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Quarterly Activities Report
1 July - 30 September 2011

Tawana Resources NL (ASX: TAW) is pleased to present the report on activities for the period July to September 2011.

HIGHLIGHTS

Sinoe Gold Project Acquisition
- Due diligence successfully completed and field exploration programme underway
- 1000 soil samples collected from a planned initial 3000 sample programme
- Extensive artisanal workings defined within a high priority target area; sampling to focus in this area during the next quarter
- Dugbe F resource (AIM: HUM), 25 km along strike from the Sinoe Project, upgraded from 0.8 Moz to 1.8 Moz; Dugbe Shear developing into a new gold province

Nimba/Lofa Gold Exploration
- Initial sampling programmes completed; 575 samples collected
- 1/3 of assay results received to date; anomalous catchments identified
- Awaiting additional results

Thabazimbi JV
- Major JV partner planning to dispose of its interest in the Gravenhage Manganese Project

Corporate
- Execution payment to secure Sinoe Project option agreement paid; fieldwork commences

Cash Balance
ASX CODE: TAW
Cash Balance (30/9/11): $4.2m
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Corporate
The Company and Global Mineral Investments LLC (‘GMI’), a private Liberian company signed a binding Heads of Agreement for an option to purchase outright the mineral exploration licence over the Sinoe Project held by GMI. Under the terms of the agreement the Company has the option to purchase outright the mineral exploration licence after meeting the following terms and conditions:

1. US$10,000 Option payment to secure exclusivity - PAID
2. US$40,000 Execution payment on successful due diligence - PAID
3. US$50,000 Execution payment within 6 months of the commencement of exploration or announcing to market a significant exploration target

The Company is to fund exploration during the first year after which it has the right to purchase the licence outright or walk away unencumbered. Should the Company choose to purchase the licence outright it does so at the following terms:

1. US$350,000 payment and 6 million shares in the Company
2. US$1 million payment at announcement of 1 Moz JORC compliant resource
3. Additional US$1 million payments for each additional 500 Koz JORC compliant resource announced to market up to a maximum JORC compliant resource of 2.5 Moz
4. US$5 million payment at pouring first gold from a mining operation within the licence area.

Liberia
The Company secured exclusive rights on a significant, highly prospective Birimian land package in Sinoe County, South-Eastern Liberia referred to as the Sinoe Project. Due diligence was successfully completed and the Execution payment fulfilled on 18th August 2011. Field exploration activities commenced shortly thereafter and have been ongoing through the wet season. The Sinoe Project area covers 400 Km² within arguably one of the most prospective Birimian gold structures currently being explored in Liberia; the Dugbe Shear.

Exploration activities continued on the Nimba and Lofa licenses; two mineral permits issued in December 2010 and formally approved to Gryphon Minerals Ltd (ASX: GRY) on 23rd February 2011. Stream sediment sampling was completed during the quarter with a total of 575 samples collected over both licences. The Lofa License covers 596 Km² and is along strike from the 1.52 Moz New Liberty gold deposit and the Nimba License covers 995 Km² and is adjacent to the 5.0 Moz Ity gold mine.

Laboratory turnaround and quality assurance/quality control delays have resulted in slower than expected assay turnaround at Nimba and Lofa. We are in regular contact with the laboratories and results will be announced to the market as soon as they are received. Full results are expected early December. Both licenses host highly prospective Archean greenstone belts that have had no modern day exploration and have confirmed artisanal workings.

The additional applications submitted under the Gryphon Strategic Alliance and pending approval were unsuccessful.
The Company moved quickly to commence field exploration programmes and secured the services of SEMS Exploration Services Ltd of Ghana. Field work commenced end March with the mobilisation of four sampling teams, securing of field base houses, completion of community liaison meetings, identification of alluvial gold workings, mapping of road and track network and collection of stream sediment and soil samples.

**Sinoe Project**

After successful completion of due diligence, Tawana Resources has paid an execution fee to Global Mineral Investment Incorporated, the tenement holder of the Sinoe Project area, securing binding exclusivity and exclusive rights to purchase outright the Sinoe license pending results of the first year field exploration programme.

Access is via paved and laterite road from Monrovia to Greenville and laterite road from Greenville to the project area. Under the terms of the agreement, the Company has secured the services of the vendor’s expatriate site manager to build access tracks, additional camp facilities and maintain logistical supplies to facilitate exploration activities.
The mineral exploration license covers 400 Km$^2$ of Birimian aged rocks along arguably the most prospective gold mineralised structure being explored in Liberia today; the Dugbe Shear.

