



ACN 009 253 187

ASX QUARTERLY REPORT

for the Period Ended 30 September 2012

HIGHLIGHTS

SA – VULCAN IOCGU* PROJECT

*Iron oxide-copper-gold-uranium

- **An Aboriginal heritage survey was conducted in mid-July with the Kokatha Uwankara Native Title Claim Group, and a significant number of drill sites were cleared, including drill sites over the southern, high priority Vulcan IOCGU exploration target.**
- **The conditional Farm-in/Joint Venture agreement over the Vulcan prospect Exploration Licence became unconditional and consequentially a further \$9 million was received from Rio Tinto Exploration (RTX).**
- **Drilling commenced in September on the southern Vulcan exploration target pursuant to the Tasman/RTX Joint Venture.**
- **Two drill holes were completed after the end of the quarter. The first (VUD 9), intersected over 240m of encouraging hematite breccias, and the second (VUD 10), over 398m of strongly altered veined and brecciated volcanic rocks. No significant, visual mineralisation was noted; assays are awaited.**

CORPORATE

- **Tasman increased its holding in Eden Energy Ltd (“Eden”) from 22.2% to 47.9%, following a rights issue by Eden**

DETAILS

SA – VULCAN IOCGU* PROJECT (100% Tasman)

*Iron oxide-copper-gold-uranium

An Aboriginal heritage survey was conducted in mid-July with the Kokatha Uwankara Native Title Claim Group, and a significant number of drill sites were cleared, including drill sites over the southern, high priority Vulcan IOCGU exploration target.

Following completion of the Aboriginal heritage survey, the Tasman/Rio Tinto Exploration (RTX) Joint Venture was declared unconditional by RTX and a further payment of \$9 million was received by Tasman from RTX pursuant to the terms of the Joint Venture Agreement.

Drilling commenced in September, and preliminary results from the first two drill holes (VUD 9 and VUD 10) were recently released to the market.

VUD 9

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),

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 that 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.

VUD 10

The second hole, VUD 10 is located at 695,975mE and 6,657,342mN (GDA 94, MGA Zone 53), and is inclined at -70 degrees to the south east (Figure 1). It was designed to test part of the main southern gravity anomaly at Vulcan, along strike to the west-southwest from drill hole VUD 7, which had previously intersected over 160m of IOCGU mineralization within a hematite breccia host.

VUD 10 intersected 398.3m of sericite-chlorite-carbonate altered, veined and brecciated host rocks, believed to have been originally volcanic in origin. Relatively minor hematite was intersected, and weak sulphide mineralization occurs throughout, however assay results for the hole, when received, are not expected to be high. Photos of the drill core are given in Figures 4 to 7.

At this stage it is thought that the targeted, more hematite-rich zone of interest may be more steeply dipping than anticipated, and this possibility may be tested with a further drill hole from the same site as VUD 10 following review of all available data when received.

ONGOING PROGRAM

Drilling of the next hole in the program, VUD 11 has commenced.

Assay data from the earlier holes, VUD 9 and VUD 10 is not expected for several weeks.

