

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
("Tawana" or "the Company")

Quarterly Activities Report

1 April - 30 June 2012

Tawana Resources NL (ASX: TAW) is pleased to present the report on activities for the period April to June 2012.

Note: All images have been removed for SENS purposes and the announcement containing the images can be found on the Company's website

HIGHLIGHTS

Mofe Creek Iron Ore Project

- Strike extensions secured via Option Agreement
- Aeromagnetics survey completed 1 month ahead of schedule
- Infill and extension mapping underway; hand-auger drilling
- 10km along strike from historic Bomi Hills mine; minimum 50Mt high-grade DSO magnetite lump produced
- 25km from coast, adjacent to decommissioned rail alignment and 65km from deep sea port of Monrovia

Sinoe Gold Project

- Option period extension signed to transfer license to Tawana
- Infill soil sampling completed on the Northern anomaly
- 1600m of trenching completed on the Southern anomaly

Nimba/Lofa Gold Exploration

- Lofa soil sampling completed; results pending
- Nimba soils results received; no significant anomalies defined

Thabazimbi JV

- Meletse iron ore resource increased

Corporate

- Mr Euan luff resigned as a Director

Corporate

The Company secured strike extensions via Option Agreement (pending due diligence) to the Company's existing 100% owned Mofe Creek Iron Ore Project on 8th May 2012.

The Company announced on 15th February 2012 that it had signed a Heads of Agreement ("HOA") to acquire the gold rights to the Cape Mount Gold Project. Progression of the transaction required negotiation and signing of a Definitive Agreement and was subject to,

amongst other things, satisfactory due diligence by Tawana. After conducting its due diligence investigations, Tawana elected not to proceed with the transaction on 7th June 2012.

The Company signed an extension to the JV agreement entered into with Global Mineral Investments LLC ('GMI') to extend the Option period whilst transfer of the license is effectuated. The Company funded exploration during the first year and will exercise its right to purchase the licence outright.

Legacy residential houses in South Africa were sold for ZAR2,000,000 to a local company during the quarter as the Company continues to rationalise legacy assets outside of its core focus.

Mr Euan Luff resigned as a director of the Company on 18th June 2012. The Company acknowledges the valuable contribution of Mr Luff over his significant term as a director of the Company and wishes him every success in his future endeavours.

Liberia

After securing strike extension to the Company's 100% owned Mofe Creek iron ore project, the company secured Liberian regulatory approval and completed the aeromagnetic survey over the Company's project areas during the quarter; 1 month ahead of schedule. Results of the survey are pending and expected early August 2012. Field mapping, rock-chip sampling and hand auger drilling continued during the quarter and will be used with the aeromagnetic survey results to define drill targets.

Infill soil sampling was completed on the Sinoe Northern anomaly during the quarter thus completing all soil sampling over the project area. 1200m of trenching was completed on the Southern anomaly during the quarter for a total of 1600m of trenching. Results are pending for both soils and trenching. The Company signed an extension to the Option period with Global Mineral Investments LLC ('GMI') whilst transfer of the license is effectuated. The Company funded exploration during the first year and will exercise its right to purchase the licence outright.

The Company announced on 15th February 2012 that it had signed a Heads of Agreement ("HOA") to acquire the gold rights to the Cape Mount Gold Project. Progression of the transaction required negotiation and signing of a Definitive Agreement and was subject to, amongst other things, satisfactory due diligence by Tawana. After conducting its due diligence investigations, Tawana elected not to proceed with the transaction on 7th June 2012.

Reconnaissance 400 x 50m spaced soil sampling over high priority stream sediment BLEG anomalies identified on the Lofa project was completed during the quarter. Results were received for the Nimba soil programme with no significant anomalies identified. The Company is reviewing work programmes for the Nimba license and results are pending for Lofa.

Map showing granted licenses (1880km²), and JV licenses (1024km²) has been removed for SENS purposes

Mofe Creek Iron Project

The Company secured strike extensions via Option Agreement (pending due diligence) to the Company's existing 100% owned Mofe Creek Iron Ore Project on 8th May 2012.

The Mofe Creek Project is located within one of Liberia's historic premier iron ore mining districts. The project is 10km along strike from the abandoned Bomi Hills iron ore mine. Historic production at Bomi Hills is estimated by the Government of Liberia at 50Mt of high-grade magnetite lump in addition to magnetite concentrate sinter feed beneficiated from itabirite. DSO magnetite averaged 64.5% Fe, 4.5% SiO₂, 1.5% Al₂O₃ and 0.13% P, of which 53% formed lump material (average 11-37mm) and 47% formed fines (<11mm). The beneficiated low grade itabirite concentrate averaged 64% Fe, 6% SiO₂ and 0.04-0.05% P and was used to produce sinter feed.

