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**TASMAN RESOURCES LTD**  
**ACN 009 253 187**

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**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**EXPLANATORY STATEMENT**

**AND**

**PROXY FORM**

**TO BE HELD ON**

**20 NOVEMBER 2009  
COMMENCING AT 10:30 AM**

**AT**

**Level 40, Exchange Plaza,  
2 The Esplanade, Perth  
WESTERN AUSTRALIA**

**TASMAN RESOURCES LTD**  
(ACN 009 253 187)

**NOTICE OF MEETING**

Notice is hereby given that an Annual General Meeting of shareholders of Tasman Resources Ltd (the **Company**) will be held at Level 40, Exchange Plaza, 2 The Esplanade, Perth on Friday the 20<sup>th</sup> of November 2009 at 10:30am.

**AGENDA**

**1. Annual Reports**

To table the Annual Financial Report for the financial year ended 30 June 2009 and the Director's Report and Auditor's Report for that financial year.

**2. Resolution 1 – Adoption of Remuneration Report**

To consider, and if thought fit pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*"That for the purposes of section 250R(2) of the Act and for all other purposes, the Company be authorised to adopt the Remuneration Report contained in the Annual Financial Report".*

**Short Explanation:** In accordance with section 249L(2) of the Act, a resolution that the Remuneration Report be adopted must be put to the vote. The effect of section 250R(3) of the Act is that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**3. Resolution 2 – Election of Director**

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

*"That Mr Guy T Le Page being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election is hereby re-elected as a Director of the Company."*

**4. Resolution 3 – Appointment of Auditor**

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

*"That, subject to ASIC granting its consent under section 329(5) of the Act to the resignation of the Company's current auditor, Grant Thornton (WA) Partnership, for the purposes of section 327B of the Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company and the Directors be authorised to set its remuneration."*

**5. Resolution 4 – Approval of the Company's Employee Share Option Plan**

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

*"That, for the purposes of Exception 9 of Listing Rule 7.2 and for all other purposes, the issue of Options under the Company's Employee Share Option Plan (the **ESOP**) is approved."*

The Company will disregard any votes cast on this Resolution by the Directors of the Company (except Directors who are ineligible to participate in the ESOP) and their respective associates, other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other shareholder of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

The Board of Directors recommends that shareholders vote in favour of this Resolution.

**6. Resolution 5 – Issue of Options to Gregory H Solomon**

To consider, and if thought fit pass, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, approval is given for the Company to issue to Gregory H Solomon (a current Director of the Company) 1,000,000 Options in the Company, each to acquire one fully paid ordinary Share in the Company at an exercise price per option of 125% of the share price on the grant date, which Options shall be exercisable at any time prior to 5.00pm WST on 20 November 2012 (the **Time of Expiry**) and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice."*

Note 1: The Options will be issued no later than 1 month from the date of the Annual General Meeting.

Note 2: The Company will disregard any votes cast on this Resolution by G H Solomon and his associates (who are all prohibited from voting).

**7. Resolution 6 – Issue of Options to Douglas H Solomon**

To consider, and if thought fit pass, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, approval is given for the Company to issue to Douglas H Solomon (a current Director of the Company) 1,000,000 Options in the Company, each to acquire one fully paid ordinary Share in the Company at an exercise price per option of 125% of the share price on the grant date, which Options shall be exercisable at any time prior to the Time of Expiry and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice."*

Note 1: The Options will be issued no later than 1 month from the date of the Annual General Meeting.

Note 2: The Company will disregard any votes cast on this Resolution by D H Solomon and his associates (who are all prohibited from voting).

#### **8. Resolution 7 – Issue of options to Guy T Le Page**

To consider, and if thought fit pass, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, approval is given for the Company to issue to Guy T Le Page (a current Director of the Company) 1,000,000 Options in the Company, each to acquire one fully paid ordinary Share in the Company at an exercise price per option of 125% of the share price on the grant date, which Options shall be exercisable at any time prior to the Time of Expiry and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice."*

Note 1: The Options will be issued no later than 1 month from the date of the Annual General Meeting.

