



ACN 009 253 187

**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT**

**19 October 2007**

**NOTICE OF ANNUAL GENERAL MEETING AND ANNUAL REPORT**

Attached is a copy of the Notice of Annual General Meeting, Explanatory Statement and Proxy Form for the Annual General Meeting being mailed to shareholders together with a copy the 2007 Annual Report.

Raymond F Buscall  
Company Secretary

---

**TASMAN RESOURCES NL**  
**ACN 009 253 187**

---

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**TO BE HELD ON**

**23 NOVEMBER 2007  
COMMENCING AT 10.00 AM**

**AT**

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

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

**NOTICE OF MEETING**

Notice is hereby given that an Annual General Meeting of shareholders of Tasman Resources N.L. ('the Company') will be held at Level 40, Exchange Plaza, 2 The Esplanade, Perth on Friday 23rd of November 2007 at 10:00am ("Meeting").

**AGENDA**

**1. Annual Accounts**

To table the Financial Statements for the year ended 30 June 2007 and the related Director's Report, Director's Declaration and Audit Report thereon.

**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 Corporations Act 2001 and for all other purposes, the Company be authorised to adopt the Remuneration Report contained in the 2007 Annual Report".*

**Short Explanation:** In accordance with section 250R(3) of the Corporations Act 2001, a resolution that the remuneration report be adopted must be put to the vote. The vote on this resolution is advisory only and does not bind the Directors of 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 Touzeau 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."*

**Short Explanation:** Pursuant to the Company's Constitution, one third of the Company's directors must retire at each Annual General Meeting. A director who retires in accordance with the Constitution is eligible for re-election.

**General:**

To transact any business which may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act 2001, or otherwise.

**PROXIES**

In accordance with Section 249L of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member 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 Corporations 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 Corporations 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 the Company determines that members holding ordinary shares at 5.00pm WST on 21 November 2007 will be entitled to attend and vote at the Annual General Meeting.

Please note all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Memorandum accompanying this Notice.

**By Order of the Board of Directors**



R F Buscall  
Secretary

Dated this 19th day of October 2007

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

**EXPLANATORY MEMORANDUM FOR SHAREHOLDERS**

This Explanatory Memorandum 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 Memorandum 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 FINANCIAL STATEMENTS AND REPORTS**

The first item of the Notice is to receive and consider the annual financial reports and accounts of the Company for the year ended 30 June 2007. 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 Report for the year ended 30 June 2007 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.

Pursuant to section 250R(3) of the Corporations Act, the Shareholder vote is advisory only and will not require 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 Touzeu 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 8 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.

Mr Le Page holds a Bachelor of Arts, a Bachelor of Science and a Masters Degree in Business Administration from the University of Adelaide, a Bachelor of Applied Science (Hons) from the Curtin University of Technology and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia.

The Board recommends that shareholders approve this Resolution.

## **GLOSSARY OF TERMS**

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

**"ASX"** means Australian Securities Exchange Limited;

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

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

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

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

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

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

**"shares"** means fully paid ordinary shares in the capital of the Company.

**TASMAN RESOURCES N.L.**  
**(ACN 009 253 187)**

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

I/We

being a member/members of Tasman Resources N.L. 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 23rd of November 2007 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

|                                                              | FOR                      | AGAINST                  | ABSTAIN                  |
|--------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Ordinary Resolutions:</b>                                 |                          |                          |                          |
| 1. Approval of Remuneration Report                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Re-election of Mr GT Le Page as a Director of the Company | <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            2007.

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

Signature

Director

Signature

Director/Company Secretary

Signature

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.

## 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 10.00am WST on 21 November 2007, 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.



# ANNUAL REPORT

for the Year Ended 30 June 2007

Tasman Resources NL  
& Controlled Entities  
ABN: 85 009 253 187



**Tasman**  
RESOURCES NL

## Table of Contents

|                                                    |    |
|----------------------------------------------------|----|
| Highlights for the Year to 30 June 2007            | 3  |
| Corporate Directory                                | 4  |
| Corporate Governance Statement                     | 5  |
| Directors' Report                                  | 9  |
| Lead Auditor's Independence Declaration            | 29 |
| Income Statement                                   | 30 |
| Balance Sheet                                      | 31 |
| Statement of Changes in Equity                     | 32 |
| Cash Flow Statement                                | 33 |
| Notes to the Financial Statements                  | 34 |
| Directors' Declaration                             | 59 |
| Independent Auditor's Report                       | 60 |
| Additional Information for Listed Public Companies | 62 |

## HIGHLIGHTS FOR THE YEAR TO 30 JUNE 2007

- ❖ High-grade gold and silver located at Parkinson Dam. Drill hole PD 63 intersected 21m downhole assaying 21g/t Au and 83g/t Ag, including 9m at 31g/t Au and 152g/t Ag. Mineralisation is associated with previously unrecognised, steeply-dipping, classic epithermal-style quartz veins. The large epithermal system is wide open & promises exciting results.
- ❖ Encouraging results from tests of lode gold targets north east of Challenger Gold Mine at Skye, with 6m downhole at 3g/t Au intersected in RAB drilling.
- ❖ \$6.5 Million Joint Venture Heads of Agreement signed with WCP Resources Limited to explore IOCGU targets on Tasman's tenements immediately to the north and west of Olympic Dam Mine in South Australia
- ❖ Airborne EM surveys (TEMPEST) identify extensive uranium-prospective palaeovalley drainage system at Garford in the Central Gawler Craton of SA.
- ❖ Value of Tasman's uranium assets realised in Fission Energy Ltd IPO and listing on the ASX, which raised \$6M. Tasman retains a 52.1% interest in Fission Energy Limited.
- ❖ TEMPEST survey in Garford region also highlighted a previously unknown NW-SE trending sedimentary trough of probable Permian age with obvious coal potential and strong similarities to the very large Lake Phillipson coal deposit 10 km to the east.
- ❖ Nickel exploration located a probable large differentiated mafic intrusion at the Sturt Prospect, prospective for Nickel-Cobalt-Copper and PGEs. Possible 8km strike inferred from aeromagnetics and drilling. Ground EM located anomalies consistent with disseminated sulphides but ruled out massive nickel sulphides in the area tested.
- ❖ Tasman's 25.78% (fully diluted) shareholding in alternative energy company Eden Energy Limited performed very well adding \$15.5 million in shareholder value over the year and providing 12.6 cents value per Tasman share.

## CORPORATE DIRECTORY

### DIRECTORS:

Gregory Howard Solomon LLB (Executive)  
Douglas Howard Solomon BJuris LLB (Hons) (Non-Executive)  
Guy Touzeau Le Page B.A., B.Sc. (Hons), M.B.A., ASIA., MAusIMM (Non-Executive)

### COMPANY SECRETARY:

Raymond F Buscall

### REGISTERED OFFICE:

Level 40, Exchange Plaza  
2 The Esplanade  
Perth  
Western Australia 6000  
Tel +61 8 9282 5889  
Fax +61 8 9282 5866  
Email: [mailroom@tasmanresources.com.au](mailto:mailroom@tasmanresources.com.au)  
Website: [www.tasmanresources.com.au](http://www.tasmanresources.com.au)

### SOLICITORS:

Solomon Brothers  
Level 40, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Minter Ellison  
1 King William Street  
Adelaide SA 5000

### AUDITORS:

Bentleys MRI Perth Partnership  
Chartered Accountants  
Level 1  
10 Kings Park Road  
West Perth WA 6005

### SHARE REGISTRY:

Advance Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009

### STOCK EXCHANGE LISTING:

ASX Code: TAS (ordinary shares)

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

## CORPORATE GOVERNANCE STATEMENT

### Corporate Governance

The Board of Directors is responsible for the corporate governance of the company. The Board monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board of Directors acknowledge the Principles of Good Corporate Governance and Best Practice Recommendations set by the Australian Securities Exchange ("ASX") Corporate Governance Council. However, in view of the Company's current size and extent and nature of operations, full adoption of the recommendations is currently not practical. The Board will continue to work towards full adoption of the recommendations in line with growth and development of the Company in the years ahead. Where the Company's framework was different to the Principles of Good Corporate Governance and Best Practice Recommendations set by the ASX Corporate Governance Council, it has been noted below.

A summary of the current corporate governance practices as adopted by the Board are as follows:

### The Board of Directors

#### Board Responsibilities

The Board assumes responsibility for overseeing the affairs of the Company by ensuring that they are carried out in a professional and ethical manner and that business risks are effectively managed.

The board carries out its responsibilities according to the following mandate:-

- The Company's Constitution fixes the number of Directors to at least three directors and not more than six. The Board currently consists of three, with at least two-thirds being non-executive directors;
- The directors should possess a broad range of skills qualifications and experience;
- The Company's Constitution requires that not less than one third of the all the Directors other than the Managing Director retire by rotation at each annual general meeting. Directors appointed during the period since the last annual general meeting of the company must submit themselves for election at the next Annual General Meeting;
- The full board meets formally to conduct appropriate business. The Board uses resolutions in writing signed by all Directors to deal with matters requiring decisions between meetings;
- All available information in connection with items to be discussed at a meeting of the board shall be provided to each director prior to that meeting.

The primary responsibilities of the Board include:-

- Review and ratify systems of risk management and internal compliance and control, codes of conduct, legal compliance, and any other regulatory compliance;
- Approve and monitor the progress of major capital expenditure, capital management, and acquisition and divestitures;
- Approve and monitor financial and other reporting to shareholders and the market;
- Monitor the Board composition, Director selection, Board process and performances and ensure Directors have an understanding of the consolidated entities business;
- Monitor and influence the key standards of the consolidated entity including Ethical Standards, reputation and culture;
- The approval of the annual and half-yearly financial report;
- The review and adoption of annual budgets for financial performance of the consolidated entity and the monitoring of results;
- Ensuring that the consolidated entity is able to pay its debts as and when they fall due.

The Company discloses the details of qualifications and experience of each Director in its annual report.

#### CORPORATE GOVERNANCE STATEMENT

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

- The Company does not have a majority of independent directors;
- The Chairman of the Board is an executive director.

#### Board Committees

##### Remuneration Committee

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

- The Company does not have a Remuneration Committee. The Board believes that, with the number of Directors on the Board, the Board itself is the appropriate forum to deal with this function.

The Company's Constitution allows for a maximum amount per annum to be paid to non-executive directors to be allocated at the discretion of the Directors. Any changes to the annual amount must be approved at a General Meeting of members of the Company.

##### Audit Committee

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

- The Company does not have an Audit Committee. The Board believes that, with the number of Directors on the Board, the Board itself is the appropriate forum to deal with this function.

##### Nomination Committee

Due to the Company's current size and extent of nature and operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

- The Company does not have a Nomination Committee. The Board believes that, with the number of Directors on the Board, the Board itself is the appropriate forum to deal with this function.

#### Independent Professional Advice

With prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the consolidated entity's expense concerning any aspect of the consolidated entity's operations or undertaking in order to fulfil their duties and responsibilities as directors.

#### Ethical Standards

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, that Directors, officers and employees must:-

- Comply with the law;
- Act in the best interests of the Company;
- Be responsible and accountable for their actions; and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

## CORPORATE GOVERNANCE STATEMENT

### Trading Policy

It is the company's policy to encourage Directors and employees to own Shares in the Company. The trading in shares policy reinforces the obligations of Directors and employees of the Company, under the Corporations Act 2001 and the ASX Listing Rules in relation to trading in Company Shares. The policy restricts directors and employees from acting on material information until it has been released to the market. Directors are required to report share trading to the Company Secretary.

### Continuous Disclosure

The Executive Chairman and Company Secretary have been appointed as the persons responsible for communications with the ASX. These people are also responsible for ensuring the compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX.

The Executive Chairman and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meetings. The Company adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed.

### Risk Management

The Board is responsible for the consolidated entity's system of internal controls. The Board constantly monitors the operation and financial aspects of the consolidated entity's activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial risks that face the consolidated entity.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the consolidated entity has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

- The Company does not have a full time chief executive officer or chief financial officer and therefore statements are not obtained from such persons in relation to Best Practice Recommendation 4.1.

### Code of Conduct

As part of the Board's commitment to the highest standard of conduct, the consolidated entity requires executives, management and employees in carrying out their duties and responsibilities to act ethically and lawfully with respect to all transactions and matters including:-

- Responsibilities to shareholders;
- Compliance with laws and regulations;
- Relations with customers and suppliers;
- Ethical responsibilities;
- Employment practices; and
- Responsibilities to the environment and the community.

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

- The Company has not established a Formal Code of Conduct in accordance with Best Practice Recommendation 10.1.

#### CORPORATE GOVERNANCE STATEMENT

##### Communicating with Shareholders

The Board ensures that shareholders are kept informed of all major developments that affect their shareholding or the Consolidated Entity's State of Affairs through quarterly, half yearly, annual and ad hoc reports. All shareholders are encouraged to attend the Annual General Meeting to meet the Chairman and Directors and to receive the most updated report on the consolidated entity's activities.

##### Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at [www.tasmanresources.com.au](http://www.tasmanresources.com.au). Shareholders may communicate with the Company through its email address.

## DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2007.

### Directors

The names of directors in office at any time during or since the end of the year are:

Gregory Howard Solomon

Douglas Howard Solomon

Guy Touzeu Le Page

Graham Roland Bedford (resigned 8 September 2006)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Raymond F Buscall. Mr Buscall has worked for Tasman Resources NL for the past 16 years performing financial management roles of the business. Mr Buscall was appointed company secretary on 18 June 1990.

### Principal Activities

The principal activity of the economic entity during the financial year ended 30 June 2007 was mineral exploration.

In particular, the Company undertook exploration programmes and project generation activities covering areas on the Stuart Shelf around Lake Torrens, near Iron Knob, northwest of Tarcoola in the central Gawler Craton (all in South Australia), and in Southwest Queensland.

Activities included geochemical sampling, geophysical surveys (including airborne and ground), percussion and core drilling programmes and ongoing reviews of previous exploration data leading to the acquisition of new projects.

### Operating Results

The consolidated loss of the economic entity after providing for income tax and eliminating minority equity interests amounted to \$1,437,981. The results included a profit on de-consolidation of Fission Energy Limited of \$4,939.

### Dividends Paid or Recommended

No dividends were paid or declared for payment during the year

#### Review of Mineral Exploration Operations

The Company has exploration licences and applications located in South Australia and Queensland.

The Company is targeting a range of commodities – gold, silver, copper, zinc, lead, nickel/cobalt and platinum group elements, diamonds and coal – for which the company's tenements are considered prospective.

Tasman has recognised the strong uranium potential in a number of its South Australian tenements, and during the year this value was realised through the spin-off of its uranium explorer Fission Energy Ltd.

During the year, the Company has significantly progressed exploration of the tenement package, with very encouraging results in being obtained at the Parkinson Dam Project in particular.

#### Tenements

Tasman Resources NL holds a 100% interest in the following exploration projects:

- The "Lake Torrens IOCGU-Base Metal Project" comprising Exploration Licences 2989, 3109, 3123, 3140, 3174, 3175, 3177, 3209, 3254, 3261, 3449, 3541, 3607, 3634 and 3677.

Of these, Exploration Licences 2989, 3109, 3140, 3175, 3174, 3177, 3209, 3261, 3449 and 3634 are subject to a joint venture agreement with WCP Resources, covering basement-hosted mineralisation.

- The "Parkinson Dam Epithermal Gold-Silver Project" (ELs 3102, 3307, 3453 and 3739).
- The "Central Gawler Gold - Nickel Project" (ELs 3306, 3339, 3340, 3341, 3342, 3343, 3344, 3345, 3423, 3532 and 3712).
- The "Mirrica Gold-Base Metal Project" comprises applications 15642, 15645, 16164 and 16165 for EPMs in Queensland.
- The "Glenormiston Uranium Project" comprises applications 16124, 16125, 16126 and 16127 for EPMs in Queensland.

Table 1 lists the further details on the tenements. The total area covered by the 40 tenements is 13,138km<sup>2</sup>.

