



Tasman Goldfields Limited
ABN: 86 121 985 395

Registered Office:
Level 1, 500 Boundary Street, Spring Hill,
Brisbane, Queensland 4000, Australia
Email: info@tasmangoldfields.com.au
Web: www.tasmangoldfields.com.au

Postal:
PO Box 435
Spring Hill
Qld 4004

Web: www.tasmangoldfields.com.au

Dear Shareholder

As you will be aware, Tanner Investments Pty Ltd (**Tanner**), holders of approximately 9% of the equity in your Company at the time, circulated members on the 22nd October with a notice of meeting to remove the current directors at an EGM called for December 7th. At that time, Tanner alleged support from an additional 42% of shareholders who were in favour of the passing of resolutions to effect the removal of the current board and to elect directors proposed by Tanner.

Further to this announcement to shareholders, Tanner separately advised the Company that it was their intention to urge all shareholders to vote against all resolutions put to the AGM to be held on the 30th November. These resolutions include the finalising of the issue of shares to Alpha Securities who have recently provided finance to the Company.

My understanding from the Company's registrars at the time of writing, is that the proxy votes received to date will likely result in those AGM resolutions not being passed thus placing the current board in an untenable position. For myself, I am due to retire by rotation at this AGM and have elected not to stand again, thus removing the issue from the AGM agenda.

My duty as the outgoing chairman is not to gainsay or refute the accusations made by Tanner, nor to apologize or express regret for the Tasman board's actions or decisions. I would like, however, to place a number of facts on record against the backdrop of both the impact which the global economic crisis has had on Tasman over the past 23 months since we listed and the actual funds that were available to the board in that period.

Of the \$5.1 million dollars we raised on our delayed IPO at the end of December 2007 nearly \$900,000 was consumed by the listing costs, \$735,000 by project acquisition costs and another \$425,000 in maintaining our bought-in projects in good standing. \$720,000 in administration costs has been incurred in that time with a significant proportion, namely \$2.8 million having been spent on exploration. Taking into account pre-IPO funding, we were left with a bank balance as at the end of June of just over \$200,000 and a requirement to seek new funds as soon as possible.

In meeting the representations we made in the Prospectus we have operated as a relatively low-overhead company and have endeavoured to advance our exploration projects as quickly as circumstances would allow. I, and my fellow directors, believe that we still retain a strong project portfolio, which, with appropriate capital funding over the next 12 months, can return a positive result for shareholders.

Critical to this end and the reason for their inclusion in the AGM agenda, is favourable support for the resolutions proposed at the AGM.

Perhaps in hindsight, we should not have taken on the long term expenses of the Golden Cross projects and the equity dilution of Miclere at the commencement of the market downturn. However, without those cornerstone projects at the end of 2007, there might not have been a Tasman Goldfields Limited.

Nevertheless, we did take them on, and have made all necessary payments to keep those agreements in good standing while carrying out exploration activities and looking to find partners who could assist us with their development. In entering into the \$25 million Auscan arrangement for the development of Challenger and Mt Adrah, I can say that we fulfilled our promise of taking those projects forward. Auscan's failure to complete the agreed payment of \$200,000 last week which has resulted in a breach of the contract between Auscan and Tasman, Auscan attribute to the uncertainty brought about by Tanner's actions. Whilst we have not had our full share of luck on some of our other projects, not unusual in my experience in the exploration business, those projects have advanced, and some, Miclere and PNG, are subject to ongoing interest from prospective JV parties.

My board has endeavoured to maximise the equity interest of Tasman in the development of the Challenger and Mt Adrah projects. We have been mindful, at all times, of our capital position and the requirement to bring in new funding to keep Tasman moving forward as a viable exploration and development company. That has not, however, meant diluting existing shareholders at any cost or throwing out the baby with the bathwater as far as generating project partner deals are concerned. The current directors are all shareholders and that we were confident in what we were doing was evidenced by our ongoing financial support of the Company.

In seeking to re-finance Tasman the directors looked at a number of proposals, both unsolicited and sought. The un-solicited, informal and highly conditional offer to Tasman for interim funding as part of a longer term recapitalisation process made by Tanner was just such a proposal.

The proposal was deemed, after much deliberation and further discussion with Tanner, to be unacceptable by the board as it required the resignation of all members of the board who were to be replaced by Tanner nominees. Importantly, no explanation of Tanner's plans and intentions for the future of Tasman was provided. That the Final Offer reviewed by the board considered only a single short term placing payment and did not include any reference to longer term availability of funds also mitigated against its acceptance.

At around the same time, Tasman received an alternative funding proposal through Alpha Securities, which, while it also only dealt with a short term placing at what was a lower placing price, would result in lower dilution to shareholders through the issuance of a lower number of options at a much higher exercise price than those associated with the Tanner offer. A supporting communication received from Alpha provided a level of comfort as to the availability of subsequent tranches of the funding which would carry Tasman through the next 12 months that the Tanner Final Offer did not.

On balance, the board decided that the Alpha Securities proposal offered shareholders a better deal in the longer term, than did the Tanner offer, albeit that marginally less funds would be raised in the short term. I, for one, stand by that decision.

Speaking for the board, I do refute Tanner's claims in its notice of meeting dated 22 October 2009 as an unfair representation of Tasman's performance and situation, given that since listing, the Company has faced a difficult operating environment and its ability to raise funding or seek suitable JV partners for its two advanced gold projects were severely limited by the onset of the GFC.

Notwithstanding the above and the likelihood that Tasman will be under new management in the very short term I believe that my board has acted in the best interests of the Company as a whole, and with integrity and probity in dealing with shareholder funds. Tasman retains its potential for success, and I will remain a shareholder in Tasman looking forward to the next 12 months and the fulfilment of the new board's intentions on Tasman's road to success.

Yours sincerely

John Park
Chairman

27 November 2009