Note 2: The Company will disregard any votes cast on this Resolution by G T Le Page and his associates (who are all prohibited from voting).

#### **9. General**

To transact any business which may be brought before the meeting in accordance with the Constitution of the Company, the Act, or otherwise.

#### **PROXIES**

In accordance with section 249L of the Act, shareholders are advised:

- each shareholder has a right to appoint a proxy;
- the proxy need not be a shareholder of the Company;
- a shareholder who is 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.

In accordance with section 250BA of the Act the Company specifies the following for the purposes of receipt of proxy appointments:

By post or hand delivery to the Registered Office:

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

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

or PO Box Z5360, St Georges Terrace Perth Western Australia 6831

By facsimile to: (08) 9282 5866

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular Resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular Resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* the Company determines that shareholders holding ordinary shares at 5.00pm WST on 18 November 2009 will be entitled to attend and vote at the Annual General Meeting.

Except where the contrary intention appears, all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Statement accompanying this Notice.

#### **By Order of the Board of Directors**

A P Gates

Secretary

Dated this 16<sup>th</sup> day of October 2009

**TASMAN RESOURCES LTD**  
(ACN 009 253 187)  
**EXPLANATORY STATEMENT FOR SHAREHOLDERS**

This Explanatory Statement is intended to provide shareholders of the Company with sufficient information to assess the merits of each Resolution contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions. The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

**1 – RECEIVE AND CONSIDER THE ANNUAL REPORTS**

The first agenda item is to receive and consider the Annual Financial Report, Director's Report and Auditor's Report for the Company for the financial year ended 30 June 2009. No Resolution is required in respect of this agenda item. However, it provides shareholders with the opportunity to ask questions of the Company's Directors and auditors in relation to the Company's results and operations for the financial year.

**2 – REMUNERATION REPORT**

The Annual Financial Report for the financial year ended 30 June 2009 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 249L(2) of the Act, a resolution that a Remuneration Report be adopted must be put to the vote. However, pursuant to section 250R(3) of the Act, the vote on the Resolution is advisory only and will not require the Directors or the Company to alter any arrangements detailed in the Remuneration Report, should the Resolution not be passed.

**3 – RE-ELECTION OF DIRECTOR**

In accordance with the Company's Constitution, Mr Guy T Le Page retires by rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Le Page has been a Board member since February 2001. Mr Le Page is currently a corporate adviser at RM Capital Pty Ltd specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. Mr Le Page was Head of Research at Morgan Stockbroking Limited (Perth) prior to joining Tolhurst Noall as a Corporate Adviser in July of 1998. As Head of Research, Mr Le Page was responsible for the supervision of all Industrial and Resources research. As a Resources Analyst, Mr Le Page published detailed research on various mineral exploration and mining companies listed on the ASX. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

The Board recommends that shareholders vote in favour of this Resolution.

**4 – APPOINTMENT OF AUDITOR**

Grant Thornton has recently consolidated its state-based federation of firms into a single national entity. Accordingly, they are transferring all of their audit appointments into a new single national audit entity, Grant Thornton Audit Pty Ltd (ACN 130 913 594), to replace the various state-based firms. For public companies the appointment of a new auditor requires a resolution of shareholders at a general meeting.

The Board has considered and agreed to this change and has agreed to this Resolution being presented to the shareholders of the Company for formal vote. To give effect to the change Grant Thornton (WA) Partnership has requested ASIC's consent under section 329(5) of the Act to resign in favour of the new national entity, Grant Thornton Audit Pty Ltd. The Resolution is conditional ASIC's consent to the resignation of Grant Thornton (WA) Partnership, and the Company anticipates that this consent will be forthcoming.