Table 1: Tasman Resource Tenement Schedule

| State | Licence Type | Number | Area km <sup>2</sup> | Locality          | Location                                      |
|-------|--------------|--------|----------------------|-------------------|-----------------------------------------------|
| Qld   | EPM          | 15642  | 314                  | Mirrica North     | Approximately 150 NW of Bedourie              |
| Qld   | EPM          | 15645  | 314                  | Mirrica South     | Approximately 150 NW of Bedourie              |
| Qld   | EPM          | 16124  | 628                  | Marian            | Approximately 170km SW of Mt Isa              |
| Qld   | EPM          | 16125  | 628                  | Wanda             | Approximately 150km WSW of Mt Isa             |
| Qld   | EPM          | 16126  | 691                  | Linda             | Approximately 225 km SW of Mt Isa             |
| Qld   | EPM          | 16127  | 628                  | Georgina          | Approximately 250 km SSW of Mt Isa            |
| Qld   | EPM          | 16164  | 314                  | Mirrica West      | Approximately 150 NW of Bedourie              |
| Qld   | EPM          | 16165  | 229                  | Alnagata          | Approximately 150 NW of Bedourie              |
| Qld   | EPM          | 16577  | 236                  | Mellora           |                                               |
| Qld   | EPM          | 16586  | 251                  | Walgra            |                                               |
| SA    | EL           | 3102   | 75                   | Wartaka           | Approximately 50 km west of Port Augusta      |
| SA    | EL           | 3109   | 244                  | White Cliff       | Approximately 70 km NNW of Andamooka          |
| SA    | EL           | 3123   | 615                  | Stuart Creek      | Approximately 80 km west of Marree            |
| SA    | EL           | 3140   | 440                  | Porter Hill       | Approximately 50 km north of Andamooka        |
| SA    | EL           | 3174   | 230                  | Fergusson Hill    | Approximately 120km northwest of Andamooka    |
| SA    | EL           | 3175   | 12                   | Andamooka         | Immediately ENE of Andamooka                  |
| SA    | EL           | 3177   | 402                  | Todds Dam         | Approximately 45km west of Andamooka          |
| SA    | EL           | 3209   | 1,302                | Andamooka North   | Approximately 140 km northwest of Leigh Creek |
| SA    | EL           | 3254   | 247                  | Mt Norwest        | Approximately 50 km southwest of Marree       |
| SA    | EL           | 3261   | 160                  | Harcus Hill       | Approximately 90 km NNW of Woomera            |
| SA    | EL           | 3306   | 436                  | Warrior           | Approx 90km 90 NW Tarcoola                    |
| SA    | EL           | 3307   | 194                  | Iron Knob         | Approximately 50 km WSW of Port Augusta       |
| SA    | EL           | 3339   | 62                   | McDouall Peak     | Approximately 100 km SSE of Coober Pedy       |
| SA    | EL           | 3340   | 173                  | Gina Outstation   | Approximately 100 km south of Coober Pedy     |
| SA    | EL           | 3341   | 339                  | Muckanippie       | Approximately 90 km northwest of Tarcoola     |
| SA    | EL           | 3342   | 184                  | Garford           | Approximately 120 km southwest of Coober Pedy |
| SA    | EL           | 3343   | 430                  | Sandstone         | Approximately 90 km southwest of Coober Pedy  |
| SA    | EL           | 3344   | 262                  | Commonwealth Hill | Approximately 70 km north of Tarcoola         |
| SA    | EL           | 3345   | 131                  | Mulgathing Hill   | Approximately 80 km northwest of Tarcoola     |
| SA    | EL           | 3423   | 161                  | Wildingi Claypan  | Approximately 95 km southwest of Coober Pedy  |
| SA    | EL           | 3449   | 47                   | Gambier Hill      | Approximately 90 km northwest of Woomera      |
| SA    | EL           | 3453   | 223                  | Reid Lookout      | Approximately 70 km west of Port Augusta      |
| SA    | EL           | 3532   | 322                  | Galaxy Tank       | Approximately 85 km southwest of Coober Pedy  |
| SA    | EL           | 3541   | 271                  | South Hill        | Approximately 40 km southwest of Marree       |
| SA    | EL           | 3607   | 281                  | Bopeechee         | Approximately 60 km west of Marree            |
| SA    | EL           | 3634   | 473                  | Parakylia         | Parakylia                                     |
| SA    | EL           | 3677   | 107                  | Cadnia Hill       | Approximately 50 km west of Marree            |
| SA    | EL           | 3712   | 168                  | Sandy Tank        | Approximately 85 km southwest of Coober Pedy  |
| SA    | EL           | 3739   | 40                   | Old Wartaka       | Approximately 70 km west of Port Augusta      |
| SA    | EL           | 3901   | 874                  | Hedley Hill       | Approximately 50 km northeast of Andamooka    |

#### 1. Exploration Targets

The Company's tenements are considered prospective for a range of target types. As is common with most areas of South Australia and southwest Queensland, almost all of the older, potentially mineralised lithologies within the project area are masked by younger sedimentary material and sand dunes resulting in no surface expression of potential orebodies. Whilst presenting some challenges to exploration, this situation has also meant that large areas of South Australia and southwest Queensland

are relatively unexplored and likely to host as yet undiscovered significant deposits of economic mineralisation.

The Company has taken a multi-commodity approach in its exploration program. The preferred commodities are base-metals (especially copper, zinc and cobalt) and precious metals (gold and silver).

- *Epithermal Gold - Silver*

Epithermal deposits are quartz vein and stockwork-style mineralisation that generally form at shallow depths (<1km) when hot hydrothermal fluids associated with volcanic activity boil or encounter different chemical conditions. Epithermal deposits can vary considerably in size, grade and metal association. The grades of these epithermal veins are commonly in the range 10-30g/t Au and 200-400g/t Ag.

Large examples include Pajingo (North Queensland, Australia; resources and production approximately 3M Oz Au), El Penon (Chile; reserves and resources approximately 2.5M Oz Au), Lihir (PNG; resources approx. 40M Oz Au), Hishikari (Japan; resources and production approx. 8.5M Oz Au) and Chatree (Thailand; resources plus production approximately 4.8M Oz). Note that significant portions of these deposits can be very steeply-orientated and relatively narrow (e.g. the Nancy lode at Pajingo is sub-vertical and about 4m to 12m wide; at El Penon the lodes are steep and about 3m wide).

The Company's Parkinson Dam project in South Australia is a new epithermal discovery.

- *IOCGU (Iron-oxide, Copper-Gold-Uranium)*

The Stuart Shelf is a large under-explored area on the eastern edge of the Gawler Craton containing one of the world's major iron-oxide, copper-gold-uranium deposits at Olympic Dam, and largely lying between Lake Torrens and Lake Eyre. The area is traversed by major structural zones (including the Torrens Hinge Zone, Norwest Fault and the continental lineaments G2 and G9). The Company has a significant tenement position in this area -the Lake Torrens Project.

The Lake Torrens Project is considered prospective for several types of economic precious and base-metal deposits, including within the Mesoproterozoic basement rocks Olympic Dam-type iron oxide, copper-gold-uranium (IOCGU) deposits, and, within the Adelaidean and Cambrian sediments, Mississippi-Valley-type ("MVT") lead-zinc-copper silver mineralisation and carbonate-hosted willemite (zinc silicate) mineralisation, similar to the deposits in the Beltana area. Other possible types of mineralisation may include sediment-hosted copper deposits, similar to the Zambian Copperbelt style, or associated with diapiro brecciated structures; SEDEX or Mt Isa-type Zn-Pb-Ag deposits associated with pyritic, graphitic shales and dolomites, and structurally-hosted gold deposits associated with large fault systems in the Adelaidean sediments.

- *Lode Gold*

The Gawler Craton hosts the Challenger Gold Mine, considered to be structurally controlled. Extensive open file databases of calcrete geochemical data have recently been released facilitating the exploration for these target types. The Company has acquired a suite of tenements covering untested anomalous calcrete gold targets, gold mineralised drill intersections that require follow-up and known poorly tested known gold systems that also require additional evaluation to assess their potential to host economic deposits. In addition, Tasman's Mirrica project in Queensland is considered highly prospective for lode-style gold, but remains poorly explored due to its remote location and the presence of thin, later, sedimentary cover.

- *Uranium*

Uranium deposits of several types are known in South Australia, the main economic types being the IOCGU system at Olympic Dam and palaeochannel sediment-hosted deposits such as those being exploited at Honeymoon on the Curnamona Craton. Both IOCGU targets and palaeochannel targets are present on the Company's tenements with IOCGU targets such as Marathon South and Titan located in the Lake Torrens Project area, and significant portions of the Garford and Wynbring palaeochannels covered by tenements in the central Gawler Craton area. A third important type of uranium mineralisation is the unconformity related style of high grade mineralisation such as that being mined in the Alligator Rivers, Northern Territory (Ranger, Jabiluka) and Athabasca Basin, Canada (MacArthur River, Cigar Lake) areas. The company interprets a number of its tenements areas as being prospective for this style of mineralisation. At the Glenormiston Project (Queensland), airborne radiometric anomalies

have been defined, and Tasman's tenement applications cover the most prospective of these. Uranium is considered likely to be hosted within near surface rocks.

- *Nickel-Cobalt-Copper*

Several areas within South Australia are considered prospective for nickel-cobalt-copper mineralisation, including mafic/ultramafic belts within the Gawler Craton and mafic intrusions (Voisey's-Bay style) along the edges of the Gawler Craton. The Company's tenements cover a number of situations with favourable geology or anomalous Ni- Co geochemistry considered of interest for these styles of mineralisation.

- *Diamonds*

Desktop studies by the Company recognised the potential of several areas in South Australia to host diamond deposits. Reprocessing of aeromagnetic data and review of open file reports led to recognition of parts of the Torrens Hinge Zone, Stuart Shelf and Willouran Ranges (Lake Torrens project area) and the central Gawler Craton as very prospective for diamonds.

Important advances in diamond exploration have taken place since the Lake Torrens project area was assessed for diamonds by previous explorers in the past. Better geophysical surveying and processing tools; better diamond sample processing techniques encompassing finer fractions of stream sediments and loam samples; enhanced analytical techniques for geochemical analysis of outcrop areas; improved understanding of diamond exploration in Australian environments; and an expanded understanding of diamond geology together with recently published geological data and digital exploration data sets, have all combined to greatly increase the chances of locating the primary sources of the diamonds on Tasman's tenements.

#### Exploration Results

During the Year, the Company spent \$1.282 million on various exploration activities. Details of the results of the exploration are outlined below.

##### Parkinson Dam Gold-Silver

Tasman's 100% owned Parkinson Dam Project is located approximately 60km west of Port Augusta. The project comprises an extensive area with outcropping epithermal gold-silver mineralised quartz veins and float.

Tasman commenced exploration at Parkinson Dam in mid-2005, discovering previously unknown epithermal gold-silver mineralisation in outcrop. Subsequent PACE-supported drilling by Tasman intersected gold and silver mineralisation up to 3.4g/t Au and 80g/t Ag over 3m downhole in RC percussion drilling. Significant, associated epithermal lead and zinc mineralisation was also intersected over wide intervals (e.g. 96m at 0.2% Pb down hole and 27m at 0.4% Zn downhole).

During the year, further RC percussion and the first phases diamond core drilling were completed. Wide zones containing variable amounts of epithermal-style quartz-sulphide veining, disseminated sulphides (mostly pyrite and base metal sulphides, galena or lead sulphide and sphalerite or zinc sulphide) and associated epithermal-style alteration (chlorite, sericite and silica) have been encountered during the drilling.

Best results from the drilling thus far have been:

- In hole PD 30, 20m downhole at 1.2% Pb, 1.5% Zn, 0.1g/t Au and 16g/t Ag
  - including 1.66m downhole from a depth of 254.34m at 7.6% Pb, 10.5% Zn, 0.4% Cu, 1.20g/t Au and 120g/t Ag.
- In hole PD 63, 21m downhole at 21g/t Au and 83g/t Ag from 179m to 200m;
  - including 9m downhole at 31g/t Au and 152g/t Ag from 179m to 188m

Assays results are presented in Table 2 and Table 3

Table 2: Selected Assays from PD 30

| From<br>(m) | To<br>(m) | Thickness<br>(m) | Density<br>g/cm3 | Au<br>ppm | Ag<br>ppm | Cu<br>% | Pb<br>% | Zn<br>% |
|-------------|-----------|------------------|------------------|-----------|-----------|---------|---------|---------|
| 251.00      | 251.80    | 0.80             | 2.70             | 0.02      | 6         | <0.01   | 0.36    | 0.10    |
| 251.80      | 252.00    | 0.20             | 2.92             | 1.60      | 104       | 0.10    | 5.02    | 9.54    |
| 252.00      | 253.00    | 1.00             | 2.71             | 0.07      | 16        | 0.03    | 0.80    | 1.06    |
| 253.00      | 254.00    | 1.00             | 2.69             | 0.03      | <5        | <0.01   | 0.34    | 0.18    |
| 254.00      | 254.34    | 0.34             | 2.63             | 0.02      | 26        | 0.04    | 1.77    | 0.11    |
| 254.34      | 255.00    | 0.66             | 2.84             | 0.66      | 36        | 0.10    | 3.87    | 5.54    |
| 255.00      | 255.36    | 0.36             | 3.20             | 1.87      | 61        | 0.25    | 9.03    | 14.64   |
| 255.36      | 255.55    | 0.19             | 3.81             | 1.94      | 120       | 0.66    | 17.50   | 23.91   |
| 255.55      | 256.00    | 0.45             | 3.08             | 0.98      | 287       | 0.63    | 6.20    | 6.67    |
| 256.00      | 257.00    | 1.00             | 2.68             | 0.03      | 15        | 0.02    | 0.56    | 0.43    |
| 257.00      | 258.00    | 1.00             | 2.69             | 0.02      | 7         | <0.01   | 0.06    | .10     |

Note:

1. Half core (sawn) samples of NQ diamond core. Core recovery essentially 100%.
2. Core sampling intervals chosen to reflect geological and mineralisation boundaries.
3. Density (SG) measured gravimetrically. Assays: Au: Fire assay/AAS (detection limit 0.01ppm), Ag: 4 acid digest/AAS (5ppm), Cu, Pb and Zn: 4 acid digest/AAS (0.01%). Internal laboratory quality control on the results has been conducted, although no external laboratory checks have been conducted at this stage.
4. Entire hole has been logged and photographed.
5. As stated above the hole was inclined at 60 degrees towards grid south. However instrumentation problems prevented effective down hole surveying of this hole

Table 3: Selected Gold and Silver assays from PD 63

| From         | To  | Width | Gold  |       | Silver |       |
|--------------|-----|-------|-------|-------|--------|-------|
| (m downhole) |     | (m)   | A     | B     | C      | D     |
|              |     |       | (g/t) | (g/t) | (g/t)  | (g/t) |
| 176          | 177 | 1     | 0.018 |       | 4.75*  |       |
| 177          | 178 | 1     | 0.069 |       | 10     |       |
| 178          | 179 | 1     | 0.024 |       | 21     |       |
| 179          | 180 | 1     | 11.9  | 10.8  | 87     | 90    |
| 180          | 181 | 1     | 105.3 | 100.9 | 449    | 410   |
| 181          | 182 | 1     | 14.1  | 12.4  | 499    | 513   |
| 182          | 183 | 1     | 11.3  | 8.66  | 55     | 63    |
| 183          | 184 | 1     | 67.5  | 66.8  | 109    | 120   |
| 184          | 185 | 1     | 44.9  | 43.6  | 54     | 64    |
| 185          | 186 | 1     | 9.53  | 8.43  | 49     | 52    |
| 186          | 187 | 1     | 13.9  | 12.2  | 48     | 52    |
| 187          | 188 | 1     | 2.01  | 1.9   | 19     | 21    |
| 188          | 189 | 1     | 0.177 |       | 17     |       |
| 189          | 190 | 1     | 0.119 |       | 4.86*  |       |
| 190          | 191 | 1     | 0.354 |       | 24     |       |
| 191          | 192 | 1     | 1.62  | 1.25  | 21     |       |
| 192          | 193 | 1     | 0.174 |       | 17     |       |
| 193          | 194 | 1     | 0.235 |       | 6      |       |
| 194          | 195 | 1     | 89.4  | 82.9  | 119    | 111   |
| 195          | 196 | 1     | 11.4  | 7.46  | 27     |       |
| 196          | 197 | 1     | 0.338 |       | 6.6*   |       |
| 197          | 198 | 1     | 27.8  | 23.4  | 63     |       |
| 198          | 199 | 1     | 23.2  | 20    | 46     |       |
| 199          | 200 | 1     | 4.17  | 3.58  | 22     |       |
| 200          | 201 | 1     | 0.166 |       | 3.25*  |       |
| 201          | 202 | 1     | 0.049 |       | 2.09*  |       |

Notes:

- Down hole intercepts – true widths not known
- Half core (sawn) samples of NQ diamond core. Several samples represent intervals of less than 100% core recovery. Broken core that could not be sawn was sampled by selecting pieces of core that represent approximately half the volume of each metre interval.
- Core sampling has been done on even one metre intervals.
- Assays:
  - (Column A) Gold assays determined by aqua regia digestion, solvent extraction and graphite furnace AAS (detection limit 0.001g/t).
  - (Column B) Repeat gold assays by fire assay with AAS finish (detection limit 0.01 g/t).
  - (Column C) Silver assays determined by multi-acid digestion, followed by AAS (detection limit 5g/t). Values flagged with \* have been determined by aqua regia digestion, followed by ICPMS (detection limit 0.01g/t).
  - (Column D) Repeat silver assays determined by multi-acid digestion, followed by AAS (detection limit 5g/t).
  - Internal laboratory quality control on the results has been conducted, although no external laboratory checks have been conducted at this stage.
- Density (SG) has not been measured.
- Entire hole has been logged and photographed.
- Hole is vertical, however instrumentation problems prevented effective down hole surveying of this hole

The geological context of the current highly encouraging results in PD 63 is still being fully assessed and further drilling will be needed to clarify the situation. It is clear however that the high-grade gold values from the hole are associated with epithermal-style, colloform-crustiform veining, similar-looking to mineralised veining previously intersected at the prospect. The veining associated with the high-grades in PD 63 is steeply dipping, and probably sub-parallel to this vertical hole. This suggests that the mineralised zone is likely to be steeply dipping. Follow-up drilling is required to establish the true width of this zone.

