

TAWANA RESOURCES NL

**Presentation – Sydney Mining Club
September, 2004**



Diamond Projects



**Tawana Alluvials, Perdevlei,
Kareevlei Wes & Daniel
Diamond Projects**

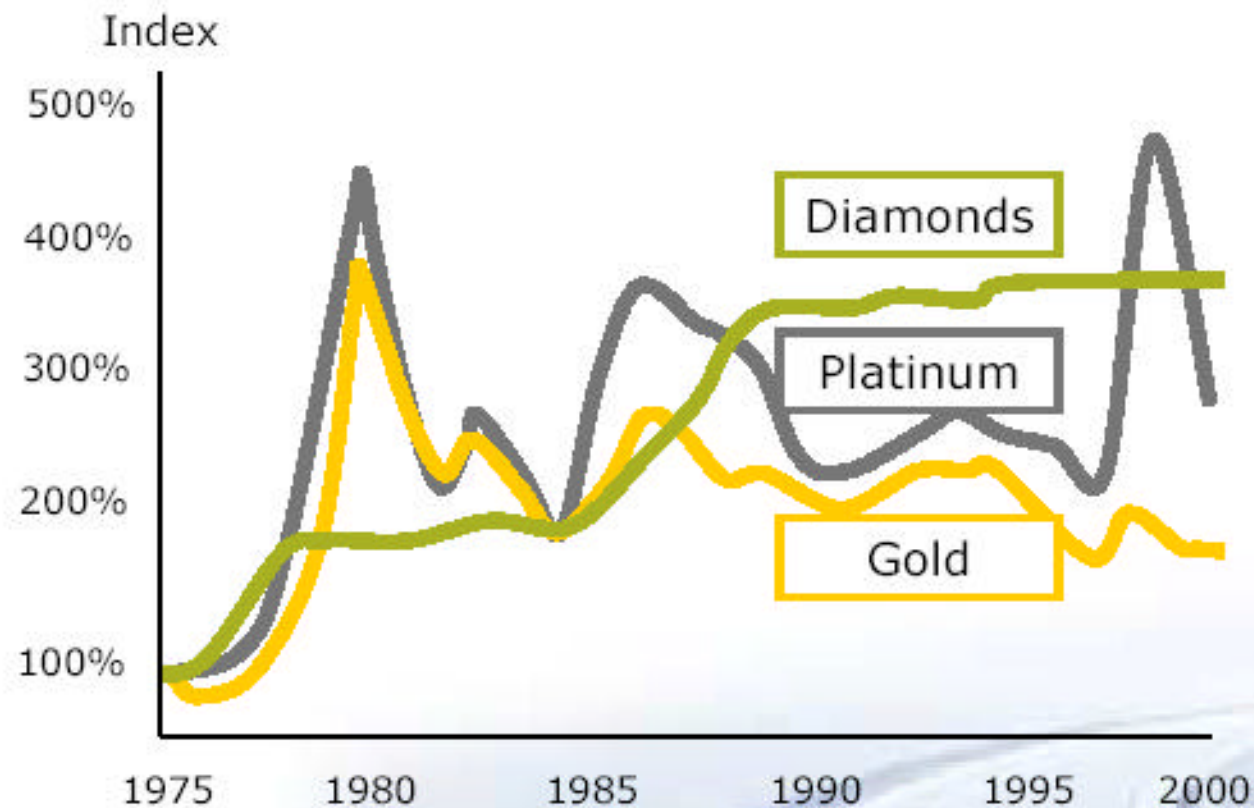
**Flinders Island & Eyre Peninsula
Diamond Projects**

Timber Creek Diamond Project



Average diamond price since 1975

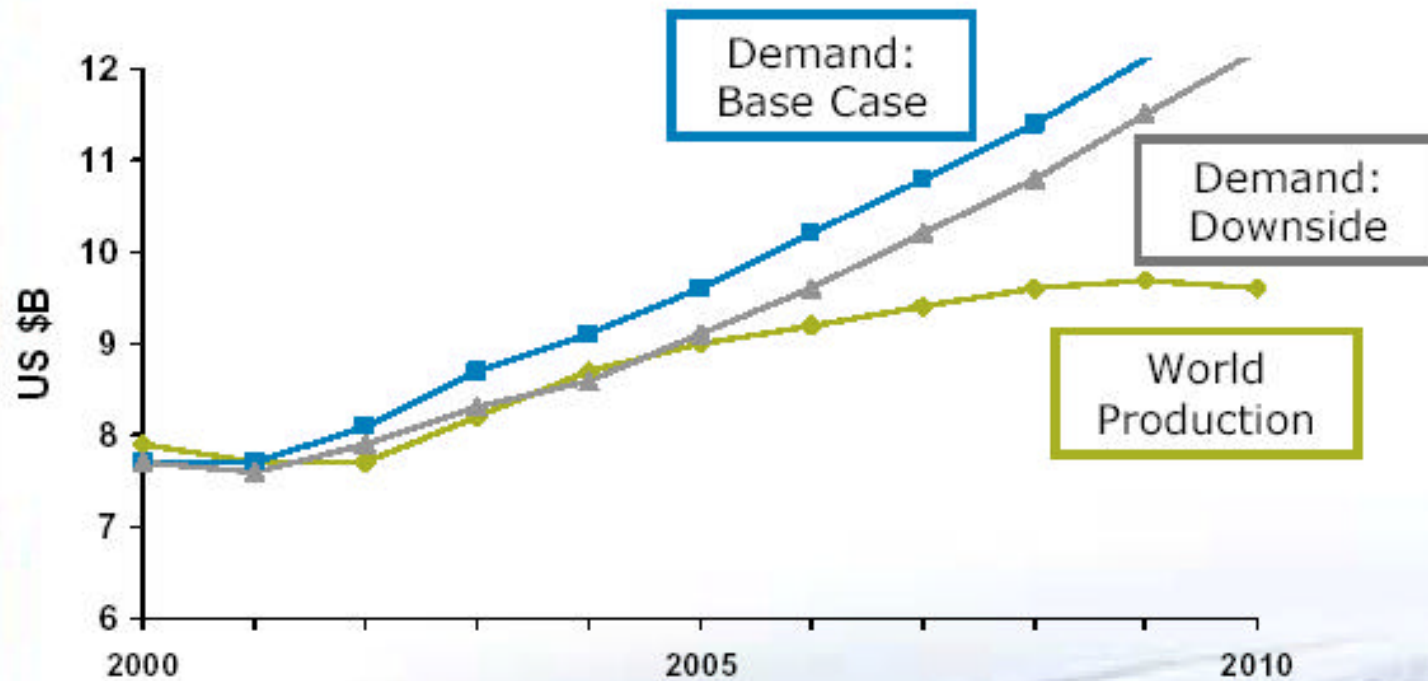
Steady Growth in Average Prices ...



