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Australian Stock Exchange
Company Announcements Office

Announcement

MAJOR DRILLING PROGRAM TO COMMENCE 11th JANUARY SMRV PROJECT, SW TASMANIA

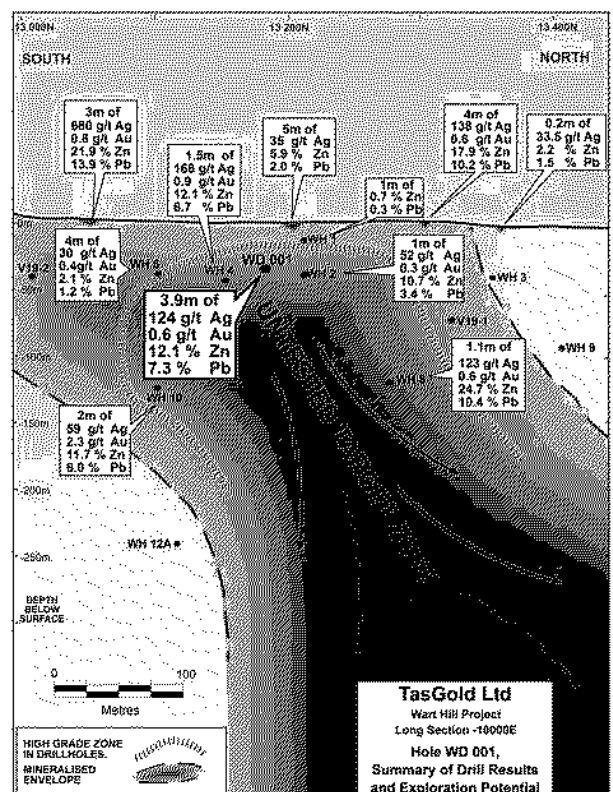
TasGold's summer work program at the SMRV project area (ELs 20/96 & 21/99) was initiated 29/12/2004 with the preliminary mobilisation of equipment and personnel. Full mobilisation is expected to occur on 9/1 and 10/1/2005, after receiving final work program / regulatory approvals.

The diamond drilling program will consist of up to approximately 3,000m and commence at the Wart Hill (V19) Prospect on 11/1/2005. The program covers 4 target zones and is subject to continuous review /evaluation and to drilling rates achieved. TasGold has designed and manufactured a new / improved man-portable, low environmental impact diamond drill rig for use in this program that will be primarily supported/ moved by 4 tonne crawler carriers.

The company holds the premier land position in SW Tasmania in the highly mineralised Mount Read Volcanic Province (holding >40 kilometres of strike length). The target at Wart Hill is a volcanic hosted massive sulphide deposit such as the World Class Rosebery Deposit / Mine (owned by Zinifex Limited), which is located ~125km to the north in the same Mount Read Volcanic sequence, with >32 million tonnes at 14.6% zinc, 4.5% lead, 146g/t silver and 2.3g/t gold (total contained metal value of ~A\$16 billion).

TasGold drilled a potentially economic, high-grade and high-value, base and precious metal intersection (**3.9m of 12.6% Zinc + 7.2% Lead + 123g/t Silver + 0.6g/t Gold**) at Wart Hill in it's first diamond drill hole at the prospect and the last hole of the company's 2004 'summer' program. The intersection is approximately true width (i.e. it is an accurate or representative width as opposed to an apparent width) and is contained within a 7m mineralised zone of 7.8% zinc + 4.4% lead + 78g/t silver + 0.4g/t gold, in semi-massive to massive sulphides that are located only ~35m vertically below surface.

TasGold's excellent drill result demonstrates that high-grade, near surface resources can potentially be located at Wart Hill and other prospects in the district and defining such resources is the goal of the upcoming drilling program.



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