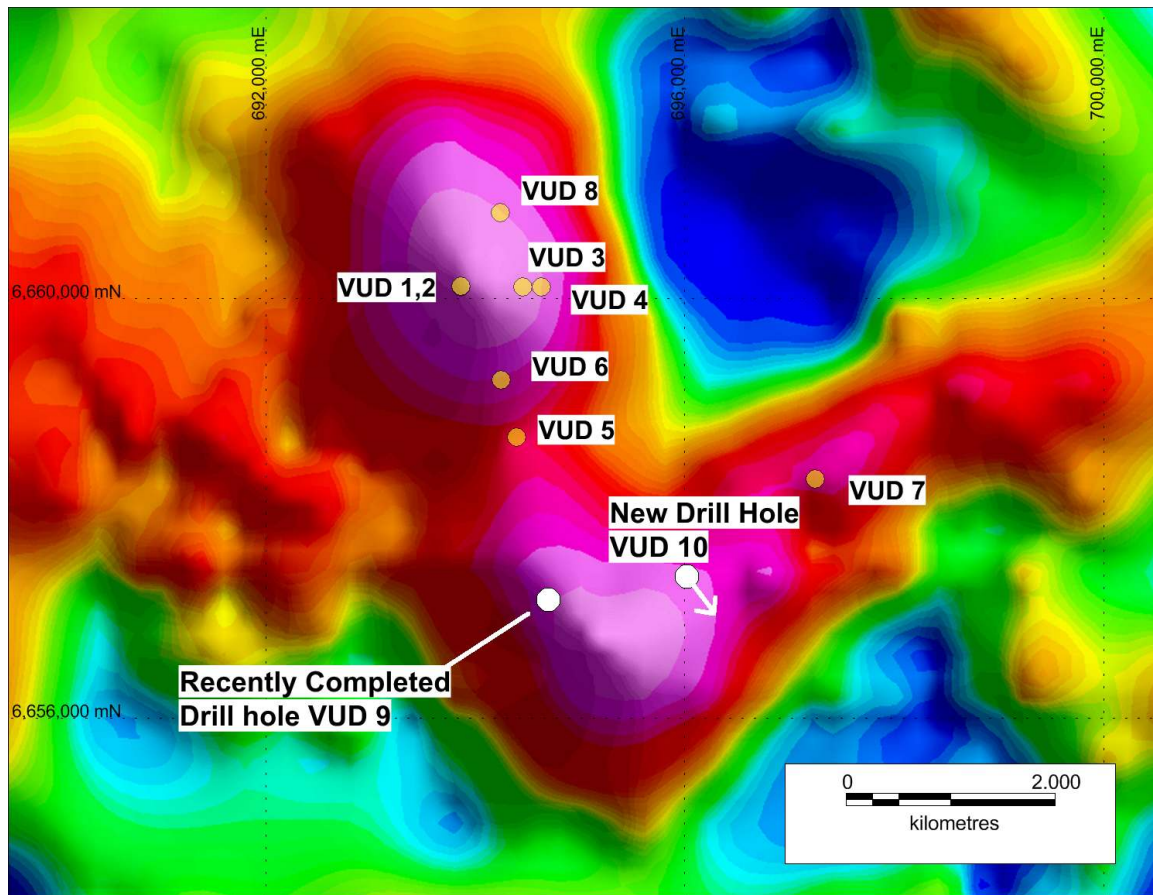


Figure 1: Vulcan Project: Residual gravity image showing previously completed drill holes (labelled yellow dots) and the recently completed holes VUD 9 and VUD 10 (white dots). Note that VUD 10 is inclined to the south-east at -70 degrees (GDA 94; MGA Zone 53).



