Mofe Creek Iron Ore License Granted in Liberia

HIGHLIGHTS

- 285 km² Mineral Reconnaissance License granted (100% TAW)
- Licence 10 km along strike from historic Bomi Hills Fe ore mine; historic production of 50 Mt high-grade DSO magnetite at 64-66% Fe, 4-6% SiO₂, 0.75-1.50% Al₂O₃ and 0.09-1.00% P
- Large, discrete magnetic anomalies over a 35 km strike at Mofe Creek comparable to 15 km strike at Bomi Hills
- Coarse grained magnetite iron formation and massive magnetite observed in outcrop and road cuttings
- Initial reconnaissance sampling returns results of 49.2% Fe, 27.3% SiO₂, 1.1% Al₂O₃, 0.008% P and 1.7% LOI in rock chips
- Licence 25 km from coast, is adjacent to an abandoned heavy-haul railway and only 65 km from the deep sea port of Monrovia
- Target types; high-grade magnetite DSO and weathered, soft magnetite iron formation for beneficiating
- Potential exists for rapid development of low capital intensity DSO Fe ore project generating significant cash flow

Tawana Resources NL (ASX: TAW, the ‘Company’) is pleased to announce the acquisition of a highly prospective land package in western Liberia, referred to as the Mofe Creek Iron Project.

Tawana Resource NL, Managing Director, Len Kolff said “This represents an exciting opportunity to explore highly prospective Archean geology within one of Liberia’s historic premier iron districts and a further extension of the Company’s commitment to rapid growth in West Africa.”

“Initial reconnaissance sampling is very promising, returning over 49% Fe with low impurities and with the project located only 25 km from the coast, adjacent to a heavy haul railway and only 65 km to an existing deep water port it is certainly in a good location”.

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Geological Setting

The Mofe Creek license is 10 km along strike from the abandoned Bomi Hills iron ore mine. Historic production at Bomi Hills is poorly documented; however estimated historic production by the Government of Liberia is 50 Mt of high-grade magnetite (Elenilto Minerals and Mining website).

Bomi Hills produced high-grade direct shipping ore (DSO) magnetite in addition to magnetite concentrate beneficiated from itabirite (metamorphosed and re-crystallised banded iron formation). DSO magnetite averaged 64.5% Fe, 4.5% SiO$_2$, 1.5% Al$_2$O$_3$ 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% SiO$_2$ and 0.04-0.05% P and was used to produce sinter feed (Gruss, 1973).

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.

Regional mapping by the USGS in the Mofe Creek area defines a composite gneiss basement; the same footwall unit observed at Bomi Hills. Magnetic anomalies similar to Bomi Hills were observed within this area and a reconnaissance license applied for.

<table>
<thead>
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<th>%</th>
<th>MC1001</th>
<th>MC1002</th>
<th>MC1003</th>
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<tr>
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<td>Cr$_2$O$_3$</td>
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Left: License and sampling locations relative to Bomi Hills mine and infrastructure over airmag analytical signal base map. Right: Assay results from outcropping iron formation sampled within license area.
Field Observations

A one day field reconnaissance site visit was undertaken during mid-November 2011 with highly encouraging results. Access to the licence area was via existing road network only, with numerous target anomalies unable to be assessed due to access and time constraints.

A medium to coarse grained, laminated quartz-magnetite iron formation was discovered at varying degrees of weathering. Where strongly weathered, the material could be easily crumbled by hand and medium to coarse grained magnetite/hematite grains (average grain size 2-5mm) easily liberated. Where sampled in three locations, the iron formation averaged 40-50% Fe, 30-40% SiO₂, 0.6-1.5% Al₂O₃, 0.004-0.008% P, and 0.6-1.7% LOI₁₀₀₀.

Outcrops of iron formation and massive magnetite concentrations were also observed in the field with individual massive magnetite accumulations up to meter scale further enhancing the exploration model for hypogene, massive magnetite bodies.

High-grade weathered friable magnetite/hematite sampled in outcrop and in close proximity to the license area returned 64.8% Fe, 0.02% SiO₂, 2.3% Al₂O₃, 0.004% P and 1.75% LOI. This clearly demonstrates the hypogene magnetite model similar to Bomi Hills further enhancing prospectivity.

Left: Medium-coarse grained, laminated quartz-magnetite iron formation (sample MC1001). Right: weathered variety of similar rock type crushed by hand forming soft, friable quartz-magnetite sands easily beneficiated by magnet pen (sample MC1003).
Left: Outcropping iron formation with larger 10’s cm scale magnetite segregations (sample MC1002). Right: Weathered, softened magnetite from outcrop forming high-grade, clean magnetite/hematite fines.

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

**Conceptual target**

On the basis of preliminary reconnaissance mapping and analogies drawn with Bomi Hills 10km along strike, the company is targeting both massive, high-grade DSO magnetite mineralisation and weathered, easily beneficiated ‘soft’ iron formation for high-grade beneficiated fines.

Both styles of mineralisation have been confirmed in the license area and Tawana has already commenced detailed field mapping and rock chip sampling to better define contacts and distribution of mineralisation types. Tawana aims to update the market by January 2011 with results of this follow up work.

On the basis of initial mapping and sampling results, the Company will review flying a detailed aeromagnetics survey to better define mineralisation distribution and continuity below areas of thick vegetation and/or weathering.

There is significant potential for this project to provide a rapid development timeframe, with low capital intensity utilising the extensive existing infrastructure and close proximity to major deep water ports and/or transhipment solutions.

Subject to further detailed geological confirmation, a conceptual target is to quickly develop a high margin, low tonnage operation that could generate significant cash flows for the Company.
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29th November 2011

Tenure
The Mofe Creek Mineral Reconnaissance license was awarded to Tawana Liberia Inc., a locally incorporated company 100% owned by Tawana Resources NL. The license covers a total area of 285 km$^2$.

Location and Access
The mineral reconnaissance license covers 285 km$^2$ over Grand Cape Mount and Bomi Counties in Western Liberia.

The license area is approximately 100 km drive from Monrovia on well-maintained sealed roads, 20 km from an historic heavy-haul iron ore railway 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.

Left: Well-maintained sealed main road from Monrovia through license area. Right: Laterite road, topography and vegetation within license area.

Infrastructure
The license area is well positioned for possible future infrastructure scenarios; road or rail to the Monrovia deep sea port or road to coast and transhipment 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 an historic heavy-haul iron ore railway* exists from the Bomi Hills mine to the port of Monrovia; 20 km east from the easternmost magnetic anomaly. Rail distance from Mofe Creek to the port of Monrovia is 65 km.
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 is one of the first ASX listed junior companies into Liberia following in the footsteps of mining majors BHP Billiton, ArcelorMittal 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.

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.


Footnote: the railway line falls under the Western Cluster project currently owned by Elenilto Minerals and Mining and subject to a Joint Venture with India’s largest producer and exporter of iron ore in the private sector; Sesa Goa.

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