



# Notice of Meeting & Explanatory Statement

**Meeting to be held at  
Esplanade Hotel, Corner Essex and Marine Terrace, Fremantle WA 6160  
on 19 February 2010 commencing at 10.30am**

Notice is given that a general meeting of Tasman Goldfields Limited (Company) will be held at Esplanade Hotel, Corner Essex and Marine Terrace, Fremantle WA 6160 on 19 February 2010 commencing at 10.30 (WST). The proxy form forms part of this Notice of Meeting.

## 1 RESOLUTION 1 – RATIFICATION OF ISSUE OF SECURITIES

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve the ratification of the issue of 12,000,000 Shares at an issue price of \$0.035 per Share to sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Shareholder approval is sought to ratify the issue of 12,000,000 Shares to sophisticated and professional investors at

an issue price of \$0.035 per Share to raise \$420,000 as announced to ASX on 9 December 2009.

**Voting Exclusion:** For the purposes of Listing Rule 7.4, the Company will disregard any votes cast by any person who participated in the issue. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 2 RESOLUTION 2 – APPROVAL OF SHARE ISSUE TO W&C GILMOUR SUPERFUND

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 7,142,857 Shares at an issue price of \$0.035 per Share to W&C Gilmour Superfund, an entity controlled by Warren Gilmour, a Director, to repay a loan of \$250,000 on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Shareholder approval is sought to issue 7,142,857 Shares at an issue price of \$0.035 per Share to W&C Gilmour Superfund, an entity controlled by Warren Gilmour, a

Director, in satisfaction of a \$250,000 loan as announced to ASX on 9 December 2009.

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Warren Gilmour. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 3 RESOLUTION 3 – APPROVAL OF SHARE ISSUE TO GRAEME CLATWORTHY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 1,428,571 Shares at an issue price of \$0.035 per Share to Graeme Clatworthy, a Director, to repay a loan of \$50,000 on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Shareholder approval is sought to issue 1,428,571 Shares at an issue price of \$0.035 per Share to Graeme Clatworthy, a Director, in satisfaction of a \$50,000 loan as announced to ASX on 9 December 2009.

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Graeme Clatworthy. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 4 RESOLUTION 4 – APPROVAL OF PLACEMENT FACILITY

To consider, and if thought fit to pass, with or without amendment, the following resolution as an ordinary Resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the placement of 25,000,000 Shares at an issue price of at least 80% of the average market price of Shares calculated over the last 5 days on which sales in Shares were recorded prior to the issue, to sophisticated and professional investors, on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Shareholder approval is sought for the placement of 25,000,000 Shares at an issue price of at least 80% of the average market price of Shares calculated over the last 5 days on which sales

in Shares were recorded prior to the issue, to sophisticated and professional investors.

**Voting Exclusion:** The Company will disregard any votes from a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 5 RESOLUTION 5 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO WARREN GILMOUR

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.13, section 208 of the Corporations Act and all other purposes, Shareholders approve and authorise the grant of 8,000,000 Incentive Options to Warren Gilmour (or his nominee), on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Shareholder approval is sought to issue 8,000,000 Incentive Options to Warren Gilmour, a Director.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Warren Gilmour. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

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## PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

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## CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

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## “SNAP SHOT” TIME

The Directors have determined that all Shares of the Company that are quoted on ASX at 5pm WST on 17 February 2010 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

**BY ORDER OF THE BOARD OF DIRECTORS**



Warren Gilmour  
Chairman  
Tasman Goldfields Limited

14 January 2010

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## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's general meeting to be held on 19 February 2010.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

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## 1 RESOLUTION 1 – RATIFICATION OF ISSUE OF SECURITIES

### 1.1 Background

On 9 December 2009 the Company announced that \$420,000 had been raised (before costs) from the issue of 12,000,000 Shares at an issue price of \$0.035 per Share.

### 1.2 Listing Rule 7.4

Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue (with certain exceptions).