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

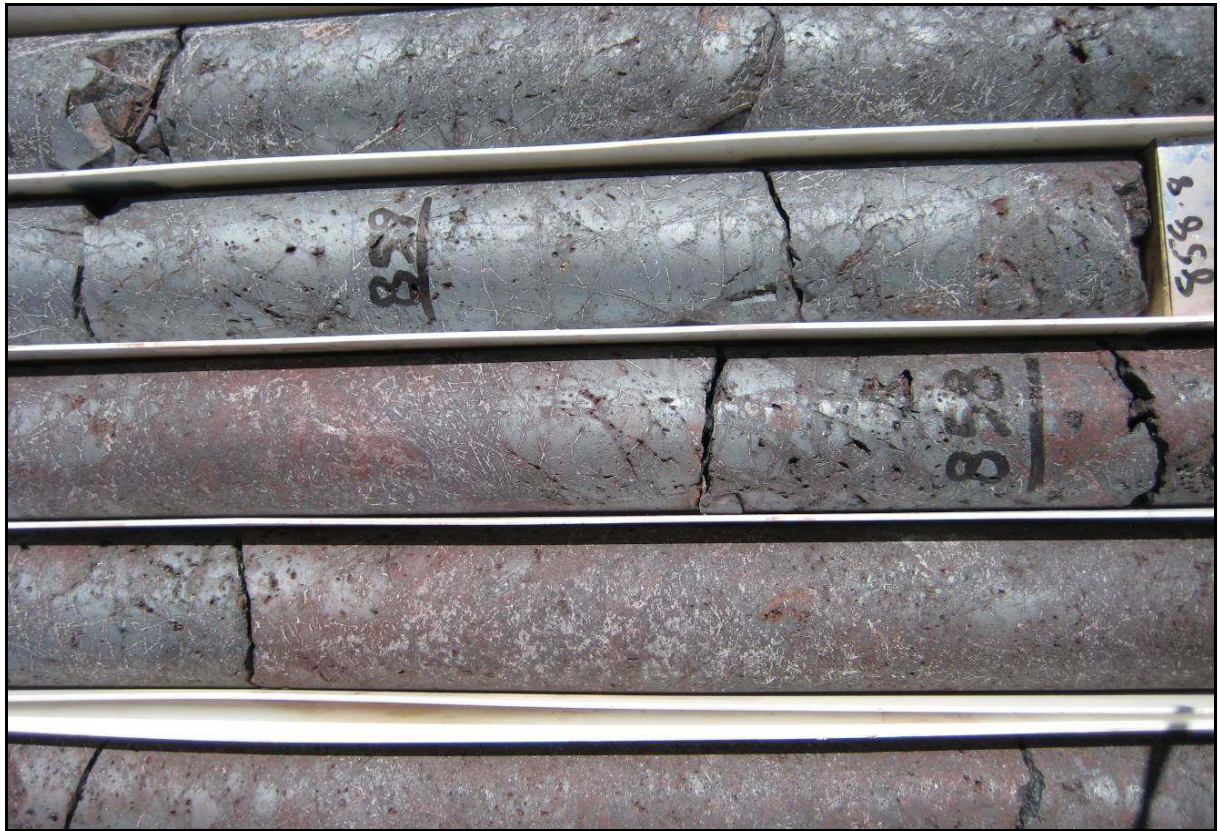


Figure 3: Detailed photo of hematite breccias intersected in VUD 9 (NQ 2 drill core).

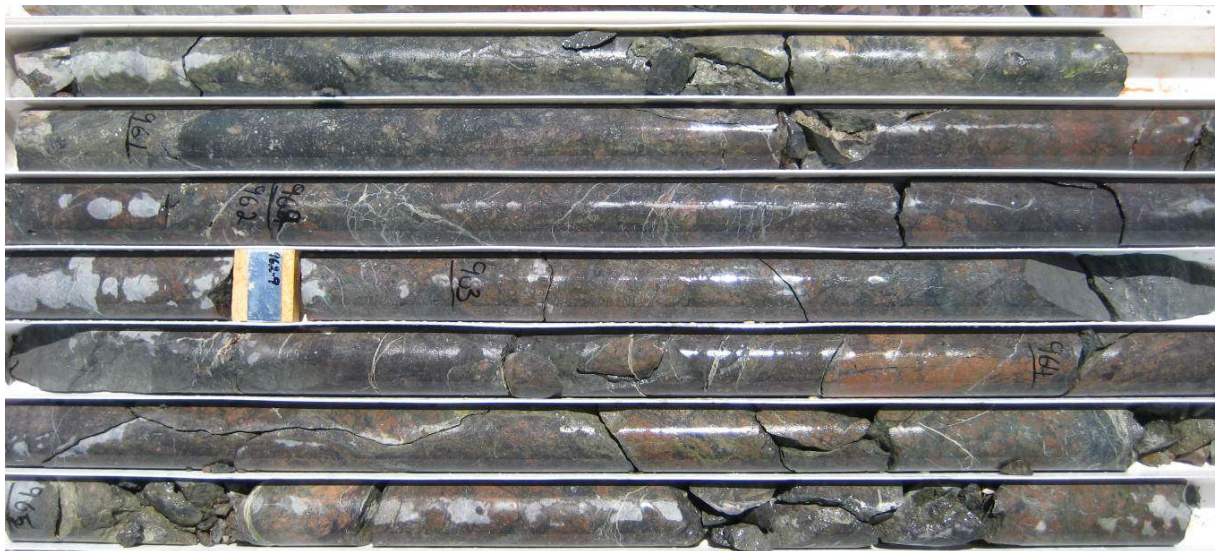


Figure 4: VUD 10, core photo (approximately 6m of NQ drill core) showing alteration, brecciation and veining at about 960m depth. The red patches are remnants of the original volcanic host rock, now largely destroyed by the IOCGU processes.

