

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")

TAWANA AIMS TO BE A LOW COST PRODUCER PRELIMINARY ASSESSMENT MOFE CREEK IRON ORE PROJECT, LIBERIA

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

Highlights

The trading Halt has been lifted on the JSE and ASX.

- Preliminary desktop assessment demonstrates potential for the Mofe Creek Iron Ore Project
- Friable itabirite at both Gofolo and Koehnko prospects collectively hosting an exploration target of 95Mt¹ (within the Global Exploration Target of 500Mt²)
- Excellent weight recoveries of 44-57% from recently announced metallurgical test work, confirm a high quality 60%+ Fe concentrate can be produced¹
- Tawana is aiming to develop an open cut mining operation with a production period of at least 10 years
- Preliminary Assessment outcomes indicate potential total FOB (Free On Board) operating costs could range between US\$30-35/t
- Based on the recent favorable metallurgical test results it is expected that a simple gravity processing plant would be required and the Company is aiming for a low capital intensity project
- Strategic review process progressing well. Tawana anticipates the process to be finalised shortly
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Tawana Resources Managing Director, Len Kolff said *"We are very pleased with the outcomes from the preliminary desktop assessment of our 100% owned Mofe Creek Iron Ore Project. The Company is aspiring for low operating and capital cost estimates reflected by the very favourable characteristics of the project including soft, friable itabirite mineralization from surface, simple crushing and gravity separation and an ideal location only 20km from the coast."*

The Preliminary Assessment follows the Company's recent metallurgical announcement which indicated that the soft itabirite mineralization has excellent weight recoveries of

between 44%-57% and concentrates into a high quality, 60%+ Fe product from simple processing, clearly highlighting the potential for the Mofe Creek Iron Ore Project to be a high grade, low cost, iron ore producer.

- 1 95Mt is the midpoint of a 62-126Mt range and refer to ASX Announcement 25th June 2013
- 2 Refer to ASX Announcement 18th March 2013

Mofe Creek Iron Ore Project Preliminary Assessment

Tawana Resources NL (ASX: TAW) is pleased to announce progress in its goal to become a West African iron ore producer, with the results of a Preliminary Desktop Assessment (“Preliminary Assessment”) on the Company’s 100% owned Mofe Creek Iron Ore Project in Liberia.

Tawana Resources Managing Director, Len Kolff said *“The aim of the Preliminary Assessment was to evaluate our aspirations for the project to be a 60%+ Fe high-grade iron ore low cost producer based on a simple open cut contract mining operation, low cost gravity separation, product hauled a short 20 kilometres to the coast and transhipped via barge to deep water vessels.”*

Mr Kolff also noted *“with ArcelorMittal reported to recently have approved a US\$1.5 billion expansion of its existing operations in Liberia, Mofe Creek represents an exciting new iron ore discovery in Liberia and it is certainly the place to be for West African iron ore producers”*

Key parameters of the Preliminary Assessment

The Preliminary Assessment was completed using the following parameters, which are aspirational in nature:

Aimed Life of Mine	+10 years
Weight Recovery	44% - 57%
Product Grade	60% Fe grade concentrate
Average Operating Cost	US\$30-35 per tonne FOB (US\$50-55 per tonne cfr)

Table 1: Key Preliminary Assessment parameters

The Company has based its Preliminary Assessment on a review of comparable iron ore peers, including West Africa, and typical mining operations for the style of mineralisation identified (refer to ASX announcement released on 25th June 2013), with the results of the Preliminary Assessment being aspirational and conceptual in nature. The Preliminary Assessment is not a “scoping study” (as that term is used in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’).

Investors are advised that the Mofe Creek Iron Ore Project is not sufficiently advanced to be currently supported by Mineral Resources, and accordingly results of the Preliminary Assessment undertaken by the Company cannot and do not provide any assurance of economic development or economic viability of the project, nor that the aspirations contemplated by the Preliminary Assessment will be realised. Investors should note that for the Company to establish the economic viability of the Mofe Creek Iron Ore Project, the Company will need to establish sufficient Mineral Resources and sufficiently consider

other factors including but not limited to mining, processing, metallurgical, infrastructure, marketing, environmental, social and Government matters before the Company's aspirations for the Mofe Creek Iron Project can be realised. Given the early stage of the project and the nature of the assumptions and targets contemplated in the Preliminary Assessment, investors are cautioned not to place undue reliance on the results of the Preliminary Assessment.

Details of the Preliminary Assessment

The Preliminary Assessment focused on the proposed mining and processing method, transport and infrastructure and the initial metallurgical test results. The Preliminary Assessment was prepared internally by the Company, with the assistance of external consultants and estimates are to a (+/-50%) level of confidence. In preparing the Preliminary Assessment comparable peer companies with similar types of operations aimed for by the Company were taken into consideration.

The Preliminary Assessment is based on an open cut contract mining operation producing a high grade +60% Fe grade concentrate through simple crushing and gravity separation. The product is anticipated to be hauled approximately 20kms to the coast where it will be trans-shipped via barge to deeper water.

