

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

## Quarterly Activities Report

**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), is currently under review by Liberia's Inter-Ministerial Concessions Committee (IMCC) and a response is anticipated this month.
- Negotiations on a Port Infrastructure Cooperation Agreement at the port of Freeport, Monrovia with WISCO CAD, following the signing of a Memorandum of Understanding (MoU) <sup>1</sup> in May 2015 (refer ASX release 18th May 2015), continue to advance, with further commercial and technical meetings being held in Wuhan, China on 22 September 2015.
- In early August, Tawana announced the discovery of new and additional iron ore mineralisation identified from outcropping iron formations at both the Koehnko North East and Koehnko East prospects within the Project.
- Preparation of a low capital-intensive exploration program for the qualification and quantification of the recent DSO discovery at the Goehn project area, on the southern tenement has commenced.
- Finalisation of the geochemical and geophysical report for the analysis of the mineralisation within the proposed future ore bodies is in progress.

##### Environmental and Community

- Approval of the Project's Terms of Reference document and Scoping Study report was received by the Environmental Protection Agency (refer ASX release 20 October 2015). The approval is an important prerequisite for the advancement of the Project's Environmental and Social Impact Assessment (ESIA), and is a key milestone for the Project.
- Submission of the Environmental Protection Agency renewal licence and annual report for Tawana's northern licence (MEL 12029).

##### Exploration and Leases

- Submission of the first Quarterly Exploration report for the southern licence (MEL 1223/14).
- Geological mapping of new targets within both the Company's 100%-owned tenements MEL 12029 and MEL1223/14, were progressed during the quarter and a development prioritisation matrix for the 74 potential mineralised targets has been prepared.

### Corporate

- A strategic review of the Company's business development opportunities was conducted during the quarter. The Board has commenced a process of reviewing advanced-stage Australian gold project opportunities. This strategy is designed to reduce the potential corporate risk associated with a single commodity focus and to seek to add shareholder value via low-cost acquisition and project advancement leveraging off the opportunities which presently exist in the A\$ gold sector.
- As at 30 September 2015, Tawana Resources was in a strong financial position with A\$1.4 million in cash.
- The company received an R&D refund in September, and a reduction in corporate operating costs and staff salaries (including principal contractors) was also implemented.

### Mofe Creek Iron Ore Project

#### Project Development

As previously outlined, the recent discovery of DSO on tenement MEL1223/14 (refer ASX release 8 July 2015)<sup>2</sup> represents a potential opportunity to mine and supply high-grade feed to an early start-up, low capital intensity project at a significantly reduced operating cost, due to very simple crushing and screening requirements only (i.e. no beneficiation).

Since the discovery, the Company has focused its efforts on the development of financial models, strategic approvals and specific MDA criteria, designed to capitalise on an early start-up project for the potential production of 1 to 2 Mtpa of final product.

The DSO project is designed to use existing roads to the port of Monrovia, and will culminate in the potential despatch of the ore via the port of Freeport, under a proposed Port Services Cooperation Agreement with WISCO CAD (currently being negotiated under a MoU<sup>1</sup> - refer ASX Release 18 May 2015).

Discussions with haulage and road/civil construction groups will continue in the December quarter, once the first draft of the MDA has been received from the Government of Liberia's IMCC committee. The process of defining the optimal route, design and operation of an independent haul road from the mining hub(s) to the coastal transshipment port location (nominally located 26km by road, from the newly discovered DSO mineralisation at Goehn or 28-32 km by road from Gofolo Main deposit) will be advanced.

The Company has also conducted discussions with several international and domestic Mining and Service provider groups with interests in the potential co-development of the Mofe Creek project, by way of either: equity investment; farm-in arrangements at the asset level; and/or joint funding at the asset development level. These discussions are ongoing and have not resulted in any material agreement being finalised to date.

#### Infrastructure & Logistics

On the 18th May 2015, the Company 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 progressed negotiations towards executing this definitive Cooperation Agreement during the quarter. Both parties are negotiating 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.

The agreement is being negotiated on the premise of gaining access to stockpiling and ship loading services during the early stage of Tawana's project development and proposed DSO start-up project.

### **Mineral Development Agreement (MDA)**

The Company is currently awaiting a formal response from Liberia's IMCC with regard to the first pass submission of Tawana Liberia Inc.'s Mineral Development Agreement in the December 2015 quarter. Negotiations are scheduled to progress in November.