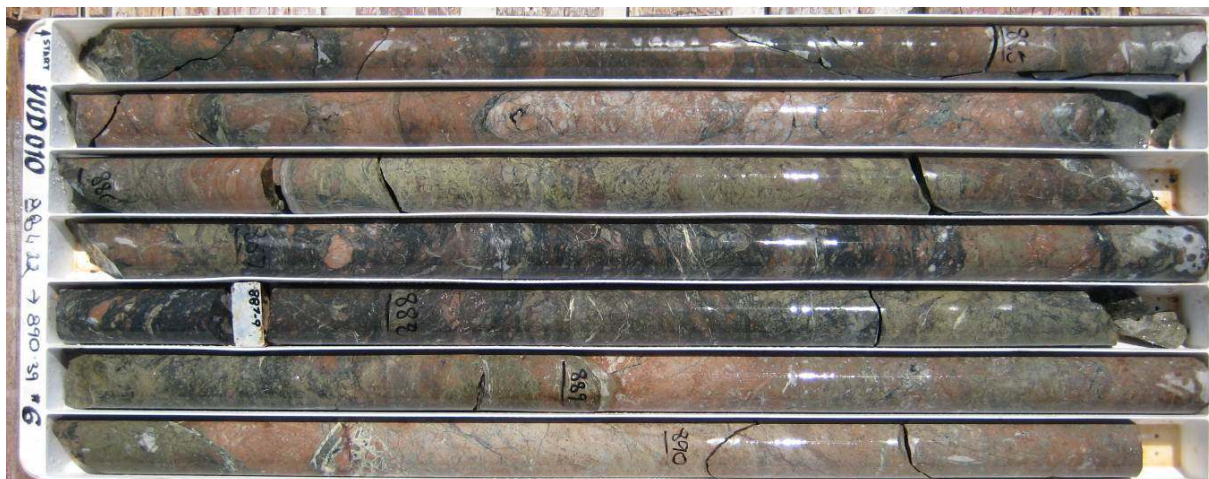


Figure 5: VUD 10, core photo (approximately 6m of NQ drill core) showing the variability in alteration, veining and brecciation of the original red volcanic host rock at about 885m depth.

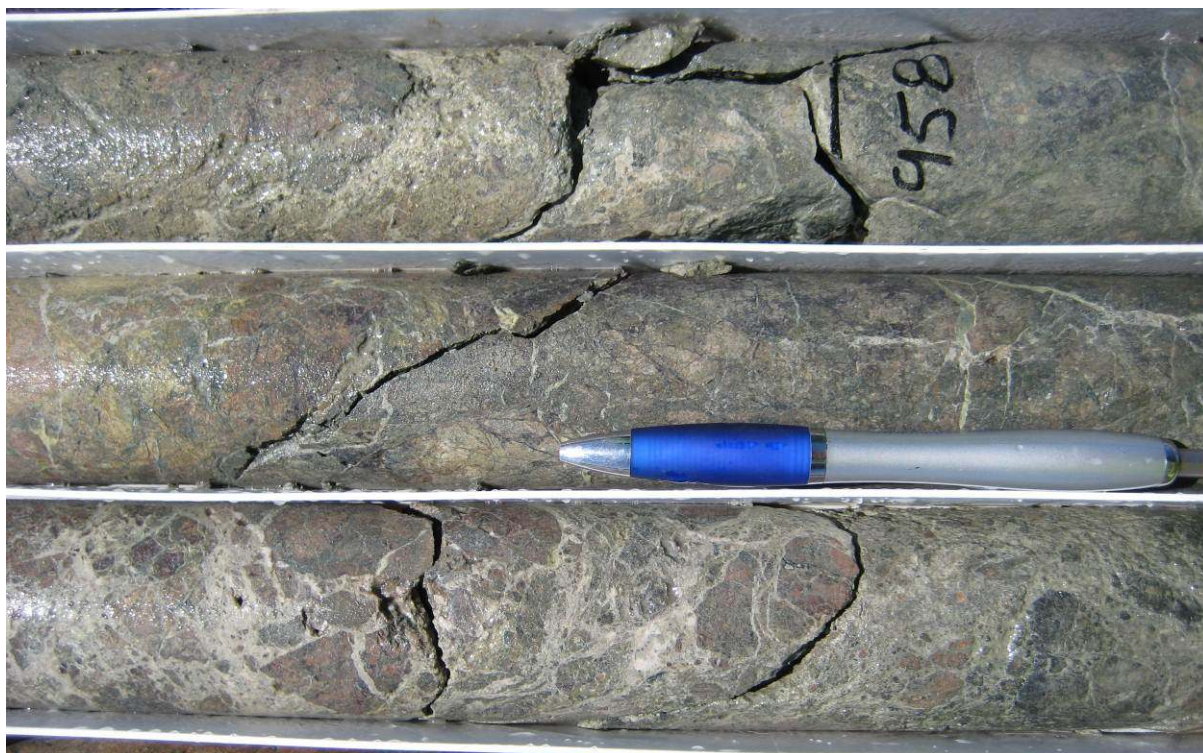


Figure 6: VUD 10: Detailed photo of intense (sericite-carbonate) alteration at about 958m. (NQ drill core)



