

ASX Release

30TH July 2010

Advanced Gold Project Acquisition In Tanzania With Excellent Exploration Upside

Kitongo Project

Highlights:

- Inferred resource estimate of 4.4 Mt at 2.0 g/t Au for 290,000 oz of contained gold;
- Includes 170,000 ounces of highly oxidised gold resource at 2.2 g/t Au;
- Located in highly endowed Lake Victoria goldfields of Tanzania;
- Near-term production potential from Main Zone pit;
- Upfront acquisition cost of approximately A\$8 per oz of gold in resource acquired with total acquisition costs of less than A\$11 per oz;
- Exploration upside from oxide resource extensions, high grade sulphide extensions and a number of defined exploration targets including Kitongo Hill (8m at 14.50 g/t Au from 74 metres, and 5m at 2.25 g/t Au from 80 metres) and Isgehenge (6m @31.5 g/t from 129 metres and 3m @ 19.0 g/t from 142 metres).

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Tasman Goldfields Limited ("Tasman") is pleased to announce the purchase of the Kitongo Project in Tanzania ("Kitongo" or "Project") through Tasman's acquisition of 100% of the shares of Carlton Resources Pty Ltd ("Carlton").

Kitongo is located in the Lake Victoria Goldfields region of Tanzania 90km south of the mining service centre of Mwanza. There are several multi-million ounce gold projects in the region, including Bulyanhulu, Geita, Nyanzaga and Golden Ridge. The Project covers an area of 128 km².

Location of Kitongo Project



Kitongo is hosted in the Senza-Geita greenstone belt in which is located the Geita (12Moz) and Nyanzaga (4.2Moz) gold deposits. Historic exploration has been conducted on the Project by AngloGold Ashanti, East Africa Mines and IAMGOLD, including geophysical and geochemical surveys, scout and resource definition drilling.

In 2006, resources were estimated on the Kitongo Main Zone by Multiple Indicator Kriging incorporating block support adjustment to reflect likely open pit mining selectivity. The estimates are classified as Inferred in accordance with JORC guidelines and cover 600 metres of strike extending to 135 metres depth, of which the upper 80 metres is oxidised. The deposit has been tested by 50 metre spaced traverses of aircore, reverse circulation and minor diamond drilling, with a small number of 25 metre spaced infill lines. Drilling includes shows mineralised intercepts outside the resource area.

The following table presents the Kitongo resource estimates at a 1.0 g/t cut off. The estimates are rounded to reflect the precision of estimates and include rounding errors

Estimated Kitongo Resources at 1g/t cut off

Laterite			Highly Oxidised			Moderately Oxidised			Fresh			Total		
Kt	gt	kOz	Kt	gt	kOz	Kt	gt	kOz	Kt	gt	kOz	Kt	gt	kOz
400	2.1	25	2,400	2.2	170	400	2.0	26	1,200	1.7	66	4,400	2.0	290

There has been limited drill testing below 100m depth in the resource area and across other prospects on the Project tenements. Little systematic exploration has been conducted outside the Kitongo deposit area, where numerous targets have been identified but which remain inadequately tested.

The primary near-term exploration opportunity is the oxide resource extension at the Main Zone deposit in the NE and NW mineralised trends. There are also potential high grade sulphide extensions at Main Zone below 100m depth.

Early stage exploration targets at the Project include Kitongo Hill (8m at 14.50 g/t Au from 74 metres, and 5m at 2.25 g/t Au from 80 metres) and Isgehege (6m @31.5 g/t from 129 metres and 3m @ 19.0 g/t from 142 metres).

Processing test work conducted on drill core in 2001 by Ammtec Perth suggests CIL (75 micron grind) recoveries of 92-94% Au recovery in oxidised ores and sulphide flotation recoveries of approximately 91% Au.. Preliminary metallurgical testwork on the oxidised ore also indicated potential for it to be amenable to low cost heap leaching.

“This acquisition provides an exciting near-term gold production opportunity for the company with excellent upside exploration potential “ said Mr Warren Gilmour, Chairman of Tasman. “It provides us with a significant footprint in a well-endowed gold producing region. Our near-term focus will be to fund exploration to increase the oxide resource, test high grade sulphide extensions at Main Zone, and conduct further regional exploration including at Kitongo Hill and Isgehege”.

Carlton acquired Kitongo from IAMGOLD Corporation (“IAMGOLD”) under a Project Acquisition Agreement executed in June 2010 with completion due by 12 September 2010. The consideration payable to IAMGOLD for the Project is A\$1.63m in upfront and deferred payments:

Upfront payment:

- A\$180,000 in cash and A\$700,000 in Tasman shares at completion;

Or

- A\$680,000 in cash on completion.

Deferred payments:

- Upon start-up of production from the project A\$400,000
- Upon the first anniversary of the start-up of production a further A\$350,000

Under the Share Sale and Purchase Agreement (“SPA”) between Tasman and Carlton, Carlton shareholders will be paid a total of A\$1.5m in cash or, at the election of Tasman, A\$1.25m in Tasman shares.

Tasman will call a shareholder meeting as quickly as possible to allow for approval of resolutions for the issue of shares or cash to Carlton vendors.

The board of Tasman strongly believe the acquisition is the start of a new era for the company, which will include further projects to review in Africa, enable further funds to be raised and start to solicit new personnel.

The information in this report that relates mineral resource estimation for Kitongo is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. H&S have not reviewed the quality or reliability of the Kitongo sampling data with Tasman Goldfields taking responsibility for these aspects of the estimates., Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and as a Qualified Person as defined in the AIM Rules. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration results data quality, bulk densities, cut off grades and comments on the resource estimates for Kitongo is based on information compiled by Geoff Chapman a Member of The Australasian Institute of Mining and Metallurgy. Mr Chapman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Chapman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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