

Tawana Resources NL  
(Incorporated in Australia)  
(Registration number ACN 085 166 721)  
Share code on the JSE Limited: TAW  
ISIN: AU000000TAW7  
Share code on the Australian Stock Exchange Limited: TAW  
ISIN: AU000000TAW7  
("the Company" or "Tawana")

## Quarterly Activities Report For the quarter to 31 December 2015

PLEASE NOTE: ALL GRAPHICS HAVE BEEN REMOVED FOR SENS PURPOSES. PLEASE REFER TO TAWANA WEBSITE FOR THE COMPLETE ANNOUNCEMENT.

### 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), 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)<sup>1</sup> 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.

##### 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.

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)<sup>2</sup>, 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.

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.

#### 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 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 475km<sup>2</sup> 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](http://www.tawana.com.au)

8 January 2016

Sponsor: PricewaterhouseCoopers Corporate Finance (Pty) Ltd

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Tawana Resources NL

ABN

69 085 166 721

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(80)	(760)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(524)	1 845)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	34
1.5	Interest and other costs of finance paid	-	-
1.6	R&D refund	-	418
1.7	Other	28	32
	<b>Net Operating Cash Flows</b>	<b>(569)</b>	<b>(2 121)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(569)</b>	<b>(2 121)</b>

1.13	Total operating and investing cash flows (brought forward)	(569)	(2 121)
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	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(569)	(2 121)
1.20	Cash at beginning of quarter/year to date	1 367	2 803
1.21	Exchange rate adjustments to item 1.20	(10)	106
1.22	<b>Cash at end of quarter</b>	788	788

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	260
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' salaries, termination payments (net of withholding tax of \$139,000 which will be paid in January 2016), director fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	105
4.2 Development	-
4.3 Production	-
4.4 Administration	350
<b>Total</b>	<b>455</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	788	861
5.2 Deposits at call	-	506
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>788</b>	<b>1 367</b>

## Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Interests in mining tenements acquired or increased		

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b>	-	-		
7.2 Changes during quarter				
7.3 <b>+Ordinary securities</b>	1 475 250 387	1 475 250 387		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b>				
7.6 Changes during quarter				
7.7 <b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted options	1,500,000	-	\$0.015	12 December 2016
Unlisted options	10,000,000	-	\$0.018	12 December 2016
Unlisted options	1,000,000	-	\$0.039	20 January 2017
Unlisted options	11,000,000	-	\$0.0089	26 May 2018
Unlisted options	2,000,000	-	\$0.004	7 July 2018
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	1,250,000 10,000,000 10,000,000	- - -	\$0.05 \$0.0001 \$0.0001	10 November 2015 30 August 2016 30 August 2017
7.11 <b>Debentures</b>	-	-		
7.12 <b>Unsecured notes</b>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 8 January 2016

Company secretary

Print name: Michael Naylor

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.