The project area is 25 Km along strike from Hummingbird’s (AIM: HUM) 0.8 Moz Dugbe Project which was recently upgraded to 1.8 Moz (HUM, 26$^{th}$ September 2011) and 40 Km along strike from Equator Resources (ASX: EQU) Bukon Jedeh Project. Both projects are hosted along secondary and tertiary order structures adjacent to the main Dugbe Shear. Similar structural targets have been defined in the government regional aeromagnetics data over the Sinoe Project area.

The area is characterised by numerous artisanal alluvial and eluvial gold workings. The area is also characterised by numerous quartzite, graphite and manganese occurrences on the USGS Geological map of Liberia; all favourable indications for gold prospectivity.
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Since field work commenced in late August 2011, field teams have collected over 500 soil samples on a targeted 800x100m grid within the reporting period. Samples to date have been submitted to the lab in Monrovia for preparation and onward shipping for assay. Field sampling is expected to be completed by the end 2011.

Field mapping of access, artisanal workings and geology has continued in parallel with sampling activities. Mapping has highlighted an interpreted fold closure within biotite schists with foliation dipping gently to the South in the southern portion and more steeply to the north-west in the northern portion. The fold axis coincides with an area of diffuse magnetic response in the
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government aeromagnetic Total Magnetic Intensity image, a greater density of narrow pegmatite dykes and sills and increased artisanal mining activity. This area is considered a highly prospective target area.

Nimba and Lofa Licenses

Stream sediment sampling of the Nimba and Lofa project areas was completed during the quarter with a total of 575 stream sediment and soil samples collected. To date 230 assay results have been received with the remainder pending. Anomalous catchments have been defined within results received to date; however, results of the full programme are awaited prior to prioritising follow-up target areas. Full assay results are expected early December.

Access roads, tracks and paths have been mapped, and additional artisanal gold workings located and sampled within the license areas. Numerous artisanal alluvial gold workings have been located and confirmed within streams draining coincident topographic, aeromagnetic high anomalies and favourable greenstone lithological and structural settings in the south, central and northern zones of the Nimba license. The southern area of the Nimba license defines a 30 Km strike length ridge that represents a high priority target area.

Maps showing Nimba license area over USGS geology (left) and government aeromagnetic survey total magnetic intensity (right). Additional artisanal workings found to date denoted by red hammer and pick symbols.

The Nimba license area is considered highly prospective for multi Moz gold deposits due to:

i. Proximity to and on splays off the Cestos Shear; a major scale crustal structure which hosts known gold deposits and projects

ii. Proximity to the Ity Gold Mine (5 Moz)
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iii. Structurally complex zone at contact between the Archean Craton to the west and Birimian complex to the east with inferred in-folding of Birimian aged rocks into Archean Craton and emplacement of Palaeoproterozoic granitoids into the folded rock package along major splay structures of the Cestos Shear.

At Lofa artisanal alluvial workings have been confirmed along the southern boundary of the license area. Workings occur in streams draining the northern extension of the Kpo Range greenstone belt in the south-west of the licence area. This represents a similar geological setting to where a hard-rock artisanal gold workings (hammer and pick symbol on figure below) occurs within a competitors license area within strike continuations of the greenstone belt. Additional workings appear to occur within streams draining a leucogranite-gneiss and amphibolite unit in the south-east of the license area. Both target areas are highlighted in the figure below and pending assay results of the stream-sediments survey will be followed up with additional sampling and mapping to define possible drill targets.

Map showing Lofa license on geology (left) and on government total magnetic intensity aeromagnetic data (right). Competitors license occurs within central area with hard rock gold artisanal gold working shown by red hammer and pick symbol. High priority target areas along similar magnetic ridge in SW and NE corners of Lofa license.

Work Plan going forward
Blanket 800x100m soil sampling will continue over the Sinoe license and focus within the central-northern area of the project area during the following quarter. Assessment of access, artisanal workings in the area and geological mapping will also be undertaken. The full soil sampling programme is expected to be completed by the end of the year.

Full stream sediment assay results from the Nimba and Lofa licenses are expected early December 2011. Pending results, target areas will be defined for follow-up field work in conjunction with possible air magnetics surveys.

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. 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 (40 Moz+) and Tasiast (18 Moz+). 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. The Avontuur Manganese Project and Meletse Iron Ore Project are incorporated in the Thabazimbi Joint Venture.

**Avontuur Manganese Project (TAW indirect interest 6.7%)**

The Avontuur high-grade Manganese Project is located in the Northern Cape Province, South Africa. Aquila Resources (ASX: AQA) announced a JORC compliant resource upgrade of 108.9Mt at 38.6% Mn on 4th February 2011.

The Avontuur Project is incorporated in the Thabazimbi Joint Venture.
Aquila Resources (ASX: AQA) is working on an expanded Feasibility Study from a base case of 1Mtpa to target an operation with an annual production of 2Mtpa to initially mine the Gravenhage Deposit as an open pit, with subsequent underground mining from an open pit access. Strong exploration potential exists within the 10 Km long Avontuur Basin, which is wholly contained within the 370 Km² Avontuur Prospecting Right.