### **Environmental and Social Impact Assessment**

The Company announced in August 2015 that a Scoping Report and Terms of Reference report for an Environmental and Social Impact Assessment (ESIA), for the Company's Mofe Creek project had been submitted for review to the Environmental Protection Agency (EPA) of Liberia.

At the time of writing this report, the Scoping Report and Terms of Reference report had been granted EPA approval, allowing the Mofe Creek project's ESIA studies to fully progress. 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.

### **Community**

Community consultation work was undertaken on MEL 1223/14, with county and district officials as well as community and town leaders. All meetings were conducted prior to fieldwork commencing at Goehn and surrounding areas. Town and youth leaders were involved in recruiting local workers for this field work. This involvement has laid the groundwork for establishing very good working relations with the local communities within Tawana's newly granted licence area.

As part of Tawana's support towards developing an effective social/community responsibility program, two bridges near Goehn town were refurbished within the quarter and the Company is preparing to provide further support in areas of need within the communities.

## **Exploration**

### **MEL1223/14**

#### **Quarterly Report**

The first quarterly report for year one of the licence period for MEL1223/14 was submitted to the Liberian Ministry of Lands Mines & Energy in August 2015 and was subsequently approved in October.

#### **Advancement of Field Exploration/Trenching/Drilling Program**

During the quarter, the exploration team finalised the mapping and rock-chip sampling work conducted in the June Quarter, over MEL 1223/14. The program was designed to map and define additional DSO and mineralisation resource targets for the Company's Mofe Creek project.

As previously announced, a new 120m strike zone of high-grade DSO hematite mineralisation averaging 62.8% iron (and reaching as high as 66% Fe) was found in the Goehn South East prospect at Mofe Creek (Refer ASX Release 8<sup>th</sup> July 2015)<sup>2</sup>.

The strike zone is located within a broader 550m strike length of friable itabirite mineralisation and is situated within 6km of the bitumen highway running to Monrovia, the location of one of the nation's operating iron ore port facilities, currently owned/operated by WISCO CAD.

Tawana Executive Chairman Mr Wayne Richards said he looks forward to further advancing the Company's knowledge of the quantum and grade potential of the DSO at Goehn, during the next quarter(s). The Goehn target represented the highest grade, continuous zone over multiple samples, of direct shipping ore hematite mineralisation discovered within the project areas.

The Company is currently developing a low cost, DSO mineralisation field program to assist in the qualification and quantification of the recently discovered DSO at the Goehn deposit in July this year (refer ASX release 8 July 2015)<sup>2</sup>.

With the wet season now abating, this exciting new field program could commence as early as November, subject to gaining full access to the mineralisation outcrops and deposits.

## **Corporate**

### **Cash and Fiscal Management**

As at 30 September 2015, Tawana Resources held \$1.4 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

The Company received an R&D refund of \$379,004 (net of fees) for its fiscal year 2014 (1 January to 31 December 2014) in September.

The Company has diligently continued to reduce corporate and Liberian expenditure (while advancing the Project's principal activities) to minimise cash outflow whilst maintaining key personnel and advancing the time-critical components of the Project.

Key corporate and senior executive officers of the Company (both permanent and contract personnel) have accepted a 20% salary reduction in a bid to further reduce operating and governance expenditure while maximising the Company's healthy cash position.

### **Board Changes**

Mr Michael Bohm commenced as a Non-Executive Director of the Company on 01 August 2015. Michael is an experienced mining professional with extensive corporate, project and operational management experience in the minerals industry in Australia, South East Asia, Africa, Chile, Canada and Europe/UK. A graduate of the WA School of Mines, Michael has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director. He has been directly involved in a number of project developments in the resources sector both in Australia and offshore.

Michael's corporate experience includes previous directorships at Sally Malay Mining Limited (now Panoramic Resources) in Australia (ASX), Ashton Mining of Canada (TSX) and Argyle Diamond Mines Pty Ltd. Michael currently serves on the board of ASX/TSX listed gold producer Perseus Mining Limited and ASX listed gold producer Ramelius Resources Limited.

Mr Len Kolff resigned as Executive Director and Technical Director on 31 July 2015.

