

Tawana Resources NL
(Incorporated in Australia)
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("Tawana" or "the Company")

New High-Grade Itabirite Discovery at Gofolo North-East Prospect

HIGHLIGHTS

(PLEASE NOTE: ALL GRAPHICS AS WELL AS APPENDIX 1 HAVE BEEN REMOVED FOR SENS PURPOSES. PLEASE REFER TO TAWANA'S WEBSITE FOR THE COMPLETE ANNOUNCEMENT)

- New discovery at Gofolo North-East (NE); significant intersections reported confirming and enhancing regional exploration potential
- Extensive high-grade (+50% Fe up to 60% Fe) "DSO - potential" zone defined at Gofolo main over >1km strike, following completion of RC drilling program
- Potential DSO quality intersections at Gofolo Main include:
 - 12-20m @ 54.6% Fe in hole GMRC003
 - 12-26m @ 57.5% Fe in hole GMRC006
 - 16-24m @ 53.3% Fe in hole GMRC032
- Significant new infill drilling intersections reported at Gofolo main including:
 - 34m @ 40.2% Fe from surface
 - 62m @ 38.8% Fe from surface, including 18m @ 49.5% Fe from 16m
 - 60m @ 28.2% Fe from surface
- Only 8km of a potential total 65km interpreted prospective strike drilled to date
- Resource drilling now completed at Zaway prospect; the third potential Mofe Creek Project future mine, with assays being received and under review
- Diamond core metallurgical drilling now completed at Gofolo and underway at Zaway prospect; all metallurgical and geotechnical drilling scheduled for completion by January-end

- Metallurgical testwork program in ALS laboratories in Perth scheduled to commence during February

Tawana Resources NL (ASX: TAW) (the Company or Tawana) is pleased to announce it has received very encouraging results from the ongoing resource evaluation drill programme currently underway at its 100% owned Mofe Creek Iron Ore Project in Liberia, West Africa.

Managing Director, Len Kolff, said, “Infill resource assay results from the Gofolo Main prospect continues to deliver high-grade friable itabirite mineralisation intersections from surface with the programme now completed”.

Prospect	Hole_ID	From	To	Interval (m)	Fe	SiO ₂	Al ₂ O ₃	P	S	TiO ₂	LOI 1000
Gofolo Main	GMRC026	0	8	8	37.01	32.22	7.46	0.034	0.013	0.39	5.83
Gofolo Main	GMRC028	0	6	6	28.07	29.89	16.63	0.024	0.137	0.51	11.25
Gofolo Main	GMRC028	12	28	16	28.59	36.74	11.75	0.037	0.076	0.43	8.17
Gofolo Main	GMRC029	0	24	24	26.87	26.88	20.09	0.026	0.117	0.66	12.47
Gofolo Main	GMRC030	0	18	18	36.09	29.28	10.66	0.023	0.054	0.36	7.05
Gofolo Main	GMRC031	0	34	34	40.20	33.54	3.33	0.039	0.033	0.12	4.97
Gofolo Main	GMRC032	0	62	62	38.79	31.91	5.87	0.075	0.041	0.22	6.27
Gofolo Main	incl. GMRC032	16	34	18	49.50	19.52	3.27	0.15	0.01	0.12	6.81
Gofolo Main	GMRC034	0	60	60	28.17	40.94	9.83	0.048	0.088	0.38	4.91
Gofolo Main	GMRC035	0	20	20	27.66	28.20	17.21	0.031	0.145	0.57	13.96
Gofolo Main	GMRC039	0	10	10	30.24	20.57	19.82	0.022	0.132	0.57	14.18
Gofolo Main	GMRC040	0	42	42	27.86	42.77	9.60	0.034	0.066	0.34	5.69

Table 1 | Significant intersections from remaining RC resource drilling at Gofolo Main prospect
Initial review of Gofolo Main results show a ‘DSO - potential’ high-grade zone developing over a >1km strike along the southern flank of the Gofolo Main hill in holes GMRC013, GMRC031, GMRC003, GMRC032, GMRC006 moving from west to east. Surface to near-surface friable iron formation intersections vary from 49.5% Fe to 57.5% Fe over 8m to 20m drill width intersections. Good continuity over current 200m line spacing, high Fe% grade, coarse grained mineralisation and potential low-stripping ratios suggest this could be the potential start-up mine for the Mofe Creek Project.

Prospect	Hole_ID	From	To	Interval (m)	Fe	SiO ₂	Al ₂ O ₃	P	S	TiO ₂	LOI 1000
Gofolo Main	GMRC003	0	20	20	52.5	9.21	4.74	0.098	0.08	0.18	9.66
Gofolo Main	GMRC006	12	26	14	57.5	6.56	2.2	0.100	0.04	0.05	9.14
Gofolo Main	GMRC013	2	20	18	48.76	15.69	4.42	0.070	0.08	0.15	9.59
Gofolo Main	GMRC031	4	12	8	49.74	19.29	2.73	0.051	0.034	0.08	7.61
Gofolo Main	GMRC032	16	34	18	49.50	19.52	3.27	0.148	0.010	0.12	6.81

Table 2 | High-grade intersections along >1km strike and 200m line spacing at Gofolo Main prospect
Results were received for a 9 hole 492m exploration programme leading to a new discovery at the Gofolo NE prospect along strike from Gofolo Main. Significant drill intersections were reported of similar coarse recrystallized friable itabirite at Gofolo NE with similar potential low stripping ratios as at Gofolo Main.