In accordance with section 328B of the Corporations Act, notice in writing nominating Grant Thornton Audit Pty Ltd has been given to the Company by a shareholder. A copy of this notice is included with the Notice of Meeting. The appointment of Grant Thornton Audit Pty Ltd will be by vote of the Company's shareholders as an ordinary resolution.

Subject to the approval of the Company's shareholders, the appointment of Grant Thornton Audit Pty Ltd will take effect for the 2010 financial year. Grant Thornton (WA) Partnership remain responsible for the audit for the 2009 financial year.

The Board recommends that shareholders vote in favour of this Resolution.

**5 – APPROVAL OF THE COMPANY'S EMPLOYEE SHARE OPTION PLAN**

In 2006, the Company's ESOP was established to allow the Company's employees to participate in the ownership of the Company and to provide employees with both short and long term incentives to achieve growth in shareholder wealth.

Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

However, Listing Rule 7.2 provides that Listing Rule 7.1 does not apply in relation to, among other things, an issue under an employee incentive scheme if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

The Listing Rules define “employee incentive scheme” to include a scheme for the issue or acquisition of equity securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity. Under the Listing Rules, equity securities include options over issued or unissued shares in an entity. The ESOP is therefore an employee incentive scheme for the purposes of the Listing Rules.

As at the date of the Notice, 4,510,000 Options have been issued under the ESOP since the date of the last approval.

If this Resolution is passed, Options issued under the ESOP during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1. This would assist the Company by providing additional fundraising flexibility.

The following information is provided for the purposes of Listing Rule 7.2 Exception 9(b):

1. A summary of the terms of the ESOP is set out in Schedule 1.
2. The number of Options issued under the ESOP since the date of the last approval is 4,510,000.
3. The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in the ESOP) or any of his or her associates. However, the Company will not disregard a vote if:
  - 3.1 it is cast by a Director (even if the Director is eligible to participate in the ESOP) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - 3.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

The Board recommends that shareholders vote in favour of this Resolution.

## **6 to 8 – ISSUE OF OPTIONS TO COMPANY DIRECTORS**

Resolutions 5, 6 and 7 seek shareholder approval for the purposes of Part 2E.1 of the Act and Chapter 10 of the Listing Rules, and for all other purposes, for the Company to issue Options to the current Directors of the Company.

The Directors of the Company have resolved that, subject to receiving approval of the Company’s shareholders in accordance with Resolutions 5, 6 and 7, each of the current Directors of the Company will be issued with 1,000,000 Options. The Directors of the Company as at the date of this Explanatory Statement are Gregory H Solomon, Douglas H Solomon and Guy T Le Page.

The Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.

The terms and conditions upon which the Options will be issued (**Terms and Conditions**) are as follows:

1. The Options are exercisable at any time prior to 5.00pm WST 20 November 2012 (the **Time of Expiry**). Options not exercised on or before the Time of Expiry will automatically lapse.
2. The Options may be exercised wholly or in part by completing a notice of exercise of options in a form approved by the Company (a **Notice of Exercise**) and delivering it to the Company’s registered office at any time prior to the Time of Expiry.
3. The Options entitle the holder to subscribe (in respect of each Option held) for one fully paid ordinary Share in the Company at an exercise price per Option of 125% of the share price on the grant date.
4. Upon the exercise of the Options and receipt of all relevant documents and payment, Shares will be issued ranking equally with the then issued Shares, and the Company will apply to ASX to have the Shares so issued granted official quotation.
5. Any Notice of Exercise received by the Company prior to the Time of Expiry will be deemed to be a Notice of Exercise as at the last business day (a day other than a Saturday or a Sunday on which banks are open for business in Perth, Western Australia) of the month in which it is received.
6. There are no participating entitlements inherent in the Options to participate in new issues of capital, which may be offered to shareholders of the Company during the currency of the Options. Prior to any new pro rata issue of securities to shareholders of the Company, holders of Options will be notified by the Company and afforded 10 business days before the Record Date (as defined in the Listing Rules to determine entitlements to the issue), to exercise their Options.
7. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Time of Expiry, the number of Options or the exercise price of the Options (or both) shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on the holders of the Options which are not being conferred on shareholders of the Company and (subject to the provisions with respect to rounding entitlements as sanctioned by the meeting of Company shareholders approving the reconstruction of capital) in all respects, the terms for the exercise of the Options shall remain unchanged. For these purposes, the rights of the holders of the Options may be changed from time to time to comply with the Rules applying to reorganisation of capital, at the time of reorganisation.
8. The Options may be transferred at any time prior to the Time of Expiry.
9. Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the Notice of Exercise.

