



ACN 009 253 187

## **AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT**

**18 May 2009**

### **SETTLEMENT OF DISPUTE WITH WCP RESOURCES LTD OVER LAKE TORRENS IOCGU FARMIN/ JOINT VENTURE WCP WITHDRAWS AND AGREES TO PAY TASMAN A\$175,000**

#### **HIGHLIGHTS**

- **WCP Resources Ltd (“WCP”) and Tasman Resources Ltd (“Tasman”) settle dispute over South Australian Lake Torrens IOCGU Farmin/ Joint Venture**
- **Farmin/ Joint Venture Agreement Terminated**
- **Tasman retains 100% interest in all tenements and WCP acquires no interest**
- **WCP to pay Tasman A\$175,000 compensation for JV expenditure shortfall.**
- **Tasman to now proceed to drill high priority Vulcan IOCGU target 30 km north of Olympic Dam**

#### **BACKGROUND**

Tasman Resources Ltd (Tasman) and WCP Resources Ltd (WCP) have settled their dispute in relation to the Farmin Agreement entered into by Tasman with WCP on 12 February 2007 in relation to IOCGU targets on a number of Tasman’s exploration licences. The licences adjoin BHP Billiton’s (‘BHPB’) Olympic Dam IOCGU licence area in South Australia.

In February 2009, WCP claimed that it had expended A\$2.5 million since it commenced its JV commitments in February 2007, and had accordingly, earned a 25% interest in the Joint Venture and the tenements, purported to terminate its sole obligation to continue to fund expenditure, and had purported to invoke the force majeure provisions of the agreement because of its inability to secure aboriginal heritage clearance over one of its primary drill targets, the Vulcan prospect, 30km north of Olympic Dam.

Tasman disputed WCP's claims, and in turn, because WCP had failed to meet the minimum annual expenditure of A\$1 million as required under the agreement during the 12 months ended 11 February, 2009, Tasman had purported to terminate the agreement and had claimed from WCP payment of the shortfall in the minimum annual expenditure payments.

## **SETTLEMENT OF DISPUTE**

On 15 May 2009, Tasman and WCP settled the dispute on the following basis:

1. The Farmin/ Joint venture agreement is terminated;
2. WCP acknowledged that it had not earned any interest in the tenements, and that Tasman retains 100% ownership of all the tenements; and
3. WCP agreed to pay to Tasman A\$175,000 compensation for the exploration expenditure shortfall.

## **PROPOSED DRILLING OF VULCAN PROSPECT**

This now opens the way for Tasman to immediately review the aboriginal heritage clearances over the Vulcan prospect and then, to self fund the drilling of one or other of the target drill sites.

The Vulcan prospect is 30km north of BHPB's giant Olympic Dam iron oxide/copper/ gold/silver and uranium (IOCGU) mine, for which it recently released its environmental impact statement for a proposed expansion to create the world's largest open cut mine, and one of the largest mineral projects on earth. In addition to containing many tens of millions of tonnes of copper, and many million ounces of gold and silver, the Olympic Dam deposit also hosts an enormous uranium resource which is reported to be more than 30% of the world's total known uranium resources.

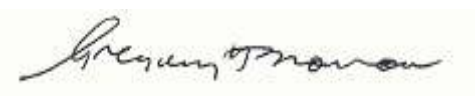
WMC, which owned the Olympic Dam project prior to its takeover by BHPB, held the exploration licence now held by Tasman for 13 years after it had itself drilled one hole into the Vulcan prospect after Olympic Dam was discovered, encountering alteration but no mineralisation.

WMC also drilled several other targets and discovered three satellite mineral discoveries within a radius of 40km from Olympic Dam, which BHPB still retains as part of the Olympic Dam project.

Since 2007, WCP conducted a detailed gravity survey over the Vulcan area that revealed a large, untested and highly prospective IOCGU target. Two proposed drill sites, approximately 3.8km apart were identified but to date, only one of these sites has received aboriginal heritage clearance.

Tasman will endeavour to secure approval to drill the second site but if it is not approved, will as soon as a rig can be secured, drill the site that is approved at an anticipated cost of approximately \$100,000-\$120,000.

Tasman is delighted with the outcome and looks forward to the results from this exciting new phase of exploration at one of its key projects.



Gregory H. Solomon  
*Executive Chairman*