This steep dip is also quite different to most of the other mineralised veins intersected to date, which appear to have gentler, northerly dips of around 20° to 30°. Tasman believes that the association of high-grade gold with steep veins opens up the potential of the prospect considerably, as most of the drilling to date has been focussed on testing targets with shallow-dipping orientations. Further drilling including angled holes is therefore planned.

It should be noted that some parts of the drill core covering the high-grade interval are quite broken, and as a result, core recoveries for several individual one-metre samples are less than 100%. The core is also locally stained with red, earthy, haematite, and this could indicate some late-stage remobilisation of metals. The presence of strong silver mineralisation associated with the high gold grades and the depth of the intersection (around 200m, compared to the depth of oxidation in most holes of 40m to 100m) suggests that supergene enrichment processes are unlikely to have occurred, and that the mineralisation is primary in origin.

These latest results are encouraging, and while further exploration work is required to determine the orientation and controls on mineralisation, it is clear that the epithermal system discovered at Parkinson Dam is capable of hosting potentially economic gold and silver grades over significant (downhole) widths.

Most of Tasman's drilling completed to date has probably not effectively tested for steep, potentially high-grade structures such as that intersected in PD 63, being focussed on testing around outcropping veins over a relatively wide area and evaluating the shallowly dipping veins identified prior to hole PD 63. The area of highest priority for epithermal veining defined by drilling to date covers around 2.5km<sup>2</sup>, but this zone has not been investigated for steeply dipping veins.

Follow-up drilling will occur over the latter part of 2007. A comprehensive programme is planned, and drilling will initially focus on determining the thickness, width and geometry of the high-grade mineralisation in PD 63. Drilling may also be directed at testing other parts of the project area for similar style high-grade gold and silver mineralisation.

#### *Central Gawler Structurally-controlled/lode Gold*

Drill testing at the Eyre, Skye and Birdie Prospects was completed during the quarter.

Eyre is located 7km west of the Adelaide-Alice Springs railway line approximately 85km north of Tarcoola, and the Skye and Birdie Prospects are about 95km southwest of Coober Pedy.

These prospects were initially drilled by previous explorers. Tasman's objectives were to both explore around mineralisation identified earlier, but poorly tested, and to test new anomalies and zones identified from new work completed by Tasman.

A total of 30 RAB holes totalling 1740m were drilled.

#### Skye Prospect

Seven inclined RAB holes totalling 449m were drilled at 10m spacings along a single fence at the Skye prospect to test for higher grade plunging primary gold mineralisation beneath a low grade supergene gold blanket defined by previous shallow drilling.

The three most northern holes intersected an interpreted south east dipping zone of +0.1 g/t gold up to 15m in width. This zone had essentially been missed by the previous drilling which was mostly only to bedrock and in the opposite direction. Assays from the second hole included a 4m composite assaying 2.6 g/t from 56 to 60m with an adjacent 1.02 g/t from 52 to 56m. Re-assaying of 1m intervals returned 2.95 g/t over 6m down hole from 54 to 60m including 8.3 g/t from 56 to 57m. This interval probably represents a plunging higher grade shoot within the broader low grade mineralised envelope.

Follow up drilling of the primary mineralised zone at depth and along strike is planned to test for high grade "Challenger style" plunging shoots within it.

### Birdie Prospect

Seven inclined RAB holes totalling 373m were drilled along two fences 100m apart to infill around anomalous gold values previously intersected in vertical holes spaced 50m apart. The best gold assay was obtained from hole BIRB06-003 which intersected 1.5 g/t Au in a 4m composite from 40 to 44m, part of a 16m zone from 40 to 56m averaging 0.47g/t. This hole was drilled beneath a vertical hole which previously recorded a best assay of 1.4g/t over 1m.

### Eyre Prospect

No significant results were obtained from follow up drilling of calcrete anomalies at the Eyre prospect however other targets remain to be tested.

### *Lake Torrens Project IOCGU*

As described below, Tasman are progressing the exploration of the Lake Torrens Project IOCGU targets via a farm-in agreement with WCP Resources.

The Lake Torrens Project tenements, currently 100% held by Tasman Resources Limited, border BHP Billiton Limited's Olympic Dam Project tenure to the north and west and occur within IOCGU Potential Rank 1 and 2 areas defined by Geoscience Australia. Rank 1 is seen as having the highest potential for IOCGU mineralisation on the Gawler Craton. It includes Olympic Dam (Proven and Probable Reserves of 761 million tonnes grading 1.5% copper, 0.5 g/t gold, and 0.6 kg/t U<sub>3</sub>O<sub>8</sub>), Prominent Hill (Proven and Probable Reserves of 68.2 million tonnes grading 1.31% copper and 0.59 g/t gold) and the Carapateena (discovery intercept of 178.2 metres grading 1.83% copper and 0.64 g/t gold).

There are a number of targets comprising Fe-altered volcanic breccia systems, mineralised haematite-magnetite breccias, and untested gravity anomalies that have been identified within Tasman's Lake Torrens IOCGU Project area. Of these, the two most advanced are the Titan and Marathon South prospects.

### *Gawler Nickel-Cobalt-PGE*

### Sturt Nickel Project

The 100% Tasman Sturt project is located within EL 3341 on the Gawler Craton approximately 85km northwest of Tarcoola in South Australia.

Fieldwork by Tasman in 2006 delineated an area of poorly outcropping weathered ultramafic rocks, which returned nickel assays up to 1500ppm in surface pisolites and 1400ppm in RAB drilling.

Petrographic study of selected bottom of hole drill chips supports the existence of a large differentiated mafic intrusive which is prospective for nickel – copper –PGE mineralisation. The postulated mafic intrusion is associated with an airborne magnetic high which extends through Tasman's EL for over 8 kilometres.

A moving loop ground EM survey to test the base of the intrusion for massive nickel sulphides was completed. The survey was conducted on 200m line spacings over a strike length of 8km. No significant conductors, such as those attributable to massive sulphide lenses were detected. However, three anomalies were detected with conductivities that could be expected from disseminated sulphides.

Further work is planned to assess the anomalies and, if warranted, design follow-up programmes of additional ground geophysics and/or drilling to test these features.

### *THZ Mississippi Valley-Type Base Metals*

Tasman received approval from the South Australian Government for PACE Funding to the level of \$75,000 to test for base metals (zinc, silver, lead) at the Chudy's and 50 Mile prospects within EL 3209. Both prospects are located on the Stuart Shelf in central SA, approximately 40km northeast of Olympic Dam, on part of a complex structural zone known as the Torrens Hinge Zone.

Tasman commenced exploration in the area in 2002, with partial leach geochemical sampling, detailed gravity and induced polarisation geophysical surveys and relatively shallow drilling. The principal target of this exploration was Mississippi Valley-type (MVT) mineralisation within the Andamooka Limestone. MVT deposits are an important class of orebodies that have provided a significant proportion of the world's lead and zinc. Limited success was achieved with base metal sulphides being located within parts of the Andamooka Limestone, particularly at the base. However, focussing the exploration remained a fundamental problem.

The release of Geoscience Australia seismic data from along the borefield road north of Olympic Dam in 2004 delivered a previously unknown picture of the structures and geology of the area. Major faults in the subsurface that would have influenced the pathways of mineralising fluid flow during in the compression and folding of the basin 500 million years ago were clearly visible. Reprocessing of detailed aeromagnetic data revealed that the locations of these faults could be traced away from the seismic traverse.

Tasman recognised that the new picture presented by the seismic image enabled the MVT targeting process to be refined. The concept for the formation of MVT limestone-hosted base metal mineralisation includes:

- Compression and folding of the older Adelaidean lead to expulsion of mineralised brines from deeper layers;
- Major faults forming the Torrens Hinge Zone channelled mineralised fluid flow into the lower layers of the Andamooka Limestone;
- The carbonates of the Andamooka Limestone were the trap site where MVT style mineralisation may have formed.

The introduction of the Soil Desorption Pyrolysis (SDP) geochemical approach was the final element in undertaking a new MVT exploration programme on the Stuart Shelf in EL3209. SDP is a relatively new geochemical technique which measures trace amounts of volatile compounds that are adsorbed onto clay-sized particles in soil.

Rocks degas constantly due to burial, metamorphism and interaction with groundwater. However, ore deposits and the fluids that form them are chemically very different from their surroundings, and are frequently also associated with higher temperatures. The net result is that the gases above a buried mineral deposit are quite distinct from the regional background signal.

MVT deposits are particularly well suited to this approach because they are very commonly associated with hydrocarbons that are particularly easy to detect using SDP.

Tasman completed drill testing at the Chudys Prospect late in the Year. Drilling was unable to proceed at 50 Mile due to heritage clearances from one aboriginal group being unable to be obtained in a timely fashion.

Whilst assays have not yet been received, no visible base metal mineralisation was encountered. Reviews of options for exploration for MVT-style mineralisation in the Andamooka Limestone are proceeding.

#### *Uranium Exploration Prior to Fission IPO*

##### Garford Palaeovalley Uranium Project (Tasman 100%)

Tasman holds tenements covering approximately 1200km<sup>2</sup> that cover part of the Garford palaeochannel on the Gawler Craton 85km southwest of Coober Pedy. The area is prospective for Tertiary palaeochannel-hosted (roll front-type or redox-related) uranium mineralisation.

During the Year, Tasman conducted a TEMPEST airborne electromagnetic survey over the Garford palaeochannel. Interpretation of the TEMPEST conductivity images suggests that in excess of 80 kilometres of the Garford palaeochannel exists within Tasman's tenements to depths of around 40 to 50m.

A similar length of deeper linear TEMPEST conductors to maximum depths of 130m located partially beneath the Garford channel are interpreted to represent older buried Mesozoic - Permian palaeodrainages, based on the available stratigraphic drilling data. As the latter are also draining Precambrian crystalline basement rocks (potential uranium source rocks) and are known to contain carbonaceous material (potential uranium traps) they are also considered prospective for the roll front/palaeochannel hosted style of uranium deposit identified in the younger Tertiary palaeodrainages.

##### Wynbring North Uranium Project (Tasman 100%)

The project area is within EL 3306 on the Gawler Craton and is located approximately 75km northwest of Tarcoola in South Australia near the Trans-Australia Railway, and is 15km west of the Warrior Uranium deposit that is located in an adjacent palaeochannel draining the same granitic source rocks as the Wynbring channel. Drilling during the 1980's by a previous explorer identified significant radiometric anomalies in the palaeochannel, 95% of which remains untested in Tasman's tenement.

Interpretation of a HoistEM (helicopter Electromagnetics) survey collected by the Company has confirmed the continuation of the Wynbring palaeochannel northwards from Hindmarsh Resources Ltd's uranium prospective EL 3348 into Tasman's EL 3306.

Results from the latest HoistEM suggest that the palaeochannel continues for at least another 13km within Tasman's EL and has several E-W trending tributaries possibly covering a further 30km. The full extent of the palaeodrainages within Tasman's licence area (perhaps up to 40km) represents a sizable uranium exploration target.

Garford and Wynbring projects are now being explored by Fission Energy Ltd with drilling planned for late 2007.

#### Parkinson Uranium Project (Tasman 100%)

Tasman has located outcropping uranium mineralisation (as fine-grained uraninite or  $UO_2$ ). This mineralisation was first found by uranium explorer PNC in the mid-1980's, who recognised the uranium potential of the area, but did not drill test this occurrence.

The uraninite is located close to a regional unconformity or geological contact, considered a significant 'ingredient' in certain uranium exploration models. In addition, nearby there are several airborne radiometric anomalies, a soil radon anomaly (from PNC's earlier work) and anomalous surface uranium geochemical values.

Tasman drill tested this area with a number of shallow, RC percussion, holes. No significant uranium results were obtained, however, the shallow and limited nature of the drilling does not diminish the validity of the unconformity related uranium model at Parkinson Dam.

With the exception of a small area surrounding Tasman's epithermal gold-silver prospect, Fission Energy Ltd will be continuing the search for uranium at Parkinson Dam.

#### Glenormiston Project (Tasman 100%)

Tasman has applied for four Exploration Permits for Minerals (EPMs) having a total area of 2500km<sup>2</sup> located approximately 150km west-southwest to 250km south-southwest of Mt Isa in Queensland.

The applications cover a large portion of a broad palaeovalley system incised into Ordovician Georgina Basin sediments and filled with Tertiary-aged Austral Downs Limestone. Much of the remainder of the palaeovalley system is held by Summit Resources. Previous drilling by BHP for Oil Shales showed that the limestone is up to 50m thick.

Data from a recent government airborne radiometric survey indicates the limestone is strongly anomalous in uranium. Previous exploration by Amax Iron Ore Corporation in the late 1970s located traces of the uranium mineral carnotite in similar Tertiary limestones in the Bedourie area, 170km to the south. Amax obtained uranium assays up to 224ppm U308.

The highest uranium radiometric anomalies in the Austral Downs Limestone within Tasman's EPM applications tend to occur in a linear to arcuate pattern and may reflect a stratigraphic control.

#### *Mirrica Project (Tasman 100%)*

Tasman has identified a new project area in southwest Queensland and applied for two EPMs. The area applied for is located on the eastern edge of the Simpson Desert approximately 350km south-southwest of Mt Isa.

Tasman's principal exploration target is Mesoproterozoic gold and/or base metal mineralisation under relatively thin cover rocks of the Eromanga Basin and Simpson Desert sands. The prospectivity of the region for uranium and diamonds is also open to further investigation.