The Directors (or their related parties) currently hold the Shares and Options in the Company set out below. If all of the Options proposed to be issued to the Directors are exercised, an additional 3,000,000 Shares in the Company will then be on issue. The capital structure of the Company as it currently stands and as it will stand if all of the Options are exercised (assuming all of the other Options currently on issue in the Company are also exercised) is also set out below:

Holders	Shares	Options	Upon Exercise
G H Solomon	28,171,975	12,556,548	40,728,523
D H Solomon	27,851,500	12,347,347	40,198,847
G T Le Page	1,784,821	1,181,112	2,965,933
Other	102,899,897	30,734,205	133,634,102
<b>Totals</b>	<b>160,708,193</b>	<b>56,819,212</b>	<b>217,527,405</b>

Subject to the significant qualifications detailed below the Directors have estimated, using the valuation methodology summarised below, that the accounting value of each of the Options to be issued to the Directors is \$0.0559 per Option. Therefore the total accounting value of each Director's 1,000,000 Options would be \$55,900.00 (estimated).

The Options have been indicatively valued using the Black-Scholes Option Valuation Model (the **Model**), which takes account of factors including option exercise price, the current underlying share price volatility, risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected option life. The Model attributes an indicative value of \$0.0559 per Option on the following assumptions:

- (a) the Options are exercisable at a price per Option of \$0.145;
- (b) a current underlying Share price volatility of 77.4%;
- (c) a risk-free interest rate of 6.25% per annum (based on the 5-year bond rate as at 6 October 2009);
- (d) the underlying value of each Share being \$0.115 (based on the value of the Company's shares on the ASX on 7 October 2009);
- (e) no dividends being payable; and

The estimated value of each Option is subject to considerable uncertainty because many of the parameters of the Model are difficult to estimate. For example, the share price may after 7 October 2009 go above, or below, \$0.115 per Share.

Other parameters, such as the expected option life and the risk-free interest rate, are more certain.

## The Act

Part 2E.1 of the Act regulates the provision of "financial benefits" by public companies. The Company is a public company.

Section 208(1) of the Act provides that the Company can only give a financial benefit to a "related party" of the Company if the Company obtains the approval of its shareholders in accordance with the procedures set out in Part 2E.1 of the Act.

Directors of public companies are related parties for the purposes of the Act. Gregory H Solomon, Douglas H Solomon and Guy T Le Page are Directors, and therefore related parties, of the Company.

The Act deems the issue of an option by a public company to a related party to constitute the giving of a financial benefit to that related party.

In the circumstances, the Resolution by the Directors to issue the Options will result in the Company giving a financial benefit to Gregory H Solomon, Douglas H Solomon and Guy T Le Page, who are related parties of the Company.

The Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company. Section 211 of the Act provides an exception to the need to obtain shareholder approval to the giving of a financial benefit to a related party where the financial benefit is remuneration given to an officer (including a director) of a public company and giving the remuneration would be reasonable given the respective circumstances of the public company and the related party (including the responsibilities involved in the office or employment).

The Directors consider that the issue of the Options to the Directors is reasonable given the circumstances of the Company and the Directors. However to avoid doubt the Company is seeking shareholder approval for the purposes of Part 2E.1 of the Act.

As required by Part 2E.1 of the Act, and in particular section 219 of the Act, the following information contained in paragraphs A, B and C below is provided to allow the shareholders of the Company sufficient information to determine whether or not they should approve these Resolutions.

