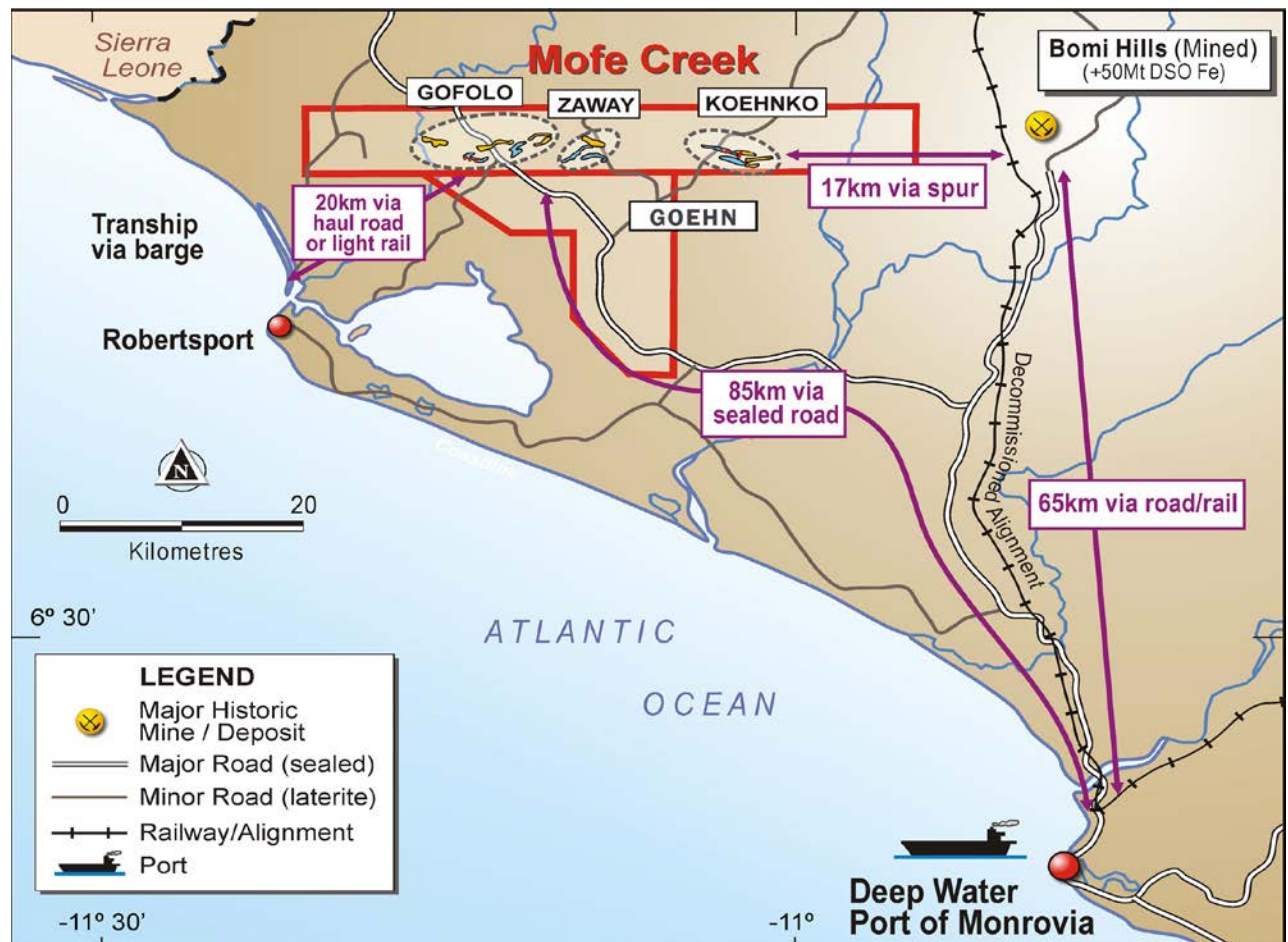


Figure 1 | Project tenement location relative to possible infrastructure scenarios and historic resources.



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Environmental and Social Impact Assessment

On 20 October 2015, the Environmental Protection Agency (EPA) of Liberia approved the Scoping Report and Terms of Reference Report for an Environmental and Social Impact Assessment (ESIA), for the Company's Mofe Creek project.

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. The approval represents the culmination of over a year's technical and geological field work in conjunction with community and stakeholder consultative work within the Project area.

Exploration

Drilling

The Company completed a small strategic drilling programme at the Mofe Creek project in December 2015 to test the potential DSO mineralisation targets at the newly discovered Goehn South East (SE) prospect.

