

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
23rd December 2009

**VULCAN IOCGU PROJECT: DRILLING RESULTS &
EXPLORATION STRATEGY**

SUMMARY:

- Assay results from recent hole VUD 001 confirm the discovery of an IOCGU system at Vulcan Project, with enriched and strongly correlated levels of iron (-oxide), copper, gold and uranium (IOCGU metal association)
- Moving forward, Tasman has commenced a program of geological and geophysical work, and resolution of an access issue to enable drilling to resume early- to mid- next year

Background

On 10th November 2009, Tasman announced the discovery of a new Iron – Oxide Copper Gold Uranium (IOCGU) system in the first drill hole VUD 001 at Vulcan Project (Figure 1). This hole was drilled on a relatively small offshoot of a much larger, previously untested gravity anomaly (Figure 2). VUD 001 was not drilled within the main anomaly due to an Aboriginal heritage issue, however it is expected that this will be resolved early in 2010, and drilling will then proceed to test the much larger, main anomaly identified.

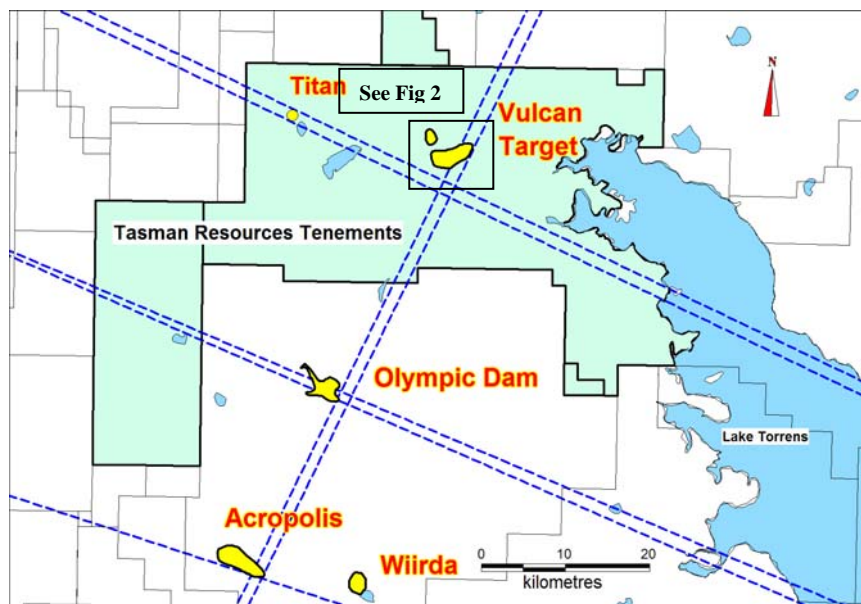


Figure 1: Location Plan showing the Vulcan IOCGU Project, nearby IOCGU deposits/systems and several key (historic) tectonic lineaments (dashed blue lines).

As noted on 10th November, VUD 001 was drilled vertically and was collared at 693,862mE and 6,660111mN (GDA 94, AMG Zone 53). Basement was intersected from 870m to the end of the hole at 1113.3m. The hole intersected IOCGU (Olympic Dam)-style altered and weakly mineralised sediments and volcanic rocks. These altered rocks are now dominated by a hematite, carbonate, sericite, chlorite and sulphide (dominantly pyrite, but with minor chalcopyrite) mineral assemblage.

The importance of the intersection in VUD 001 is highlighted by the size and strength of the associated very large, untested gravity anomaly, associated magnetic anomalies (Figure 2) and an interesting seismic response.