Listing Rule 7.4 allows issues of securities made without approval under Listing Rule 7.1 to be treated as having been made with approval for the purpose of Listing Rule 7.1 if:

- (a) the issue did not breach Listing Rule 7.1; and
- (b) the company's members subsequently approve it.

Accordingly, under Resolution 1, the Company seeks Shareholder approval for the purposes of Listing Rule 7.4 for the issue of 12,000,000 Shares at \$0.035 per Share announced on 9 December 2009 to ensure that the Company does not use up or exceed its 15% capacity and retains the capacity to issue further Shares.

### 1.3 Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is given to Shareholders:

- (a) 12,000,000 Shares were issued;
- (b) the Shares were issued at a price of \$0.035 per Share;
- (c) the Shares were issued as fully paid and rank equally with the existing Shares on issue;
- (d) the Shares were issued to sophisticated and professional investors who are not related parties of the Company, some of which were clients of Cameron Stockbrokers, advisers to the issue; and
- (e) the funds raised are to be used for working capital.

## 2 RESOLUTION 2 – APPROVAL OF SHARE ISSUE TO W&C GILMOUR SUPERFUND

### 2.1 Introduction

On 9 December 2009 the Company announced that W&C Gilmour Superfund, an entity controlled by Warren Gilmour, a Director, had loaned the Company \$250,000 pursuant to a loan agreement between W&C Gilmour Superfund and the Company.

The loan is unsecured and accruing no interest and can be converted to equity at \$0.035 per Share, subject to Shareholder approval.

Accordingly, Resolution 2 seeks Shareholder approval to issue 7,142,857 Shares to W&C Gilmour Superfund for the purposes of Listing Rule 10.11 (and for all other purposes) in full satisfaction of the loan.

If Shareholders do not approve the issue of Shares under Resolution 2, the Company is required to repay W&C Gilmour Superfund \$250,000 in full and final satisfaction of its obligations under the loan agreement.

### 2.2 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies.

W&C Gilmour Superfund is an entity controlled by Warren Gilmour, who, as a Director, is a related party of the Company. By virtue of Mr Warren Gilmour's relationship with W&C Gilmour Superfund, W&C Gilmour Superfund is also a related party of the Company and Shareholder approval under Listing Rule 10.11 must be obtained to issue 7,142,857 Shares to W&C Gilmour Superfund.

### 2.3 Information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to W&C Gilmour Superfund:

- (a) the Shares are to be issued to W&C Gilmour Superfund, an entity controlled by Warren Gilmour, a Director;
- (b) the maximum number of Shares to be issued is 7,142,857;
- (c) the Shares will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Shares will be issued on one date;
- (d) the Shares are fully paid ordinary shares and will rank equally with all existing Shares on issue and have a deemed issue price of \$0.035 per Share; and
- (e) the Shares will be granted for nil cash consideration as they are being issued in full satisfaction of a debt of \$250,000 owed by the Company to W&C Gilmour Superfund and, accordingly no funds will be raised.

Pursuant to Listing Rule 7.1 (Exception 14), approval under Listing Rule 7.1 is not required in order to issue Shares under Resolution 2 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares under Resolution 2 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1, if Resolution 2 is approved by Shareholders.

### 2.4 Board Recommendation

The Directors who do not have a material interest in Resolution 2:

- (a) recommend that Shareholders vote in favour of Resolution 2; and
- (b) have determined that the proposed issue of Shares falls within the exceptions set out in Sections 210 to 216 of the Corporations Act and therefore Chapter 2E of the Corporations Act does not apply to the issue.

### 3 RESOLUTION 3 – APPROVAL OF SHARE ISSUE TO GRAEME CLATWORTHY

#### 3.1 Introduction

On 9 December 2009 the Company announced that Graeme Clatworthy, a Director had loaned the Company \$50,000 pursuant to a loan agreement between Graeme Clatworthy and the Company.

The loan is unsecured and accruing no interest and can be converted to equity at \$0.035 per Share, subject to Shareholder approval.

