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**ASX/MEDIA RELEASE**  
**14 JULY 2009**

## **\$25 MILLION GOLD PROJECT DEVELOPMENT OPTION**

- **Challenger Gold project - updated resource statement**
- **Proposed issue of shares to funding party at 8 cents per share**
- **Mt Adrah exploration fully funded for next 2 years**

Further to the ASX release dated 13 July 2009, made by the Company, the Company notes that on page 2 of the release, in the section 'About Challenger Gold Project', it is stated "Pit optimisation studies indicate recoverable resources of approximately 97,000 ounces gold,...".

The Company wishes to clarify that statement by further noting that the resources referred to in the statement are JORC compliant resources, as detailed in the following table.

<b>Challenger (cutoffs)</b>	<b>In Situ Ore Tonnes</b>	<b>% Recovery</b>	<b>Ore tonnes</b>	<b>Ave Grade g/t</b>	<b>Gold (oz)</b>	
Indicated @ 0.5gm/t	655,004	95%	622,253	2.80	56,016	
Inferred @ 0.5gm/t	163,997	95%	155,797	2.30	11,520	
	819,000		778,050		67,536	
<b>Currajong (cutoffs)</b>						
Indicated @ 0.5gm/t	305,600	95%	290,320	2.30	21,468	
Inferred @ 0.5gm/t	76,400	95%	72,580	2.10	4,900	
	382,000		362,900		26,368	
<b>Mullock</b>						
Indicated	28,000	90%	25,200	1.25	1,013	On site material
Inferred	92,000	65%	59,800	1.50	2,884	Off site material to be collected
			85,000		3,897	
<b>TOTAL</b>					<b>97,801</b>	

As announced yesterday, the Company is pleased to have entered into an option agreement for a \$25 million Development Joint Venture with Australian private resources company AusCan Gold Ltd (AusCan) for the development of Tasman's Challenger and Mt Adrah Gold Projects in New South Wales.

Under the terms of the arrangement Tasman will issue a placement of 2.5 million shares at 8 cents per share to AusCan, which is a significant premium to the recent share price, to raise \$200,000 (due to be completed on or before 22 July 2009) and grant AusCan an option (exercisable by 24 August) to enter into a Development Joint Venture to bring the Challenger Gold Project into production.

Tasman plans to bring the project into production within 12 months with an initial mine life of 3 years.

In addition, AusCan will be granted a first right of refusal to provide \$11 million of funding to develop the nearby Mt Adrah Gold Project in a joint venture with Tasman. AusCan will also provide funds to meet minimum expenditure commitments on the Mt Adrah tenements during the 2 year first right of refusal period.

### **About Challenger Gold Project**

The Challenger Gold Project is located in the Adelong Goldfield, near the town of Wagga Wagga in southern NSW. The project has a JORC compliant resource of 134,000oz at 2.2 g/t gold (1.3mt @ 2.17 g/t Indicated + 0.64mt @ 2.35 g/t Inferred), and a feasibility study review of the project has confirmed its strong economic development viability.

The Company plans to develop the project into an open pit mining operation at the Challenger Main, Challenger Extended and potentially Currajong ore bodies. Pit optimisation studies do not yet include potential ore feed from other known zones of mineralisation at the project which will continue to be investigated as part of ongoing exploration programs. Further, the main Challenger ore shoot is open at depth and any additional resources added by drilling down plunge will enhance the economics of the potential development.

Tasman's gold resource profile is further enhanced by the Mt Adrah project which is located 10km northwest of Challenger. The project has a JORC compliant resource of 239,000oz at 1.13 g/t gold (3.2mt @ 1.14 g/t Indicated + 3.4mt @ 1.13 g/t Inferred).

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## **About Tasman Goldfields**

Tasman Goldfields is a Pacific Rim-focused gold exploration company listed on the ASX.

Tasman Goldfields has advanced gold projects in Queensland and New South Wales, in Australia, New Zealand and Papua New Guinea.

Tasman's portfolio of gold projects includes 3 early development projects, 2 advanced exploration projects and two grass-roots projects.

The Company's objective is to conduct exploration activities at its existing cornerstone properties and to generate new gold exploration opportunities in the Western Pacific Rim.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Geoffrey Checketts, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Tasman Goldfields Ltd, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity referred to herein, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Checketts consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.*