The genesis of the Bomi Hills magnetite deposit is not clearly understood, however, general consensus is that it is hypogene and represents an itabirite that has come into direct contact with rising gneissic fronts and deep seated intrusions causing enrichment to coarse massive magnetite by metamorphic differentiation. Magnetite mineralisation is in direct contact with gneissic basement and is partially blind.

Preliminary mapping has confirmed approximately 35km strike length of itabirite dipping shallowly to moderately steeply to the south-west between 40 to 60 degrees. Strike extensions secured under the Option Agreement allow for a potential 48km strike length in total of prospective itabirite. Strike extensions are based on historic aeromagnetics data flown by the US Geological Survey during the mid-70s where similar scale and intensity magnetic anomalies are noted along strike from confirmed itabirite outcrops within the Companies license area.

The iron formation is medium to coarse grained, sugary laminated quartz-magnetite +/- hematite with an average grain size of 2-5mm at varying degrees of weathering. Where strongly weathered, the material is less magnetic and easily crumbled by hand to liberate iron oxides from quartz gangue. From approximately 72 rock chips sampled to date, the iron formation averages 35-50% Fe, 45-20% SiO₂, 0.7% Al₂O₃, <0.01% P₂O₅, 1.32% LOI. Massive DSO magnetite sampled in outcrop within the area averages 63.8% Fe, 3% SiO₂, 2.4% Al₂O₃, 0.08% P and 2.6% LOI in 3 samples. No sulphur and below detection or at detection limit Ti, V or Cr was recorded within the samples.

Reconnaissance rock-chip sampling has confirmed high-grade DSO lump magnetite in outcrop on at least one of the strike extensions further enhancing prospectivity within the area. Metre scale outcrops of massive magnetite were also observed within the license area further enhancing the exploration model for hypogene, massive magnetite bodies like Bomi Hills.

Mofe Creek license (red) and JV license (blue) with infrastructure and historic Bomi Hills mine as overlay on analytical signal magnetics image (has been removed for SENS purposes). Interpreted and confirmed strike extensions highlighted by magnetic anomalies to north-west and central-south of TAW license area.

Outcropping itabirite in project area; very coarse with outcropping massive magnetite (left) and more steeply dipping zone (right) - image has been removed for SENS purposes.

Left: Coarse grained, laminated quartz-magnetite iron formation. Right: weathered itabirite crushed by hand forming soft, friable quartz-magnetite sands easily beneficiated by magnet pen- image has been removed for SENS purposes.

Left: Outcropping iron formation with larger 10's cm scale magnetite segregations. Right: Weathered, softened magnetite from outcrop forming high-grade, clean magnetite/hem fines) - images have been removed for SENS purposes.

All samples were assayed by SGS Liberia and were sourced from in-situ outcropping material. Samples were dried and crushed to a nominal 2 mm using a jaw crusher then the whole sample pulverised in a LM2 to a nominal 85% passing 75 µm. A 200g sample was then scooped, with iron ore analysis of majors and minors by borate fusion-XRF.

The project area occurs within Grand Cape Mount and Bomi Counties in Western Liberia and is approximately 100 km drive from Monrovia on well-maintained sealed roads, 20km from an historic decommissioned railway (only the alignment remains with all rail and sleepers removed) and deep sea port and 25 km from the coast.

Access to the project area is excellent with both sealed and laterite roads traversing the license area which is characterised by low, undulating topography and widespread shrub with isolated forested areas.

Left: Well-maintained sealed main road from Monrovia through license area. Right: Monrovia Port 65km south of the project area) - images have been removed for SENS purposes.

The Project is well positioned for possible future infrastructure scenarios; road or rail to the Monrovia deep sea port or road to coast and transshipment via barge to deeper water for onward shipment.

A well-maintained 100 km long sealed road exists from the central licence area to the city of Monrovia. In addition to this a decommissioned railway alignment exists from the Bomi Hills mine to the deep water port of Monrovia; 20km east from the easternmost magnetic anomaly. Rail distance from Mofe Creek to the port of Monrovia is 65km.

Alternatively the Project area is approximately 25km from the coast for possible stand-alone haul road construction, trucking and transshipment via barge to deeper water shipping and infrastructure solutions.

Sinoe Gold Project

Tawana previously secured binding exclusivity and exclusive rights to purchase outright the Sinoe license pending results of the first year field exploration programme. The Company funded exploration during the first year and intends to exercise its right to purchase the licence outright and an extension to the Option period has been signed whilst transfer of the license is effectuated. The mineral exploration license covers 400km² of Birimian aged rocks along arguably the most prospective gold mineralised structure being explored in Liberia today; the Dugbe Shear.

The project area is 25km along strike from Hummingbird's (AIM: HUM) 3.8Moz Dugbe discovery and 40km along strike from Equator Resources (ASX: EQU) Bukon Jedeh Project. Both projects are hosted along secondary and tertiary structures adjacent to the main Dugbe Shear. Similar structural settings exist over the Sinoe Project area.

