

ASX ANNOUNCEMENT

21st January 2014



TAWANA

RESOURCES NL

Metallurgical Results Confirm a 68% Fe Premium Grade Product

HIGHLIGHTS

- Follow-up metallurgical testwork on R/C samples from the Mofe Creek Project (at a -1mm crush sizing) have achieved a **63% to 68% Fe - premium quality product at 58% to 68% mass recovery**
- **Exceptionally low SiO₂ (<2.0%) and Al₂O₃ (<1.0%) levels achieved in the final product at a +3.6 Specific Gravity**
- Samples were from the initial reverse circulation (RC) drilling at Gofolo Main and Koehnko prospects and representative of 'high-grade' friable itabirite mineralisation at the Project
- Diamond Core samples from Gofolo Main and Zaway deposits scheduled to commence detailed metallurgical testing in February
- Testwork was conducted by ALS Perth utilising Heavy Liquid Separation (HLS) to replicate a potential gravity / spirals processing plant design

Tawana Resources NL (ASX: TAW) (the Company or Tawana) is very pleased to announce the results of follow-up metallurgical testwork on previous RC samples from its 100% owned Mofe Creek Iron Ore Project in Liberia, West Africa.

Managing Director, Len Kolff, said, "The testwork demonstrates that with a coarse crush to 1mm, it is possible to generate **+63% to 68% Fe product grades at 58% to 68% mass recovery with low contaminants for a potential premium quality product at Gofolo Main and Koehnko**".

"Results are extremely encouraging given the **exceptionally high grade Fe product produced and the superior mass recoveries achieved**. With no fine grinding required, the potential exists for a very simplistic gravity beneficiation circuit to generate a premium quality product at potentially very low capital intensity".

"The coarse grained, hematitic and friable characteristics of the mineralisation provide very favourable properties for iron upgrade, as demonstrated by the results of the testwork".

"Initial R/C and diamond drill core observations at Zaway suggest a similar material type and lithology to Gofolo Main and Koehnko; providing additional confidence for further resource extensions and a potential simple early start-up process design capable of generating a premium grade Fe product".

CORPORATE DIRECTORY

Wayne Richards
Executive Chairman

Len Kolff
Managing Director

Matthew Bowles
Non-Executive Director

Winton Willesee /Aaron Finlay
Joint Company Secretary

ASX CODE: TAW

COMPANY HIGHLIGHTS

- New Iron ore Discovery - Liberia, West Africa
- +95Mt friable itabirite target within >500Mt Global Exploration target
- Experienced Board and Management

Mofe Creek Iron Ore Project, Liberia

- High grade +40% Fe friable itabirite and potential for +60% Fe DSO
- 20km to coast, adjacent to rail alignment 65km to port
- 65 km prospective strike, only 3km strike drill tested
- Premier Iron Ore District; 25km along strike from +50 Mt historic Bomi Hills DSO mine

Rakana JV (6.7%), South Africa

- Meletse Iron Ore and Avontuur Manganese JV managed by Aquila Resources

CONTACT DETAILS

Suite 25, 145 Stirling Highway
Nedlands WA 6009

Email: admin@tawana.com.au
Website: www.tawana.com.au
Phone: +61 7 3510 2115
Facsimile: +61 8 9287 4334



www.tawana.com.au

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Metallurgical Testwork Results:

Metallurgical testwork was conducted by ALS Metallurgy - Iron Ore Technical Centre of Perth, on two RC drill composites from the first phase drill programme. Composite 2 and Composite 5 are representative samples from drilling completed at Gofolo Main and Koehnko within 'high-grade' friable itabirite that were part of the first phase metallurgical testwork programme reported in 2013. (Refer ASX release of 25th June 2013).

The principal objective of the testwork was to explore beneficiation options by 'assay, by size' fractioning and heavy liquid separation (HLS) at a 1mm crush size. First phase metallurgical testwork reported in June 2013 was completed at a coarse 3.35mm crush to define the 'minimum' amount of work required to generate a +60% Fe product. This testwork was designed to assess what potential product grades could be achieved at a 1mm crush (i.e. no particulate grinding). In-situ R/C head grades for both composites are shown below.

Composite	Fe%	SiO ₂ %	Al ₂ O ₃ %
Comp 2	50.4	19.49	1.87
Comp 5	36.5	38.16	6.07

Table 1 | Composite head grades for Comp 2 (Gofolo Main) and Comp 5 (Koehnko)

A representative portion of the crushed -1.0mm material was de-slimed at 0.045mm and the -1.0 +0.045mm fraction was submitted for HLS at various specific gravities to test for the amenability to beneficiate by gravity process.