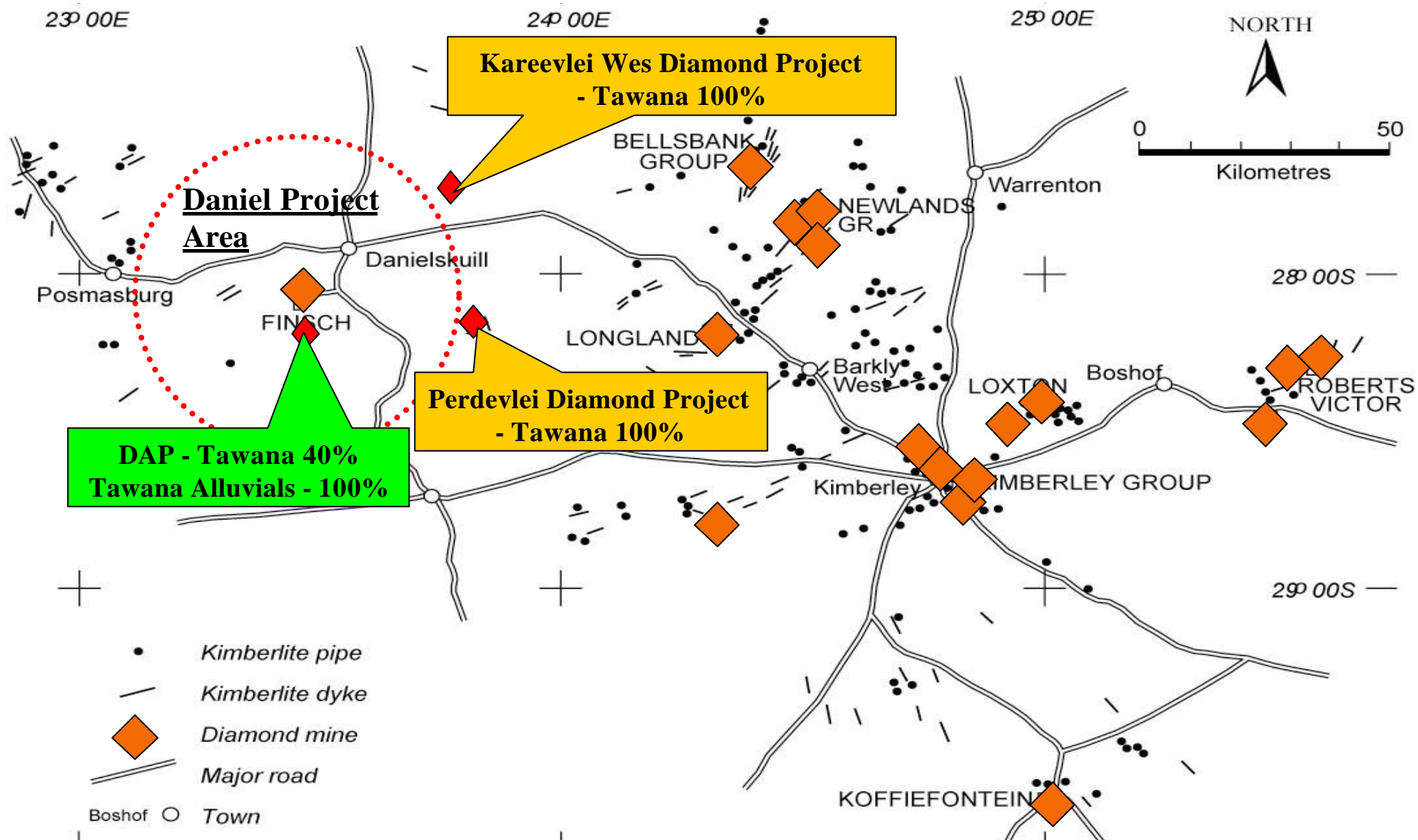
Diamond demand forecast until 2010

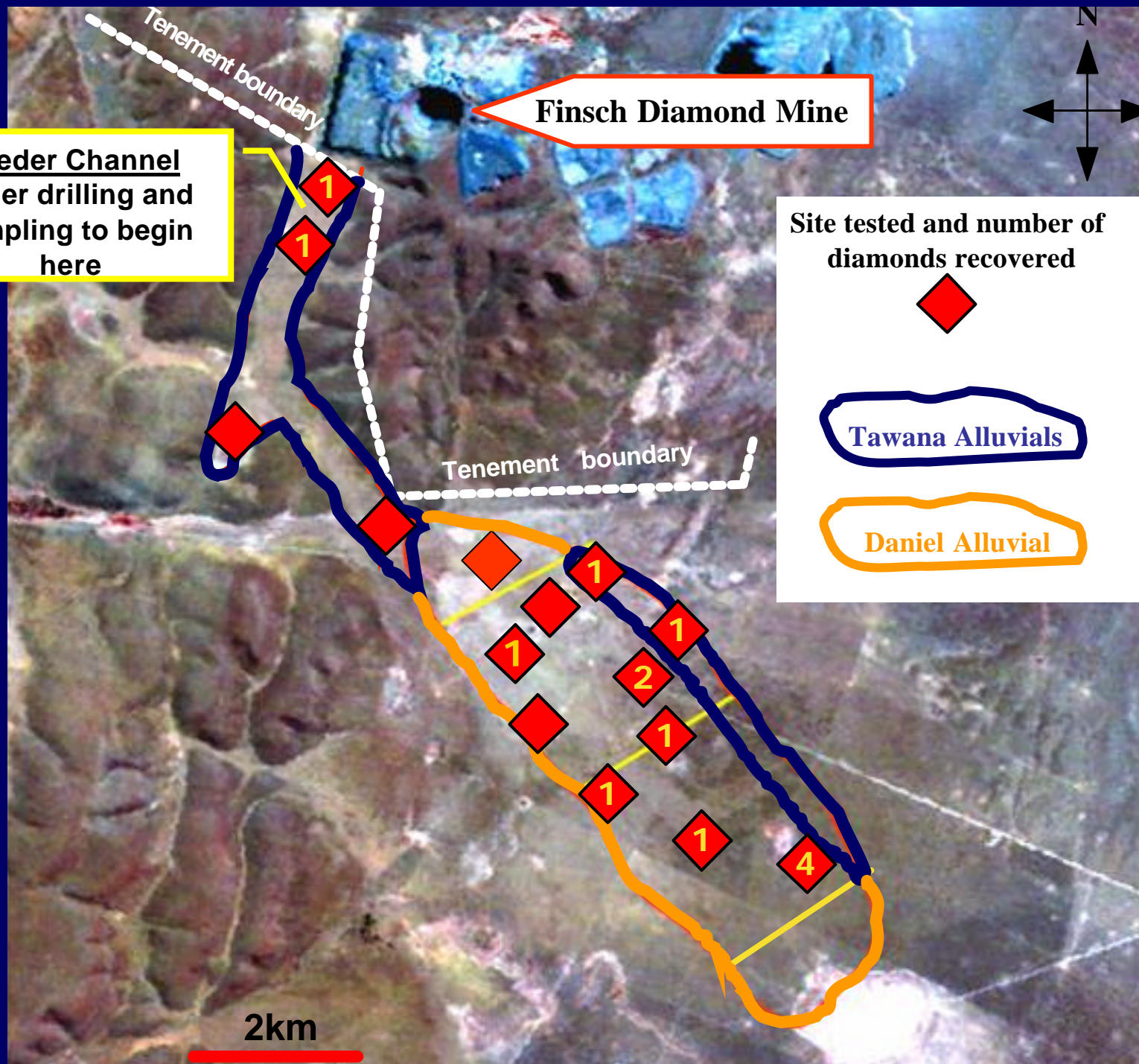
Demand Forecasts Going Forward

Rough Diamond Market

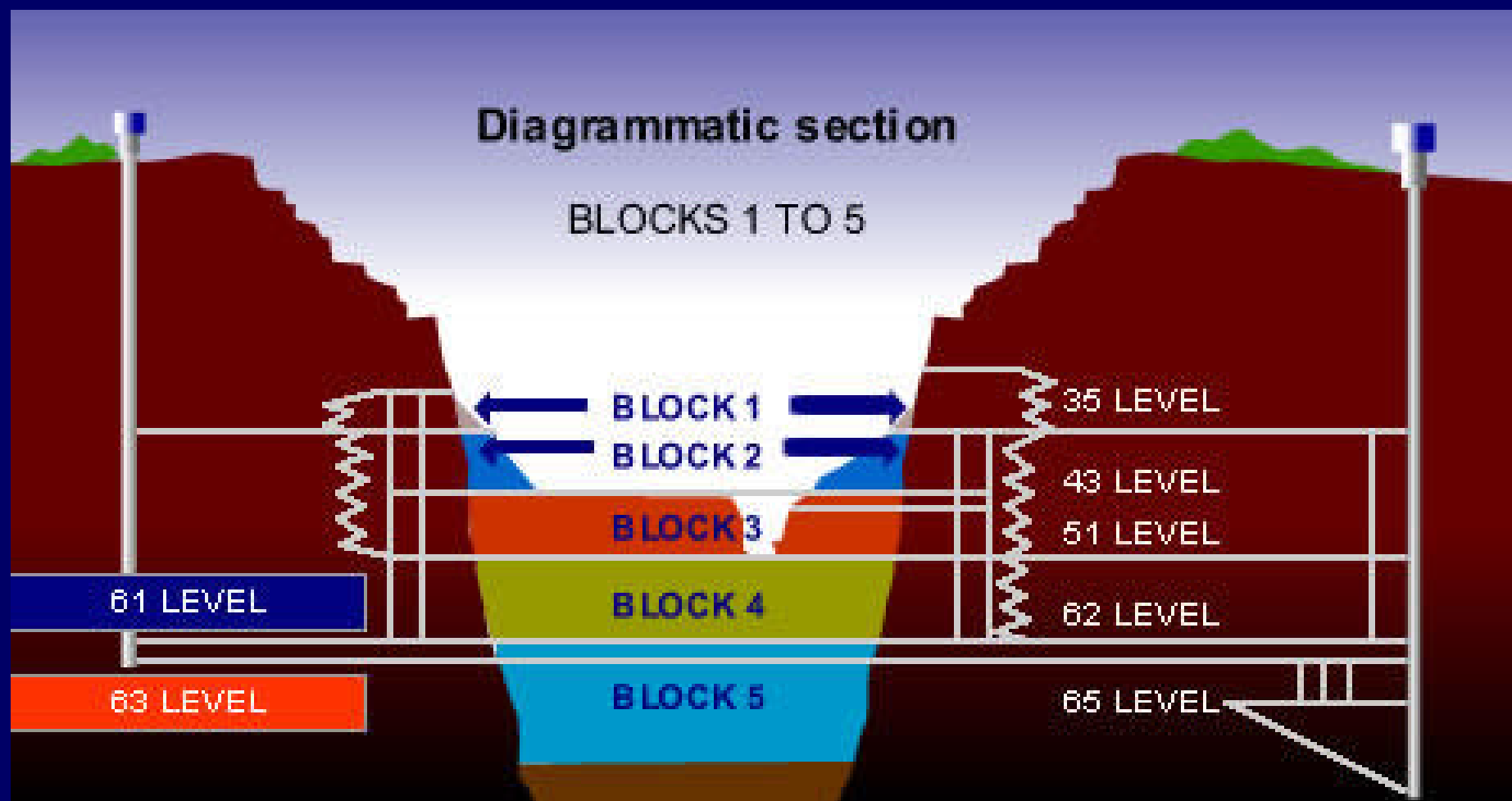


Source: *WWW International Diamond Consultants Ltd.*





Current mining at Finsch Diamond Mine



Estimation of the original Finsch kimberlite

1400m

E
R
O
D
E
D

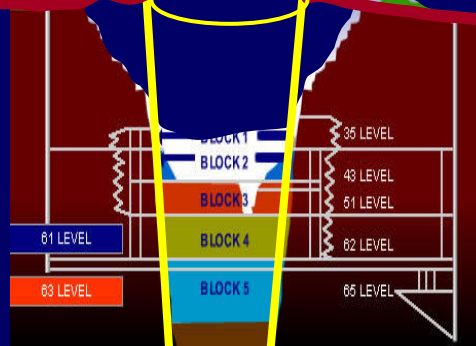
A
W
A
Y

800m

Estimated statistics for history of Finsch:

- Erupted 115 – 135m years ago
- 1400m of the kimberlite has been eroded away
- 2.1b tonnes of kimberlite eroded
- 970 million carats eroded
- US\$170b worth of diamonds eroded