Only limited previous exploration has been carried out in the Mirrica Bore area. In the early 1990's BHP identified the area as a zone of unexplained magnetic anomalism that could represent intrusive activity or magnetite creation associated with a major regional structure. BHP proposed geological models of high grade metamorphics with base metals potential (eg. Broken Hill) or mafic-ultramafic intrusions with nickel-copper PGE potential. They drilled 21 air core holes to test a number of magnetic anomalies. No significant base metal results were reported, however there were no assays for gold. Petrological studies identified sericite-magnetite-pyrite±chalcopyrite alteration in two of the holes.

Surface geochemical sampling of the extensive sand dune terrain by Glengarry Resources from 2002 to 2004 defined a number of soil/lag anomalies. Their highest priority target for follow up based on its coherent nature, probable shallow cover and structural setting, a 3 km long, N-S trending +10 ppb gold anomaly, was not drilled due to access difficulties. The southern part of the anomaly is coincident with a discrete elliptical magnetic high which may represent an intrusive body. Assaying of chips from the collar

of a BHP hole to the south of this anomaly returned 0.21g/t Au. Only very limited drill testing of several of the other gold anomalies was completed and none of the anomalies were explained.

Tasman views the Mirrica bore region as an attractive exploration target for a number of reasons:

- Relatively shallow cover;
- Virtually untested province;
- Palaeoproterozoic terrane with potential similarities to the Tanami, Tennant Creek or Challenger (South Australia) gold provinces;
- Located near major regional structures and possible extensions of the Mt Isa block
- Unexplained significant gold anomalism in soils, lag, calcrete and aircore chips;
- Complex structural setting with folding, faulting, interpreted mafic units, demagnetised zones and alteration noted in the limited drilling;
- No Native Title claim over the area; and,
- A new regional government airborne survey in progress.

Tasman intends to:

- verify the gold anomalism identified by previous work;
- undertake additional geochemical sampling to better define drill targets and assess new untested geophysical targets;
- process and interpret all available (including the new government airborne survey) geophysical data including new image processing and qualitative structural interpretations;
- integrate recent advances in the understanding of regolith in exploration geochemistry to better assess the gold anomalism;
- complete aircore and/or deeper RCP drilling of the targets generated.

Interpretation of recently released airborne magnetic data over the Mirrica project identified a suite of north-south trending extensional (pull-apart) structures that are considered prospective for gold mineralisation and are priority drill targets.

A detailed review of previous soil geochemical data from the Mirrica area has highlighted untested residual copper and lead anomalism for follow up.

Following evaluation of the available geological data and latest geophysical data a further six exploration licences were applied for in the region.

### *Coal Exploration*

Examination of the Garford TEMPEST results revealed a strong NW-SE trending conductor from 70m to 130m depth. This feature is believed to be indicative of a Permian age sedimentary trough.

Very similar narrow linear troughs occur further to the east and host the Lake Phillipson and Penrhyn coal deposits. These are located within the upper portions of the Permian-age Arckaringa Basin and according to government reports contain in excess of 5 billion tonnes of sub bituminous coal (PIRSA Report Book 96/25, 1996).

The potential for other troughs to the west of Lake Phillipson was alluded to by a PIRSA magnetic/gravity interpretation and from three holes drilled in 1996. One of these holes (CPC 16) lies at the northern end of the interpreted trough and intersected several coal seams up to 2m in thickness within the Mt Toondina Formation from 54m to 100m depth. The TEMPEST EM data is consistent with a broader, potentially more favourable portion of the trough up to 8.5km in width within Tasman's EL 3532.

### *Corporate Activity*

#### *Lake Torrens Project IOCGU Farm-In and Joint Venture Agreement*

On 22<sup>nd</sup> December 2006 Tasman announced the signing of a Heads of Agreement to create a joint venture with WCP Resources Limited ("WCP") on the Lake Torrens IOCGU Project. The JV will explore Tasman's tenements located adjacent to the north and west of BHP Billiton Limited's world-class Olympic Dam mine at Roxby Downs in the Stuart Shelf region of South Australia.

WCP can earn up to a 65% interest in IOCGU deposits that occur within eight granted exploration licences covering 2870 km<sup>2</sup> by spending \$6.5 million within a five year period.

WCP has agreed to a minimum commitment of \$750,000 within 12 months before it can exit and thereafter to expend a minimum of \$1 million per annum for the next 4 years if it proceeds with the joint venture on a year-on-year basis.

No interest will be earned unless and until at least \$2,500,000 has been spent. At that stage WCP will have earned a 25% interest in the Project, and thereafter will earn a further 5% for each additional \$500,000 of expenditure. If less than \$6.5 million is expended, WCP will earn a proportionally smaller interest in these IOCGU prospects. The agreement only includes basement hosted mineralization.

The agreement was executed on 12<sup>th</sup> February 2007. Following completion of the formal documentation, WCP issued Tasman with 1,000,000 ordinary shares in WCP, subject to a voluntary escrow of 12 months.

Tasman welcomes the agreement, which will fund a very large amount of exploration activity on these world-class targets over the next five years, without diluting Tasman's share capital.

#### *Investment in Eden Energy Ltd*

Tasman, through its wholly owned subsidiary, Noble Energy Ltd, has a current share and option holding in recently listed green energy company Eden Energy Ltd (ASX: EDE), which is presently valued at approximately \$22 million or \$0.20 per Tasman share. Tasman holds 33,979,888 fully paid shares and 32,497,065 options in Eden, which on a fully diluted basis represents a 26.9% share holding.

During the year, Eden's share price has risen significantly, underpinned by developments in emerging green energy technologies, in particular hydrogen - based fuels.

#### *Fission IPO*

During the year, the Company spun out its uranium interest into a new company. Fission Energy Limited was successfully listed on the Australian Securities Exchange on 18th June 2007, raising \$6 million. Funds will be used to explore a portfolio of uranium prospective mineral tenements in South Australia and Western Australia. In South Australia, Fission has the right to explore for uranium within Tasman's tenements, except for basement rocks within the area subject to the WCP Joint Venture, and an excluded area at Parkinson Dam Project (approximately 15km<sup>2</sup>) where Tasman is following up epithermal gold-silver mineralisation. Fission also has a portfolio of tenement applications in Western Australia.

#### *Diamond Exploration Agreement with Flinders Diamonds*

On April 27, 2007 Flinders Diamonds Limited (FDL) and Tasman executed an agreement which allows FDL to earn, over a four-year period, a 70% interest in the diamond rights only on all of Tasman's Gawler Craton tenements, except for Parkinson Dam.

FDL may withdraw after spending \$100,000 and Tasman is free carried during FDL's farm-in period. A 70/30 contributing joint venture will then be formed. FDL can remain as manager during its sole contributor period or while it has a majority interest in the diamond rights. Tasman will pay all necessary tenement rents and FDL has agreed to cooperate with Tasman and any other parties in their exploration for non-diamonds.

Several diamonds and diamond indicator minerals are known from the project areas and surrounds. However, they are not thought to be derived from primary basement diamond source rocks. FDL's strategy is to follow up magnetic anomalies identified from interpretation of airborne magnetic data from PIRSA's SAEI surveys at 400m line spacing flown in the 1990s. Once an anomaly is identified, it will be re-flown by a 1km<sup>2</sup> sized "postage stamp" helimag survey at 50m line spacing. Interpretation of the high-resolution data should enable a decision about if and where to drill a hole to test the target.

The Gawler Craton represents a geologically old and stable basement province which is similar to several parts of the world where "on-craton" diamond mines are concentrated (e.g. the Kapvaal Craton in Southern Africa).

At least 28 diamonds up to one carat in weight have been discovered from 11 localities on the Gawler Craton. Exploration has also discovered 16 kimberlites though none to date have been diamondiferous. Clearly, there are undiscovered diamondiferous kimberlites on the Gawler Craton.

On the Gawler Craton kimberlites are likely to be covered by younger sediments. This makes exploration, and also the chances of open-pitting a discovery, difficult if the sediments are over 100 metres thick.

Tasman has approximately 8500km<sup>2</sup> of tenements on the Gawler Craton and its margin containing a number of areas with known diamonds and/or kimberlitic indicator minerals (that are associated with diamond bearing intrusions). Work by Tasman has identified a series of untested magnetic targets with kimberlite-like signatures.

FDL has developed a technique of very high-resolution helimag surveys, which together with ground magnetics and trenching has located 85 new kimberlites in the last two and a half years in the Flinders Ranges.

These techniques will be applied to test numerous kimberlite-like magnetic anomalies that have been identified from airborne magnetic surveys, generally flown at 400m line spacing.

A helicopter is planned to carry out helimag surveys on the central Gawler Craton in late 2007. Some ground magnetics may be necessary to firm up on final drill collar positions. Targets identified will be drill tested during the latter half of 2007, subject to rig availability and site clearance surveys.

#### Financial Position

The net assets of the consolidated group have increased by \$1,566,301 from 30 June 2006 to \$9,048,513 in 2007. This increase has largely resulted from the following factors:

- Issue of ordinary shares to raise working capital.

#### Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- (i) 6,000,000 fully paid ordinary shares were issued at an issue price of 13.5 cents per share raising \$810,000.
- (ii) 13,627,386 fully paid ordinary shares were issued at an issue price of 16 cents per share raising \$2,180,382.

#### Changes in controlled entities and divisions:

- (iii) Fission Energy Limited – the parent company's interest in Fission Energy Limited was diluted after Fission Limited completed an initial public offer in June 2007 to list on the Australian Stock Exchange. Tasman Resources NL lost control of Fission Energy Limited on 14 June 2007. The loss of control resulted in a profit on de-consolidation of \$4,939. From this date, the investment in Fission Energy Limited was accounted for using the Equity Method. Under the Equity Method, the investment is recorded at cost and adjusted for the economic entity's share of losses since the initial date of ownership, resulting in a carrying amount at 30 June 2007 of Nil. The economic entity's share of net assets in the Fission Energy Limited economic entity at 30 June 2007 was \$1,179,733. Fair value of the investment at 30 June 2007 based on the closing share price of \$0.1932 was \$4,830,000.

#### After Balance Date Events

In September 2007, Noble Energy Limited, a wholly owned subsidiary of the parent entity, purchased a further 518,602 ordinary shares in Eden Energy Limited on-market. The consolidated group's holding in Eden Energy Limited increased to 33,498,490 ordinary shares, being 21.13% of the issued ordinary capital of Eden Energy Limited, as a result of the acquisition.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

#### Future Developments, Prospects and Business Strategies

The Company proposes to continue with its exploration program as detailed in the Review of Operations.

#### Environmental Issues

The company is the subject of environmental regulation with respect to mining exploration and will comply fully with all requirements with respect to rehabilitation of exploration sites.

Information on Directors

|                                             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gregory Howard Solomon                      | — | Executive Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Qualifications                              | — | LLB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Experience                                  | — | Appointed chairman 1987. Board member since 1987. A solicitor with more than 30 years Australian and international experience in a wide range of areas including mining law, commercial negotiation (including numerous mining and exploration joint ventures) and corporate law. He is a partner in the Western Australian legal firm, Solomon Brothers and has previously held directorships of various public companies since 1984 including two mining/exploration companies.                                                                                                                                                                     |
| Interest in Shares and Options              | — | 17,301,630 Ordinary Shares and 961,203 Options in Tasman Resources NL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Directorships held in other listed entities | — | Current director of Director of Eden Energy Limited since May 2004.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Douglas Howard Solomon                      |   | Non-Executive                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Qualifications                              |   | BJuris LLB (Hons)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Experience                                  |   | Board member since 3 April 2003. A Barrister and Solicitor with more than 20 years experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Interest in Shares and Options              |   | 17,300,281 Ordinary shares and 961,128 Options in Tasman Resources NL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Directorships held in other listed entities |   | Current director of Director of Eden Energy Limited since May 2004.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Guy Touzeau Le Page                         |   | (Non-Executive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Qualifications                              |   | B.A., B.Sc. (Hons), M.B.A., ASIA., MAusIMM Bachelor of Arts (University of Adelaide), Bachelor of Science (University of Adelaide), Masters Degree in Business Administration (University of Adelaide), Bachelor of Applied Science (Hons) (Curtin University of Technology), Graduate Diploma in Applied Finance and Investment (Securities Institute of Australia).                                                                                                                                                                                                                                                                                 |
| Experience                                  |   | Board member since February 2001. Currently a corporate adviser 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. He previously 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. |
| Interest in Shares and Options              |   | 912,126 Ordinary shares and 50,674 Options in Tasman Resources NL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Directorships held in other listed entities |   | Current director of Director of Eden Energy Limited since May 2004.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director of Tasman Resources NL, and for the executives receiving the highest remuneration.

### Remuneration Policy

The remuneration policy of Tasman Resources NL has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Tasman Resources NL believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board based on industry reports.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options.
- The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors.

Executives are also entitled to participate in the employee share and option arrangements.

All directors and executives receive a superannuation guarantee contribution where required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Any shares which may be issued to executives would be valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology. No shares or options were issued to directors or executives during the year ended 30 June 2007.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

### Performance based Remuneration

No performance based remuneration was paid during the year.

Details of Remuneration for Year Ended 30 June 2007

The remuneration for each director and each of the executive officers of the consolidated entity during the year was as follows:

Key Management Personnel Remuneration

2007

Key Management Person

|                        | Cash, salary<br>and commis-<br>sions | Superann-<br>uation<br>Contribut-<br>ion | Cash<br>Bonus | Non-cash<br>Benefits | Options | Total   | Perfor-<br>mance<br>Related |
|------------------------|--------------------------------------|------------------------------------------|---------------|----------------------|---------|---------|-----------------------------|
|                        | \$                                   | \$                                       | \$            | \$                   | \$      | \$      | %                           |
| Gregory Howard Solomon | 120,000                              | 8,100                                    | -             | -                    | -       | 128,100 | -                           |
| Douglas Howard Solomon | 24,000                               | 1,620                                    | -             | -                    | -       | 25,620  | -                           |
| Guy Touzeau Le Page    | 24,000                               | 1,620                                    | -             | -                    | -       | 25,620  | -                           |
| Graham Roland Bedford  | 6,533                                | 588                                      | -             | -                    | -       | 7,121   | -                           |
| Raymond Buscall        | -                                    | -                                        | -             | -                    | 26,430  | 26,430  | -                           |
| Graham M Jeffress      | 133,935                              | 15,277                                   | -             | -                    | 44,050  | 193,262 | -                           |
| Robert N Smith         | 77,692                               | 94,192                                   | -             | -                    | 88,100  | 259,984 | -                           |
| Michael Glasson        | 61,750                               | 93,838                                   | -             | -                    | 88,100  | 243,688 | -                           |
|                        | 447,910                              | 215,235                                  | -             | -                    | 246,680 | 909,825 | -                           |

2006

Key Management Person

|                        | Cash, salary<br>and commis-<br>sions | Superann-<br>uation<br>Contribut-<br>ion | Cash<br>Bonus | Non-cash<br>Benefits | Options | Total     | Perfor-<br>mance<br>Related |
|------------------------|--------------------------------------|------------------------------------------|---------------|----------------------|---------|-----------|-----------------------------|
|                        | \$                                   | \$                                       | \$            | \$                   | \$      | \$        | %                           |
| Gregory Howard Solomon | 336,726                              | 23,175                                   | -             | -                    | -       | 359,901   | -                           |
| Douglas Howard Solomon | 46,000                               | 4,140                                    | -             | -                    | -       | 50,140    | -                           |
| Guy Touzeau Le Page    | 46,000                               | 4,140                                    | -             | -                    | -       | 50,140    | -                           |
| Guiting Liu            | 3,419                                | -                                        | -             | -                    | -       | 3,419     | -                           |
| Graham Roland Bedford  | 38,248                               | 3,082                                    | -             | -                    | 450     | 41,780    | -                           |
| Gregory Joseph Egan    | 125,004                              | -                                        | -             | -                    | -       | 125,004   | -                           |
| Roger Marmaro          | 101,440                              | -                                        | -             | -                    | -       | 101,440   | -                           |
| Graham M Jeffress      | 112,110                              | 13,869                                   | -             | -                    | -       | 125,979   | -                           |
| Robert N Smith         | 67,500                               | 79,650                                   | -             | -                    | -       | 147,150   | -                           |
|                        | 876,447                              | 128,056                                  | -             | -                    | 450     | 1,004,953 | -                           |

Performance Income as a proportion of total Remuneration

No directors or executives are paid performance based bonuses.