### A. Resolution 5

- The proposed financial benefit will be given to Gregory H Solomon (who is a Director).
- The nature of the financial benefit is the issue of Options in the Company.
- Gregory H Solomon (the person to whom the financial benefit will be given) does not wish to make a recommendation to shareholders about this Resolution on the basis that he has an interest in the Resolution's passage. All of the Directors who do not have an interest in this Resolution recommend that shareholders approve this Resolution on the basis that the Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
- Gregory H Solomon, as a Director and the person to whom the financial benefit will be payable, has an interest in this Resolution.

5. The Directors are not aware of any other information (other than the information contained in this Explanatory Statement) that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the Resolution.

The Company will disregard any votes cast on Resolution 6 by Gregory H Solomon (being the related party of the Company to whom the Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

**B. Resolution 6**

1. The proposed financial benefit will be given to Douglas H Solomon (who is a Director).
2. The nature of the financial benefit is the issue of Options in the Company.
3. Douglas H Solomon (the person to whom the financial benefit will be given) does not wish to make a recommendation to shareholders about this Resolution on the basis that he has an interest in the Resolution's passage. All of the Directors who do not have an interest in this Resolution recommend that shareholders approve this Resolution on the basis that the Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
4. Douglas H Solomon, as a Director and the person to whom the financial benefit will be payable, has an interest in this Resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Statement) that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the Resolution.

The Company will disregard any votes cast on Resolution 7 by Douglas H Solomon (being the related party of the Company to whom the Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

**C. Resolution 7**

6. The proposed financial benefit will be given to Guy T Le Page (who is a Director).
7. The nature of the financial benefit is the issue of Options in the Company.
8. Guy T Le Page (the person to whom the financial benefit will be given) does not wish to make a recommendation to shareholders about this Resolution on the basis that he has an interest in the Resolution's passage. All of the Directors who do not have an interest in this Resolution recommend that shareholders approve this Resolution on the basis that the Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
9. Guy T Le Page, as a Director and the person to whom the financial benefit will be payable, has an interest in this Resolution.
10. The Directors are not aware of any other information (other than the information contained in this Explanatory Statement) that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the Resolution.

The Company will disregard any votes cast on Resolution 8 by Guy T Le Page (being the related party of the Company to whom the Resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

**The Listing Rules**

Listing Rule 10.11 provides that unless an entity has the approval of the holders of "ordinary securities", that entity must not issue or agree to issue "equity securities" to a "related party", or a person whose relationship with the entity or a related party of the entity is, in the opinion of the ASX, such that approval should be obtained.

The Listing Rules define equity security to include an option over an issued or unissued share in an entity. The Options will therefore be equity securities for the purposes of the Rules.

Under the Listing Rules, the term related party (in relation to a body corporate) has the same meaning as that set out in section 228 of the Act. Section 228(2) of the Act provides that the directors of a public company are related parties of that public company. Gregory H Solomon, Douglas H Solomon and Guy T Le Page are Directors, and therefore related parties, of the Company.

The Company is therefore also seeking shareholder approval for the purposes of Listing Rule 10.11 to the issue of the Options to the Directors. If the approval of the shareholders of the Company is not obtained, the Options will not be issued to the Directors.

The following information is provided to shareholders of the Company pursuant to Listing Rule 10.13:

1. The Directors propose to issue 1,000,000 Options to each of Gregory H Solomon, Douglas H Solomon and Guy T Le Page (who are Directors of the Company).
2. The maximum number of Options that will be issued is 3,000,000.
3. The Company will issue the Options not more than one month after the date of the Annual General Meeting.
4. The Company will disregard any votes on Resolution 6 by Gregory H Solomon or any of his associates. However, the Company will not disregard a vote if:
  - 4.1 it is cast by Gregory H Solomon or any of his associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - 4.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

5. The Company will disregard any votes on Resolution 7 by Douglas H Solomon or any of his associates. However, the Company will not disregard a vote if:
  - 5.1 it is cast by Douglas H Solomon or any of his associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - 5.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
6. The Company will disregard any votes on Resolution 8 by Guy T Le Page or any of his associates. However, the Company will not disregard a vote if:
  - 6.1 it is cast by Guy T Le Page or any of his associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - 6.2 it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
7. The Options will be issued on the Terms and Conditions described above in this Explanatory Statement. The Options are being issued to the Directors in consideration of services which they have provided, and will subsequently provide, to the Company.
8. No funds will be raised by the Company by the issue of the Options to the Directors.