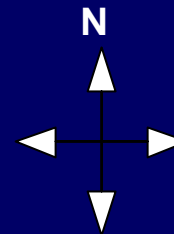
Current day surface



Finsch Diamond Mine Open Pit



Finsch Diamond Mine



Tenement Boundary with De Beers

● 10 inch percussion drill hole
line - September 2003

■ Concentrated near surface
BIF gravels

◇ Location of diamond recovery
February 2004

┐ Interpreted extent of Northern
Feeder Channel gravels

★ Bauer test drill hole

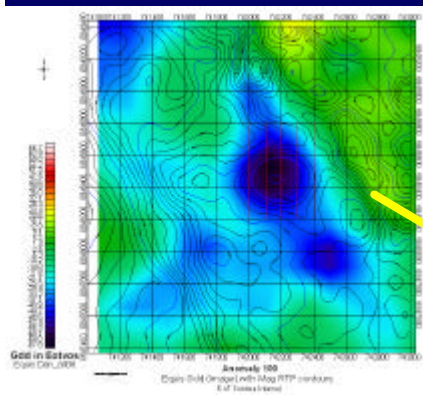
● Sites for planned
Bauer drill holes

600 m

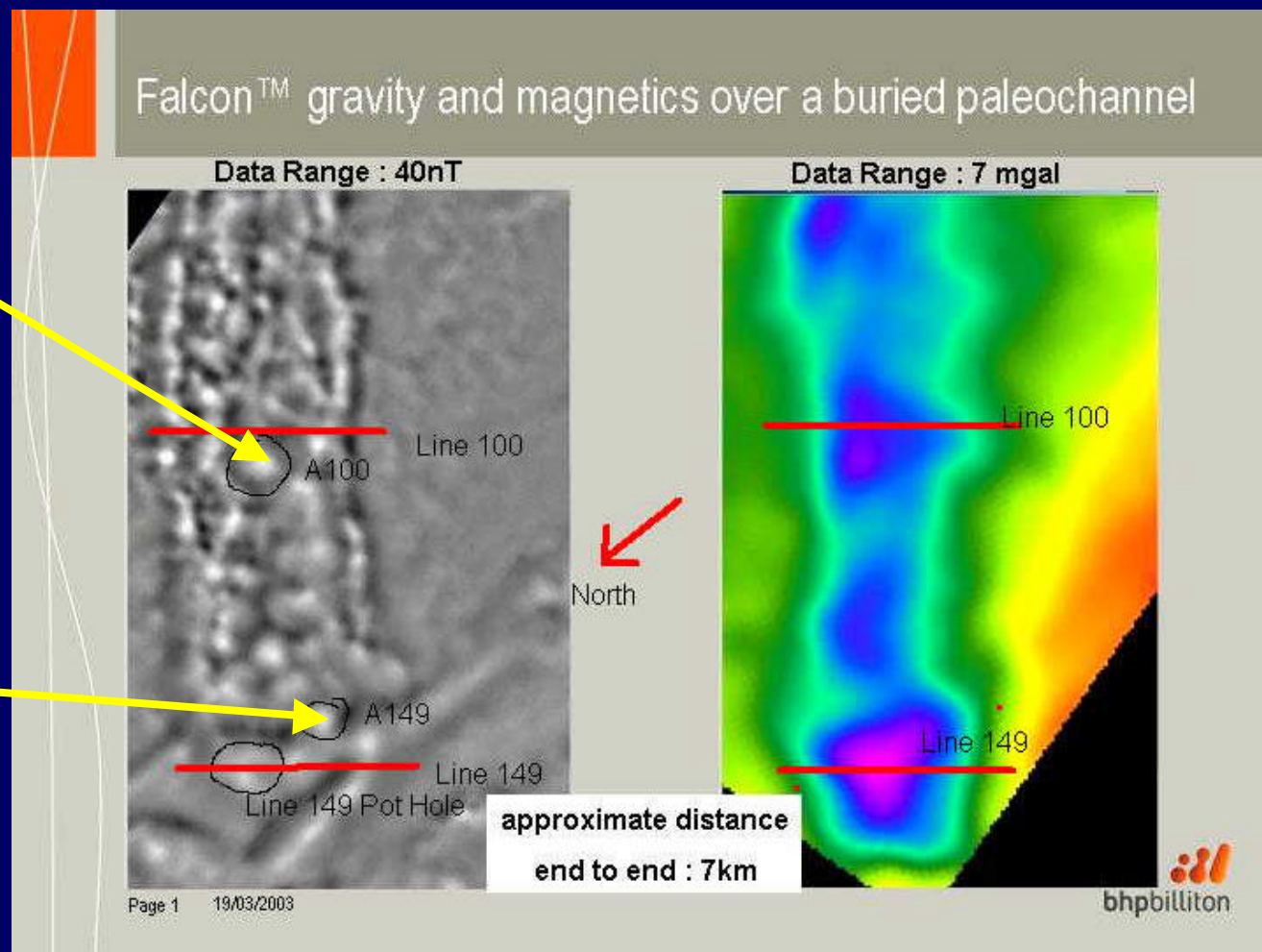
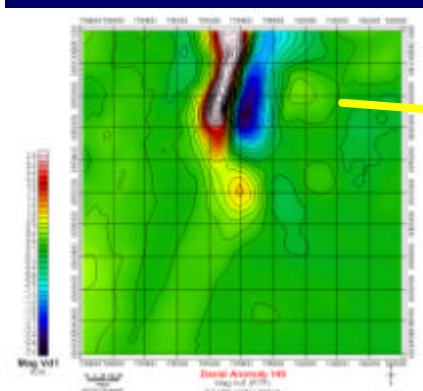
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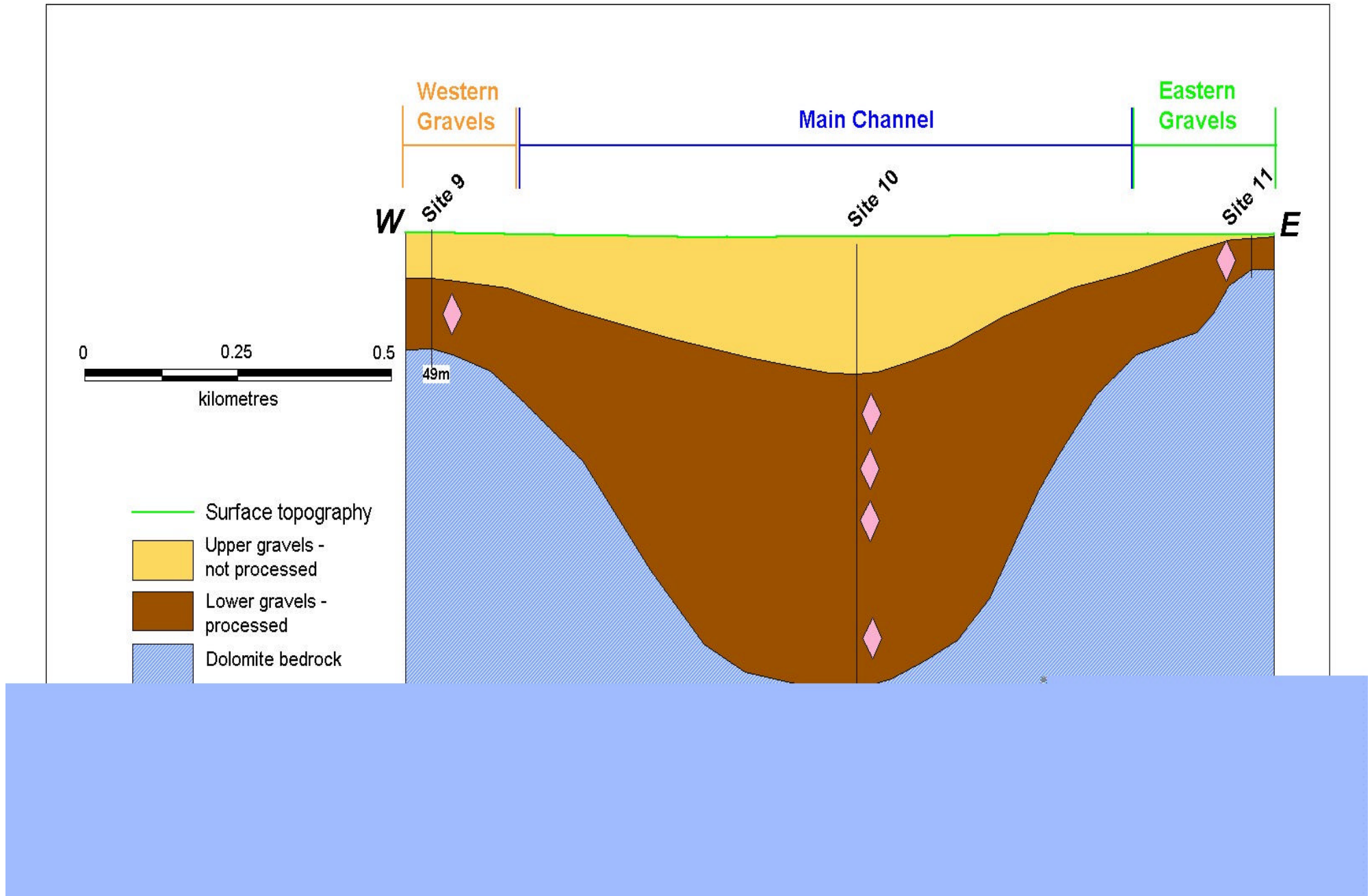




Large potholes



West-East diagrammatic cross-section through the Daniel Alluvial Channel 500t Bulk Sample area, Tawana Resources NL, 2004.