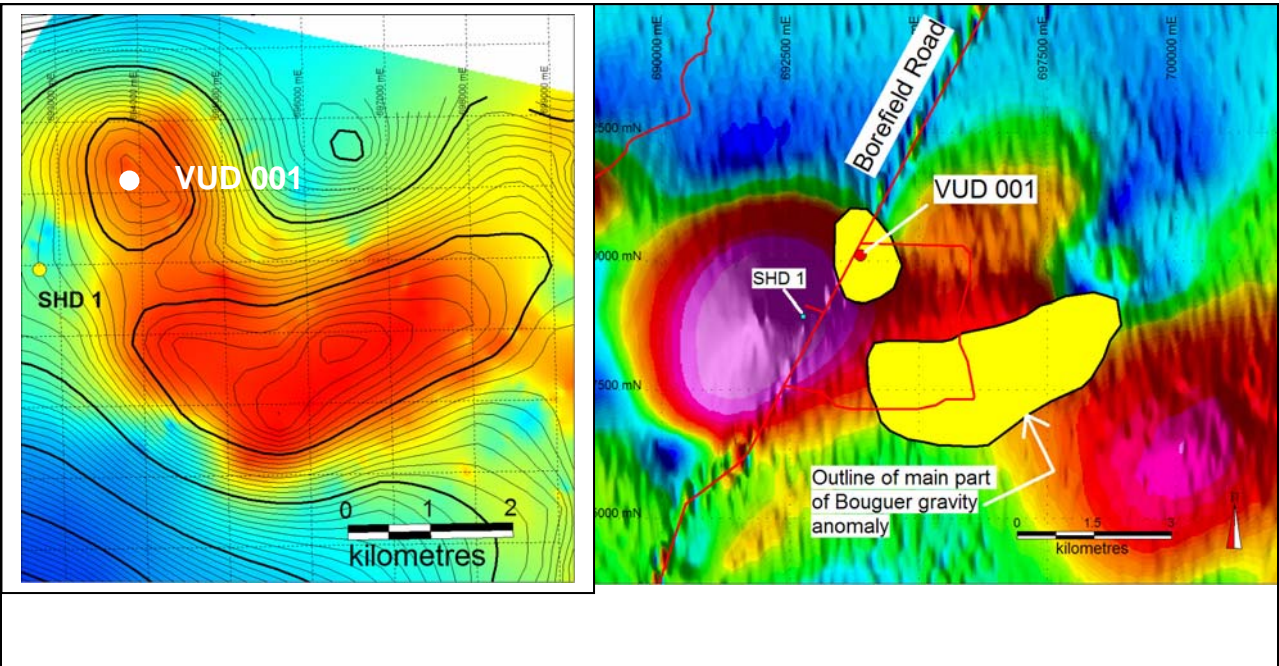


Figure 2: Vulcan Project: Bouguer gravity plan (left) and TMI magnetics-analytic signal (right). Heavy gravity contour lines are milligals and lighter contour lines 0.1 milligals. The location of VUD 001 shown on both plans. A simplified outline of the main part of the gravity anomaly (shown yellow) has been superimposed on the TMI magnetics.

Assay Results – VUD 001

Preliminary assay results have been received for the upper 103m of drill hole VUD 001, and confirm the IOCGU-style discovery at Vulcan. As mentioned in Tasman’s announcement to the ASX on 10th November, despite the intersection of IOCGU-style alteration, brecciation and mineralisation, high concentrations of copper and associated metals were not expected in this hole as it had been drilled on the far north-western margin of the system, based on the gravity anomaly (Figure2).

Average assays for the key IOCGU associated elements in this first 103m include:

From (m)	To (m)	Thickness (m)	Copper (%)	Gold (g/t)	U ₃ O ₈ (kg/t)	Silver (g/t)	Iron (%)	Sulphur (%)
907	960	53	0.10	0.04	0.021	0.4	11.6	1.7
including 928 and 936	929	1	0.38	0.18	0.018	0.4	15.9	2.4
	946	10	0.20	0.05	0.047	0.5	9.4	3.4

A review of all available assays in the hole shows that there is a strong correlation between these specific IOCGU elements, confirming the original IOCGU mineralising processes. In addition, anomalous levels of other elements such as arsenic, molybdenum and fluorine are present at Vulcan.

Interpretation

Based on available geophysical data and comparison with systems such as Olympic Dam, VUD 001 appears, as alluded to in the Announcement on 10th November, to have “clipped” the north-western corner of a potentially much larger system. Tasman has prepared a schematic plan and cross section illustrating this (see Figures 3 and 4).

The mineralogy, grade and style of the mineralisation in VUD 001 is believed to be more characteristic of the deeper and more lateral portions or zones of an Olympic Dam-type system.

- At Olympic Dam, high grade copper-uranium mineralisation (dominated by a copper sulphide mineralogy relatively rich in bornite or chalcocite) and the highest grade gold zones are spatially located towards the central and upper parts of the deposit.
- Lower grade mineralisation at Olympic Dam is characterised by a sulphide mineralogy dominated by pyrite and chalcopyrite (and a lack of the sulphides bornite and chalcocite) and relatively high levels of carbonate minerals such as siderite.

In VUD 001 at Vulcan, the sulphide mineralogy is essentially pyrite with lesser chalcopyrite, and carbonate (mostly siderite), implying that, by analogy with Olympic Dam, further drilling at Vulcan should focus on the central parts of the system or gravity anomaly, as shown schematically in Figures 3 and 4.