The HLS results indicated excellent upgradability for both composites with Fe grades continuing to increase up to 63.2% and 67.7% Fe respectively, as the specific gravity increased to 3.6, whilst the levels of contaminants decreased to a level of approximately <2.0% SiO₂ and <1.0% Al₂O₃.

Composite	SG (µm)	Mass Recovery %	Feed Mass Recovery %	Fe %	SiO ₂ %	Al ₂ O ₃ %
Comp 2	+3.6	67.6	50.3	63.2	1.9	0.92
Comp 5	+3.6	57.5	40.7	67.7	2.0	0.64

Table 2 | Mass recovery and product grade of the -1.0+0.045mm using heavy liquid separation

The sizing results indicated that the coarser particles at the Gofolo Main prospect tend to have high Fe grades for Composite 2, whilst the mid-sized particles tend to contain even higher Fe grades for Composite 5 at the Koehnko prospect. This is confirmed in field observations where the Koehnko prospect is characterised by finer grained mineralisation in outcrop as compared to coarser grained mineralisation at the Gofolo Main prospect. Field observations from Zaway show mineralisation very similar to Gofolo Main. Full summary sizing and HLS results for both composites are included in the appendices.



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Figure 1 | Typical 'high-grade' itabirite outcrop material at Gofolo Main (left) and Koehnko (right), and recent drill core at Zaway prospect all showing similar textures and grain size

Discussion of Results:

HLS and sizing results confirmed that a high-grade +62% Fe to 67% Fe 'premium' product with low impurities can be produced at a +58% to 68% (de-slimes) mass recovery rate, from 1.0mm crushed material. Material was derived from +37% Fe to 50% Fe head grade, friable itabirite from the Gofolo Main and Koehnko deposits.

Total plant feed mass recoveries for Composites 2 and 5 were between 40% to 50% when removing material deemed to be ultrafines, i.e. $-45\mu\text{m}$ material. Final mass recoveries for the Mofe Creek Project will optimally occur within the range of 40% to 68% (of the processing plant feed) due to the inferred increase in material/particle coarseness, from diamond core or bulk samples, i.e. in-situ samples. Note the RC samples contain a higher percentage of ultrafines, as compared with in-situ material,



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due to the destructive percussion effect of the RC hammer during drilling. (Refer ASX release of 25th June 2013).

The results confirm the potential for the design and development of a low capital intensity process plant with simple gravity beneficiation equipment. Visual drill core observations at the Zaway prospect suggest similar material is present at this deposit and should upgrade/beneficiate in a manner similar to the Gofolo Main deposit samples.

Mineralisation from both composites is representative of the 'central' portion of a typical high-grade friable itabirite profile where the surface crust of weathering related material has been removed as it has the transitional hematitic to magnetic itabirite at the base. It typically represents the 'higher-grade' portion of the friable itabirite profile. A representative 1 kg split of material was used for each composite.

Composite	Hole_ID	Depth_From	Depth_To	Interval	Fe	SiO2	Al2O3	P	S	TiO2	LOI 1000
Comp 2	GMRC001	22	36	14	41.30	34.41	1.91	0.089	0.01	0.033	3.32
	GMRC003	12	26	14	49.88	18.62	1.50	0.090	0.04	0.043	7.28
	GMRC006	8	30	22	54.90	11.50	1.84	0.089	0.04	0.045	8.23
Comp 5	KRC001	22	28	6	29.59	47.10	7.00	0.016	0.12	0.050	2.57
	KRC002	6	36	30	36.71	39.13	5.08	0.017	0.06	0.045	2.61
	KRC003	2	10	8	42.45	29.38	6.48	0.046	0.12	0.034	3.48
	KRC004	4	24	20	35.35	34.63	9.38	0.045	0.22	0.039	4.52
	KRC006	8	24	16	40.41	36.69	2.62	0.014	0.05	0.024	1.98
	KRC012	4	34	30	43.09	28.74	5.64	0.017	0.06	0.042	2.92
	KRC014	10	12	2	36.07	37.30	5.99	0.038	0.10	0.030	4.35
	KRC015	22	38	16	28.76	48.60	6.40	0.009	0.05	0.052	3.42

Table 3 | Meterage and RC assays for holes and intervals used to generate composites 2 and 5 (Refer ASX release of 25th June 2013)

Testwork samples for this metallurgical programme were derived from RC drill chips that are not entirely representative of the in-situ physical rock properties. The follow-up metallurgical testwork programme scheduled for February, in support of the Scoping Study Metallurgical Program and Plant Design criteria, will be performed on full HQ drill core samples. These samples will not have been artificially pulverised due to the percussion effect of the RC hammer. Hence, the in-situ samples will be coarser in nature and less material should report to the ultrafines fractions (as compared with the RC Samples).