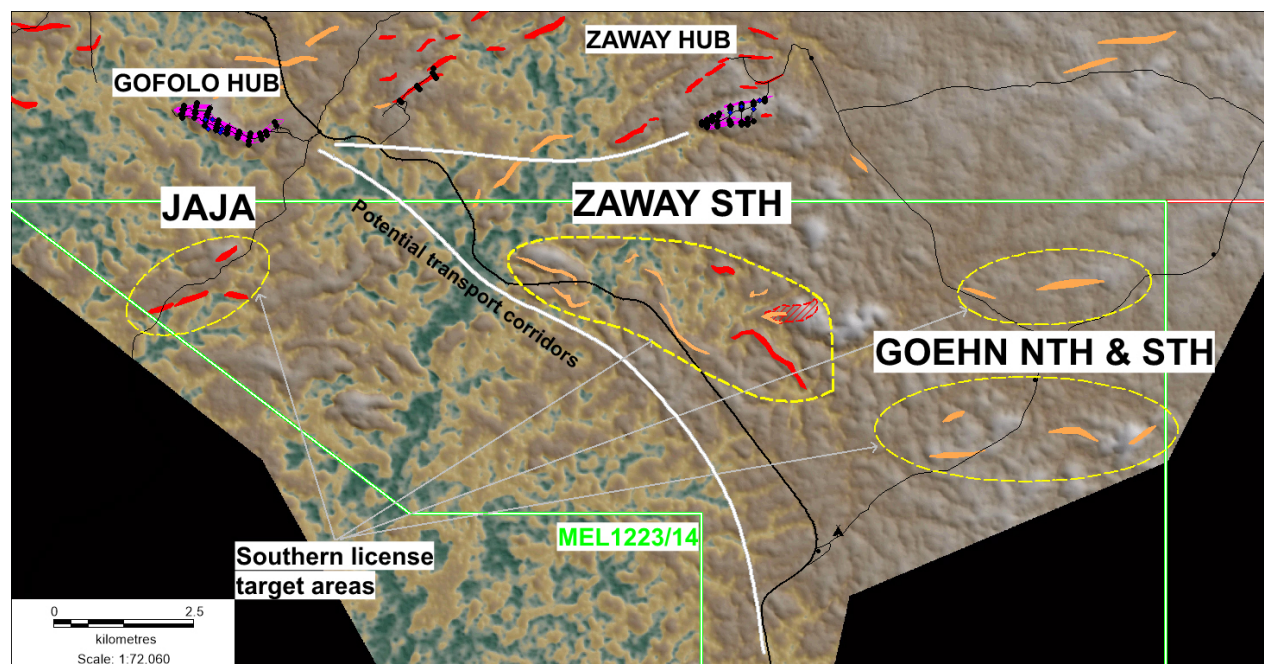


Figure 2 | South license MEL1223/14 - targeted Mineralisation areas

The Goehn SE target is one of the Company's highest priority exploration targets within the Project area. No drilling has previously been completed over this newly explored Goehn SE target, however DSO hematite mineralisation, averaging 62.8% Fe and up to 66% Fe has been defined at the target (Refer ASX Announcement on 8 July 2015)², which is located a short trucking distance to the operating port of Freeport, Monrovia.

The initial 6-hole programme for 300m of drilling over the Goehn SE target was designed to minimise costs and focus on the most value accretive targets with significant scale potential and prepared drill access.



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The Company used a small diamond drill rig to undertake the programme to minimise mobilization and operating costs, whilst maximising the attainment of value-accretive assay data, metallurgical information and geophysical/geotechnical intelligence, from the core.

Results are pending and are expected to be received in January 2016.



Figure 3 | Goehn SE target hill looking SE; over 550m strike itabirite with potential high-grade hematite DSO mineralisation within the central portion.