#### Options Issued as part of Remuneration for the Year Ended 30 June 2007

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Tasman Resources NL and its subsidiaries to increase goal congruence between executives, directors and shareholders.

#### Options Granted as Remuneration

|                          | Terms & Conditions for Each Grant |             |            |                                   |                   |                     |                    |
|--------------------------|-----------------------------------|-------------|------------|-----------------------------------|-------------------|---------------------|--------------------|
|                          | Vested No.                        | Granted No. | Grant Date | Value per Option at Grant Date \$ | Exercise Price \$ | First Exercise Date | Last Exercise Date |
| Key Management Personnel |                                   |             |            |                                   |                   |                     |                    |
| Michael Glasson          | 1,000,000                         | 1,000,000   | 14/08/06   | 0.0881                            | 0.20              | 14/08/06            | 30/08/09           |
| Raymond F Buscall        | 300,000                           | 300,000     | 14/08/06   | 0.0881                            | 0.20              | 14/08/06            | 30/08/09           |
| Graham M Jeffress        | 500,000                           | 500,000     | 14/08/06   | 0.0881                            | 0.20              | 14/08/06            | 30/08/09           |
| Robert N Smith           | 1,000,000                         | 1,000,000   | 14/08/06   | 0.0881                            | 0.20              | 14/08/06            | 30/08/09           |
|                          | 2,800,000                         | 2,800,000   |            | 0.0881                            |                   |                     |                    |

All options were granted for nil consideration.

#### Shares Issued on Exercise of Compensation Options

No options were exercised during the year that were granted as compensation in prior periods.

#### DIRECTORS' REPORT

|                   | Options<br>Granted as<br>Part of Remu-<br>neration<br>\$ | Total Remu-<br>eration<br>Represented<br>by Options<br>% | Options<br>Exercised<br>\$ | Options<br>Lapsed<br>(\$) | Total<br>\$    |
|-------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------|---------------------------|----------------|
| Directors         |                                                          |                                                          |                            |                           |                |
| Michael Glasson   | 1,000,000                                                | 36.2%                                                    | -                          | -                         | 88,100         |
| Raymond F Buscall | 300,000                                                  | 100%                                                     | -                          | -                         | 26,430         |
| Graham M Jeffress | 500,000                                                  | 22.8%                                                    | -                          | -                         | 44,050         |
| Robert N Smith    | <u>1,000,000</u>                                         | <u>33.9%</u>                                             | -                          | -                         | <u>88,100</u>  |
|                   | <u>2,800,000</u>                                         |                                                          | -                          | -                         | <u>246,800</u> |

#### Directors Meetings

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

|                        | Directors' Meetings             |                    |
|------------------------|---------------------------------|--------------------|
|                        | Number<br>eligible to<br>attend | Number<br>attended |
| Gregory Howard Solomon | 11                              | 11                 |
| Douglas Howard Solomon | 11                              | 11                 |
| Guy Touzeau Le Page    | 11                              | 11                 |

#### Indemnifying Officers or Auditor

During or since the end of the financial year the company has paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The total premium paid was \$38,515.

#### Options

At the date of this report, the unissued ordinary shares of Tasman Resources NL under option are as follows:

| Grant Date        | Date of Expiry   | Exercise Price | Number under Option |
|-------------------|------------------|----------------|---------------------|
| 2 March 2005      | 2 March 2008     | \$0.30         | 200,000             |
| 14 August 2006    | 30 August 2009   | \$0.20         | 2,800,000           |
| 21 November 2006  | 31 December 2009 | \$0.20         | 6,000,000           |
| 23 March 2007     | 31 December 2009 | \$0.20         | 6,813,825           |
| Options Exercised |                  |                | (10,149)            |
|                   |                  |                | <hr/> 15,803,676    |

During the year ended 30 June 2007, no ordinary shares of Tasman Resources NL were issued on the exercise of options granted under the Tasman Resources NL Employee Option Plan. No shares have been issued since that date.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

#### Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

#### Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2002*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

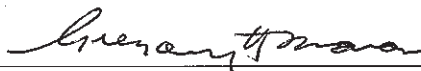
The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2007:

|       |        |
|-------|--------|
|       | \$     |
| Other | 10,000 |
|       | <hr/>  |
|       | 10,000 |
|       | <hr/>  |

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 29.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in cursive script, appearing to read 'Gregory Howard Solomon'.

---

Gregory Howard Solomon, Director

Dated this 28<sup>th</sup> day of September 2007

**LEAD AUDITOR S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF TASMAN RESOURCES NL**

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2007 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

*Bentley MRI Perth Partnership*

**BENTLEYS MRI PERTH PARTNERSHIP**

*M J Hillgrove*

**M J HILLGROVE  
PARTNER**

Dated at Perth this 28<sup>th</sup> day of September 2007

INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2007

|                                                                     | Note | Economic Entity |             | Parent Entity |           |
|---------------------------------------------------------------------|------|-----------------|-------------|---------------|-----------|
|                                                                     |      | 2007            | 2006        | 2007          | 2006      |
|                                                                     |      | \$              | \$          | \$            | \$        |
| Revenue                                                             | 2a   | 171,188         | 364,162     | 170,362       | 207,151   |
| Other income                                                        | 2b   | 172,939         | -           | 168,000       | -         |
| Loss on de-consolidation                                            |      | -               | (1,693,764) | -             | -         |
| Cost of sales                                                       |      | -               | (92,028)    | -             | -         |
| Employee benefits expense                                           |      | (933,855)       | (1,280,285) | (933,855)     | (503,498) |
| Exploration expenditure written off                                 |      | (365)           | (51,514)    | (365)         | (51,514)  |
| Depreciation and amortisation expense                               |      | (9,001)         | (35,650)    | (9,001)       | (8,212)   |
| Impairment of property plant and equipment                          |      | -               | (2,304)     | -             | -         |
| Share of losses of associates accounted for using the equity method |      | (373,804)       | (67,495)    | -             | -         |
| Finance costs                                                       |      | -               | (3,892)     | -             | -         |
| Foreign exchange losses                                             |      | -               | (165)       | -             | -         |
| Marketing                                                           |      | -               | (114,685)   | -             | -         |
| Administration                                                      |      | (418,715)       | (721,484)   | (412,531)     | (338,216) |
| Other expenses                                                      |      | (46,686)        | (295,301)   | (46,686)      | (46,239)  |
| Loss before income tax                                              | 3    | (1,438,299)     | (3,994,405) | (1,064,076)   | (740,528) |
| Income tax expense                                                  | 4    | -               | -           | -             | -         |
| Loss from continuing operations                                     |      | (1,438,299)     | (3,994,405) | (1,064,076)   | (740,528) |
| Profit/(loss) from discontinued operations                          |      | -               | -           | -             | -         |
| Loss for the year                                                   |      | (1,438,299)     | (3,994,405) | (1,064,076)   | (740,528) |
| Loss attributable to minority equity interest                       |      | 318             | 807,750     | -             | -         |
| Loss attributable to members of the parent entity                   |      | (1,437,981)     | (3,186,655) | (1,064,076)   | (740,528) |
| Basic earnings per share (cents per share)                          | 7    | (1.3034)        | (3.1497)    | (0.9645)      | (0.7319)  |

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2007

|                                                   | Note | Economic Entity  |                  | Parent Entity     |                  |
|---------------------------------------------------|------|------------------|------------------|-------------------|------------------|
|                                                   |      | 2007             | 2006             | 2007              | 2006             |
|                                                   |      | \$               | \$               | \$                | \$               |
| <b>ASSETS</b>                                     |      |                  |                  |                   |                  |
| <b>CURRENT ASSETS</b>                             |      |                  |                  |                   |                  |
| Cash and cash equivalents                         | 8    | 1,707,068        | 678,827          | 1,707,067         | 678,825          |
| Trade and other receivables                       | 9    | 90,989           | 298,515          | 90,989            | 298,515          |
| <b>TOTAL CURRENT ASSETS</b>                       |      | <b>1,798,057</b> | <b>977,342</b>   | <b>1,798,056</b>  | <b>977,340</b>   |
| <b>NON-CURRENT ASSETS</b>                         |      |                  |                  |                   |                  |
| Trade and other receivables                       | 9    | 633              | -                | 965,612           | 986,699          |
| Investments accounted for using the equity method | 10   | -                | 373,804          | -                 | -                |
| Financial assets                                  | 12   | -                | -                | 252               | 2                |
| Property, plant and equipment                     | 14   | 25,294           | 24,375           | 25,294            | 24,375           |
| Intangible assets                                 | 15   | 1,283            | 1,543            | 1,283             | 1,543            |
| Other non-current assets                          | 16   | 7,760,076        | 6,309,638        | 7,760,076         | 6,288,068        |
| <b>TOTAL NON-CURRENT ASSETS</b>                   |      | <b>7,787,286</b> | <b>6,709,360</b> | <b>8,752,517</b>  | <b>7,300,687</b> |
| <b>TOTAL ASSETS</b>                               |      | <b>9,585,343</b> | <b>7,686,702</b> | <b>10,550,573</b> | <b>8,278,027</b> |
| <b>CURRENT LIABILITIES</b>                        |      |                  |                  |                   |                  |
| Trade and other payables                          | 17   | 536,830          | 204,490          | 536,830           | 204,490          |
| <b>TOTAL CURRENT LIABILITIES</b>                  |      | <b>536,830</b>   | <b>204,490</b>   | <b>536,830</b>    | <b>204,490</b>   |
| <b>TOTAL LIABILITIES</b>                          |      | <b>536,830</b>   | <b>204,490</b>   | <b>536,830</b>    | <b>204,490</b>   |
| <b>NET ASSETS</b>                                 |      | <b>9,048,513</b> | <b>7,482,212</b> | <b>10,013,743</b> | <b>8,073,537</b> |
| <b>EQUITY</b>                                     |      |                  |                  |                   |                  |
| Issued capital                                    | 19   | 13,528,275       | 10,830,673       | 13,528,275        | 10,830,673       |
| Reserves                                          | 20   | 650,035          | 343,355          | 650,035           | 343,355          |
| Retained earnings/(accumulated) losses            |      | (5,129,797)      | (3,691,816)      | (4,164,567)       | (3,100,491)      |
| Parent interest                                   |      | 9,048,513        | 7,482,212        | 10,013,743        | 8,073,537        |
| Minority equity interest                          |      | -                | -                | -                 | -                |
| <b>TOTAL EQUITY</b>                               |      | <b>9,048,513</b> | <b>7,482,212</b> | <b>10,013,743</b> | <b>8,073,537</b> |

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2007

|                                                           | Note | Share Capital |                   | Accumulated<br>Losses | Minority<br>Equity<br>Interests | Total       |
|-----------------------------------------------------------|------|---------------|-------------------|-----------------------|---------------------------------|-------------|
|                                                           |      | Ordinary      | Option<br>Reserve |                       |                                 |             |
|                                                           |      | \$            | \$                | \$                    | \$                              | \$          |
| <b>Consolidated Group</b>                                 |      |               |                   |                       |                                 |             |
| Balance at 1 July 2005                                    |      | 8,926,533     | 343,355           | (505,161)             | 1,952,028                       | 10,716,755  |
| Shares issued during the year                             |      | 2,004,140     | -                 | -                     | -                               | 2,004,140   |
| Transaction costs                                         |      | (100,000)     | -                 | -                     | -                               | (100,000)   |
| Profit/(loss) attributable to members of parent entity    |      | -             | -                 | (3,186,655)           | -                               | (3,186,655) |
| Profit/(loss) attributable to minority shareholders       |      | -             | -                 | -                     | (807,750)                       | (807,750)   |
| Loss of subsidiary                                        |      | -             | -                 | -                     | (1,144,278)                     | (1,144,278) |
| Balance at 30 June 2006                                   |      | 10,830,673    | 343,355           | (3,691,816)           | -                               | 7,482,212   |
| Shares issued during the year                             |      | 2,992,512     | -                 | -                     | -                               | 2,992,512   |
| Transaction costs                                         |      | (234,910)     | -                 | -                     | -                               | (234,910)   |
| Option reserve on recognition of bonus element of options |      | -             | 246,680           | -                     | -                               | 246,680     |
| Transfer to option reserve                                |      | (60,000)      | 60,000            | -                     | -                               | -           |
| Profit/(loss) attributable to members of parent entity    |      | -             | -                 | (1,437,981)           | -                               | (1,437,981) |
| Profit/(loss) attributable to minority shareholders       |      | -             | -                 | -                     | (318)                           | (318)       |
| Loss of subsidiary                                        |      | -             | -                 | -                     | 318                             | 318         |
| Balance at 30 June 2007                                   |      | 13,528,275    | 650,035           | (5,129,797)           | -                               | 9,048,513   |
| <b>Parent Entity</b>                                      |      |               |                   |                       |                                 |             |
| Balance at 1 July 2005                                    |      | 8,926,534     | 343,355           | (2,359,964)           | -                               | 6,909,925   |
| Shares issued during the year                             |      | 2,004,139     | -                 | -                     | -                               | 2,004,139   |
| Transaction costs                                         |      | (100,000)     | -                 | -                     | -                               | (100,000)   |
| Profit/(loss) attributable to members of parent entity    |      | -             | -                 | (740,527)             | -                               | (740,527)   |
| Balance at 30 June 2006                                   |      | 10,830,673    | 343,355           | (3,100,491)           | -                               | 8,073,537   |
| Shares issued during the year                             |      | 2,992,512     | -                 | -                     | -                               | 2,992,512   |
| Transaction costs                                         |      | (234,910)     | -                 | -                     | -                               | (234,910)   |
| Option reserve on recognition of bonus element of options |      | -             | 246,680           | -                     | -                               | 246,680     |
| Transfer to option reserve                                |      | (60,000)      | 60,000            | -                     | -                               | -           |
| Profit/(loss) attributable to members of parent entity    |      | -             | -                 | (1,064,076)           | -                               | (1,064,076) |
| Balance at 30 June 2007                                   |      | 13,528,275    | 650,035           | (4,164,567)           | -                               | 10,013,743  |

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2007

|                                                     | Note | Economic Entity |             | Parent Entity |             |
|-----------------------------------------------------|------|-----------------|-------------|---------------|-------------|
|                                                     |      | 2007            | 2006        | 2007          | 2006        |
|                                                     |      | \$              | \$          | \$            | \$          |
| CASH FLOWS FROM OPERATING ACTIVITIES                |      |                 |             |               |             |
| Receipts from customers                             |      | 104,019         | 225,178     | 104,019       | 125,000     |
| Payments to suppliers and employees                 |      | (1,286,304)     | (2,603,553) | (1,275,683)   | (936,096)   |
| Interest received                                   |      | 44,847          | 138,984     | 44,021        | 82,151      |
| Finance costs                                       |      | -               | (3,892)     | -             | -           |
| Goods and Services Tax refunds                      |      | 146,881         | 104,050     | 146,881       | 104,050     |
| Net cash provided by (used in) operating activities | 23a  | (990,557)       | (2,139,233) | (980,762)     | (624,895)   |
| CASH FLOWS FROM INVESTING ACTIVITIES                |      |                 |             |               |             |
| Exploration expenditure                             |      | (1,091,239)     | (1,165,550) | (1,027,866)   | (1,060,477) |
| Purchase of property, plant and equipment           |      | (9,234)         | (25,637)    | (9,234)       | (10,208)    |
| Purchase of intangible assets                       |      | (426)           | -           | (426)         | -           |
| Investment in associated entities                   |      | (250)           | -           | (250)         | -           |
| Investment in joint venture                         |      | -               | (313,079)   | -             | -           |
| Loans to controlled entities                        |      | -               | -           | (1,065)       | (963,914)   |
| Loans to associated entities                        |      | 488,291         | 1,176,219   | 290,243       | (30,716)    |
| Cash disposed on loss of subsidiary                 |      | (125,946)       | (150,291)   | -             | -           |
| Payment for subsidiary, net of cash acquired        |      | -               | (2,362,297) | -             | (2)         |
| Net cash provided by (used in) investing activities |      | (738,804)       | (2,840,635) | (748,598)     | (2,065,317) |
| CASH FLOWS FROM FINANCING ACTIVITIES                |      |                 |             |               |             |
| Proceeds from issue of shares                       |      | 2,992,512       | 2,004,140   | 2,992,512     | 2,004,140   |
| Share issue costs                                   |      | (234,910)       | (100,000)   | (234,910)     | (100,000)   |
| Net cash provided by (used in) financing activities |      | 2,757,602       | 1,904,140   | 2,757,602     | 1,904,140   |
| Net increase (decrease) in cash held                |      | 1,028,241       | (3,075,728) | 1,028,242     | (786,072)   |
| Cash at beginning of financial year                 |      | 678,827         | 3,754,555   | 678,825       | 1,464,897   |
| Cash at end of financial year                       | 8    | 1,707,068       | 678,827     | 1,707,067     | 678,825     |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the consolidated group of Tasman Resources NL and controlled entities, and Tasman Resources NL as an individual parent entity. Tasman Resources NL is a listed public company, incorporated and domiciled in Australia.