Mining

The mining concept in the Preliminary Assessment is based on shallow (<50m depth) open cut pits using conventional ripper, excavator, haul truck and front end loaders, on a contract mining basis.

Metallurgical Test-Work & Processing

As part of the Preliminary Assessment, the Company applied the results from the recent metallurgical test work to the proposed open pit mining schedule. The test work was based on the first phase reconnaissance programme on soft, friable weathered surface mineralisation and hard, fresh below base of weathering mineralisation at the Gofolo and Koehnko prospects (refer to ASX announcement dated 25 June 2013).

Metallurgical results of the test work are highly encouraging and demonstrate:

- mineralisation amenable to simple gravity separation
- a high-grade 60%+ Fe product from the soft friable itabirite
- excellent weight recoveries of 57% (based on >3.3SG excluding -45 µm)
- very low sulphur, alumina and phosphorous impurities

The test work results successfully demonstrated that the mineralisation at Mofe Creek exhibits simple metallurgical characteristics and is amenable to simple gravity separation only to produce a high-grade concentrate product.

Transport, Infrastructure & Access

The Mofe Creek Iron Ore Project is exceptionally well located being approximately 20kms from the coast and only 85km by sealed road to the deep water port of Monrovia.

The Preliminary Assessment is based on product being transported by haul road or conveyor 20kms to the coast and then transshipment via barge to deep water for loading on to Mini Cape-size or Panamax vessels for export.

Alternative options for transport include:

- trucked approximately 85kms by sealed road to the deep water Port of Monrovia, where it will be loaded on to Cape-size or Panamax vessels for export; or
- the use of nearby (<20km) 65km decommissioned standard-gauge iron ore rail corridor from the decommissioned Bomi Hills mine to the Port of Monrovia.

These options have not been considered as part of this Preliminary Assessment as insufficient data gathering, research or Government of Liberia liaison has been completed by the Company at this stage.

Operating Costs

The Preliminary Assessment assumes the average cash operating cost to be in the vicinity of US\$30-35/t FOB (US\$50-55/t cfr), based on the Company's internal evaluation and comparable operations including West Africa. This cost estimate contemplates a contract mining and processing operation, including producing, transporting and shipping the high grade Fe concentrate over the assumed life-of-mine.

Operating cost item	Assumed value
Contract Mining	US\$8-10 per ROM tonne
Processing	US\$8-10 per ROM tonne
Road Haulage	US\$2-3 per processed tonne
Trans-shipping	US\$12 per processed tonne
Total Cash Operating Cost - FOB	US\$30-35 per tonne
Shipping Transport	US\$20 per processed tonne
Total Cash Operating Cost - cfr	US\$50 -55 per tonne

Table 2: Summary of operating costs (excludes Government royalties and taxes)

The range of potential operating costs contemplated in the Preliminary Assessment are aspirational in nature, and not necessarily supported by analysis specific to the Mofe Creek Iron Ore Project, and should in no circumstances be treated as demonstrating the economic viability of the Mofe Creek Iron Ore Project nor as an assurance that (if the project were to be developed) these operating costs are achievable.

Mofe Creek Global Exploration Target >500Mt

A global exploration target size potential of between 360Mt to 670Mt of friable mineralisation has been estimated for the Mofe Creek project area. This estimate includes both friable itabirite and friable intermixed itabirite/amphibolite mineralisation. The estimate does not include hard itabirite, potential blind DSO or additional mineralisation associated with the target footprints highlighted in yellow in Appendix 2, which have not had sufficient field work to date to justify inclusion.

The 95Mt (62-126Mt range) exploration target includes friable itabirite from the Gofolo and Koehnko Prospects (including Koehnko South) and forms part of the total 90Mt - 230Mt friable itabirite exploration target, within the >500Mt Global Exploration Target. The 62-126Mt range is defined by a lower 33% and upper 66% conversion rate of friable itabirite to friable mixed itabirite/amphibolite, where 95Mt represents the

midpoint at a 50:50 conversion rate and consistent with previous exploration target size potential announcements.

Refer to ASX Announcement 18 March 2013 for further details.

About Mofe Creek Iron Ore Project

The Mofe Creek Iron Ore 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 mine (>50Mt DSO @ 65% Fe), 80km along strike from the historic Bong Mine (>275Mt @ 38% Fe), 45km from Mano River mine (100Mt @ 52% Fe) and 20km from Bea Mountain resource (>100Mt @ 45% Fe).

The Project is exceptionally well located being approximately 20km from the coast for potential haul-road trucking or conveyor of product to the coast and transshipment via barge to deeper water for on-shipment. Other possible infrastructure solutions exist; road or rail to the deep water port of Monrovia via a 85km sealed road from the central licence area or a 65km decommissioned standard-gauge iron ore railway alignment from the Bomi Hills mine to the port of Monrovia; 17km east from the easternmost magnetic anomaly.

Detailed information on all aspects of Tawana's projects can be found on the Company's website www.tawana.com.au. For further information please contact:

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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 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.

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.

2 July 2013

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd