

TASMAN GOLDFIELDS LIMITED

ABN 86 121 985 385

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

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These half-year financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Tasman Goldfields Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CORPORATE DIRECTORY

Directors

Warren Gilmour

Executive Chairman

Geoffrey Gilmour

Executive Director

Graeme Clatworthy

Non-Executive Director

Company Secretary

Ross Arancini

Solicitors

Allion Legal

50 Kings Park Road

West Perth

Western Australia 6005

Auditors

Ernst & Young

1 Eagle Street

Brisbane Queensland 4000

Share Registrar

Registries Ltd

Level 7

207 Kent Street

Sydney

New South Wales 2000

Registered Office

1/1 Naim Street

Fremantle

Western Australia 6959

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

DIRECTORS' REPORT

Your directors present their report of the consolidated entity for the half-year ended 31 December 2009.

Directors

The names of directors who held office during or since the end of the half-year and up to the date of this report are:

Warren Gilmour	<i>Executive Chairman</i>	Appointed 30 November 2009
Geoffrey Gilmour	<i>Executive Director</i>	Appointed 30 November 2009
Graeme Clatworthy	<i>Non-Executive Director</i>	Appointed 30 November 2009
John Park		Resigned 30 November 2009
Geoffrey Checketts		Resigned 30 November 2009
Robert Skrzeczynski		Resigned 30 November 2009

Results and Review of Operations

The consolidated entity incurred an operating loss after income tax of \$1,138,112 (31 December 2008: \$1,135,136) for the half -year ended 31 December 2009.

On 30 November 2009 the existing Board of the Company resigned and Mr Warren Gilmour, Mr Geoffrey Gilmour and Mr Graeme Clatworthy were appointed.

As part of an overall review of the Group's operations the new directors have commenced a detailed review of the Group's current projects to determine the best way forward to deliver value to shareholders.

During the half-year the Company issued the following shares:

- A placement of 2,500,000 shares at \$0.08 raising \$200,000;
- A placement of 8,000,000 shares at \$0.025 raising \$200,000;
- The issue of 528,000 shares at \$0.025 to Alpha Securities Pty Ltd for services provided in respect of capital raisings; and
- A placement of 12,000,000 shares at \$0.035 raising \$420,000.

Subsequent Events

1. Subsequent to 31 December 2009 the directors appointed liquidators for the New Zealand subsidiary entities of the group. As a result the group has recorded impairment of exploration and evaluation assets relating to New Zealand subsidiary as at 31 December 2009 of \$696,950 at 31 December 2009 as the expected net recovery to the group from these entities is currently unknown. No other material assets or liabilities were recorded by the New Zealand operations at 31 December 2009.
2. Approval was received to convert certain director loans to share capital as shown in Note 7 to the 31 December 2009 financial report.
3. A placement facility for 25,000,000 shares for consideration of at least 80% of the average market price over the preceding 5 days on which Tasman shares traded was approved by shareholders.
4. The issuance of 8,000,000 incentive options to a director was approved by shareholders.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17.

This report is signed in accordance with a resolution of the Board of Directors.



Warren John Gilmour

Dated this 15th day of March 2010

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	Half-year	
		31 Dec 09 \$	31 Dec 08 \$
Continuing operations			
Revenue	4	34,895	70,072
Administrative expenses	5	(224,900)	(274,023)
Depreciation and amortisation expense		(7,257)	(71,440)
Employee benefits expense		(139,688)	(150,853)
Exploration expenditure		(53,932)	-
Finance costs	6	(50,280)	(22,630)
Impairment loss on exploration tenements		(696,950)	-
Impairment loss on property, plant and equipment		-	(686,262)
Loss before income tax expense		(1,138,112)	(1,135,136)
Income tax expense		-	-
Net loss for the period		<u>(1,138,112)</u>	<u>(1,135,136)</u>
Other comprehensive income			
Foreign currency translation		18,600	(25,075)
Total comprehensive income for the period		<u><u>(1,119,512)</u></u>	<u><u>(1,160,211)</u></u>
Loss for the half-year is attributable to:			
Owners of Tasman Goldfields Limited		<u><u>(1,138,112)</u></u>	<u><u>(1,135,136)</u></u>
Comprehensive income for the half-year is attributable to:			
Owners of Tasman Goldfields Limited		<u><u>(1,119,512)</u></u>	<u><u>(1,160,211)</u></u>
Loss per share attributable to owners of Tasman Goldfields Limited:			
Basic (cents per share)		(1.39)	(1.85)
Diluted (cents per share)		(1.39)	(1.85)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	31 Dec 09	30 June 09
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	653,026	208,200
Trade and other receivables	167,318	188,202
TOTAL CURRENT ASSETS	<u>820,344</u>	<u>396,402</u>
NON-CURRENT ASSETS		
Receivables	346,137	346,137
Property, plant and equipment	503,294	510,547
Exploration and evaluation costs	8 2,813,721	3,397,984
TOTAL NON-CURRENT ASSETS	<u>3,663,152</u>	<u>4,254,668</u>
TOTAL ASSETS	<u>4,483,496</u>	<u>4,651,070</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	7 388,181	184,705
Other financial liabilities	1,077,881	1,122,601
Provisions	-	26,818
TOTAL CURRENT LIABILITIES	<u>1,466,062</u>	<u>1,334,124</u>
NON-CURRENT LIABILITIES		
Provisions	140,000	140,000
TOTAL NON-CURRENT LIABILITIES	<u>140,000</u>	<u>140,000</u>
TOTAL LIABILITIES	<u>1,606,062</u>	<u>1,474,124</u>
NET ASSETS	<u>2,877,434</u>	<u>3,176,946</u>
EQUITY		
Issued capital	7 11,748,217	10,928,217
Reserves	339,935	321,335
Accumulated losses	(9,210,718)	(8,072,606)
Parent Interests	<u>2,877,434</u>	<u>3,176,946</u>
Non-controlling interests	-	-
TOTAL EQUITY	<u>2,877,434</u>	<u>3,176,946</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Share Capital	Accum Losses	Foreign Translation Reserve	Share Option Reserve	Owners of the parent	Non- controlling interests	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2008	10,210,617	(1,260,528)	-	276,885	9,226,974	-	9,226,974
Loss for the half-year	-	(1,135,136)	-	-	(1,135,136)	-	(1,135,136)
Other comprehensive income	-	-	(25,075)	-	(25,075)	-	(25,075)
Total comprehensive income for the half-year		(1,135,136)	(25,075)	-	(1,160,211)	-	(1,160,211)
Transactions with owners in their capacity as owners							
Issue of shares	45,000	-	-	-	45,000	-	45,000
Balance at 31 December 2008	10,255,617	(2,395,664)	(25,075)	276,885	8,111,763	-	8,111,763
Balance at 1 July 2009	10,928,217	(8,072,606)	44,450	276,885	3,176,946	-	3,176,946
Loss for the half-year	-	(1,138,112)	-	-	(1,138,112)	-	(1,138,112)
Other comprehensive income	-	-	18,600	-	18,600	-	18,600
Total comprehensive income for the half-year		(1,138,112)	18,600	-	(1,119,512)	-	(1,119,512)
Transactions with owners in their capacity as owners							
Issue of shares	833,200	-	-	-	833,200	-	833,200
Share issue costs	(13,200)	-	-	-	(13,200)	-	(13,200)
Balance at 31 December 2009	11,748,217	(9,210,718)	63,050	276,885	2,877,434	-	2,877,434

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Half-year	
	31 Dec 09	31 Dec 08
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	33,674	13,363
Payments to suppliers and employees	(467,050)	(442,117)
Net cash provided by (used in) operating activities	(433,376)	(428,754)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,221	57,434
Payment for formation expenses	-	(851)
Payments for property, plant & equipment	-	(4,206)
Payments for exploration & evaluation expenditure	(166,619)	(873,443)
Payments for security deposits	-	(20,322)
Net cash provided by (used in) investing activities	(165,398)	(841,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for loans and borrowings	(95,000)	(52,272)
Loan from director	300,000	-
Proceeds from issues of equity securities	820,000	-
Payment for share issue costs	-	-
Net cash provided by (used in) financing activities	1,025,000	(52,272)
Net increase/(decrease) in cash and cash equivalents	426,226	(1,322,414)
Foreign exchange differences	18,600	(25,075)
Cash and cash equivalents at 1 July 2009	208,200	2,293,890
Cash and cash equivalents at 31 December 2009	653,026	946,401

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001 and AASB 134 Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Changes in accounting policy

The following amending Standards have been adopted from 1 July 2009. Adoption of these Standards did not have any effect on the financial position or performance of the Group.