The financial report of Tasman Resources NL and controlled entities, and Tasman Resources NL as an individual parent entity complies with all Australian International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

a. Principles of Consolidation

A controlled entity is any entity Tasman Resources NL has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tasman Resources NL and Noble Resources Limited, its wholly-owned Australian subsidiary, have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|----------------------|-------------------|
| Plant and equipment  | 15–50%            |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the group's share of post-acquisition reserves of its associates.

h. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

j. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

k. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

m. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with leases agreements.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

n. Borrowing Costs

All other borrowing costs are recognised in income in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

*Key Estimates — Impairment*

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 27 September 2007 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 2: REVENUE

|                                            | Note | Economic Entity |         | Parent Entity |         |
|--------------------------------------------|------|-----------------|---------|---------------|---------|
|                                            |      | 2007            | 2006    | 2007          | 2006    |
|                                            |      | \$              | \$      | \$            | \$      |
| a. Revenue                                 |      |                 |         |               |         |
| — sales revenue                            |      | -               | 100,178 | -             | -       |
| — interest received                        |      | 44,847          | 138,984 | 44,021        | 82,151  |
| — PACE grant funding                       |      | 40,000          | 125,000 | 40,000        | 125,000 |
| — wages recovery from associated entity    |      | 86,341          | -       | 86,341        | -       |
| Total Revenue                              |      | 171,188         | 364,162 | 170,362       | 207,151 |
| b. Other income                            |      |                 |         |               |         |
| — Option revenue – farm-in arrangement     |      | 168,000         | -       | 168,000       | -       |
| — profit on de-consolidation of subsidiary |      | 4,939           | -       | -             | -       |
| Total non-operating income                 |      | 172,939         | -       | 168,000       | -       |

NOTE 3: PROFIT FOR THE YEAR

|                                                                                                                          | Note | Economic Entity |             | Parent Entity |        |
|--------------------------------------------------------------------------------------------------------------------------|------|-----------------|-------------|---------------|--------|
|                                                                                                                          |      | 2007            | 2006        | 2007          | 2006   |
|                                                                                                                          |      | \$              | \$          | \$            | \$     |
| a. Expenses                                                                                                              |      |                 |             |               |        |
| Cost of sales                                                                                                            |      | -               | 92,028      | -             | -      |
| Depreciation and amortisation expense                                                                                    |      | 9,001           | 35,650      | 9,001         | 8,212  |
| Exploration expenditure written off                                                                                      |      | 365             | 51,514      | 365           | 51,514 |
| b. Significant Revenue and Expenses                                                                                      |      |                 |             |               |        |
| The following significant revenue and expense items are relevant in explaining the financial performance:                |      |                 |             |               |        |
| Option revenue – farm-in arrangement                                                                                     | 3c   | 168,000         | -           | 168,000       | -      |
| Profit on de-consolidation of subsidiary                                                                                 |      | 4,939           | -           | -             | -      |
| Loss on de-consolidation of subsidiary                                                                                   |      | -               | (1,693,764) | -             | -      |
| c. 1,000,000 ordinary shares in WCP Resources Ltd were acquired as part of a farm-in arrangement with WCP Resources Ltd. |      |                 |             |               |        |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

| NOTE 4: INCOME TAX EXPENSE | Note                                                                                                                 | Economic Entity |             | Parent Entity |           |
|----------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------|-------------|---------------|-----------|
|                            |                                                                                                                      | 2007            | 2006        | 2007          | 2006      |
|                            |                                                                                                                      | \$              | \$          | \$            | \$        |
| a.                         | The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows: |                 |             |               |           |
|                            | Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%)                      |                 |             |               |           |
| —                          | economic entity                                                                                                      | (431,490)       | (1,198,322) | -             | -         |
| —                          | parent entity                                                                                                        | -               | -           | (319,223)     | (222,158) |
|                            |                                                                                                                      | (431,490)       | (1,198,322) | (319,223)     | (222,158) |
|                            | Add:                                                                                                                 |                 |             |               |           |
|                            | Tax effect of:                                                                                                       |                 |             |               |           |
| —                          | loss of subsidiary not allowable                                                                                     | -               | 508,129     | -             | -         |
| —                          | other non-allowable items                                                                                            | 151             | 239         | 151           | 159       |
| —                          | Deferred tax assets not brought to account                                                                           | 429,857         | 689,954     | 319,072       | 221,999   |
|                            |                                                                                                                      | 1,482           | -           | -             | -         |
|                            | Less:                                                                                                                |                 |             |               |           |
|                            | Tax effect of:                                                                                                       |                 |             |               |           |
| —                          | loss of subsidiary not assessable                                                                                    | (1,482)         | -           | -             | -         |
|                            | Income tax attributable to entity                                                                                    | -               | -           | -             | -         |
|                            | The applicable weighted average effective tax rates are as follows:                                                  | Nil%            | Nil%        | Nil%          | Nil%      |

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

- a. Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

| Key Management Person  | Position               |
|------------------------|------------------------|
| Gregory Howard Solomon | Executive Director     |
| Douglas Howard Solomon | Non-Executive Director |
| Guy Touzeau Le Page    | Non-Executive Director |
| Raymond F Buscall      | Company Secretary      |
| Graham M Jeffress      | Geologist              |
| Robert N Smith         | Geologist              |
| Michael Glasson        | Geologist              |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

b. Options and Rights Holdings

Number of Options Held by Key Management Personnel

|                        | Balance<br>1.7.2006 | Granted as<br>Compen-<br>sation | Options<br>Expired | Net Change<br>Other* |
|------------------------|---------------------|---------------------------------|--------------------|----------------------|
| Gregory Howard Solomon | -                   | -                               | -                  | 961,203              |
| Douglas Howard Solomon | -                   | -                               | -                  | 961,128              |
| Guy Touzeau Le Page    | -                   | -                               | -                  | 50,674               |
| Michael Glasson        | -                   | 1,000,000                       | -                  | -                    |
| Raymond F Buscall      | -                   | 300,000                         | -                  | -                    |
| Graham M Jeffress      | 200,000             | 500,000                         | (100,000)          | -                    |
| Robert N Smith         | 200,000             | 1,000,000                       | (100,000)          | -                    |
| Total                  | 400,000             | 2,800,000                       | (200,000)          | 1,973,005            |

\*The Net Change Other reflected above includes those options that have been forfeited by holders as well as options issued during the year under review.

Number of Options Held by Key Management Personnel

|                        | Balance<br>30.6.2007 | Total Vested<br>30.6.2007 | Total Exer-<br>cisable<br>30.6.2007 | Total<br>Unexer-<br>cisable<br>30.6.2007 |
|------------------------|----------------------|---------------------------|-------------------------------------|------------------------------------------|
| Gregory Howard Solomon | 961,203              | 961,203                   | 961,203                             | -                                        |
| Douglas Howard Solomon | 961,128              | 961,128                   | 961,128                             | -                                        |
| Guy Touzeau Le Page    | 50,674               | 50,674                    | 50,674                              | -                                        |
| Michael Glasson        | 1,000,000            | 1,000,000                 | 1,000,000                           | -                                        |
| Raymond F Buscall      | 300,000              | 300,000                   | 300,000                             | -                                        |
| Graham M Jeffress      | 600,000              | 600,000                   | 600,000                             | -                                        |
| Robert N Smith         | 1,100,000            | 1,100,000                 | 1,100,000                           | -                                        |
| Total                  | 4,973,005            | 4,973,005                 | 4,973,005                           | -                                        |

c. Shareholdings

Number of Shares held by Key Management Personnel

|                        | Balance<br>1.7.2006 | Received as<br>Compen-<br>sation | Options<br>Exercised | Net Change<br>Other* | Balance<br>30.6.2007 |
|------------------------|---------------------|----------------------------------|----------------------|----------------------|----------------------|
| Gregory Howard Solomon | 7,676,033           | -                                | -                    | 9,625,597            | 17,301,630           |
| Douglas Howard Solomon | 7,794,834           | -                                | -                    | 9,505,447            | 17,300,281           |
| Guy Touzeau Le Page    | 810,779             | -                                | -                    | 101,347              | 912,126              |
| Graham Roland Bedford  | 350,000             | -                                | -                    | (350,000)            | -                    |
| Robert N Smith         | 50,000              | -                                | -                    | -                    | 50,000               |
| Total                  | 16,681,646          | -                                | -                    | 18,882,391           | 35,564,037           |

\* Net Change Other refers to shares purchased or sold during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 6: AUDITORS' REMUNERATION

|                                                       | Economic Entity |            | Parent Entity |            |
|-------------------------------------------------------|-----------------|------------|---------------|------------|
|                                                       | 2007<br>\$      | 2006<br>\$ | 2007<br>\$    | 2006<br>\$ |
| Remuneration of the auditor of the parent entity for: |                 |            |               |            |
| — auditing or reviewing the financial report          | 15,000          | 15,411     | 15,000        | 12,107     |
| — Other                                               | 10,000          | 10,000     | 10,000        | 10,000     |

NOTE 7: EARNINGS PER SHARE

|                                                                                                                      | Economic Entity |             |
|----------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
|                                                                                                                      | 2007<br>\$      | 2006<br>\$  |
| a. Reconciliation of earnings to profit or loss                                                                      |                 |             |
| Profit/(loss)                                                                                                        | (1,438,299)     | (3,994,405) |
| Loss attributable to minority equity interest                                                                        | 318             | 807,750     |
| Earnings used to calculate basic EPS                                                                                 | (1,437,981)     | (3,186,655) |
| Dividends on converting preference shares                                                                            | -               | -           |
| Earnings used in the calculation of dilutive EPS                                                                     | (1,437,981)     | (3,186,655) |
|                                                                                                                      | No.             | No.         |
| b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS              | 110,326,418     | 101,171,723 |
| Weighted average number of options outstanding                                                                       | -               | -           |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS              | 110,326,418     | 101,171,723 |
| c. Diluted earnings per share is not reflected for discontinuing operations as the result is anti-dilutive in nature | -               | -           |

NOTE 8: CASH AND CASH EQUIVALENTS

| Note                     | Economic Entity |            | Parent Entity |            |
|--------------------------|-----------------|------------|---------------|------------|
|                          | 2007<br>\$      | 2006<br>\$ | 2007<br>\$    | 2006<br>\$ |
| Cash at bank and in hand | 1,657,068       | 678,827    | 1,657,067     | 678,825    |
| Short-term bank deposits | 50,000          | -          | 50,000        | -          |
|                          | 1,707,068       | 678,827    | 1,707,067     | 678,825    |

The effective interest rate on short-term bank deposits was 5.80%

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

|                           |           |         |           |         |
|---------------------------|-----------|---------|-----------|---------|
| Cash and cash equivalents | 1,707,068 | 678,827 | 1,707,067 | 678,825 |
|                           | 1,707,068 | 678,827 | 1,707,067 | 678,825 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 9: TRADE AND OTHER RECEIVABLES

|                               | Note | Economic Entity |         | Parent Entity |         |
|-------------------------------|------|-----------------|---------|---------------|---------|
|                               |      | 2007            | 2006    | 2007          | 2006    |
|                               |      | \$              | \$      | \$            | \$      |
| CURRENT                       |      |                 |         |               |         |
| GST refunds                   |      | 56,238          | 20,227  | 56,238        | 20,227  |
| Deposit - funds held in trust |      | 750             | 750     | 750           | 750     |
| Bonds                         |      | 5,000           | 5,000   | 5,000         | 5,000   |
| Cash advances                 |      | 4,447           | 4,447   | 4,447         | 4,447   |
| Other receivables             |      | 24,554          | -       | 24,554        | -       |
|                               |      | 90,989          | 30,424  | 90,989        | 30,424  |
| Amounts receivable from:      |      |                 |         |               |         |
| — associated companies        |      | 633             | 268,091 | 633           | 268,091 |
|                               |      | 91,622          | 298,515 | 91,622        | 298,515 |

**NON-CURRENT**

Amounts receivable from:

|                             |  |          |          |                |                |
|-----------------------------|--|----------|----------|----------------|----------------|
| — wholly-owned subsidiaries |  | -        | -        | 964,979        | 986,699        |
|                             |  | <u>-</u> | <u>-</u> | <u>964,979</u> | <u>986,699</u> |

- a. Non-Current receivable consist of receivables from wholly owned entities. There are no repayment plans but repayments are made out of surplus profits retained in the subsidiary for these receivables. Hence, the directors consider these receivables to be an investment.
- b. The directors consider the receivable can be recovered as the fair value of the net assets of the wholly owned subsidiary exceed the carrying amount of the receivable.

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                      | Note | Economic Entity |                | Parent Entity |            |
|----------------------|------|-----------------|----------------|---------------|------------|
|                      |      | 2007<br>\$      | 2006<br>\$     | 2007<br>\$    | 2006<br>\$ |
| Associated companies | 11   | -               | 373,804        | -             | -          |
|                      |      | <u>-</u>        | <u>373,804</u> | <u>-</u>      | <u>-</u>   |