About Tawana (ASX & JSE: TAW)

Tawana Resources NL ("Tawana" or "the Company") 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 80km from the country's capital city and major port, Monrovia.



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Tawana is committed to becoming a mid-tier iron ore producer through the development of the Mofe Creek Project, which covers 285km² of highly prospective tenements in Grand Cape Mount County. The Project hosts high-grade friable itabirite mineralisation which can be easily upgraded to a premium quality iron ore product of +60% Fe grade, for which there is consistent global demand.

The Company is currently concluding its maiden resource drilling program and recently commenced its Scoping Study on the Mofe Creek Project. The Scoping Study will consider both an early start-up, low capital cost project with a production rate of 1-2 million tonnes per annum (Mtpa), as well as a longer-term project capable of producing 5-10 Mtpa of iron ore product. Additionally, Tawana has a joint venture agreement with Konblo Bumi Inc for the adjoining tenement covering 624km², for which Tawana has 100% of the iron ore mineral rights.

About Liberia

Liberia is a democratic West African country with a modern and transparent mining code and a government proactively engaged with the mining industry to help unlock the value of its potential mineral wealth. Her Excellency President Ellen Johnson Sirleaf was Africa's first elected female head of state in 2005 and was re-elected in November 2011 for a second term. The country is hugely prospective for minerals exploration and production, hosting several world-class iron ore deposits. Liberia has historically been the largest exporter of iron ore in Africa and was the 5th largest iron ore producer globally during the 1960's to 1980's.

For further information please contact:

Lennard Kolff van Oosterwijk
Managing Director
Tawana Resources NL
Tel: +61 7 3510 2115
Mob: +61 424 942 589

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, Mineral Resources or Ore Reserves is based on information compiled by Lennard Kolff van Oosterwijk, who is a Member of the Australian Institute of Geoscientists included in a list promulgated by the ASX from time to time. Lennard Kolff van Oosterwijk 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'. Lennard Kolff van Oosterwijk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statement

