

TAWANA RESOURCES NL

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Recovery of kimberlite minerals from the Daniel Alluvial system

The Directors of Tawana Resources NL (the "Company") advise the recovery of kimberlitic garnets from a sample of drill cuttings from the Daniel Alluvial system. This is a newly discovered and very large ancient river system located 6km from the De Beers owned Finsch Diamond Mine, the largest diamond mine the Kimberley Region, South Africa.

Microsearch (Pty) Ltd, a Botswana based laboratory, has been commissioned to inspect and analyse drill hole material in order to ascertain the diamond bearing potential of the Daniel Alluvial system.

This early result is considered significant as evidence that the Daniel ancient river system has trapped kimberlitic minerals. The garnets recovered are the strongest indication to date for the potential for diamonds within the alluvial gravels. The lack of abrasion on these garnets indicates they are derived from a nearby kimberlite source.

The Daniel alluvial system is an exciting and potentially very large discovery however it has not yet been tested for diamonds. Preparation for a 500 tonne bulk sample aimed to test the diamond content is well advanced.

The results of further Microsearch analysis, a progress report and future work program is expected to be released to Shareholders during July.

Interest in Project

The Daniel Alluvial discovery is within the Daniel Project area, a BHP Billiton World Exploration Inc ("BHP Billiton") and Tawana Resources joint venture.

The Company is earning a 30% interest in the Daniel Alluvial discovery however upon completion of a specified 500 tonne bulk sample the Company may earn a further 10% interest. The Company is currently the operator of the joint venture.

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