Accordingly, Resolution 3 seeks Shareholder approval to issue 1,428,571 Shares to Graeme Clatworthy for the purposes of Listing Rule 10.11 (and for all other purposes) in full satisfaction of the loan.

If Shareholders do not approve the issue of Shares to Graeme Clatworthy, the Company is required to repay Graeme Clatworthy \$50,000 in full and final satisfaction of its obligations under the loan agreement.

#### 3.2 Listing Rule 10.11

Graeme Clatworthy is a related party of the Company and Shareholder approval under Listing Rule 10.11 must be obtained to issue 1,428,571 Shares to Graeme Clatworthy at \$0.035 per Share to convert the \$50,000 debt.

#### 3.3 Information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Graeme Clatworthy:

- (a) the Shares are to be issued to Graeme Clatworthy, a Director;
- (b) the maximum number of Shares to be issued is 1,428,571;

- (c) the Shares will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Shares will be issued on one date;
- (d) the Shares are fully paid ordinary shares and will rank equally with all existing Shares on issue and have a deemed issue price of \$0.035 per Share; and
- (e) the Shares will be granted for nil cash consideration as they are being issued in full satisfaction of a debt of \$50,000 owed by the Company to Mr Clatworthy and, accordingly no funds will be raised.

Pursuant to Listing Rule 7.1 (Exception 14), approval under Listing Rule 7.1 is not required in order to issue Shares under Resolution 2 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares under Resolution 3 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1, if Resolution 3 is approved by Shareholders.

#### 3.4 Board Recommendation

The Directors who do not have a material interest in Resolution 3:

- (a) recommend that Shareholders vote in favour of Resolution 3; and
- (b) have determined that the proposed issue of Shares falls within the exceptions set out in Sections 210 to 216 of the Corporations Act and therefore Chapter 2E of the Corporations Act does not apply to the issue.

### 4 RESOLUTION 4 – APPROVAL OF PLACEMENT FACILITY

#### 4.1 Introduction

The Directors propose to issue up to 25,000,000 Shares at an issue price of at least 80% of the average market price of Shares calculated over the last 5 days on which sales in Shares were recorded before the issue was made to raise funds:

- (a) to satisfy the Company's obligations under an asset sale agreement (**Adelong Sale Agreement**) with Golden Cross Resources Limited; and
- (b) for general working capital.

It is proposed that the placement will be made to sophisticated and professional investors who are not related parties of the Company without disclosure.

#### 4.2 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3 the following information is provided:

- (a) the maximum number of Shares to be issued under Resolution 4 is 25,000,000;

- (b) the Shares to be issued under Resolution 4 will be allotted and issued progressively to sophisticated and professional investors who are not related parties of the Company as soon as possible but, in any case, not later than three months after the date of Shareholder approval or such or such later date as approved by ASX;
- (c) the Shares will be issued at a price of at least 80% of the average market price of Shares calculated over the last 5 days on which sales in Shares were recorded before the issue was made;
- (d) the Shares are fully paid ordinary Shares and will rank equally with all existing Shares on issue; and
- (e) the funds raised will be used in partial satisfaction of the Company's obligations under the Adelong Sale Agreement and as general working capital.

## 5 RESOLUTION 5 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO WARREN GILMOUR

### 5.1 Background

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act for the Company to issue 8,000,000 Incentive Options to Mr Warren Gilmour.

The Incentive Options are being granted to Mr Warren Gilmour as an incentive to perform.

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because Mr Warren Gilmour is a related party of the Company.

### 5.2 Corporations Act and Listing Rules requirements

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of a public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Therefore, Shareholder approval is sought under Listing Rule 10.11 and Chapter 2E.