The Only Comparison

Argyle Alluvials, Australia

Near Argyle and mined over 20km

Grade was approx 16% of Argyle mining grade

Bow River Diamond Mine, Australia

26km from Argyle

Grade was approx 7% of Argyle mining grade

with

Tawana Alluvials, South Africa

300m from Finsch over 6km in length

DAP, South Africa

From 6km - 13km from Finsch

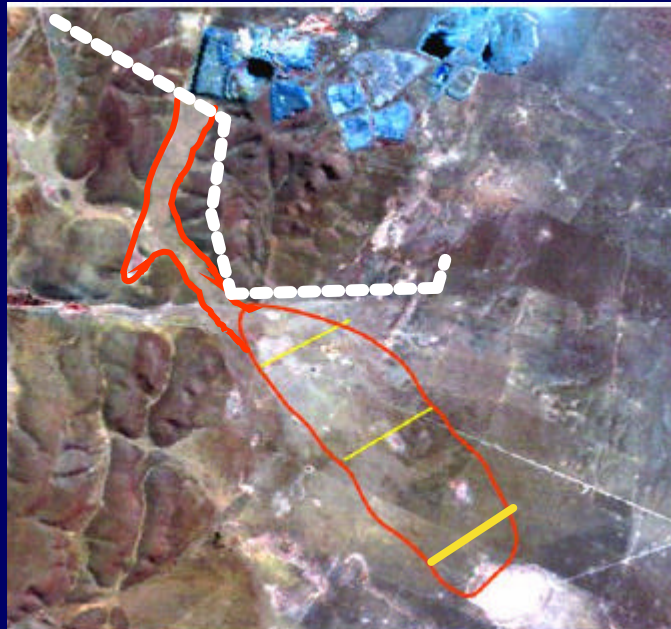


Photo comparison of Argyle and Finsch mine and alluvial areas

Argyle Alluvials

Mined from near source to 20km distant

Production history

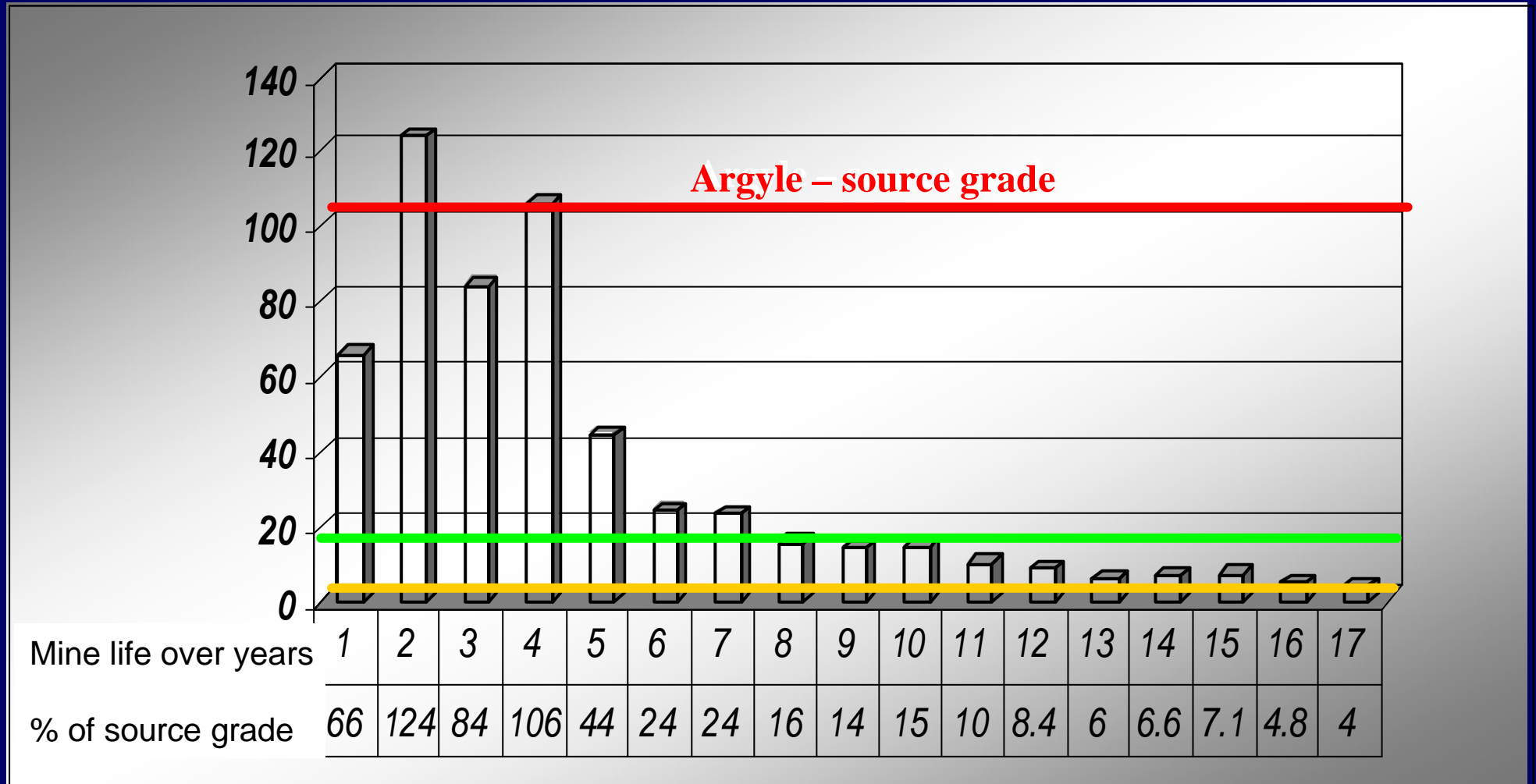
Produced +43m carats

Averaged 16% of Argyle grade

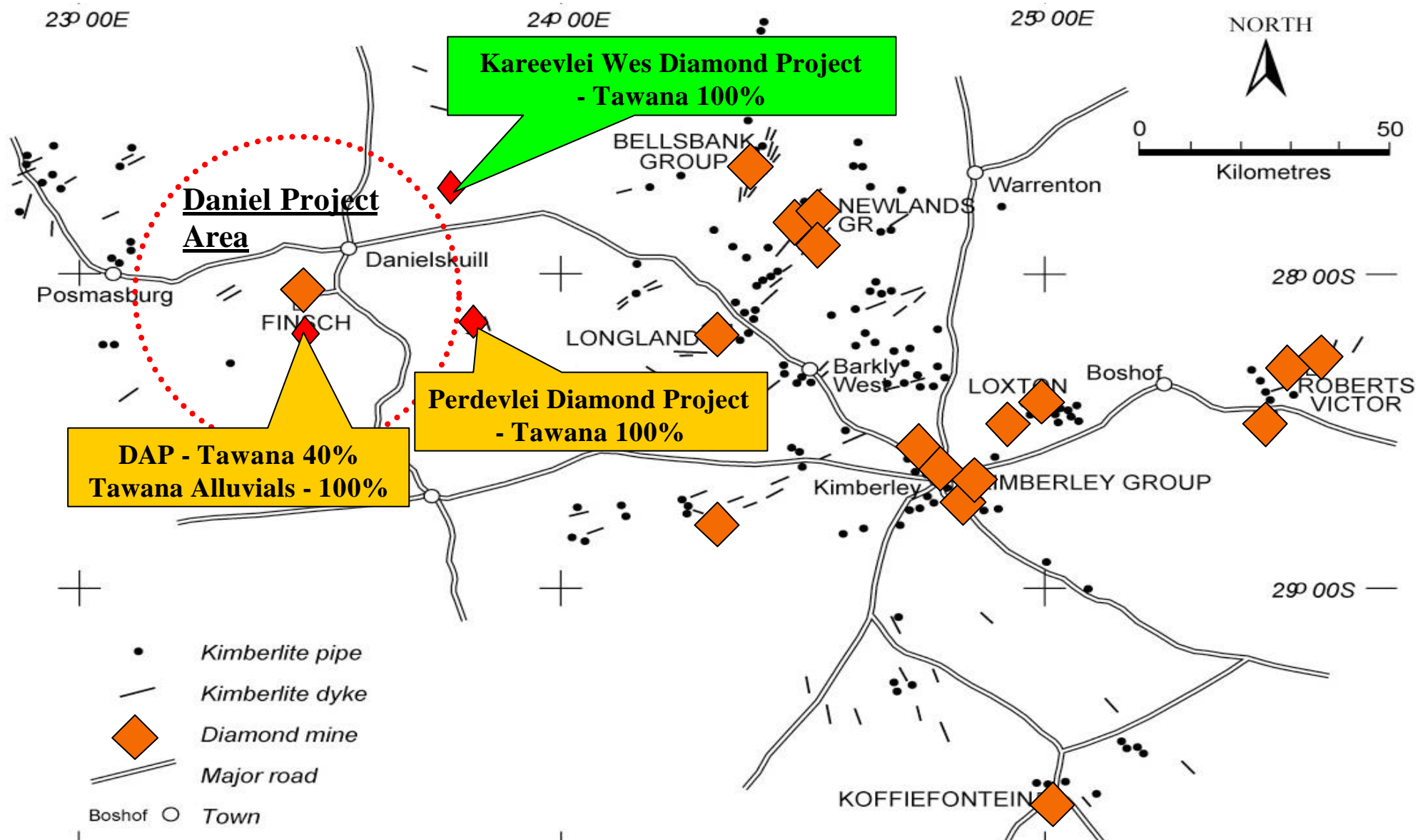
60m tonnes of gravel