Previous results have defined two large coherent and continuous +30ppb soil anomalies with results up to 1g/t Au in soils. The Southern anomaly is approximately 8km long and between 400m to 1400m wide, whilst the Northern anomaly is 9km long and between 400m to 1600m wide. Soil anomalies strike roughly north-east, in a similar orientation to the Dugbe 1.8Moz and Tuzon 2.05Moz resources (AIM: HUM). The north-easterly strike direction is evident on regional government geophysical data sets and major river drainage orientations and is interpreted to represent north-easterly striking secondary shears off the major Dugbe Shear.

The geology of the Sinoe North area is characterised by a package of gently dipping biotite and garnet-biotite schists, intruded by cm to >10m scale pegmatite dykes and sills, mafics and late granitic intrusives. The pegmatite sills appear to be intimately associated with areas of enhanced gold anomalism. The area is characterised by numerous artisanal alluvial and eluvial gold workings.

Artisanal alluvial workings encountered within the project area and medium grained gold produced by the local miners) - images have been removed for SENS purposes.

Infill 200 x 50m soil sampling was completed on the Northern anomaly during the quarter. Trenching was completed on the Southern anomaly along lines of strongest anomalism for a total of 1600m. Results from both infill soil sampling and trenching are pending.

Overview of Sinoe soil anomalies and project location relative to other advanced projects in the area. Reported +30ppb soil anomalies highlighted in dashed white and other advanced projects in red polygons. Gridded soil geochemistry by inverse distance squared and NE trending search ellipsoid; image overlay on SRTM grey scale image) - image has been removed for SENS purposes.

Nimba and Lofa Gold Project

First phase 400 x 50m soil sampling was completed over the Lofa target and results received for the Nimba soils during the quarter. No significant soil anomalies were defined at Nimba. Lofa soils are targeting a discrete 6x3km area of hills in the north-west of the license where peak BLEG anomalies reported at 8.6ppb; 8.5 times higher than background gold levels and clustering of BLEG anomalies was observed. The Company is reviewing work programmes for the Nimba license and results are pending for Lofa

Cape Mount Gold Project

The Company announced on 15th February 2012 that it had signed a Heads of Agreement (“HOA”) to acquire the gold rights to the Cape Mount Gold Project. Progression of the transaction required negotiation and signing of a Definitive Agreement and was subject to, amongst other things, satisfactory due diligence by Tawana. After conducting its due diligence investigations, Tawana elected not to proceed with the transaction on 7th June 2012.

Work Plan going forward

Infill and strike extension mapping and hand auger drilling at Mofe Creek will continue through the next quarter whilst results of the aeromagnetics survey are awaited. Pending results drilling of subsequent target areas is planned during the fourth quarter 2012.

Infill 200x50m soil sampling and trenching has been completed over the Sinoe project area. Pending review of results, hand auger drilling is planned during the next quarter to better define drill targets planned for the fourth quarter 2012 after the wet season.

About Liberia

Liberia is a democratic country run by Her Excellency President Ellen Johnson Sirleaf; Africa’s first elected female head of state in 2005 and recently re-elected in November 2011 for her second term. The country is hugely prospective and hosts several world class iron ore deposits but yet is completely underexplored for gold and non-ferrous metals. Liberia has a modern and transparent mining code and the government is supportive of foreign investment especially in the exploration and mining industry to help unlock the value of its potential mineral wealth. Tawana will be one of the first ASX listed junior companies into Liberia following in the footsteps of mining majors BHP Billiton, Arcelor-Mittal and Severstal.

Liberia is located in West Africa dominantly within the Archean aged Kenema Man Domain and lesser Birimian sediments to the east. There are a large number of world class mineral deposits located in the Archean and Birimian rock types throughout West Africa including Obuasi (40Moz+) and Tasiast (18Moz+). West Africa is one of the fastest growing mineral provinces in the world and Liberia currently hosts several world class iron ore deposits and is underexplored for gold.

South Africa

Rakana Consolidated Mining Pty Ltd (TAW 26%)

The Company holds a 26% equity stake in Rakana Consolidated Mining Pty Ltd (“Rakana”) the joint venture partner of Aquila Resources Ltd (“Aquila”) in the Thabazimbi Joint Venture (‘TJV’). The Avontuur Manganese project which includes the Gravenhage manganese resource and the Meletse iron ore resource are incorporated under the TJV.

Ownership structure and location of Rakana assets) - images have been removed for SENS purposes

Thabazimbi Iron Ore Project (TAW indirect interest 6.7%)

The Thabazimbi Iron ore Project includes the Meletse Iron Ore project and is located in the Limpopo Province of South Africa. Aquila announced a resource increase on the Thabazimbi Iron Ore Project during the quarter. For further technical detail please refer to Aquila’s announcement of 17th April 2012.

For further information please contact:

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31 July 2012

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd

Competent Persons Statements

The information in this report in so far that it relates to Liberian Project 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 2004 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.