Pursuant to the exception in Listing Rule 7.1(14), approval under Listing Rule 7.1 is not required in order to issue the Incentive Options to Mr Warren Gilmour as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Incentive Options to Mr Warren Gilmour will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

### 5.3 Specific Information Required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and Listing Rule 10.13, the following information is provided in relation to the proposed grant of Incentive Options:

- (a) the related party is Mr Warren Gilmour and he is a related party of the Company by virtue of being a Director;

- (b) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Mr Warren Gilmour (or his nominee) is 8,000,000;
- (c) the Incentive Options will be granted to Mr Warren Gilmour no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Incentive Options will be issued on one date;
- (d) the Incentive Options will be granted for nil cash consideration as they are being issued for the purpose set out in paragraph 5.3(k) below and, accordingly no funds will be raised;
- (e) the terms and conditions of the Incentive Options are set out in Annexure A;
- (f) the Board has received independent advice on the value of the Incentive Options and determined on the basis of the assumptions set out below that the technical value of one Incentive Option is approximately \$0.0336. This valuation imputes a total value of \$268,800 to the Incentive Options. The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Black Scholes option valuation methodology has been used to value the Incentive Options, with the following assumptions:
  - (i) the date of the valuation is as at 22 December 2009;
  - (ii) the market price of a Share as quoted on ASX as at 22 December 2009 is \$0.086;
  - (iii) the exercise price of the Incentives Options is \$0.010 each;
  - (iv) the Incentive Options expire four years after issue date;
  - (v) the risk free rate for the Incentive Options is approximately 5%;
  - (vi) the estimated volatility used in the option valuation is 75%; and
  - (vii) a 30% discount has been applied for the Incentive Options not being listed on the ASX and therefore not freely tradeable.
- (g) Mr Warren Gilmour has a relevant interest of 7,750,000 Shares which are held in the name of W&C Gilmour Superfund, an entity controlled by Mr Warren Gilmour;
- (h) in addition to the Incentive Options to be issued in accordance with Resolution 5, Mr Warren Gilmour receives a fixed remuneration of \$50,000 per annum;



## 5 RESOLUTION 5 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO WARREN GILMOUR cont.

- (i) if the Incentive Options granted to Mr Warren Gilmour are exercised, a total of 8,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 98,661,335 to 106,661,335 (assuming that no other Shares are issued) with the effect that the Shareholding of existing Shareholders would be diluted as follows:

Issued Shares as at the date of this Notice of Meeting	Incentive Options proposed to be issued	Issued Shares upon exercise of all Incentive Options	Dilutionary effect upon exercise of Incentive Options
98,661,335	8,000,000	106,661,335	8.11%

The market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company;

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
Highest	\$0.089	24/12/09
Lowest	\$0.016	25/03/09
Last	\$0.085	13/01/10

- (k) the primary purpose of the grant of Incentive Options to Mr Warren Gilmour is to provide a market linked incentive package in his capacity as chairman and Director and for the future performance by him in his role. The Board (excluding Mr Warren Gilmour) considered the extensive experience and reputation of Mr Warren Gilmour, the current market price of Shares and current market practices when determining the number and exercise price of the Incentive Options to be issued to Mr Warren Gilmour. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed; and

- (l) the Board acknowledges the grant of Incentive Options to Mr Warren Gilmour as a non-executive Director is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to Mr Warren Gilmour to be reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.

### 5.4 Board recommendation

Mr Warren Gilmour declines to make a recommendation of Resolution 5 due to his material personal interest in the outcome of the Resolution. However, the other Directors, Geoffrey Gilmour and Graeme Clatworthy:

- (a) do not have an interest in the outcome of the proposed Resolution; and  
 (b) recommend that Shareholders approve this Resolution.