Prospect	Hole_ID	From	To	Interval (m)	Fe	SiO ₂	Al ₂ O ₃	P	S	TiO ₂	LOI 1000
Gofolo NE	GNERC001	16	28	12	34.15	35.99	7.02	0.127	0.070	0.23	7.00
Gofolo NE	GNERC006	18	32	14	34.02	37.02	7.78	0.063	0.051	0.43	4.60
Gofolo NE	GNERC009	14	26	12	32.75	44.14	4.78	0.027	0.015	0.14	3.83

Table 3 | Significant intersections from RC exploration drilling at Gofolo NE prospect

Confirmation of friable itabirite intersections and the new discovery of Gofolo NE enhances and confirms regional exploration potential within the license and project areas. To date only an 8km strike length of a total 60km prospective strike has been drill tested providing significant potential upside for ongoing exploration. All the Gofolo Main RC samples were submitted to SGS Laboratories in Liberia and assayed on 2m intervals. A field duplicate, certified standard and blank was inserted every 50th sample. All samples were dried and crushed to 75% passing 2mm, 1.5kg split by a riffle splitter and pulverised to 85% passing 75µm through a ring and puck pulveriser with a 200g split sent for assay of major and minor elements by X-Ray Florescent (XRF) fusion and Loss on Ignition (LOI) by Thermo Gravimetric Analysis (TGA). The batch passed internal and external Quality Assurance (QA) and Quality Control (QC) procedures.

Scoping Study RC resource drilling has now been completed at the Gofolo Main and Zaway projects for a total of 5,622m in 71 holes. RC exploration drilling has been completed at the Gofolo NE prospect for a total of 492m in 9 holes.

Metallurgical and quality control HQ diamond core drilling has been completed at Gofolo Main for a total of 781m in 11 holes and is currently underway at Zaway. On completion of diamond drilling at Zaway, the rig will convert back to RC and complete the resource drilling programme at the Koehnko prospect and finalise the planned drill programme during January 2014.

Initial HQ core observations are highly encouraging with exceptionally coarse iron formation textures evident, highlighting the potential for the design and implementation of a low-cost crushing and processing flowsheet for the production of a +60% Fe, premium-grade final product.

Metallurgy

Previous high-grade friable itabirite samples collected from the first RC reconnaissance drilling program undertaken at the Gofolo Main prospect in January/February last year (with in-situ head grades ranging from 30% to 57% Fe), demonstrated that a +60% Fe product with low contaminant levels (i.e. silica, alumina phosphorous and sulphur) and a mass recovery of 27% to 57% could be achieved with minimal crushing, screening and simple gravity separation beneficiation. (Refer ASX release 25 June 2013)

A comprehensive diamond drill core follow-up metallurgical test-work program with ALS - Iron Ore Technical Centre in Perth, Western Australia has been designed. The test work program is designed to optimise the processing parameters required to beneficiate the medium and high-grade friable itabirite mineralisation present at the Mofe Creek prospects to produce the optimal quality iron ore product at the most viable particle sizing and Fe grade, with the minimal amount of plant and equipment.

Approximately 2,500-3,000kg of full HQ drill core will be sent to ALS on completion of the diamond programme. Initial laboratory testwork is scheduled to commence during February 2014, pending completion of the diamond drilling and Australian customs and quarantine clearances. The metallurgical development programme for the Scoping Study is forecast to be completed mid-April 2014.

Additional metallurgical test-work utilising existing RC drill chip samples already in Perth is currently underway at ALS Perth. The test-work is designed to assess the potential product grade and mass recovery at a 1mm crush, for the Gofolo Main and Koehnko prospects in addition to the 3.35mm crush test-work previously reported (Refer ASX release 25 June 2013). Results are expected over the coming weeks.

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.

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 superior quality iron ore product of +60% Fe, for which there is consistent global demand.

The Company is currently completing 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.

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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.

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.

15 January 2014

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd

Appendix 1 regarding intersections from Gofolo Main RC resource drilling to date (non-inclusive previous reported drilling intersections), Gofolo NE RC exploration drilling and Zaway RC resource drilling to date has been removed for SENS purposes.

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

	<p>a 1m basis retained on site.</p> <ul style="list-style-type: none"> • 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
Quality of Assay and laboratory tests	<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
Verification of sampling and assaying	<ul style="list-style-type: none"> • All sampling data is recorded in hardcopy format before data entry on site.
Location of Data points	<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
Data Spacing and Distribution	<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
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Drilling has been conducted inclined 50° towards 024 and 007 UTM at Gofolo Main and Zaway respectively • 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.
Sample Security	<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
Audits or Reviews	<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

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 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