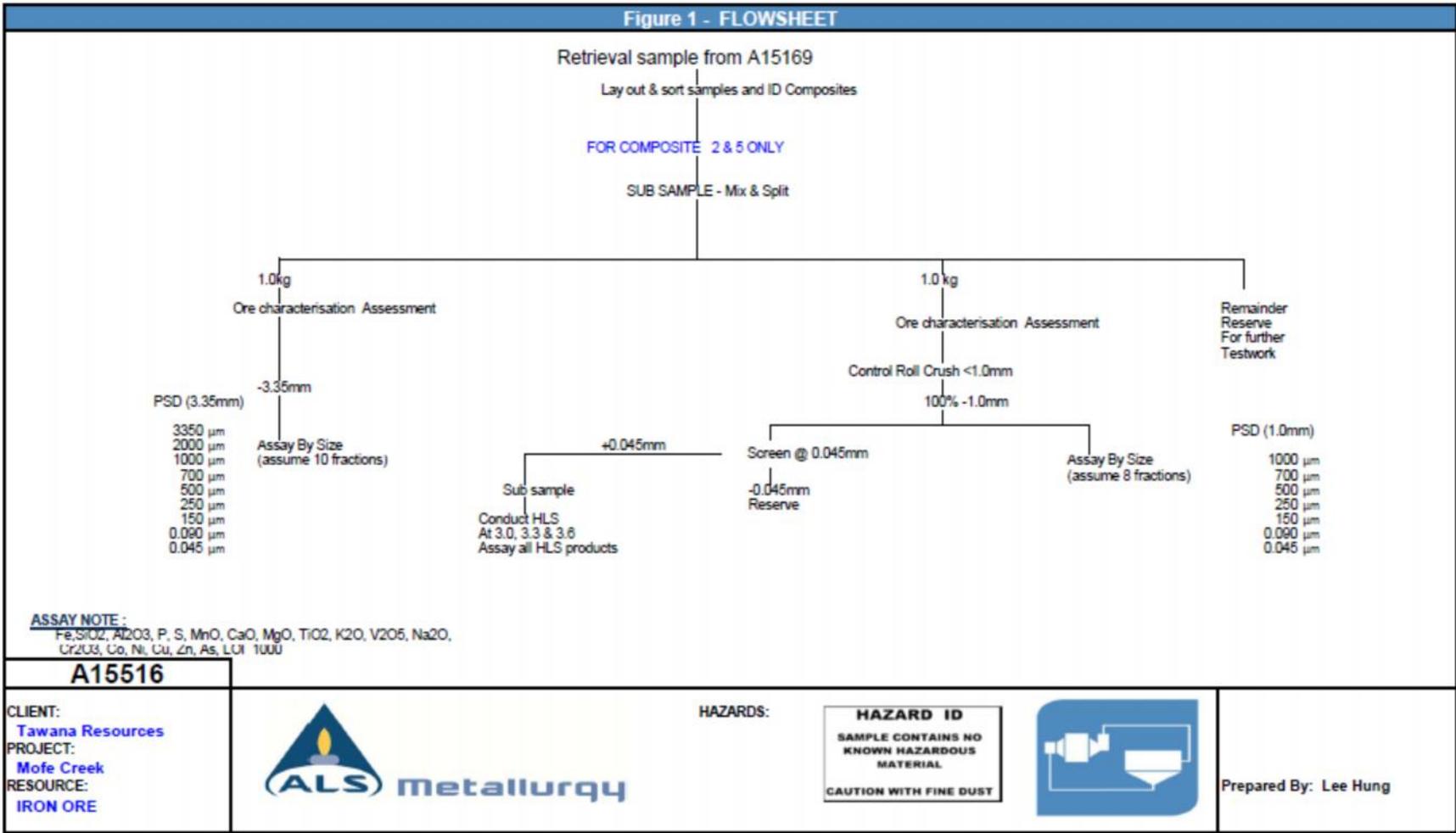
Statements regarding plans with respect to the Company's mineral properties, including statements, assumptions and targets relating to the Preliminary Assessment are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected, nor in accordance with the Preliminary Assessment. There can also be no assurance that the Company will be able to confirm the presence of a mineral deposit, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties, either in accordance with the Preliminary Assessment or otherwise.



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APPENDIX 1: Process flowsheet and summary metallurgical testwork results



Testwork flowsheet design

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SUMMARY OF ASSAY BY SIZE ON THE CRUSHED 3.35 mm MATERIALS									
Sample ID	Screen Size (µm)	Wt Dist'n (%)	Fe (%)		SiO ₂ (%)		Al ₂ O ₃ (%)		
			Grade	Dist'n	Grade	Dist'n	Grade	Dist'n	
Composite 2	3350	2.4	56.2	2.7	9.28	1.1	1.44	2.0	
	2000	4.1	53.7	4.4	14.50	2.9	1.58	3.7	
	1000	7.9	55.8	8.8	11.60	4.5	1.40	6.3	
	710	4.4	53.3	4.7	15.40	3.3	1.30	3.3	
	500	5.6	49.2	5.5	22.60	6.2	1.12	3.6	
	250	14.2	44.5	12.7	30.40	21.1	0.95	7.8	
	150	12.9	45.4	11.7	29.70	18.8	0.92	6.8	
	90	11.2	49.0	11.1	23.40	12.9	1.06	6.9	
	45	11.5	51.6	11.9	18.75	10.6	1.32	8.8	
	-45	25.7	51.0	26.4	14.70	18.6	3.42	50.7	
	CALC'D HEAD			49.8	100.0	20.40	100.0	1.74	100.0
	HEAD ASSAY			50.4		19.49		1.87	
Composite 5	3350	0.4	37.9	0.4	39.00	0.4	2.50	0.2	
	2000	2.8	47.7	3.7	26.50	1.9	2.14	1.0	
	1000	8.4	51.2	11.9	23.10	5.1	1.62	2.3	
	710	4.7	53.0	6.8	21.10	2.6	1.38	1.1	
	500	5.5	54.9	8.3	18.70	2.7	1.25	1.1	
	250	13.0	50.9	18.2	24.80	8.4	1.14	2.5	
	150	12.7	37.1	13.0	44.20	14.6	1.08	2.3	
	90	11.8	30.0	9.8	53.40	16.4	1.68	3.3	
	45	11.3	28.8	9.0	52.80	15.6	3.28	6.2	
	-45	29.4	23.2	18.8	42.40	32.4	16.30	80.0	
	CALC'D HEAD			36.2	100.0	38.45	100.0	5.98	100.0
	HEAD ASSAY			36.5		38.16		6.07	