NOTE 11: ASSOCIATED COMPANIES

Interests are held in the following associated companies

| Name                   | Principal Activities                    | Country of Incorporation | Shares | Ownership Interest |           | Carry amount of investment |                |
|------------------------|-----------------------------------------|--------------------------|--------|--------------------|-----------|----------------------------|----------------|
|                        |                                         |                          |        | 2007<br>%          | 2006<br>% | 2007<br>\$                 | 2006<br>\$     |
| Listed:                |                                         |                          |        |                    |           |                            |                |
| Eden Energy Limited    | Hydrogen and Hythane energy development | Australia                | Ord    | 24.40              | 26.96     | -                          | 373,804        |
| Fission Energy Limited | Uranium exploration                     | Australia                | Ord    | 43.86              | N/A       | -                          | N/A            |
|                        |                                         |                          |        |                    |           | <u>-</u>                   | <u>373,804</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 11: ASSOCIATED COMPANIES (CONT'D)

|                                                                                                                                                                                                                                                                                                                                                                                                                                          | Note | Economic Entity |            | Parent Entity |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|------------|---------------|------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | 2007<br>\$      | 2006<br>\$ | 2007<br>\$    | 2006<br>\$ |
| a. Movements During the Year in Equity Accounted Investment in Associated Companies                                                                                                                                                                                                                                                                                                                                                      |      |                 |            |               |            |
| Balance at beginning of the financial year                                                                                                                                                                                                                                                                                                                                                                                               |      | 373,804         | -          | -             | -          |
| Add: New investments during the year                                                                                                                                                                                                                                                                                                                                                                                                     |      | -               | 441,299    | -             | -          |
| Share of associated company's profit/(loss) after income tax                                                                                                                                                                                                                                                                                                                                                                             | 11b  | (373,804)       | (67,495)   | -             | -          |
| Balance at end of the financial year                                                                                                                                                                                                                                                                                                                                                                                                     |      | -               | 373,804    | -             | -          |
| b. Equity accounted profits of associates are broken down as follows:                                                                                                                                                                                                                                                                                                                                                                    |      |                 |            |               |            |
| Share of associate's profit before income tax expense                                                                                                                                                                                                                                                                                                                                                                                    |      | (373,804)       | (67,495)   | -             | -          |
| Share of associate's income tax expense                                                                                                                                                                                                                                                                                                                                                                                                  |      | -               | -          | -             | -          |
| Share of associate's profit after income tax                                                                                                                                                                                                                                                                                                                                                                                             |      | (373,804)       | (67,495)   | -             | -          |
| c. Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associates                                                                                                                                                                                                                                                                                                                                                |      |                 |            |               |            |
| Current assets                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 11,558,493      | 7,129,397  | -             | -          |
| Non-current assets                                                                                                                                                                                                                                                                                                                                                                                                                       |      | 10,033,136      | 8,599,292  | -             | -          |
| Total assets                                                                                                                                                                                                                                                                                                                                                                                                                             |      | 21,591,629      | 15,728,689 | -             | -          |
| Current liabilities                                                                                                                                                                                                                                                                                                                                                                                                                      |      | 2,214,399       | 704,917    | -             | -          |
| Non-current liabilities                                                                                                                                                                                                                                                                                                                                                                                                                  |      | 17,248          | 200,615    | -             | -          |
| Total liabilities                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 2,231,647       | 905,532    | -             | -          |
| Net assets                                                                                                                                                                                                                                                                                                                                                                                                                               |      | 19,359,982      | 14,823,157 | -             | -          |
| Revenues                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | 765,194         | 27,337     | -             | -          |
| Profit after income tax of associates                                                                                                                                                                                                                                                                                                                                                                                                    |      | (6,163,129)     | (250,356)  | -             | -          |
| d. Ownership interest in Eden Energy Limited at that company's balance date was 24.40% (2006: 26.96%) of ordinary shares. The reporting date of Eden Energy Limited is 30 June 2007. This reporting date coincides with the parent entity's reporting date. The ordinary shares held in Eden Energy Ltd have a two year escrow period expiring 6 June 2008. The consolidated group also holds 32,497,065 options in Eden Energy Limited. |      |                 |            |               |            |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 11: ASSOCIATED COMPANIES (CONT'D)

- e. Ownership interest in Fission Energy Limited at that company's balance date was 43.86% of ordinary shares. At 30 June 2006, Tasman Resources NL held the only ordinary share issued in Fission. On 23 February 2007, Tasman acquired 24,999,999 ordinary shares in Fission prior to the initial public offering of Fission in June 2007. After the initial public offering was completed, Tasman's interest in Fission was diluted to 43.86% of ordinary shares. The reporting date of Fission Energy Limited is 30 June 2007. This reporting date coincides with the parent entity's reporting date. The ordinary shares held in Fission Energy Ltd have a two year escrow period expiring 14 June 2009.

|                                                   | Note | Economic Entity   |                  | Parent Entity     |                  |
|---------------------------------------------------|------|-------------------|------------------|-------------------|------------------|
|                                                   |      | 2007              | 2006             | 2007              | 2006             |
|                                                   |      | \$                | \$               | \$                | \$               |
| f. Market value of listed investment in associate |      |                   |                  |                   |                  |
| — Eden Energy Limited - shares                    |      | 19,787,933        | 4,287,385        | 19,787,933        | 4,287,385        |
| Eden Energy Limited - options                     |      | 12,023,914        | -                | 12,023,914        | -                |
| — Fission Energy Limited                          |      | 4,830,000         | -                | 4,830,000         | -                |
|                                                   |      | <u>36,641,847</u> | <u>4,287,385</u> | <u>36,641,847</u> | <u>4,287,385</u> |

NOTE 12: OTHER FINANCIAL ASSETS

|                                                 | Note | Economic Entity |          | Parent Entity |          |
|-------------------------------------------------|------|-----------------|----------|---------------|----------|
|                                                 |      | 2007            | 2006     | 2007          | 2006     |
|                                                 |      | \$              | \$       | \$            | \$       |
| Available-for-sale financial assets             | 14a  | -               | -        | 1             | 2        |
|                                                 |      | -               | -        | 1             | 2        |
| Less non-current portion                        |      | -               | -        | (1)           | (2)      |
| Current portion                                 |      | -               | -        | -             | -        |
| a. Available-for-sale Financial Assets Comprise |      |                 |          |               |          |
| Unlisted investments, at cost                   |      |                 |          |               |          |
| — shares in controlled entities                 |      | -               | -        | 1             | 2        |
| Total available-for-sale financial assets       |      | <u>-</u>        | <u>-</u> | <u>1</u>      | <u>2</u> |

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 13: CONTROLLED ENTITIES

a. Controlled Entities Consolidated

|                                      | Country of Incorporation | Percentage Owned (%)* |      |
|--------------------------------------|--------------------------|-----------------------|------|
|                                      |                          | 2007                  | 2006 |
| Parent Entity:                       |                          |                       |      |
| Tasman Resources NL                  | Australia                |                       |      |
| Subsidiaries of Tasman Resources NL: |                          |                       |      |
| Noble Energy Ltd                     | Australia                | 100                   | 100  |
| Fission Energy Ltd                   | Australia                | N/A                   | 100  |

\* Percentage of voting power is in proportion to ownership

b. Acquisition of Controlled Entities

On 30 March 2006 the parent entity acquired 100% of Fission Energy Ltd, with Tasman Resources NL entitled to all profits earned from 30 March 2006 for a purchase consideration of \$1.

c. Disposal of Controlled Entities

On 14 June 2007, the parent entity's 100% interest in Fission Energy Limited was diluted following the initial public offer and subsequent listing on the Australian Stock Exchange of Fission Energy Limited in June 2007. The parent entity lost control of Fission Energy Limited and its controlled entities from 14 June 2007.

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

|                                     | Note | Economic Entity |          | Parent Entity |          |
|-------------------------------------|------|-----------------|----------|---------------|----------|
|                                     |      | 2007            | 2006     | 2007          | 2006     |
|                                     |      | \$              | \$       | \$            | \$       |
| PLANT AND EQUIPMENT                 |      |                 |          |               |          |
| Plant and equipment:                |      |                 |          |               |          |
| At cost                             |      | 71,943          | 62,709   | 71,943        | 62,709   |
| Accumulated depreciation            |      | (46,649)        | (38,334) | (46,649)      | (38,334) |
| Accumulated impairment losses       |      | -               | -        | -             | -        |
| Total plant and equipment           |      | 25,294          | 24,375   | 25,294        | 24,375   |
| Total Property, Plant and Equipment |      | 25,294          | 24,375   | 25,294        | 24,375   |

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

|                                    | Note | Economic Entity |          | Parent Entity |         |
|------------------------------------|------|-----------------|----------|---------------|---------|
|                                    |      | 2007            | 2006     | 2007          | 2006    |
|                                    |      | \$              | \$       | \$            | \$      |
| Plant & Equipment                  |      |                 |          |               |         |
| Balance at the beginning of year   |      | 24,375          | 21,349   | 24,375        | 21,349  |
| Additions                          |      | 9,234           | 36,599   | 9,234         | 10,208  |
| Disposals                          |      | -               | -        | -             | -       |
| Depreciation expense               |      | (8,315)         | (33,573) | (8,315)       | (7,182) |
| Carrying amount at the end of year |      | 25,294          | 24,375   | 25,294        | 24,375  |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 14: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

b. Impairment losses

The total impairment loss recognised in the income statement during the current period amounted to \$Nil (2006: \$2,304) and is separately presented in the income statement as 'impairment of property plant and equipment'.

NOTE 15: INTANGIBLE ASSETS

|                                         | Note | Economic Entity |          | Parent Entity |          |
|-----------------------------------------|------|-----------------|----------|---------------|----------|
|                                         |      | 2007            | 2006     | 2007          | 2006     |
|                                         |      | \$              | \$       | \$            | \$       |
| Computer software                       |      |                 |          |               |          |
| Cost                                    |      | 24,054          | 23,628   | 24,054        | 23,628   |
| Accumulated amortisation and impairment |      | (22,771)        | (22,085) | (22,771)      | (22,085) |
| Net carrying value                      |      | 1,283           | 1,543    | 1,283         | 1,543    |
| Total intangibles                       |      | 1,283           | 1,543    | 1,283         | 1,543    |

|                                  | Note | Economic Entity |         | Parent Entity |         |
|----------------------------------|------|-----------------|---------|---------------|---------|
|                                  |      | 2007            | 2006    | 2007          | 2006    |
|                                  |      | \$              | \$      | \$            | \$      |
| Computer Software                |      |                 |         |               |         |
| Year ended 30 June 2007          |      |                 |         |               |         |
| Balance at the beginning of year |      | 1,543           | 2,104   | 1,543         | 2,104   |
| Additions                        |      | 426             | 1,515   | 426           | 469     |
| Amortisation charge              |      | (686)           | (2,076) | (686)         | (1,030) |
| Impairment losses                |      | -               | -       | -             | -       |
| Closing value at 30 June 2007    |      | 1,283           | 1,543   | 1,283         | 1,543   |

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the income statement.

NOTE 16: OTHER ASSETS

|                                     | Note | Economic Entity |           | Parent Entity |           |
|-------------------------------------|------|-----------------|-----------|---------------|-----------|
|                                     |      | 2007            | 2006      | 2007          | 2006      |
|                                     |      | \$              | \$        | \$            | \$        |
| NON-CURRENT                         |      |                 |           |               |           |
| Investment – WCP Resources Ltd      |      | 168,000         | -         | 168,000       | -         |
| Exploration expenditure capitalised |      |                 |           |               |           |
| — exploration and evaluation phases |      | 7,592,076       | 6,309,638 | 7,592,076     | 6,288,068 |
| Total exploration expenditure       |      | 7,760,076       | 6,309,638 | 7,760,076     | 6,288,068 |

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of respective mining areas.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 16: OTHER ASSETS

The company's exploration tenements include areas subject to Native Title Claims. As a result, mining and exploration activities may be subject to exploration and mining restrictions or compensation payments. At the date of this report Work Area Clearance Agreements which enable initial exploration to occur have been finalised with 3 of the 4 Native Title claimant groups, while the 4th is being negotiated. However, the directors are unable to quantify the financial impact of any future claims.

Future economic benefits arising from the development of uranium deposits are subject to statutory regulations pertaining to uranium mining.

|                                                                                               | Note | Economic Entity |           | Parent Entity |           |
|-----------------------------------------------------------------------------------------------|------|-----------------|-----------|---------------|-----------|
|                                                                                               |      | 2007            | 2006      | 2007          | 2006      |
|                                                                                               |      | \$              | \$        | \$            | \$        |
| Capitalised costs included in cash flows from investing activities in the cash flow statement |      | 1,091,239       | 1,165,550 | 1,027,866     | 1,060,477 |

NOTE 17: TRADE AND OTHER PAYABLES

|                                      | Note | Economic Entity |                | Parent Entity  |                |
|--------------------------------------|------|-----------------|----------------|----------------|----------------|
|                                      |      | 2007            | 2006           | 2007           | 2006           |
|                                      |      | \$              | \$             | \$             | \$             |
| CURRENT                              |      |                 |                |                |                |
| Unsecured liabilities                |      |                 |                |                |                |
| Trade payables                       |      | 409,136         | 115,585        | 409,136        | 115,585        |
| Sundry payables and accrued expenses |      | 80,746          | 62,913         | 80,746         | 62,913         |
| Employee entitlements                |      | 46,948          | 25,992         | 46,948         | 25,992         |
|                                      |      | <u>536,830</u>  | <u>204,490</u> | <u>536,830</u> | <u>204,490</u> |

NOTE 18: TAX

|                                                                                                                                                         | Note | Economic Entity  |                  | Parent Entity    |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|------------------|------------------|
|                                                                                                                                                         |      | 2007             | 2006             | 2007             | 2006             |
|                                                                                                                                                         |      | \$               | \$               | \$               | \$               |
| a. Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1b occur |      |                  |                  |                  |                  |
| — temporary differences                                                                                                                                 |      | (2,547,860)      | (1,871,885)      | (2,547,860)      | (1,872,451)      |
| — tax losses:                                                                                                                                           |      |                  |                  |                  |                  |
| — operating losses                                                                                                                                      |      | 3,771,702        | 3,061,207        | 3,771,702        | 3,061,083        |
|                                                                                                                                                         |      | <u>1,223,842</u> | <u>1,189,322</u> | <u>1,223,842</u> | <u>1,188,632</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 19: ISSUED CAPITAL

|                                                            | Economic Entity   |                   | Parent Entity     |                   |
|------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                            | 2007              | 2006              | 2007              | 2006              |
|                                                            | \$                | \$                | \$                | \$                |
| 122,655,045 (2006: 102,967,510) fully paid ordinary shares | 13,528,275        | 10,770,673        | 13,528,275        | 10,770,673        |
| 15,803,676 (2006: 400,000) options                         | -                 | 60,000            | -                 | 60,000            |
|                                                            | <u>13,528,275</u> | <u>10,830,673</u> | <u>13,528,275</u> | <u>10,830,673</u> |

a. Ordinary shares

|                                      |                    |                    |                    |                    |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| At the beginning of reporting period | 102,967,510        | 86,160,788         | 102,967,510        | 86,160,788         |
| Shares issued – prior year           | -                  | -                  | -                  | -                  |
| Shares issued during the year        |                    |                    |                    |                    |
| — 8 August 2005                      | -                  | 16,806,722         | -                  | 16,806,722         |
| — 21 November 2006                   | 6,000,000          | -                  | 6,000,000          | -                  |
| — 5 December 2006                    | 50,000             | -                  | 50,000             | -                  |
| — 23 March 2007                      | 13,627,386         | -                  | 13,627,386         | -                  |
| — Options exercised at various dates | 10,149             | -                  | 10,149             | -                  |
| At reporting date                    | <u>122,655,045</u> | <u>102,967,510</u> | <u>122,655,045</u> | <u>102,967,510</u> |

On 21 November 2006 the company issued 6,000,000 ordinary shares at \$0.135 per share with one free attaching option for every share to raise working capital.

On 23 February 2007 the company issued 50,000 ordinary shares to McTaggart Field Team Support.