The Avontuur Project area is located approximately 30 Km north of the Kalahari Manganese Field, South Africa’s premier manganese producing area (see map below).

AQA announced on 28th July 2011 in its June 2011 Quarterly Report that a process has commenced to dispose of its interest in the Gravenhage Manganese Project and that indicative bids are expected during the July-September 2011 Quarter. No subsequent announcements have been made; results of process are awaited.
The Meletse Iron Ore Project has a JORC compliant indicated and inferred resource estimate of 47.6Mt at 62.9% Fe in the Limpopo Province, South Africa. The Meletse Project is incorporated in the Thabazimbi Joint Venture. Significant expansion potential exists as the deposit remains open at depth and along strike.
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MELETSE IRON ORE RESOURCE

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<th>Resource Classifications</th>
<th>Tonnes Mt</th>
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<th>SiO₂ %</th>
<th>Al₂O₃ %</th>
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Meletse Iron Ore Project Resource Estimate (AQA 30th Nov 2010)

Kareevlei Wes Project, Kimberley Region (TAW 100%)
The Kareevlei Project Area is comprised of a cluster of five kimberlites located approximately 100 Km northwest of Kimberley.

Daniel Alluvial Project, Kimberley Region (TAW 100%)
The Daniel Alluvial Project is a large buried palaeo alluvial diamond project 2 Km south of the Finsch kimberlite diamond mine. It was discovered in 2003 following a FALCOM™ survey by BHPB targeting satellite kimberlite pipes around Finsch. The project consists of three diamondiferous palaeo gravel channels; Feeder Channel, Main Channel and Eastern Gravels. The Daniel diamonds are interpreted to be derived from eroded diamondiferous Finsch kimberlite material.

Perdevlei Kimberlite Project, Kimberley Region (TAW 100%)
The Perdevlei kimberlite project is located approximately 50 Km east of the Finsch diamond mine in the Kimberley Region of the Northern Cape Province. The kimberlite pipe is approximately 1.7Ha in size, drill confirmed to 150m depth and the project area is also prospective for alluvial diamonds.

St Augustine (TAW 30%) and Lexshell Projects, Kimberley Region
The St Augustine kimberlite project is located approximately 600m west of the Big Hole in Kimberley. It is a historic surface and underground mine reportedly mined to a depth of 800ft.

Meletse Iron Ore Project location plan (AQA, 15th April 2010)
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(242m). The conceptual target is primary kimberlite at depth below historic workings and remains untested.

The Lexshell alluvial project is located 50 Km north-east of Kimberley, at the confluence of the Vaal and Harts rivers. The project has targeted and confirmed the presence of diamondiferous palaeo alluvial channels.

The Company is seeking divestment opportunities for its South African diamond projects as part of its ongoing rationalisation.

**Botswana**

**Orapa Project** (100% Owned by Seolo Pty Ltd, a wholly owned subsidiary and Firestone Diamonds Ltd (AIM: FDI) having the right to initially earn 70% interest in the Project)

The Orapa project consists of the BK24 kimberlite 22 Km north-north-east of Lelthalkane and under joint venture with Firestone Diamonds (AIM: FDI). Under the JVA Firestone has the right to initially earn 70% in the Project through funding and execution of exploration activities including the collection and processing of a bulk sample of kimberlite.

Large diameter drilling has been further delayed due to delays in the start-up of Firestone’s BK11 mine. Drilling is expected to commence during the third or fourth quarter of 2011.

**Australia**

**Flinders Island & Venus Bay Projects, South Australia** (TAW 80%, 20% Orogenic Exploration with Flinders Mines earning in)

The Flinders Island and Venus Bay Projects are located along the western Eyre Peninsula coast line, South Australia. Licenses are held by Tawana Resources NL (80%) and Orogenic Exploration Pty Ltd (20%) with Flinders Mines Ltd earning equity under a farm in JV.

For further information, please contact:

**Lennard Kolff van Oosterwijk**

**Managing Director**

**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.

The information in this report, insofar as it relates to the Meletse Iron Ore Resource and the Gravenhage Manganese Resource was prepared under the supervision of Mr Brent E Green who is a member of the Australian Institute of Geoscientists and Mr Bernhard Siebrits who is a member of the Australian Institute of Mining and Metallurgy. Mr Green is full-time employee of Aquila Resources Ltd and Mr Siebrits is a full-time employee of Golder Associates Africa Ltd. Mr Green and Mr Siebrits have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the ‘Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Both Mr Green and Mr Siebrits consent to the inclusion in the announcement of the above matters based on the information in the form and context in which it appears.