Assay by size on the crushed 3.35mm materials



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SUMMARY OF ASSAY BY SIZE ON CRUSHED -1.0 mm MATERIALS								
Sample ID	Screen Size (µm)	Wt Dist'n (%)	Fe (%)		SiO ₂ (%)		Al ₂ O ₃ (%)	
			Grade	Dist'n	Grade	Dist'n	Grade	Dist'n
Composite 2	1000	0.0	INS	0.00	INS	0.00	INS	0.00
	710	3.9	53.1	4.12	16.2	3.03	1.3	2.84
	500	7.2	50.35	7.29	19.85	6.93	1.63	6.65
	250	20	47.48	19.16	25.4	24.73	1.08	12.29
	150	16.4	47.54	15.70	25.6	20.40	1.07	9.96
	90	13.6	49.92	13.63	21.8	14.36	1.15	8.85
	45	13.3	51.97	13.96	17.65	11.45	1.36	10.30
	-45	25.6	50.74	26.14	15.35	19.09	3.38	49.10
	CALC'D HEAD		49.6	100	20.57	100	1.76	100
	HEAD ASSAY		50.4		19.49		1.87	
Composite 5	1000	0.8	49.25	1.11	25.5	0.56	1.7	0.26
	710	7.4	52.79	10.61	20.7	4.10	1.59	2.14
	500	8.7	54.57	12.75	18.6	4.28	1.46	2.28
	250	15.7	51.34	21.65	23.4	9.75	1.36	3.85
	150	13.3	38.86	13.99	41.3	14.60	1.38	3.37
	90	12.8	32.12	11.10	50.4	17.18	1.68	3.89
	45	12.0	31.99	10.35	48.8	15.57	2.92	6.336
	-45	29.3	23.28	18.426	43.5	33.94	14.7	77.93
	CALC'D HEAD		37.04	100	37.58	100	5.53	100
	HEAD ASSAY		36.5		38.16		6.07	

Assay by size on crushed -1.0mm materials

SUMMARY OF HEAVY LIQUID SEPARATION ON COMPOSITE (-1.0+0.045 mm)								
Sample ID	Specific Gravity (µm)	Wt Dist'n (%)	Fe (%)		SiO ₂ (%)		Al ₂ O ₃ (%)	
			Grade	Dist'n	Grade	Dist'n	Grade	Dist'n
Composite 2	-3.0	22.7	5.6	2.6	89.0	89.8	1.76	32.8
	+3.0/-3.3	1.3	45.6	1.2	31.0	1.8	3.33	3.5
	+3.3/-3.6	8.4	57.2	9.8	7.0	2.6	1.82	12.6
	+3.6	67.6	63.2	86.4	1.9	5.8	0.92	51.0
	CALC'D HEAD		49.4	100.0	22.49	22.5	1.22	49.4
Composite 5	-3.0	36.0	3.9	3.3	89.9	88.8	2.89	59.8
	+3.0/-3.3	3.9	18.1	1.7	61.0	6.5	5.31	11.8
	+3.3/-3.6	2.6	42.3	2.6	23.4	1.7	4.88	7.4
	+3.6	57.5	67.7	92.4	2.0	3.1	0.64	21.1
	CALC'D HEAD		42.1	100	36.5	100	1.74	100

Heavy liquid separation on -1.0 +0.045mm



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APPENDIX 2:

JORC Table; Sampling techniques and data - Reporting of Exploration Results Drilling and Sampling Techniques	<ul style="list-style-type: none">• All drilling was conducted by reverse circulation drilling with sampling conducted by riffle splitting to 2-3kg for dispatch to the assay laboratory• All sampling conducted on a 1m basis and composited to 2m intervals for assay
Drill Sample Recovery	<ul style="list-style-type: none">• Moisture content and recovered sample weight were recorded at time of sample recovery on a 1m basis• Data used to verify recoveries and sample quality• No sample recovery or quality issues were encountered during the current drill program likely to impact on the quality of data derived• Lower RC drill chip recovery was recognised in the top 10 to 15m from surface and twinned diamond core holes planned at each prospect to check for any potential sample bias
Logging	<ul style="list-style-type: none">• All drill chips logged on site for lithology and mineralisation. A representative sample of the chips on a 1m basis retained on site.• All RC chips are photographed for digital storage
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none">• Assaying and sample preparation conducted at SGS laboratory in Monrovia• 2-3kg samples as received from Tawana Resources are dried and crushed to 75% passing 2mm• 1.5kg riffle split is then pulverised by ring & puck mill to 85% passing 75µm and 200g recovered for analysis



