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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

28 September 2012

VULCAN PROJECT

Drilling Update: Thick Hematite Breccias in First Hole

SUMMARY

The first drill hole (VUD 9) in the recently commenced initial exploration program under the Tasman/Rio Tinto Exploration Farm-In/Joint Venture Agreement at Tasman's Vulcan IOCGU project has been completed and has intersected over 240m of hematite breccias, very similar to the hematite breccias which occur within the central, barren core of the Olympic Dam deposit, approximately 30km to the south.

The breccias in VUD 9 do not contain significant visible copper sulphides and assay results for this initial hole are not expected to be high.

At Olympic Dam, high grade mineralization often occurs at depth beneath similar hematite breccias but unfortunately VUD 9 had to be terminated prematurely due to drilling problems.

Drilling of the second hole, VUD 10 has commenced.

DETAILS

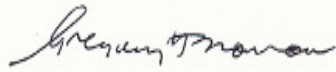
Drilling pursuant to the Tasman/Rio Tinto Exploration Farm-In/Joint Venture Agreement (Agreement) has recently commenced (see ASX release dated 4 September 2012) with Tasman managing the 12,000 metres drilling program under the Agreement.

VUD 9 (a vertical hole located at 694,686mE and 6,657,191mN; GDA 94 (MGA Zone 53), the first hole to be drilled under the Agreement, was designed to initiate testing within the high priority southern portion of the Vulcan Project(see Figure 1), which had previously been undrilled due to access restrictions.

VUD 9 intersected the basement at approximately 779m, and was completed prematurely at 1,111m due to drilling problems. The entire basement intersection of 332m consists of a sequence of highly altered breccias, dominated by a 242m thick zone of hematite breccias commencing at 838m (see Figures 2 and 3 below). The breccias do not contain significant visible copper sulphides and assay results for this initial hole are not expected to be high.

These hematite breccias are very similar to those which characterize the central, essentially barren core of the Olympic Dam deposit. At Olympic Dam, high grade mineralization often occurs at depth beneath these barren rocks, but unfortunately, at Vulcan, drilling beneath the hematite breccias was effectively prevented due to drilling problems.

Drilling has now commenced on VUD 10.



