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TASMAN RESOURCES LIMITED (TAS) provides the opportunity to listen to an audio broadcast with **Mr Greg Solomon, Executive Chairman** in a presentation titled **"Vulcan Drilling Reveals Significant IOCGU Mineralisation - Gregory Solomon, Executive Chairman"**.

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The presentation details are as follows:

- **Vulcan Drilling Reveals Significant IOCGU Mineralisation - Gregory Solomon, Executive Chairman**
- *Presented by Mr Greg Solomon, Executive Chairman*
- *Thursday, 3 March 2011 09:00am AEDT*

Transcript

RADIO INTERVIEW WITH GREG SOLOMON, EXECUTIVE CHAIRMAN, TASMAN RESOURCES LIMITED, CONDUCTED ON WEDNESDAY, 2 MARCH 2011

Q1 Welcome to Boardroom Radio. Tasman Resources is a Perth-based, ASX-listed precious base metals explorer with projects in both South Australia and Queensland and joining me today to discuss results from their Vulcan prospect in South Australia is the Chairman, Greg Solomon. Welcome Greg.

A1 Thank you very much Michael.

Q2 Greg, you have just announced the initial results from your Vulcan prospect. What are the intersections from the significant second hole?

A2 Michael, the Vulcan prospect is located just 30km north of the Olympic Dam mine that BHP operates. It's the biggest copper-gold-uranium mine in the world, it's got about 40% of the world's uranium, it's the fourth-largest copper deposit and it's the fifth-largest gold deposit. It has also got huge amounts of rare earth and a lot of silver in it.

The problem with this area is that all of these deposits are a long way underground. The Olympic Dam deposit, when it was discovered, was discovered 350m underground. The Vulcan deposit 30km to the north is actually a bit deeper than that. We have now drilled seven holes into this over the last 15 months and our last hole has just had a very significant intersection of 150m of mineralisation of exactly the same style and type as exists in the Olympic Dam ore body. That is really what the major significance of this is- it's the area that is covered by this target is something like 12km², they're absolutely enormous structures. The Olympic Dam ore body is something like 11km². We've only put seven holes into this over the last, I think, 14 or 15 months since it was discovered and every one of these holes has it the same system – its what is called an IOCGU system, an iron copper gold uranium

Level 40, Exchange Plaza 2 The Esplanade, Perth, Western Australia 6000

Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866

Email: mailroom@tasmanresources.com.au

system that was formed as part of a volcanic process some nearly 1.6 billion years ago – very old deposits. So this is really a very important step forward because, whilst we've had indications of the system before, we have never had an intersection of 150m of brecciated hematite, which has got copper in it; it's got uranium the whole way down it. We don't have assays at this stage but the copper is visible, the uranium was certainly detectable using a scintillometer and it is also quite likely to host the other metals that occur within the system such as gold and rare earths.

Q3 Okay Greg, you mentioned that they are very deep holes. Can you just explain the economics of getting to a deposit such as this.

A3 Yes Michael. The holes at the moment are somewhere around about 800 to 850m deep before you actually intersect the mineralisation. This is something like twice as deep as Olympic Dam. Olympic Dam down the road is something in the order of about 400m depth, whereas this is going to be about 800m. For the economics of a project like this to work, there are a series of factors involved. First of all, there is the cost of mining it, and that's a case of building a shaft, getting down to the material, then doing the underground extraction. The cost of building the shaft itself is not particularly great. It's something between about \$5,000 and \$8,000 a metre, so in the whole scheme of things with a large deposit that's not a huge cost. The actual cost of mining underground - it doesn't make any difference in terms of whether you are at one level or another for the actual amount of work involved in removing the ore while you're down there, however there is an additional cost in getting cool air down there because it gets hotter as you go deeper. There is also the cost of lifting the ore to the surface.

The next cost that you will encounter will be the cost of processing, and this is the large capital cost that would be required if you're going to concentrate the material or if you're going to take it through to a finished product. In the case of Olympic Dam, they have spent several billion dollars building a large plant. We don't anticipate in our situation that we will actually be doing processing on site for a couple of reasons. One is that there is already a plant down the road in the BHP plant that if we got high-grade material we may well be able to find a home for the material to cocktail with the lower-grade material that they are planning to be producing from their open pit operation or, alternatively, we may well look to either just simply concentrate it on site or rail it or truck it down to Port Pirie.

The ultimate question as to what is going to determine the economics of this is going to be what is the value of the metal in the ore that we're pulling up. The value of the metal depends upon the total value of all of the elements contained in the metal. Now the deposit is a polymetallic deposit. Olympic Dam is actually the largest polymetallic deposit on the planet. It's got the world's largest uranium deposit, 40% of the world's uranium, it's the fourth-largest copper deposit, it's the fifth-largest gold deposit and it's also one of the largest rare earth deposits on the planet, it contains something like 850,000 tonnes of silver, a lot of cobalt, a lot of molybdenum, and a lot of barite. There's a whole range of different metals in this system and from the indications that we've seen from the assays to date from the seven holes that we've put in to date, the Vulcan system also contains pretty much the same suite of metals. So the economics of this are going to be dependent on what the aggregate value of these metals is and whether metallurgically they can be extracted at a reasonable price.

Now the metals that are not currently recovered by BHP in their process is they don't recover the iron-ore, which is the host material, and they're not recovering the rare earths. Now, the rare earths these days, I'm sure everyone is aware, are actually in high demand and if BHP were building the plant today, whereas Western Mining, the original company that set this up back in the 1980s when they built it, rare earths were not a highly valuable commodity and chose not to recover the rare earths although they could have been recovered. So that's another aspect to this.

The other metal that is not being recovered is the iron-ore and the iron in the ore that we have just encountered is extremely high in iron content and could well be over 50% iron in this ore. Now there is a possible problem with this that we don't know metallurgically whether when you take out the things like the uranium and the daughter products from the uranium whether you may end up with some sort of residual radioactivity in the iron which may make it unsuitable. But that's something that is yet to be determined. We have no idea exactly what the metallurgy of our ore is going to look out. So it's going to be a case of looking at all of the value of all of the metals. Within the Olympic Dam system, the copper

grades in places have got to extraordinarily high levels, very, very high percentages of copper concentration, the gold grades can get up to 20 or 30g per tonne in various locations and even higher in other locations, the rare earths can be running at 1%, the uranium could be running as high as something like 2 or 3kg per tonne and the silver can be running at high levels. There is also the cobalt. So it's going to be a case at looking at the overall metal content and seeing what is going to be the amount that can be economically recovered at the end of the day to determine the economics and that will be the question and that is really the challenge that we're facing at the moment.

Q4 Okay, thanks for your time today Greg. Sounds like you have some very encouraging results there so I look forward to more results as you drill more holes.

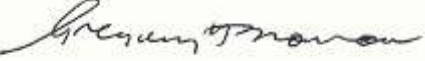
A4 Thank you very much Michael.

INTERVIEW CONCLUDED

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Gregory H. Solomon
Executive Chairman