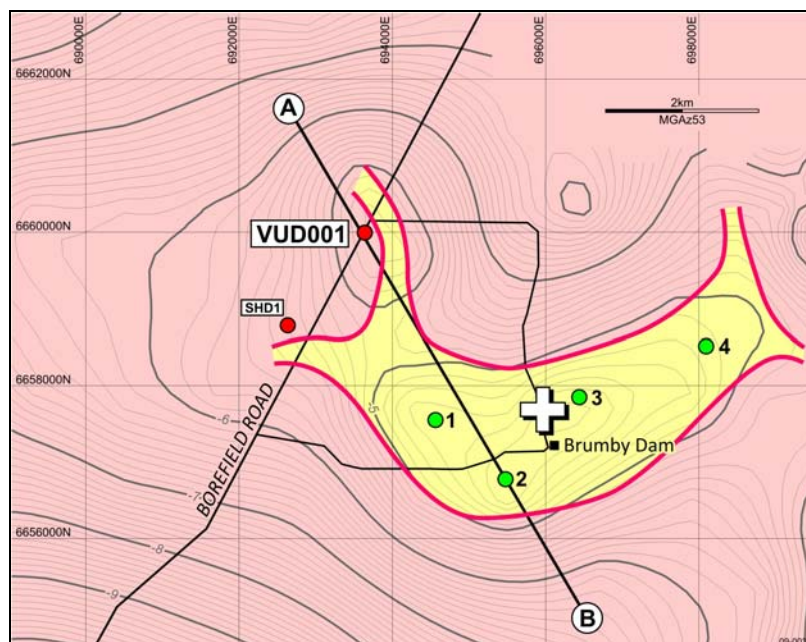


Figure 3: Schematic geological plan of Vulcan prospect, superimposed on bouguer gravity contours, based on the results of hole VUD 001 and available geophysical data. The outer host rocks are shown pink, and the potential Vulcan IOCGU system is yellow. The location of the cross section A – B (see Figure 4) and drill holes VUD 001 and SHD 1 are shown. Possible follow up holes are shown in green. Bouguer gravity contours are in milligals and 0.1 milligals.

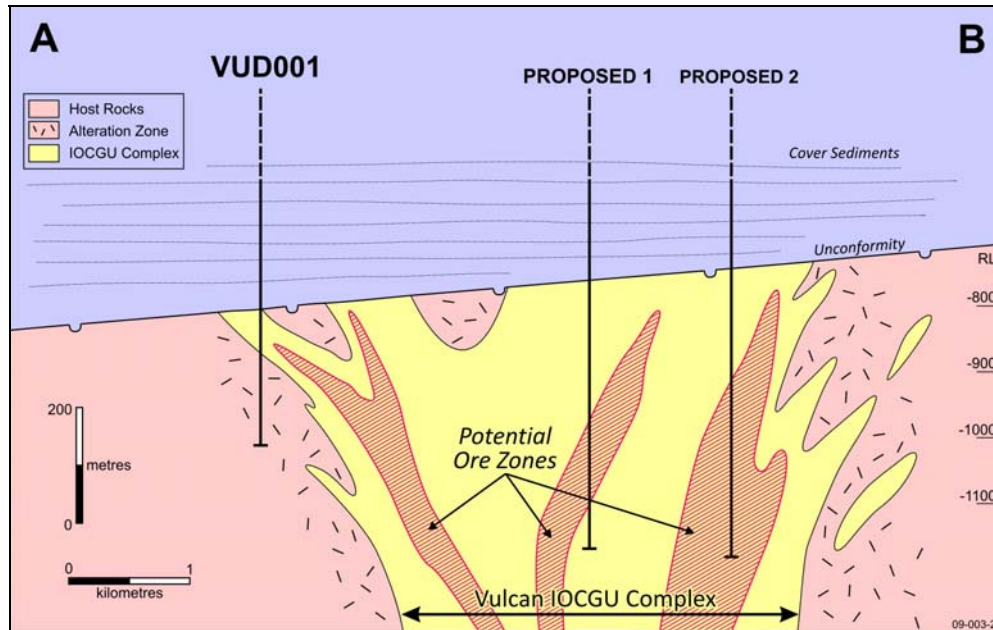


Figure 4: Interpretative (model) geological cross section of the potential IOCGU system or complex along line A – B as shown in Figure 6. Note the location of drill hole VUD 001 on the outer margin of the interpreted IOCGU system, two of the proposed drill holes within the main part of the system and the interpreted ore zones.

Future Strategy and Program

Tasman's future strategy is as follows:

- Conduct detailed geophysical modelling and possibly further gravity data acquisition – currently underway.
- Conduct further geological work on VUD 001 drill core (eg. petrology, HyLogger™ scanning etc)
- Define targets for drilling within the main gravity anomaly, based on geophysical work, geological interpretations and IOCGU ore deposit models – early in 2010. Notional sites for follow up holes are shown in Figures 3 and 4.
- Resolve heritage issues with a view to resumption of drilling in early-April 2010. This process is already underway, and is running concurrently with the steps mentioned above.

Greg Solomon
Executive Chairman

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

The information in this announcement, insofar as it relates to Mineral Exploration activities, is based on information compiled by Robert N. Smith and Mr Michael Glasson who are member of the Australian Institute of Geoscientists, and who have more than five years experience in the field of activity being reported on. Mr Smith and Mr Glasson are full-time employees of the company. Mr Smith and Mr Glasson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith and Mr Glasson consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.