Figure 7: Detailed photo of brecciated host volcanic (red) with mineralized (pyrite-chalcocopyrite) hematite matrix (dark grey). (NQ drill core)

Background to the Vulcan Project

Tasman identified Vulcan as a prime IOCGU target in 2009, based on the presence of a very large gravity anomaly, supporting magnetic and seismic anomalies and Vulcan's location close to key tectonic (structural) lineaments, which had previously been used in the original targeting of Olympic Dam by WMC in the mid-1970s. Tasman's initial discovery drill hole, VUD 001, intersected the Vulcan IOCGU system late in 2009.

Eight diamond drill holes had been completed by Tasman at Vulcan between 2009 and early 2011. All exhibit IOCGU-style alteration and/or mineralisation, including copper, gold, uranium, silver, molybdenum and rare earth elements. Recent age dating of the mineralisation at about 1590 million years confirms that Vulcan belongs to the same "family" of deposits as Olympic Dam, Prominent Hill and Carrapateena.

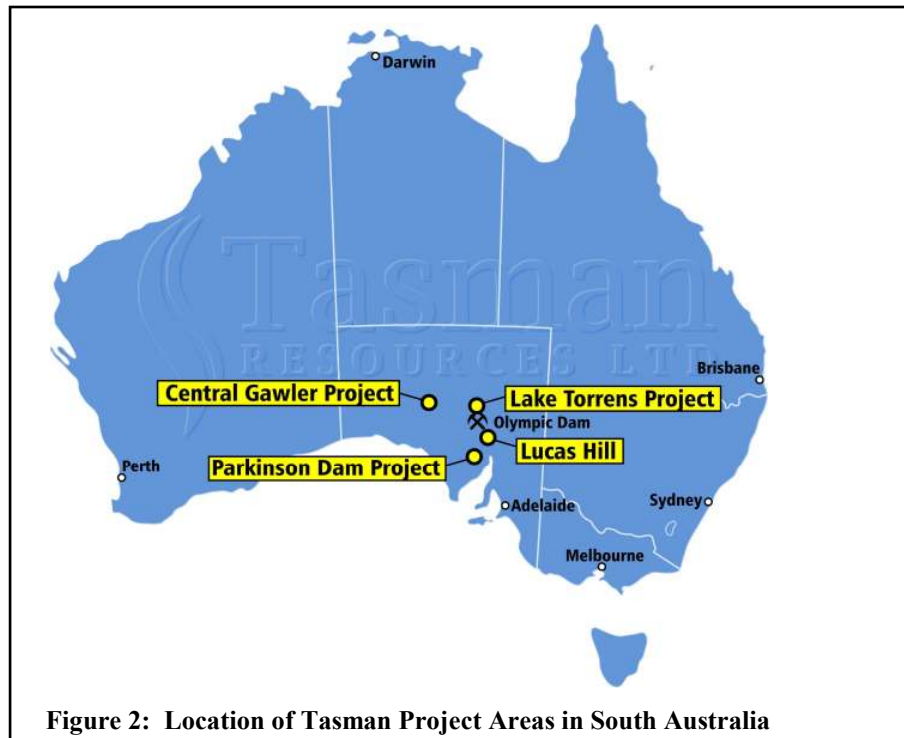
Tasman has entered a Joint Venture with Rio Tinto Exploration (RTX) covering the whole of EL 4322, including the Vulcan discovery. Under the joint venture, RTX has paid to Tasman \$10 million and Tasman is accordingly managing an exploration programme consisting of 12,000m of drilling at Vulcan over a 12 month period.

SALE OF LAKE TORRENS OUTLYING TENEMENTS

On 10 September 2012 Tasman Resources Ltd received notice from BHP Billiton that BHP Billiton had terminated the two conditional contracts pursuant to which it had conditionally agreed to purchase from Tasman five Exploration Licences (ELs) and one Exploration Licence Application (ELA) (ELs 4206, 4300, 4405, 4770 and 4857 and ELA 2011/299) located on the Stuart Shelf in South Australia as previously announced.

