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20 July 2015

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

Subject: June 2015 - 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 105,952 tonnes of ore mined from the Kara No. 1 pit and delivered to the concentrator plant stockpiles. In addition, 186,444 tonnes of overburden was removed.

Comparative production figures are as follows:

	Ore Production
Period Ended	Tonnes
30 June 2015	105,952
31 March 2015	89,752
30 June 2014	101,425

Milling Operation

During the period, the concentrator plant treated 103,371 tonnes. A total production of 55,015 tonnes of dense medium magnetite were achieved.

Comparative production figures are as follows:

		WO3	Dense Medium	Iron Ore
	Scheelite	Content	Magnetite	Fines
Period Ended	Tonnes	<u>%</u>	Tonnes	Tonnes
30 June 2015	9	73	55,015	0
31 March 2015	3	73	52,438	0
30 June 2014	8	73	56,506	0

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Sales

Sales during the period were 42,958 tonnes of dense medium magnetite for use in coal washeries.

Comparative sales figures are as follows:

	Dense Medium Magnetite	Iron Ore Fines	Scheelite
Period Ended	Tonnes	Tonnes	M.T.U.
30 June 2015	42,958	0	0
31 March 2015	43,648	0	0
30 June 2014	55,126	0	0

Exploration

There was no exploration drilling on the Kara Mine Lease during Q2 of 2015.

Yours faithfully,

Tasmania Mines Limited

KBW

K.J. Broadfoot

Company Secretary