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## GLOSSARY

<b>Annexure</b>	an annexure to this Notice and Explanatory Statement.
<b>ASX</b>	ASX Limited.
<b>Board</b>	board of Directors.
<b>Company</b>	Tasman Goldfields Ltd ACN 121 985 395.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	director of the Company.
<b>Explanatory Statement</b>	the explanatory statement that accompanies the Notice.
<b>Incentive Option</b>	Options proposed to be issued to Warren Gilmour under Resolution 5 on the terms in Annexure A.
<b>Listing Rules</b>	the Listing Rules of the ASX.
<b>Meeting</b>	the meeting convened by the Notice of Meeting.
<b>Notice or Notice of Meeting</b>	this Notice of General Meeting.
<b>Option</b>	an option to acquire a Share.
<b>Resolutions</b>	the resolutions set out in the Notice of Meeting.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	holder of a Share in the Company.
<b>WST</b>	Australian Western Standard Time.

## ANNEXURE A – Terms and Conditions of Incentive Options

### 1. Exercise Price

The exercise price of each Incentive Option is \$0.010 (**Exercise Price**).

### 2. Expiry Date

The Incentive Options have an expiry date of four years after issue (**Expiry Date**).

### 3. Exercise Period

Each Incentive Option is exercisable at any time after issue and before the Expiry Date.

### 4. Transferability and Quotation of Incentive Options

Incentive Options may only be able to be transferred to a related party of the initial holder. Application will not be made for the official quotation on ASX of the Incentive Options.

### 5. Entitlement

The Incentive Option entitles the holder to subscribe for one Share upon exercise of each Incentive Option.

### 6. Notice of Exercise

The Incentive Options may be exercised by notice in writing to the Company. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

### 7. Lapse Of Options

Unless the Board in their absolute discretion determine otherwise, Options shall lapse upon the earlier of:

- (a) the Expiry Date; and
- (b) a determination by the Board that the Incentive Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an associated body corporate.

### 8. Timing of issue of Shares

After an Incentive Option is validly exercised, the Company must, within, 20 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Incentive Option:

- (a) issue and allot the Share; and
- (b) do all such acts matters and things to obtain the grant of Official Quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

### 9. Shares issued on exercise

Shares issued on exercise of the Incentive Options rank equally with the then Shares of the Company.

### 10. Quotation of Shares on exercise

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Incentive Options.

### 11. Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give holders of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

### 12. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Optionholder had exercised the Incentive Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

### 13. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Incentive Option will be reduced according to the following formula:

New exercise price =  $O - E[P - (S + D)]$

Where:

N+1

O = the old Exercise Price of the Incentive Option.

E = the number of underlying Shares into which one Incentive Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

### 14. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Option holders will be varied to comply the Listing Rules which apply to the reconstruction at the time of the reconstruction.

### 15. Lodgement instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not negotiable". The application for Shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's Share Registry.

## SHAREHOLDER DETAILS

Contact Telephone No: .....

Contact Name (if different from above): .....

## APPOINTMENT OF PROXY

I/We being a shareholder/s of ..... shares issued by Tasman Goldfields Ltd and entitled to attend and vote hereby appoint

<input type="checkbox"/>		<input style="width: 95%;" type="text"/>
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The Chairman of the meeting  
(mark with an )

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

OR failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Tasman Goldfields Ltd to be held at Esplanade Hotel, Corner Essex and Marine Terrace, Fremantle WA 6160 on 19 February 2010 at 10.30am (WST) and at any adjournment of that meeting.

## IMPORTANT

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 5.

## VOTING DIRECTIONS TO YOUR PROXY – please mark to indicate your directions

Special Business		For	Against	Abstain
Resolution 1	Ratification of issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Share issue to W&C Gilmour Superfund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Share issue to Graeme Clatworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Incentive Options to Warren Gilmour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## APPOINTMENT OF A SECOND PROXY (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form  %

**PLEASE SIGN HERE** This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

## Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

## Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

## Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

## Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by photocopying this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

## Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting (i.e. no later than 10.30am (WST) on 17 February 2010). Any Proxy Form received after that time will not be valid for the scheduled meeting.

**This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at:**

**Unit 1, 1 Nairn Street, Fremantle WA 6160 or sent to PO Box 1133, Fremantle WA 6959**

Or

**Faxed to the Company on (08) 9430 9965**