## **GLOSSARY OF TERMS**

In this Explanatory Statement and accompanying Notice of Meeting the following words and expressions have the following meanings:

**"ASIC"** means Australian Securities and Investments Commission;

**"ASX"** means ASX Limited (ACN 008 624 691);

**"Board"** means the board of Directors of the Company;

**"Company" or "Tasman"** means Tasman Resources Ltd (ACN 009 253 187);

**"Corporations Act"** means Corporations Act 2001 (Cth);

**"Director"** means a director of the Company;

**"Explanatory Statement"** means the information attached to the Notice of Meeting which provides information to shareholders about the Resolutions contained in the Notice of Meeting;

**"Listing Rules"** means the ASX Listing Rules and **"Listing Rule"** has a corresponding meaning;

**"Notice" or "Notice of Meeting"** means the notice of meeting which accompanies this Explanatory Statement;

**"Options"** means options in the Company;

**"Shares"** means fully paid ordinary shares in the capital of the Company; and

unless the contrary intention appears, terms defined in the Notice of Meeting have the same meaning in this Explanatory Statement.



## SCHEDULE 1

### SUMMARY OF TERMS OF ESOP

1. The Board may offer free Options to:
  - 1.1 full-time or part-time employees; or
  - 1.2 Directors of the Company or of associated bodies corporate of the Company,  
(**Eligible Employees**)
2. In accordance with Listing Rule 10.14, Options under the ESOP can only be issued to Directors, and/or associates of the Directors, with the approval of the holders of ordinary securities by special resolution passed at a general meeting.
3. There is no issue price for the Options. The exercise price for the Options will be the greater of:
  - 3.1 125% of the weighted average market price of Shares sold on the ASX on the 5 trading days immediately before the date the Board approves the issue of the Options to the Eligible Employee under the ESOP (the **Date of Issue**); or
  - 3.2 any other price determined by the Board at the Date of Issue.
4. Shares issued on exercise of Options will rank equally with other Shares of the Company.
5. Options may not be transferred without the approval of the Board. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of the Shares issued on the exercise of the Options.
6. The Board may not offer Options under the ESOP if the total number of Shares which would be issued were each Option accepted, together with the number of Shares of the same class or Options to acquire such Shares issued pursuant to all employees or executive share schemes during the previous 5 years, exceeds 5% of the total number of issued Shares in that class as at the date of the offer.
7. Options may only be issued or exercised within the limitations imposed by the Act and the Listing Rules.
8. Options may be issued which impose conditions that will result in the Options lapsing if those conditions are satisfied and may also be issued with restrictions on the disposal of Shares acquired by an option holder as a result of the exercise of the Options.
9. Subject to the paragraphs below, Options must be exercised in the period commencing on the second anniversary and ending on the fifth anniversary of the date of grant, or as otherwise determined by the Company at the time the Options are granted.
10. If an Eligible Employee leaves the employment of the Company:
  - 10.1 2 years or more after Options are issued to them; or
  - 10.2 because of retirement at or after 55 years of age, permanent disablement, retrenchment, death or any other circumstances approved by the Board,the Options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in that time, the Options lapse.
11. If an Eligible Employee leaves the employment of the Company or of a related body corporate of the Company earlier than 2 years after Options are issued to them and paragraph 10.2 above does not apply, the Options lapse.
12. If any Eligible Employee acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, Options issued to that person will lapse.
13. Options will automatically lapse 5 years after they are issued.
14. The holders of Options will only participate in new issues, including bonus issues, if they have exercised the Options at that time and provided such exercise is permitted by the terms of the Option.
15. If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised Option will, on exercise, entitle its holder to receive additional Shares and the exercise price is reduced.
16. If the Company makes a pro rata rights issue of ordinary Shares for cash to its ordinary shareholders, then there is provision for adjustment of the exercise price of unexercised Options to reflect the diluting effect of the issue.
17. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
18. The Board may determine within 7 days of the exercise of an Option not to allot or issue Shares under the Option but to refund the tendered exercise price for the Option and either to pay to the Option holder an amount equal to the difference between the market price of the shares as at the date of exercise and the exercise price of the Option, or issue that number of Shares having a market value at the date of exercise of the Option equal to the difference between the market price of the shares as at the date of exercise and the exercise price for the Option.