17 year mine life

Diamond grade diminishes over distance



Estimated operating breakeven grade for Tawana Alluvials 2 - 4% of Finsch grade



KAREEVLEI DIAMOND PROJECT

<u>Pipe</u>	<u>Ha</u>
KV3	5.6
KV5	2.1
KV1	1.2
KV2	1.0
KV4	0.35

KV5
KV 1,2 & 4
KV3

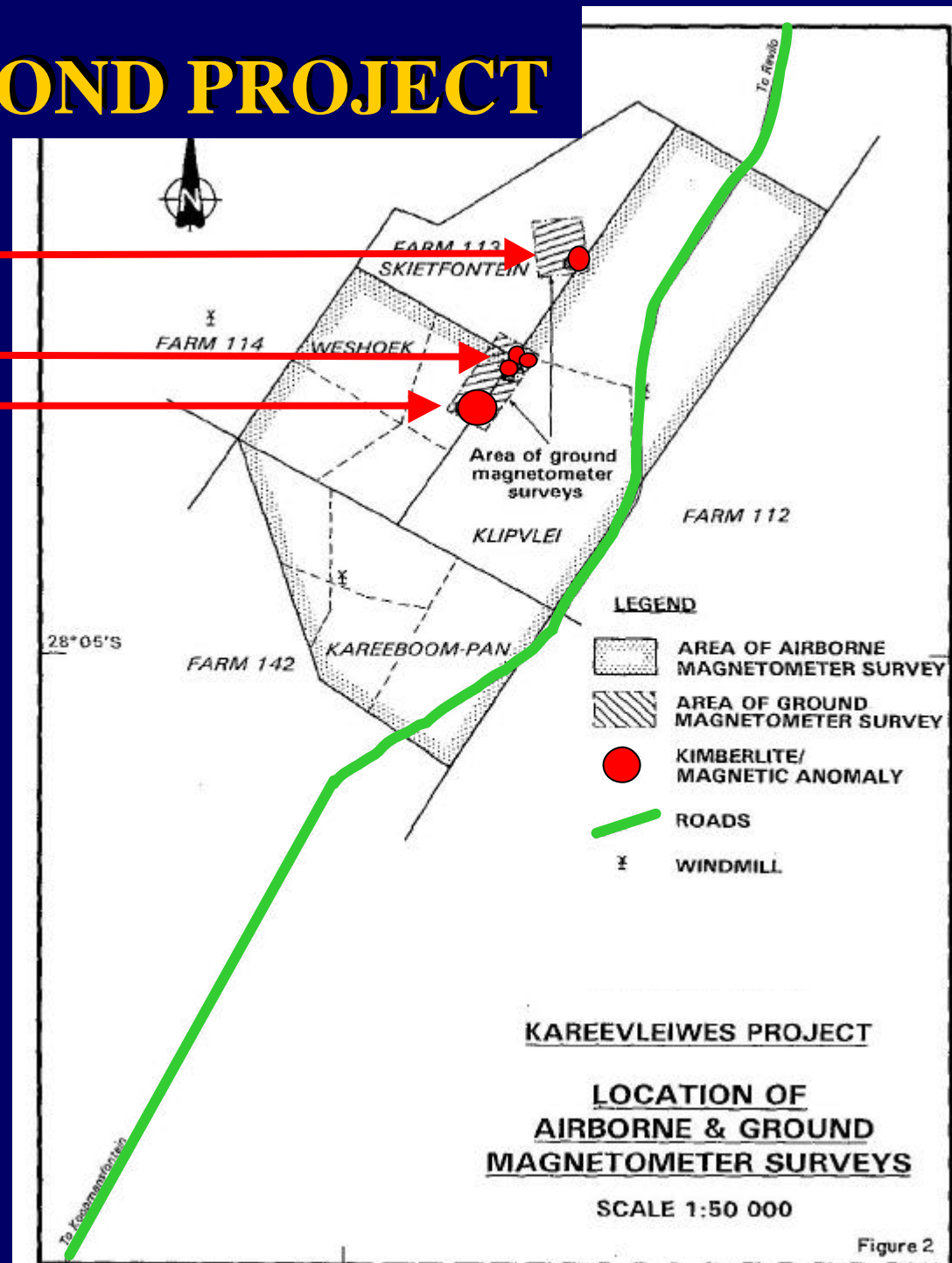
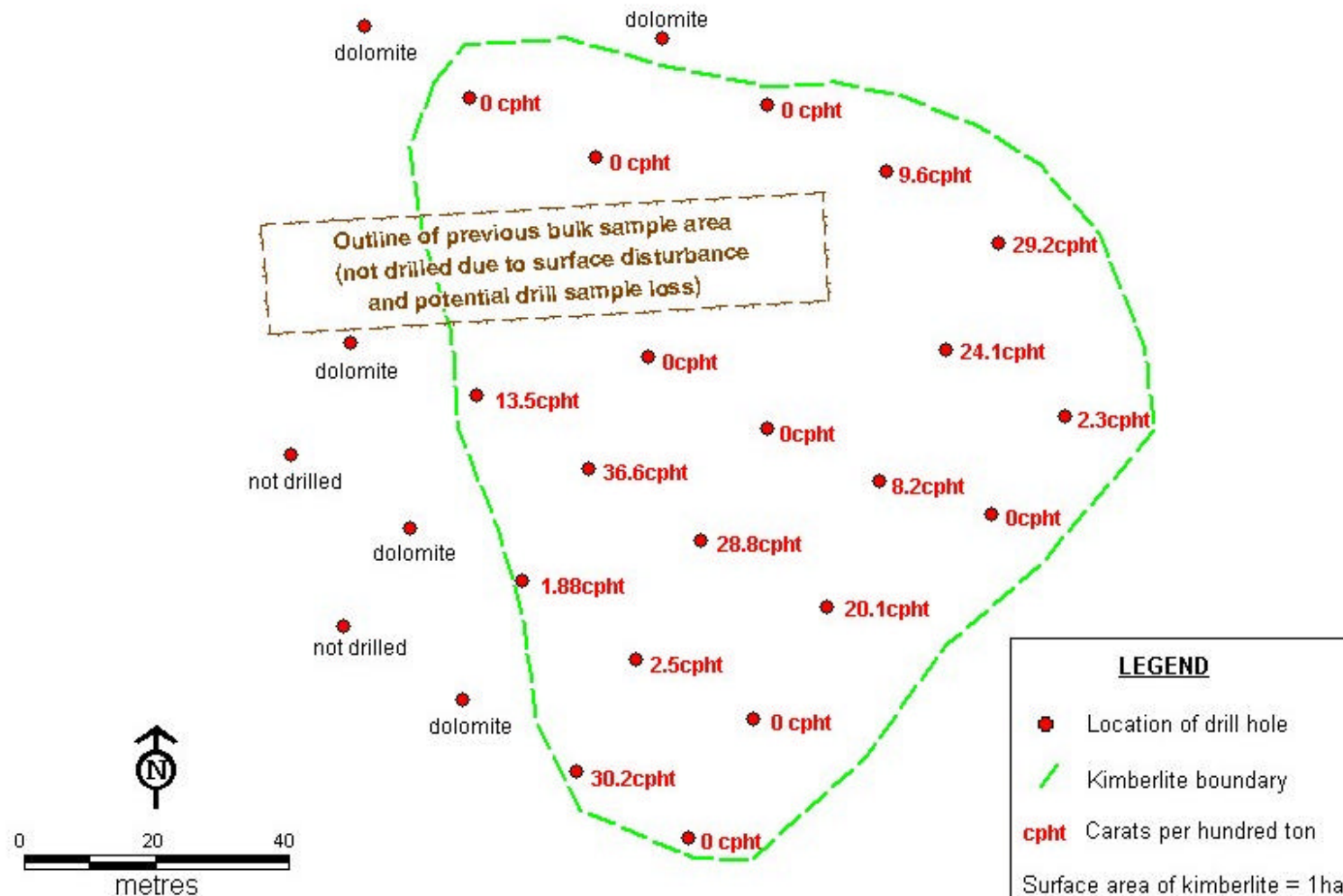