- **AASB 8 Operating Segments**

AASB 8 replaced AASB 114 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. AASB 8 disclosures are shown in note 2, including the related revised comparative information.

- **AASB 101 Presentation of Financial Statements**

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

(c) Going concern

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which considers the realisation of assets and the settlement of liabilities in the normal course of business activities. As at 31 December 2009 the consolidated entity has a net current liability position of \$645,718, principally as a result of deferred consideration aggregating \$1,077,881 payable in respect of Challenger Mines Limited. The Company has the option to settle a substantial portion of this liability through issuance of shares.

Also as at 31 December 2009 the company has commitments of \$670,840 in respect of minimum expenditure required under exploration permits and mineral leases in order to keep the rights of tenure current. In order for the Company to undertake committed exploration activities and continue planned operations it will have to raise additional capital.

The Directors are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances as the Directors believe that they can raise sufficient funds to meet their committed activities and continue planned operations. However, in the event the consolidated entity is unable to raise additional equity capital or realise funds through the sale of assets there is significant uncertainty as to whether the consolidated entity could continue as a going concern and therefore, whether it will realise its assets at the amounts as shown in the financial statements and extinguish liabilities in the normal course of business. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

(d) Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2009.

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

(e) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities which the parent entity controlled from time to time during the year and at balance date.

Subsidiaries are all those entities controlled by the Company. Control exists where the parent entity has the capacity to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. The financial information of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies.

2: SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the directors in assessing performance and in determining the allocation of resources. As the Company is focussed on mineral exploration the Board monitors the Company based on actual versus budgeted exploration incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

31 Dec 2009:	Australia	New Zealand	PNG	Total
	\$	\$	\$	\$
Revenue from external sources	34,895	-	-	34,895
Reportable segment loss	(223,932)	(526,950)	-	(750,892)

31 Dec 2008:	\$	\$	\$	\$
Revenue from external sources	70,072	-	-	70,072
Reportable segment loss	-	-	-	-

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Australia	New Zealand	PNG	Inter-segment eliminations	Total
	\$	\$	\$	\$	\$
Reportable segment assets (31 Dec 2009)	2,924,194	100	29,443	(140,016)	2,813,721
Reportable segment assets (30 June 2009)	3,109,194	394,405	34,418	(140,033)	3,397,984
Reconciliation of reportable segment profit or loss				31 Dec 2009	31 Dec 2008
				\$	\$
Reportable segment loss				(750,892)	-
Other profit/(loss)					
Unallocated:					
- Corporate expenses				(379,963)	(1,063,696)
- Depreciation				(7,257)	(71,440)
Loss before tax				(1,138,112)	(1,135,136)

3: DIVIDENDS

There were no dividends paid or proposed during the half-year.

4: REVENUE

	31 Dec 09	31 Dec 08
	\$	\$
Interest income	1,221	57,434
Scrap metal sales	-	8,531
Rental income	11,838	3,955
Option fee	20,000	-
Other	1,836	152
	34,895	70,072

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31 Dec 09	31 Dec 08
5: ADMINISTRATIVE EXPENSES	\$	\$
Travel expenses	5,363	13,616
Directors fees	5,312	39,789
Audit fees	29,607	35,244
Other	184,618	185,374
	<u>224,900</u>	<u>274,023</u>
	31 Dec 09	31 Dec 08
6: FINANCE COSTS	\$	\$
Unwinding of discount on deferred consideration	50,280	22,630
	<u>50,280</u>	<u>22,630</u>

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

7: ISSUED CAPITAL

	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	Shares	Shares	\$	\$
Balance at the beginning of the period	75,633,335	60,973,335	10,928,217	10,210,617
Shares issued at \$0.09 per share for Longwood Project on 3 Sept 2008	-	500,000	-	45,000
Placement of shares at \$0.08 per share on 16 Sept 2009	2,500,000	-	200,000	-
Placement of shares at \$0.025 per share on 21 Oct 2009	8,000,000	-	200,000	-
Shares issued on 21 Oct 2009 at \$0.035 to Alpha Securities Pty Ltd for services provided in relation to a share placement	528,000	-	13,200	-
Placement of shares at \$0.035 per share on 14 Dec 2009	12,000,000	-	420,000	-
Capital raising costs	-	-	(13,200)	-
Balance at the end of the period	<u>98,661,335</u>	<u>61,473,335</u>	<u>11,748,217</u>	<u>10,255,617</u>

Included in trade and other payables of \$388,181 is an amount of \$300,000 in unsecured loans from directors. Shareholder approval was received post year end to convert the \$300,000 liability to 8,571,428 ordinary shares.