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<p>Quality of Assay and laboratory tests</p>	<ul style="list-style-type: none"> • All assaying conducted by Lithium metaborate /lithium tetraborate mixture digest and XRF finish for major elements and Thermo Gravimetric Analyser (TGA) for loss on ignition • Blind standards, blanks and field duplicates inserted every 50th sample by Tawana Resources in the field. Acceptable accuracy and precision have been established for all samples reported • SGS laboratory conducts internal QA/QC on sample preparation; <ul style="list-style-type: none"> ○ Every 50th sample screened to confirm % passing 2 mm and 75 um ○ Crusher and pulverizers cleaned with barren material at the start of every batch ○ % dust loss determined once per week. • SGS laboratory conducts QA/QC on sample analysis; <ul style="list-style-type: none"> ○ 1 Reagent Blank in 40 ○ 1 Preparation Blank (prep process blank) in 40 ○ 1 Weighed replicate in 40 ○ 1 Preparation Duplicate (resplit) in 40 ○ 1 SRM's in 40
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • All sampling data is recorded in hardcopy format before data entry on site.
<p>Location of Data points</p>	<ul style="list-style-type: none"> • Collar surveys conducted by DGPS survey after hole completion. Down hole surveys conducted at collar and hole bottom and at 5m intervals downhole by Reflex gyroscopic tool • Drill results reported in UTM 29N
<p>Data Spacing and Distribution</p>	<ul style="list-style-type: none"> • Drilling conducted on 400 x 60m and 200 x 60m nominal grid for resource drilling at Gofolo Main and Zaway • Drilling conducted on a nominal 400 x 60m grid for exploration drilling at Gofolo NE
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> • Drilling has been conducted inclined 50° towards 024 at Gofolo Main and Koehnko • Drilling has been conducted inclined 50° towards 007 UTM at Zaway • Drilling has been conducted inclined 50° towards 327 UTM at Gofolo NE • The orientations are essentially perpendicular to the main structural trends at the prospects.
<p>Sample Security</p>	<ul style="list-style-type: none"> • All samples are stored in a secure and gated compound at Tawana Resources Camp facility until handover to the independent laboratory in Monrovia
<p>Audits or Reviews</p>	<ul style="list-style-type: none"> • Field duplicates are reviewed periodically by Tawana Resources technical staff and confirm the validity of the current sampling practice



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Mineral tenement and land tenure status	<ul style="list-style-type: none"> All drilling has been conducted on the Mofe Creek exploration license MEL-12029. Tawana Resources is 100% holder of the Mofe Creek exploration license.
Exploration done by other parties	<ul style="list-style-type: none"> No other parties have conducted exploration on the license
Geology	<ul style="list-style-type: none"> Mineralization is associated with moderately to steeply dipping iron formation; likely metamorphosed BIF to itabirite and recrystallised within a package of intermixed itabirite and amphibolite and hanging/footwall basement granite-gneiss. The itabirite is medium to coarse grained with relict banded texture and is friable where weathered from surface to an average depth of 25-45m vertical. In-situ iron grades are increased where weathered to form an enrichment blanket from surface to average 25-45m vertical depth and locally higher iron grades are associated with primary magnetite accumulations.
Data Compositing	<ul style="list-style-type: none"> Data composited using weighted average and a maximum of 4m of consecutive internal dilution
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Drilling has been planned to intersect mineralisation perpendicular to strike and as near as possible to true thickness of the lithological units hosting iron formation Intersections through friable mineralisation associated with the weathering profile are typically 25% longer than vertical depth
Balanced reporting	<ul style="list-style-type: none"> All drill intersections have been included in the appendices for received and QA/QC reviewed results
Other substantive exploration data	<ul style="list-style-type: none"> For initial exploration drilling conducted, refer to ASX release of 12th March 2013 and subsequent Gofolo Main drilling intersections refer to ASX release of 20th November 2013
Further Work	<ul style="list-style-type: none"> Further work will include diamond core drilling for metallurgical test-work and twinning of RC drilling for QA/QC