Greg Solomon
Executive Chairman

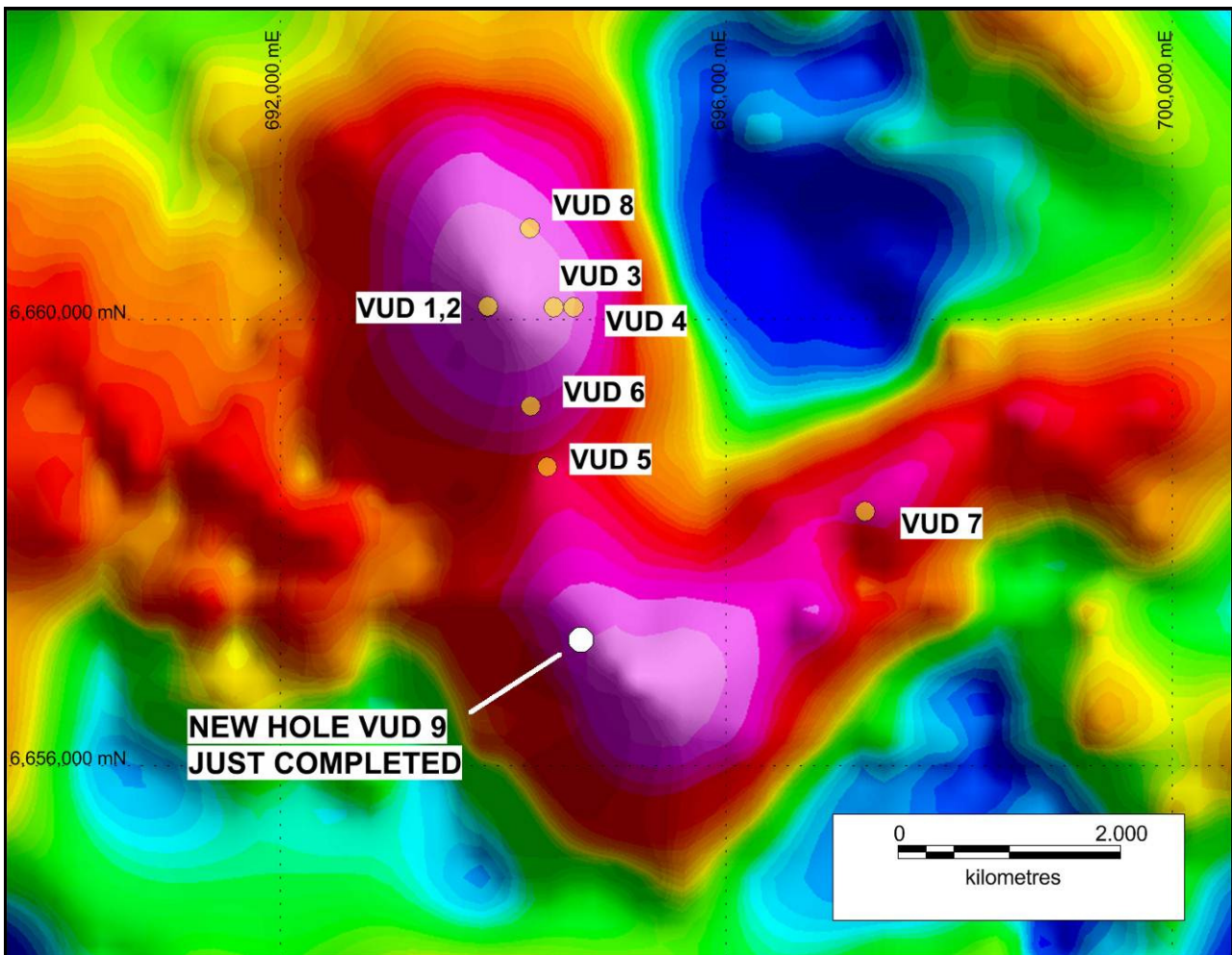


Figure 1: Vulcan Project: residual gravity image showing previously completed drill holes (labelled yellow dots) and the new hole VUD 9 (GDA 94; MGA Zone 5)



Figure 2: Hematite breccias, typical of the 242m zone intersected in VUD 9 (NQ 2 drill core).

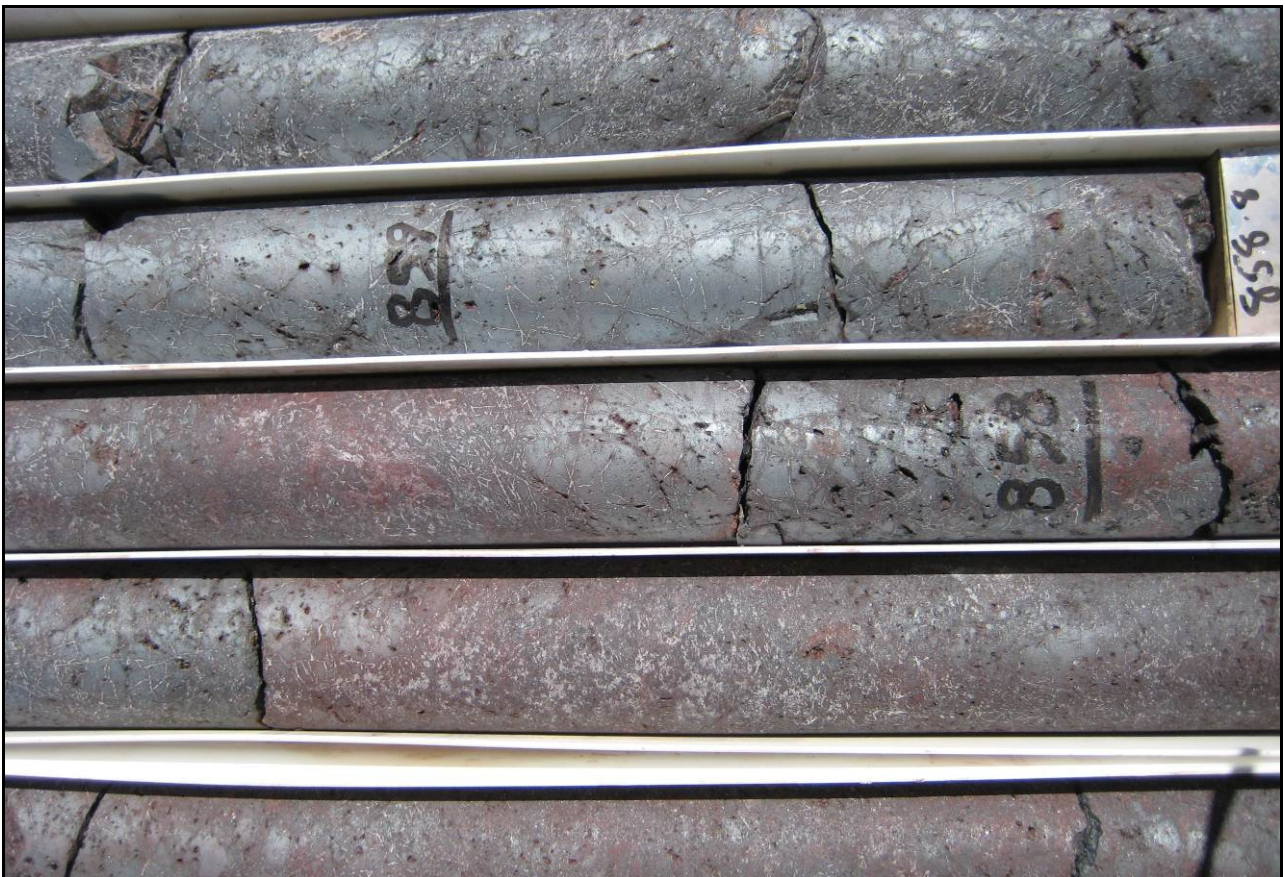


Figure 3: Detailed photo of hematite breccias intersected in VUD 9 (NQ 2 drill core).

The interpretations and conclusions reached in this announcement are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

The information in this announcement, insofar as it relates to Mineral Exploration activities, is based on information compiled by Robert N. Smith, who is a member of the Australian Institute of Geoscientists, and who has more than five years experience in the field of activity being reported on. Mr Smith is a full-time employee of the company. Mr Smith 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 Smith consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.