



TASMANIA MINES LIMITED

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21 October 2014

The Manager
Australian Stock Exchange Limited
GPO Box 100A
Hobart TAS 7001

Subject: September 2014 – Quarterly Activities Report

Dear Sir,

During the quarter, production of dense medium magnetite for use in coal washeries continued.

Mining

Mining from Kara No. 1 continued during the period with 99,974 tonnes of ore mined from the Kara No. 1 pit and delivered to the concentrator plant stockpiles. In addition, 172,413 tonnes of overburden was removed.

Comparative production figures are as follows:

<u>Period Ended</u>	<u>Ore Production</u> <u>Tonnes</u>
30 September 2014	99,974
30 June 2014	101,425
30 September 2013	94,919

Milling Operation

During the period, the concentrator plant treated 132,665 tonnes. A total production of 61,213 tonnes of dense medium magnetite were achieved.

Comparative production figures are as follows:

<u>Period Ended</u>	<u>Scheelite</u> <u>Tonnes</u>	<u>WO3</u> <u>Content</u> <u>%</u>	<u>Dense Medium</u> <u>Magnetite</u> <u>Tonnes</u>	<u>Iron Ore</u> <u>Fines</u> <u>Tonnes</u>
30 September 2014	7	73	61,213	0
30 June 2014	8	73	56,506	0
30 September 2013	22	74	10,400	44,200

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Sales

Sales during the period were 53,137 tonnes of dense medium magnetite for use in coal washeries.

Comparative sales figures are as follows:

<u>Period Ended</u>	<u>Dense Medium Magnetite Tonnes</u>	<u>Iron Ore Fines Tonnes</u>	<u>Scheelite M.T.U.</u>
30 September 2014	53,137	0	0
30 June 2014	55,126	0	0
30 September 2013	45,621	44,166	0

Exploration

There was no Exploration drilling on the Kara No 1 during Q3 of 2014.

Exploration drilling continued at the Kara No 2 Deposit on RL1/2012 during the quarter. A total of 3 drillholes (KE007 to KE009) were completed for a total of 159.3m. All holes intersected magnetite mineralisation with the thickest intersections to the south. Drilling was completed at the end of July and the rig demobilized.

Acid rock drainage characterization studies of the various rock types at Kara was completed during the quarter.

Resource estimation of the Kara No 2 South deposit was completed during the quarter. An indicated resource of 1.29Mt @ 55.6% FeO was estimated.

Yours faithfully,
Tasmania Mines Limited



K.J. Broadfoot
Company Secretary