OTHER PROJECTS

Tasman has gold and base metal projects at Parkinson Dam and the Central Gawler Craton in South Australia (Figure 2). No activity occurred on these during the quarter.



CORPORATE

Investment in Eden Energy Ltd (EDE)

Tasman took up its entitlement under a 1:1 pro-rata rights issue by alternative energy company, Eden Energy Ltd (“Eden”), and also sub-underwrote a further parcel of \$1.5 million, and in consequence Tasman’s shareholding has risen to 47.9% interest in Eden Energy Ltd.

- Eden is continuing in the development of its carbon/hydrogen pyrolysis project.
- Eden’s US and Indian subsidiaries make further Optiblend Dual Fuel Kit sales, with sales increasing, particularly in USA where natural gas has become very cheap following the increase in gas supplies from shale gas deposits in the US.
- Eden holds a 50% Joint Venture interest in over 2000km² of prospective Petroleum Exploration and Development Licences in southern England and Wales.

Investment in Fission Energy Ltd (FIS)

Tasman has a 19% interest in potential nickel-cobalt producer Fission Energy Ltd as at 30 September 2012.

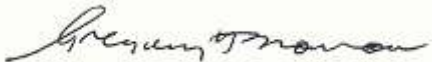
Mt Thirsty Nickel-Cobalt Project

Recent investigations of processing routes suggest that one option involving relatively low cost recovery of cobalt at the expense of some nickel recovery warrants further consideration. Test work is continuing.

Background

Fission Energy owns 50% of the Mt Thirsty Nickel-Cobalt Project in WA, with the other 50% held by Barra Resources Limited (ASX: BAR). Mt Thirsty is located 20 kilometres north-northwest of Norseman, Western Australia. Mt Thirsty has a current JORC compliant Indicated Resource of 16.6 million tonnes at 0.14% Co, 0.60% Ni and 0.98% Mn and a JORC compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over an apparent strike of 1.3 kilometres and a width of around 800 metres.

Greg Solomon

A handwritten signature in black ink, appearing to read 'Greg Solomon', is displayed on a light yellow rectangular background.

The interpretations and conclusions reached in this report 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 and Michael J. Glasson, who are members of the Australian Institute of Geoscientists, and who have more than five years experience in the field of activity being reported on. Mr Smith and Mr Glasson are full-time employees of the company. Mr Smith and Mr Glasson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith and Mr Glasson consent to the inclusion in the report 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

TASMAN RESOURCES LTD

ABN

85 009 253 187

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to September (3 months) \$A'000
1.1	Receipts from product sales and related debtors	2	2
1.2	Payments for (a) exploration & evaluation	(402)	(402)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(304)	(304)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	29	29
1.5	Interest and other costs of finance paid	-	-
1.6	GST tax paid / received	(863)	(863)
1.7	Other (provide details if material)	10,377	10,377
Net Operating Cash Flows		8,839	8,839
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(997)	(997)
	(c) other fixed assets	(141)	(141)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(1,138)	(1,138)
1.13	Total operating and investing cash flows (carried forward)	7,701	7,701

Notes:

1.7 – Receipt of \$9 million (plus GST) First Milestone Payment from Rio Tinto Exploration and R&D Tax Rebate.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	7,701	7,701
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	60	60
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	60	60
	Net increase (decrease) in cash held	7,761	7,761
1.20	Cash at beginning of quarter/year to date	746	746
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,507	8,507

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.
Directors Fees paid during the period.
Bona-fide re-imbursement of expenses.
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,007	746
5.2 Deposits at call	6,500	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,507	746

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	ELA2011/00299	Direct	100%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	226,561,469	226,561,469		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	116,074 500,000	116,074 500,000	10 cents 12 cents	10 cents 12 cents
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	3,000,000 401,606 500,000 200,000 2,000,000	NIL NIL NIL NIL NIL	<i>Exercise price</i> 16.875 cents 15 cents 15 cents 24 cents 12.5 cents	<i>Expiry date</i> 20 Nov 2012 8 Feb 2013 31 May 2013 1 Nov 2013 30 June 2014
7.8 Issued during quarter	2,000,000 200,000	NIL NIL	12.5 cents 24 cents	30 June 2014 1 Nov 2013
7.9 Exercised during quarter	500,000	NIL	12 cents	26 May 2013
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 25 October 2012

Print name: Aaron Gates

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.