8: EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 09	31 Dec 08
	\$	\$
Balance at the beginning of the period	3,397,984	7,584,829
Acquisition through purchase of investments		70,000
Additions	112,687	927,867
Impairment expense	(696,950)	-
Balance at the end of the period	<u>2,813,721</u>	<u>8,627,696</u>

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

9: RESERVES

	31 Dec 09	31 Dec 08
	\$	\$
Option Reserve		
Balance at the beginning of the period	276,885	276,885
Balance at the end of the period	276,885	276,885

Foreign Currency Translation Reserve

	31 Dec 09	31 Dec 08
	\$	\$
Balance at the beginning of the period	44,450	-
Foreign currency translation amount for the period	18,600	25,075
Balance at the end of the period	63,050	25,075

10: ACCUMULATED LOSSES

	31 Dec 09	31 Dec 08
	\$	\$
Balance at the beginning of the period	(8,072,606)	(1,260,528)
Net loss for the period	(1,138,112)	(1,135,136)
Balance at the end of the period	(9,210,718)	(2,395,664)

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

11: SUBSEQUENT EVENTS

1. Subsequent to 31 December 2009 the directors appointed liquidators for the New Zealand subsidiary entities of the group. As a result the group has recorded impairment of exploration and evaluation assets relating to New Zealand subsidiary as at 31 December 2009 of \$696,950 at 31 December 2009 as the expected net recovery to the group from these entities is currently unknown. No other material assets or liabilities were recorded by the New Zealand operations at 31 December 2009.
2. Approval was received to convert certain director loans to share capital as shown in Note 7 to the 31 December 2009 financial report.
3. A placement facility for 25,000,000 shares for consideration of at least 80% of the average market price over the preceding 5 days on which Tasman shares traded was approved by shareholders.
4. The issuance of 8,000,000 incentive options to a director was approved by shareholders.

12: COMMITMENTS FOR EXPENDITURE

The possibility of Native Title claim applications at some future time, under the provisions of the Native Title Act (1993) may affect access to and tenure of exploration tenements. Any substantial claim may have an effect on the value of the tenement affected by the claim. No provision has been made in the accounts for the possibility of a Native Title claim application.

In order to maintain current rights to tenure of exploration tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant government authorities and to meet certain annual exploration commitments. It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes at renewal or expiry, will change the expenditure commitments for the Company from time to time.

These outflows (exploration expenditure and rent) arise in respect of granted tenements. The exploration commitments for payments under exploration permits and mineral leases in existence at the reporting date but not recognised as liabilities payable are as follows:

	31 Dec 09	30 Dec 08
	\$	\$
Not longer than 1 year	632,500	793,500
Longer than 1 year and not longer than 5 years	21,087	504,600
Longer than 5 years	17,253	58,590
Total	<u>670,840</u>	<u>1,356,690</u>

Tasman Goldfields Limited ABN 86 121 985 385 and Controlled Entities

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 3 to 13 are in accordance with the Corporations Act 2001, including:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance of the consolidated entity, as represented by the results of its operations, changes in equity and its cash flows for the half year ended on that date.
2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Warren John Gilmour

Dated this 15th day of March 2010



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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tasman Goldfields Limited (the company), which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tasman Goldfields Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

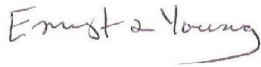
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tasman Goldfields Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
 - ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(c) to the financial statements "Going Concern", there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Brad Tozer'.

Brad Tozer
Partner
Brisbane
15 March 2010



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Auditor's Independence Declaration to the Directors of Tasman Goldfields Limited

In relation to our review of the financial report of Tasman Goldfields Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Brad Tozer'.

Brad Tozer
Partner
15 March 2010