The Board is now constituted by one full time Executive Chairman and CEO (Mr Wayne Richards), one part-time Company Secretary/CFO and Executive Director (Mr Michael Naylor) and one independent Non-Executive Director (Mr Michael Bohm).

## **Corporate Opportunities**

In conjunction with the strategic advancement of the highly viable Mofe Creek iron ore Project, the company has commenced a process of reviewing Australian-based resource commodity projects/companies with income exposure linked to United States dollars.

The Board is predominantly reviewing Australian gold projects 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 Aussie gold projects.

## **About Tawana (ASX & JSE: TAW)**

Tawana Resources NL 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 is a new discovery 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 becoming a mid-tier iron ore producer through the development of the Mofe Creek project, which covers 475km<sup>2</sup> of highly prospective tenements in Grand Cape Mount County. 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.

## **Wayne Richards**

Executive Chairman and Chief Executive Officer  
Tel +61 8 9489 2600

28 October 2015

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd

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)

## **Competent Persons Statement**

The information in this report that relates to Exploration Results and Resources is based on information compiled by Shane Tomlinson, who is a member of the Australian Institute of Geoscientists. Shane Tomlinson 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'. Shane Tomlinson consents to the inclusion of the matters in this report based on his information in the form and context in which it appears.

## **Forward Looking Statement**

This report may contain certain forward looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Tawana Resources NL. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Tawana Resources NL does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information

contained in this report has been prepared in good faith, neither TAW or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of TAW, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

## Notes

- <sup>1</sup> **Disclaimer:**
- (i) the MOU represents a non-binding intention of the parties to negotiate a formal cooperation agreement in good faith. The parties are yet to agree on any definitive operational, commercial and/or legal terms (including tonnage capacity or delivery schedules) for the cooperation agreement;
  - (ii) the obligation to negotiate in good faith comes to an end on the earlier of execution of a definitive cooperation agreement or 31 December 2015; and
  - (iii) there is no certainty or assurance that parties will reach a final agreement on the terms of the cooperation agreement.
  - (iv) Refer to ASX announcement on 18 May 2015 for further information.

<sup>2</sup>: Tawana is not aware of any new information or data that materially affects the information included in the said announcement.

<sup>3</sup>: The Mineral Resource estimate for the Mofe Creek project of 61.9Mt @ 33% Fe comprises Indicated Mineral Resources of 16.2Mt @35.4% Fe and Inferred Resources of 45.7Mt @32.1% Fe. For more information on the Resource estimate, refer to ASX announcement dated 31 March 2014. Tawana Resources is not aware of any new information or data that materially affects the information included in the said announcement.

## Appendix 1 | Tawana Resources NL Tenements

Tenement	Location	Structure
MEL-12029 Mofe Creek	Liberia	100% Tawana Resources through its 100% owned Liberian subsidiary
MEL-1223/14 Mofe Creek Sth	Liberia	100% Tawana Resources through its 100% owned Liberian subsidiary

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

# 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")

30 September 2015

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(308)	(680)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(392)	(1,322)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	28
1.5	Interest and other costs of finance paid	-	-
1.6	R&D refund	418	418
1.7	Other	-	4
	<b>Net Operating Cash Flows</b>	<b>(273)</b>	<b>(1,552)</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>(273)</b>	<b>(1,552)</b>

1.13	Total operating and investing cash flows (brought forward)	(273)	(1,552)
	<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>	(273)	(1,552)
1.20	Cash at beginning of quarter/year to date	1,591	2,803
1.21	Exchange rate adjustments to item 1.20	49	116
1.22	<b>Cash at end of quarter</b>	1,367	1,367

### 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	147
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, 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	245
4.2 Development	-
4.3 Production	-
4.4 Administration	128
<b>Total</b>	<b>373</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	861	1,089
5.2 Deposits at call	506	502
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,367</b>	<b>1,591</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	1,250,000	-	\$0.05	10 November 2015
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	10,000,000	-	\$0.0001	30 August 2016
Unlisted options	10,000,000	-	\$0.0001	30 August 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	2,000,000	-	\$0.004	7 July 2018
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	10,000,000 10,000,000 25,000,000		\$0.046 \$0.0001 \$0.015	12 December 2016 30 August 2015 12 December 2016
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: 28 October 2015  
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.

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