Figure 4 | Diamond Core drill rig being set up at Goehn SE Deposit



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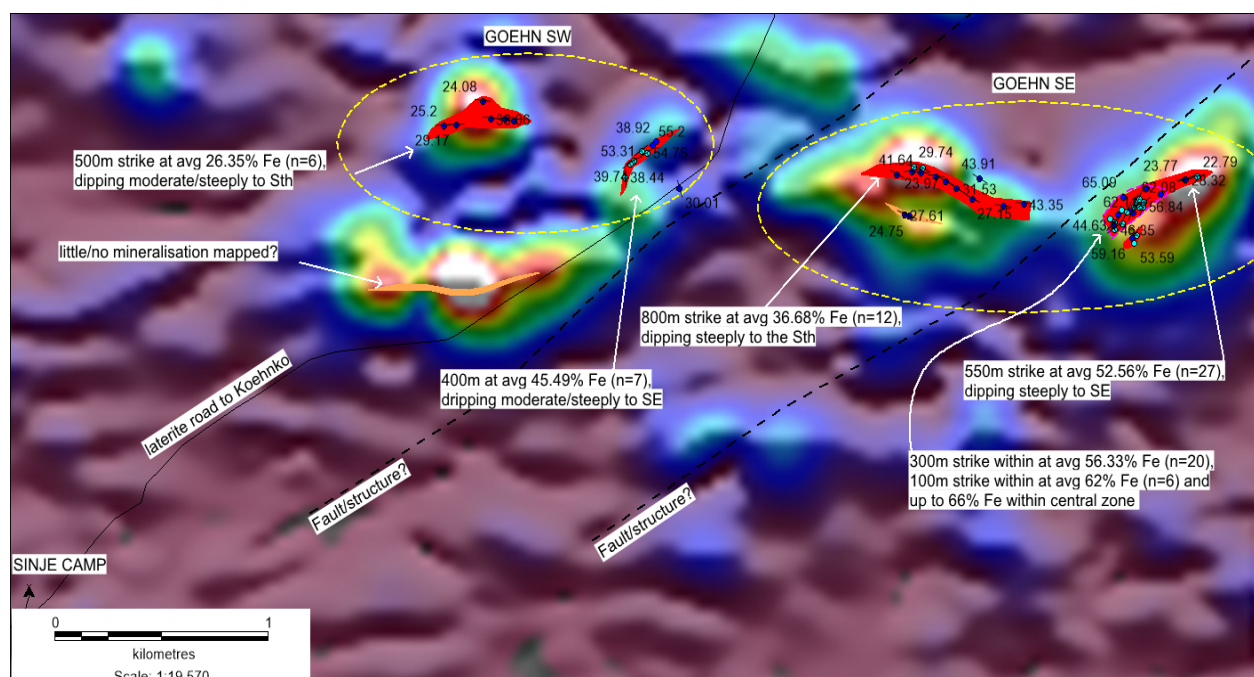


Figure 5 | Location of Goehn SE deposit relative to the other potential mineralised deposits within the Goehn district of the Southern Tenement Licence - MEL 1223/14.

Annual Environmental Audit Report and Renewal Permit

In November 2015, the EPA of Liberia also approved the Annual Environmental Audit Report for the southern licence (MEL 1223/14) while also granting a renewal permit for the northern exploration licence (MEL 12029).

EPA approval was granted following an independent audit of the Company's current operational activities relating to exploration activities being performed over MEL 1223/14 and MEL 12029. Tawana's exploration program was deemed to be compliant in relation to the requirements of the EPA permit issuance, which ensures adherence to impact prevention or mitigation measures, as originally submitted by Tawana for EPA approval.

Corporate

Cash and Fiscal Management

As at 31 December 2015, Tawana Resources held \$0.8 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter which included termination payments that were made.

The Company has diligently continued to reduce corporate and Liberian expenditure while advancing the Project's principal activities.

Board Restructure

Mr Robert Benussi was appointed as an independent Non-Executive Director of the Company on 4 December 2015. Mr Benussi was the founding shareholder and director of Bligh Resources Limited (ASX: BGH) holding the positions of Managing Director / Chief Financial Officer from 1 July 2011 to 8 October 2015. Prior to this role he held various positions at Jupiter Mines Limited as Chief Financial Officer, Company Secretary and



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General Manager, Corporate from July 2006 to June 2011 and was a Non-Executive Director of Resource Star Limited (ASX: RSL) from July 2009 to March 2013.

Mr Benussi brings extensive experience in finance, corporate advisory, stockbroking and business development to the Tawana Board.

In conjunction with the appointment of Mr Benussi, Mr Wayne Richards resigned as a Director of the Company.

As part of the Board restructure, Mr Michael Bohm assumed the role of Non-Executive Chairman, also effective 4 December 2015.

Corporate Opportunities

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

The Board also reviewed Australian gold projects during the quarter 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 advanced Australian gold projects.

About Tawana (ASX & JSE: TAW)

Tawana Resources NL is an ASX and JSE-listed Company with its principal project in Liberia, West Africa. Tawana's 100% owned Mofe Creek Iron ore Project lies 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 advancing the Mofe Creek project, which covers 475km² of highly prospective tenements in Grand Cape Mount County, with all options open to consideration including potential joint venture or royalty positions with third parties. 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.

Michael Naylor

Executive Director

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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



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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. 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

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



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