Figure 2

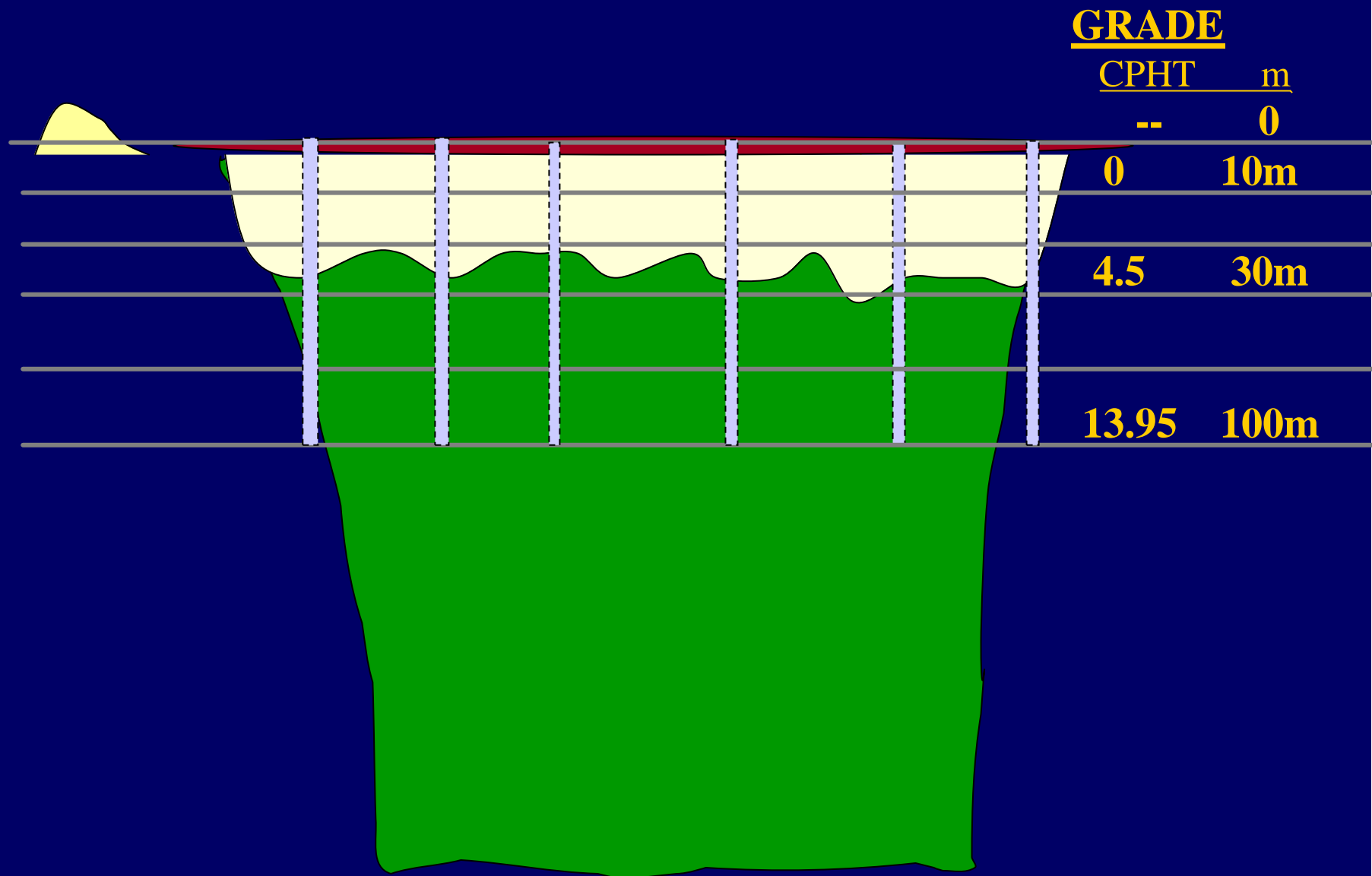
KV2 kimberlite

OUTLINE OF KAREEVLEI WES 2 KIMBERLITE SHOWING SUB 10m DIAMOND GRADE PER HOLE



KV2 average grade

Diagrammatic



KV2 Estimates from percussion drilling

Size:	1 Ha
Depth:	100m
Tonnage:	2.3m/t
Grade:	8.3 cpht (average grade - excl top 10m)
Carats:	250,000
Per carat:	US\$116
In-ground:	US\$22m
Operating costs:	US\$17m
Gross margin	US\$5m

Increase in diamond grade – overcome nugget effect

Increase diamond value – recent price increases

Mining beneath 100m

KV2 represents only 10% of the kimberlite area

KV2 target using Bauer drilling

Size:	1 Ha
Depth:	100m
Tonnage:	2.3m/t
Grade:	15 cpht (average grade - excl top 10m)
Carats:	345,000
Per carat:	US\$125
In-ground:	US\$43m
Operating costs:	US\$17m
Gross margin	US\$26m

Capital Structure

<u>All Securities</u>		<u>Class</u>	<u>Term</u>
54m	TAW	Shares	
21m	TAWOA	options	exercisable at \$0.75 before 30/11/2005 (raising A\$15.75m)

Share price

ASX : TAW A\$1.40c


ASX : TAWOA A\$0.90c

Current Cash : \$5m

Market Capitalisation : A\$77m (approx US\$54m)

Fully diluted Market Capitalisation : A\$107m with \$21m in cash

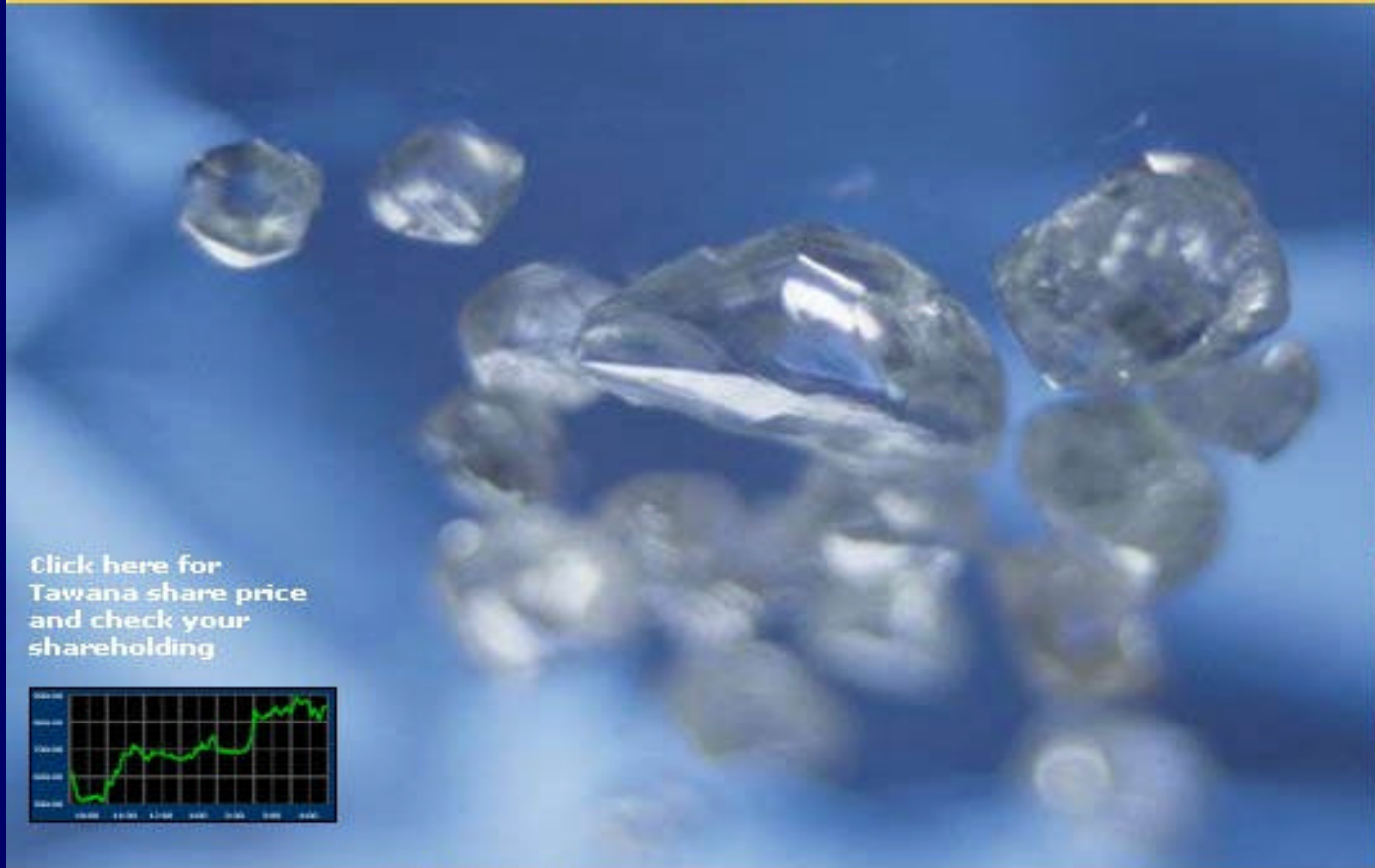
www.tawana.com.au



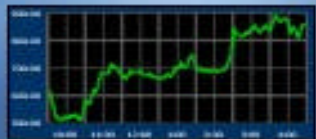
Tawana Resources N.L.

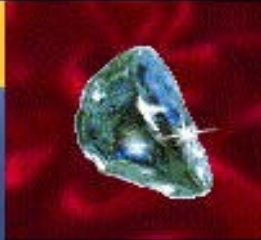
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Daniel Alluvial Discovery - Independent Report
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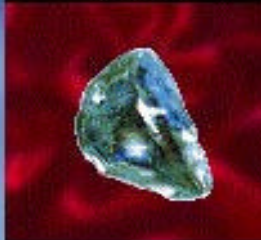


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Tawana share price
and check your
shareholding

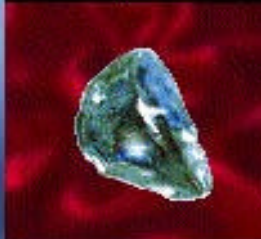




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