# ARKENSTONE PTY LTD

ACN: 009 112 878

Level 40, Exchange Plaza

2 The Esplanade, Perth, Western Australia 6000

Telephone: (08) 9282 5888

Facsimile: (08) 9282 5855

12 October 2009

The Directors  
Tasman Resources Ltd  
Level 40, Exchange Plaza  
2 The Esplanade  
Perth, WA 6000

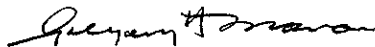
Dear Sirs,

## NOTICE OF NOMINATION OF AUDITOR

We, Arkenstone Pty Ltd ATF The G H Solomon Family Investment Trust being a shareholder of Tasman Resources Ltd, hereby nominate Grant Thornton Audit Pty Ltd for appointment as auditor of Tasman Resources Ltd at the forthcoming Annual General Meeting.

We request a copy of this nomination is sent to all person entitled to receive notice of the AGM and Grant Thornton Audit Pty Ltd.

Yours faithfully



Gregory H Solomon  
Director

**TASMAN RESOURCES LTD**  
(ACN 009 253 187)

**PROXY FORM**  
**ANNUAL GENERAL MEETING**

The Company Secretary  
Tasman Resources Ltd  
Level 40 Exchange Plaza  
2 The Esplanade Perth  
WA 6000

Fax +(618) 9282 5866

Shareholder Name  
Shareholder Address

Share Registry Website:  
www.advancedshare.com.au

I/We

being a member/members of Tasman Resources Ltd entitled to attend and vote at the meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the meeting or the Chairman's nominee, to vote in respect of \_\_\_\_% of my/our voting rights in accordance with the following directions, or if no directions have been given, as the proxy sees fit at the Annual General Meeting of the company, to be held on Friday the 20<sup>th</sup> of November 2009 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

**Ordinary Resolutions:**

	FOR	AGAINST	ABSTAIN
1. Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr D H Solomon as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of options to Gregory H Solomon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of options to Douglas H Solomon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of options to Guy T Le Page	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not intended to be counted in computing the required majority on a poll.

Signed this            day of            2009

**Individuals and joint holders**

Signature

Signature

Signature

**Companies**

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

The Chairman intends to vote undirected proxies in favour of each item of business.

If you do not wish to direct your proxy how to vote please place a mark in the box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

**Notes:**

1. To be effective, this proxy and the power of attorney (if any) under which it is signed must be received at the Registered Office of the company, Level 40, Exchange Plaza, 2 The Esplanade, Perth, WA 6000 not less than 48 hours before the time for holding the meeting, or any adjournment thereof.
2. If the member is a corporation, the form of proxy should be signed under seal if appropriate.

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed either in accordance with the Constitution of the company or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by all of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, that is by 10.30am WST on 18 November 2009, by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, or acts as proxy for any other shareholder, the proxy can cast any votes the proxy holds as a shareholder or as proxy for any other shareholder in any way that the proxy, or that other shareholder, sees fit.

7. The Chairperson intends to vote in favour of all resolutions set out in the Notice of Annual General Meeting.