On 23 March 2007 the company issued 13,627,386 ordinary shares at \$0.16 per share by way of a non-renounceable rights issue in accordance with the prospectus dated 13 February 2007 with one free attaching option for every two shares applied for to raise working capital.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

|                                      | Economic Entity |              | Parent Entity |              |
|--------------------------------------|-----------------|--------------|---------------|--------------|
|                                      | 2007            | 2006         | 2007          | 2006         |
|                                      | No.             | No.          | No.           | No.          |
| b. Options                           |                 |              |               |              |
| At the beginning of reporting period | 400,000         | 44,395,417   | 400,000       | 44,395,417   |
| Options issued during the year       | -               | -            | -             | -            |
| — 21 November 2006                   | 2,800,000       | -            | 2,800,000     | -            |
| — 21 November 2006                   | 6,000,000       | -            | 6,000,000     | -            |
| — 23 March 2007                      | 6,813,825       | -            | 6,813,825     | -            |
| Options exercised during the year    |                 |              |               |              |
| — Options exercised at various dates | (10,149)        | -            | (10,149)      | -            |
| Options lapsed during the year       |                 |              |               |              |
| — 28 February 2006                   | -               | (43,795,417) | -             | (43,795,417) |
| — 3 March 2006                       | -               | (200,000)    | -             | (200,000)    |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 19: ISSUED CAPITAL (CONT'D)

|                                                                                                                                                                                                                                                  | Economic Entity |             | Parent Entity |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|---------------|-------------|
|                                                                                                                                                                                                                                                  | 2007<br>No.     | 2006<br>No. | 2007<br>No.   | 2006<br>No. |
| b. Options                                                                                                                                                                                                                                       |                 |             |               |             |
| — 3 March 2007                                                                                                                                                                                                                                   | (200,000)       | -           | (200,000)     | -           |
| At reporting date                                                                                                                                                                                                                                | 15,803,676      | 400,000     | 15,803,676    | 400,000     |
| i. For information relating to the Tasman Resources NL employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 24 Share-based Payments. |                 |             |               |             |
| ii. For information relating to share options issued to key management personnel during the financial year, refer to Note 24 Share-based Payments.                                                                                               |                 |             |               |             |

NOTE 20: RESERVES

| a. Option Reserve                                                                                                                                                      | Economic Entity |            | Parent Entity |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------|---------------|------------|
|                                                                                                                                                                        | 2007<br>\$      | 2006<br>\$ | 2007<br>\$    | 2006<br>\$ |
| At the beginning of reporting period                                                                                                                                   | 343,355         | 343,355    | 343,355       | 343,355    |
| Transfers to option reserve                                                                                                                                            | 60,000          | -          | 60,000        | -          |
| Employee share options issued during the year                                                                                                                          | 246,680         | -          | 246,680       | -          |
| At reporting date                                                                                                                                                      | 650,035         | 343,355    | 650,035       | 343,355    |
| The option reserve records items recognised as expenses on valuation of employee share options and includes amounts transferred from share capital on expired options. |                 |            |               |            |

NOTE 21: CAPITAL AND LEASING COMMITMENTS

| a. Capital Expenditure Commitments                                                                                                                                                                                                                                                                                                                                                  |                 |            |               |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------|---------------|------------|
| Exploration commitments:                                                                                                                                                                                                                                                                                                                                                            |                 |            |               |            |
| The company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of operations of the company subject to the company being able to raise sufficient additional capital. |                 |            |               |            |
| Note                                                                                                                                                                                                                                                                                                                                                                                | Economic Entity |            | Parent Entity |            |
|                                                                                                                                                                                                                                                                                                                                                                                     | 2007<br>\$      | 2006<br>\$ | 2007<br>\$    | 2006<br>\$ |
| Payable:                                                                                                                                                                                                                                                                                                                                                                            |                 |            |               |            |
| — not later than 12 months                                                                                                                                                                                                                                                                                                                                                          | 1,589,263       | 1,430,000  | 1,589,263     | 1,430,000  |
| — between 12 months and 5 years                                                                                                                                                                                                                                                                                                                                                     | -               | -          | -             | -          |
| — greater than 5 years                                                                                                                                                                                                                                                                                                                                                              | -               | -          | -             | -          |
|                                                                                                                                                                                                                                                                                                                                                                                     | 1,589,263       | 1,430,000  | 1,589,263     | 1,430,000  |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 22: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 30 June 2007.

NOTE 23: CASH FLOW INFORMATION

|                                                                                                | Economic Entity |             | Parent Entity |            |
|------------------------------------------------------------------------------------------------|-----------------|-------------|---------------|------------|
|                                                                                                | 2007<br>\$      | 2006<br>\$  | 2007<br>\$    | 2006<br>\$ |
| a. Reconciliation of Cash Flow from Operations with Profit after Income Tax                    |                 |             |               |            |
| Loss after income tax                                                                          | (1,438,299)     | (3,994,405) | (1,064,076)   | (740,528)  |
| Cash flows excluded from profit attributable to operating activities                           |                 |             |               |            |
| Exploration expenditure                                                                        | -               | (110)       | -             | -          |
| Non-cash flows in loss                                                                         |                 |             |               |            |
| Amortisation                                                                                   | 686             | 2,076       | 686           | 1,030      |
| Depreciation                                                                                   | 8,315           | 33,573      | 8,315         | 7,182      |
| Employment benefits                                                                            | 246,680         |             | 246,680       |            |
| Option revenue - farm-in arrangement                                                           | (168,000)       |             | (168,000)     |            |
| Write-off of capitalised exploration expenditure                                               | 365             | 51,514      | 475           | 51,514     |
| Net loss on disposal of property, plant and equipment                                          | -               | 2,304       | -             | -          |
| Operating expenses paid by associated entity                                                   | -               | -           | -             | 13,290     |
| Net profit/(loss) on disposal of controlled entity                                             | (4,940)         | 1,693,764   | -             | -          |
| Share options expensed                                                                         | -               | 450         | -             | -          |
| Share of associated companies net loss after income tax and dividends                          | 373,804         | 67,495      | -             | -          |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries |                 |             |               |            |
| (Increase)/decrease in trade and term receivables                                              | (66,483)        | (6,424)     | (60,565)      | (11,583)   |
| Increase/(decrease) in receivables from investing activities                                   | 1,482           | -           | -             | -          |
| Increase/(decrease) in trade payables and accruals                                             | 332,340         | 90,822      | 332,340       | 118,252    |
| (Increase)/decrease in payables from investing activities                                      | (276,507)       | (80,292)    | (276,617)     | (64,052)   |
| Cashflow from operations                                                                       | (990,557)       | (2,139,233) | (980,762)     | (624,895)  |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 23: CASH FLOW INFORMATION (CONT'D)

b. Acquisition of Entities

During the 2006 year 100% of the controlled entity Fission Energy Ltd was acquired. Details of this transaction are:

|                                            | Economic Entity |      | Parent Entity |      |
|--------------------------------------------|-----------------|------|---------------|------|
|                                            | 2007            | 2006 | 2007          | 2006 |
|                                            | \$              | \$   | \$            | \$   |
| Acquisition of Entities                    |                 |      |               |      |
| Purchase consideration                     | -               | -    | -             | 1    |
| Cash consideration                         | -               | -    | -             | 1    |
| Cash outflow                               | -               | -    | -             | 1    |
| Assets and liabilities at acquisition date | -               | -    | -             | 1    |

Loss of Fission Energy Ltd included in consolidated profit of the group for the year \$4,293 (2006: \$1,215)

c. Disposal of Entities

During the year the economic entity lost control of Fission Energy Limited. Prior to de-consolidation, Fission had received \$6,200,000 from the initial public offering which was held in trust until the shares were allotted. On allotment, Fission Energy Limited ceased to be a controlled entity of Tasman Resources NL. The funds were not under the control of Tasman Resources NL and have been excluded from the cash flow statement.

NOTE 24: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2006:

Employee Share Option Plan

The purpose of the Plan is to provide Eligible Employees with an incentive to remain with the Company and to improve the longer-term performance of the Company and its return to shareholders. It is intended that the Plan will enable the Company to retain and attract skilled and experienced Eligible Employees and provide them with the motivation to make the Company more successful.

Eligible Employee means a full or part-time employee or director of the Company or of associated bodies corporate of the Company who is determined by the Board to be an Eligible Employee for the purposes of the Plan or any other person who is declared by the Board to be an Eligible Employee for the purposes of the Plan.

The Exercise Price is whichever is the greater of the following:

- (a) 125% of the Market Price of a Share determined on the date of grant of an Option;
- (b) 20 cents; or
- (c) any greater price determined by the Board at the time of issue.

The Exercise Period means, in relation to an Option, the period:

- (a) commencing on the second anniversary; and
- (b) ending on the fifth anniversary

of the date of grant of an Option, subject to any variation under Rule 7 or as otherwise determined by the Company at the time of grant of an Option.

No options have been exercised. The closing share market price of an ordinary share of Tasman Resources NL on the Australian Stock Exchange at 30 June 2007 was \$0.28 (30 June 2006 \$0.089).

All options granted to key management personnel are ordinary shares in Tasman Resources NL, which confer a right of one ordinary share for every option held.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 24: SHARE-BASED PAYMENTS (CONT'D)

|                                          | Economic Entity   |                                    |                   |                                    | Parent Entity     |                                    |                   |                                    |
|------------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|
|                                          | 2007              |                                    | 2006              |                                    | 2007              |                                    | 2006              |                                    |
|                                          | Number of Options | Weighted Average Exercise Price \$ | Number of Options | Weighted Average Exercise Price \$ | Number of Options | Weighted Average Exercise Price \$ | Number of Options | Weighted Average Exercise Price \$ |
| Outstanding at the beginning of the year | 400,000           | 0.275                              | 600,000           | 0.25                               | 400,000           | 0.275                              | 600,000           | 0.25                               |
| Granted                                  | 2,800,000         | 0.20                               | -                 | -                                  | 2,800,000         | 0.20                               | -                 | -                                  |
| Exercised                                | -                 | -                                  | -                 | -                                  | -                 | -                                  | -                 | -                                  |
| Expired                                  | (200,000)         | 0.25                               | (200,000)         | 0.20                               | (200,000)         | 0.25                               | (200,000)         | 0.20                               |
| Outstanding at year-end                  | 3,000,000         | 0.205                              | 400,000           | 0.275                              | 3,000,000         | 0.205                              | 400,000           | 0.275                              |
| Exercisable at year-end                  | 3,000,000         | 0.205                              | 400,000           | 0.275                              | 3,000,000         | 0.205                              | 400,000           | 0.275                              |

The options outstanding at 30 June 2007 had a weighted average exercise price of \$0.205 and a weighted average remaining contractual life of 2.1 years. Exercise prices range from \$0.20 to \$0.30 in respect of options outstanding at 30 June 2007.

The weighted average fair value of the options granted during the year was \$0.0881.

This price was calculated by using a Black-Scholes option pricing model applying the following inputs:

|                                     |            |
|-------------------------------------|------------|
| Weighted average exercise price     | \$0.20     |
| Weighted average life of the option | 2.05 years |
| Underlying share price              | \$0.20     |
| Expected share price volatility     | 73.8%      |
| Risk free interest rate             | 6.50%      |

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

No options were exercised during the year ended 30 June 2007. Included under employee benefits expense in the income statement is \$316,825 (2006: \$450), and relates, in full, to equity-settled share-based payment transactions.

NOTE 25: EVENTS AFTER THE BALANCE SHEET DATE

In September 2007, Noble Energy Limited, a wholly owned subsidiary of the parent entity, purchased a further 518,602 ordinary shares in Eden Energy Limited on-market. The consolidated group's holding in Eden Energy Limited increased to 33,498,490 ordinary shares, being 21.13% of the issued ordinary capital of Eden Energy Limited, as a result of the acquisition.

There were no other material events occurring after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 26: RELATED PARTY TRANSACTIONS

|                                                                                                                                                                      | Economic Entity |         | Parent Entity |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------|---------------|---------|
|                                                                                                                                                                      | 2007            | 2006    | 2007          | 2006    |
|                                                                                                                                                                      | \$              | \$      | \$            | \$      |
| Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. |                 |         |               |         |
| Transactions with related parties:                                                                                                                                   |                 |         |               |         |
| a. Key Management Personnel                                                                                                                                          |                 |         |               |         |
| Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.                            | 157,500         | 275,811 | 157,500       | 157,500 |
| Legal and professional fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.                                                  | 28,078          | 10,503  | 28,078        | 9,139   |
| Commissions on placement of ordinary shares paid to R M Capital Pty Ltd, a company in which Mr GT Le Page has an interest                                            | 55,787          | -       | 55,787        | -       |
| Professional fees paid to RM Capital Pty Ltd, a company in which Mr GT Le Page is a director and shareholder.                                                        | 6,000           | 6,000   | 6,000         | 6,000   |

NOTE 27: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

i. Financial Risks

The main risk the group is exposed to through its financial instruments is credit risk.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

b. Financial Instruments

i. Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 27: FINANCIAL INSTRUMENTS (CONT'D)

|                           | Fixed Interest Rate Maturing             |       |                        |         |
|---------------------------|------------------------------------------|-------|------------------------|---------|
|                           | Weighted Average Effective Interest Rate |       | Floating Interest Rate |         |
|                           | 2007                                     | 2006  | 2007                   | 2006    |
|                           |                                          |       | \$                     | \$      |
| Financial Assets:         |                                          |       |                        |         |
| Cash and cash equivalents | 6.30%                                    | 5.42% | 1,707,067              | 678,827 |
| Total Financial Assets    | 6.30%                                    | 5.42% | 1,707,067              | 678,827 |

|                                  | Non Interest Bearing |         | Total     |           |
|----------------------------------|----------------------|---------|-----------|-----------|
|                                  | 2007                 | 2006    | 2007      | 2006      |
|                                  | \$                   | \$      | \$        | \$        |
| Financial Assets:                |                      |         |           |           |
| Cash and cash equivalents        | -                    | -       | 1,707,068 | 678,827   |
| Receivables                      | 90,989               | 30,424  | 90,989    | 30,424    |
| Receivables from related parties | 633                  | 268,091 | 633       | 268,091   |
| Investments                      | -                    | 373,804 | -         | 373,804   |
| Total Financial Assets           | 91,622               | 672,319 | 1,798,690 | 1,351,146 |

|                             |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|
| Financial Liabilities:      |         |         |         |         |
| Trade and sundry payables   | 536,830 | 204,490 | 536,830 | 204,490 |
| Total Financial Liabilities | 536,830 | 204,490 | 536,830 | 204,490 |

ii. Net Fair Values

The aggregate net fair values of:

- Financial assets and financial liabilities, at the balance date, are approximated by their carrying value.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

|                                                   | 2007            |                | 2006            |                |
|---------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                   | Carrying Amount | Net Fair Value | Carrying Amount | Net Fair Value |
|                                                   | \$              | \$             | \$              | \$             |
| Financial Assets                                  |                 |                |                 |                |
| Cash and cash equivalents                         | 1,707,068       | 1,707,068      | 678,827         | 678,827        |
| Available-for-sale financial assets at fair value | -               | 36,641,847     | 373,804         | 4,287,385      |
| Loans and receivables                             | 91,622          | 91,622         | 298,515         | 298,515        |
|                                                   | 1,798,690       | 38,440,537     | 1,351,146       | 5,264,727      |
| Financial Liabilities                             |                 |                |                 |                |
| Trade and sundry payables                         | 536,830         | 536,830        | 240,490         | 240,490        |
|                                                   | 536,830         | 536,830        | 240,490         | 240,490        |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 27: FINANCIAL INSTRUMENTS (CONT'D)

Fair values are materially in line with carrying values except for the economic entity's investments in Eden Energy Limited and Fission Energy Limited. The carrying values of the investments are shown at cost to the economic entity. The fair value of the investments are based on the closing share price for Eden Energy Limited ordinary shares and options at 30 June 2007 of 60 cents and 37 cents respectively and the closing share price for Fission Energy Limited ordinary shares at 30 June 2007 of 19.32 cents.

NOTE 28: CHANGE IN ACCOUNTING POLICY

- a. The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2007, but have not been applied in preparing this financial report.
- AASB 7 *Financial Instruments: Disclosures* (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Group's financial instruments and share capital.
  - AASB 2005-10 *Amendments to Australian Accounting Standards* (September 2005) makes consequential amendments to AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 117 *Leases*, AASB 133 *Earnings Per Share*, AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 1 *First-time adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* arising from the release of AASB 7. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to only impact disclosures contained within the consolidated financial report.
  - AASB 8 *Operating Segments* replaces the presentation for annual reporting periods beginning on or after 1 January 2009 and it is not expected to have an impact on the financial results of the Company and the Group as the standard is only concerned with disclosures.
  - AASB 2007-3 *Amendments to Australian Accounting Standards* arising from AASB 8 makes amendments to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 6 *Exploration for and Evaluation of Mineral Resources*, AASB 102 *Inventories*, AASB 107 *Cash Flow Statements*, AASB 119 *Employee Benefits*, AASB 127 *Consolidated and Separate Financial Statements*, AASB 134 *Interim Financial Reporting*, AASB 136 *Impairment Assets*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 *Operating Segments*. This standard is only expected to impact disclosures contained within the financial report.
  - AASB 2007-1 *Amendments to Australian Accounting Standards* arising from AASB Interpretation 11 amends AASB 2 *Share-based Payments* to insert the transitional provisions of IFRS 2, previously contained in AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. AASB 2007-1 is applicable for annual reporting periods beginning on or after 1 March 2007 and is not expected to have any impact on the consolidated financial report.
  - AASB 2007-2 *Amendments to Australia Accounting Standards* arising from AASB Interpretation 12 makes amendments to AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*, AASB 121 *The Effects of Changes in Foreign Exchange Rates*, AASB 127 *Consolidated and Separate Financial Statement*, AASB 131 *Interest in Joint Ventures*, and AASB 139 *Financial Instruments Recognition and Measurement*. AASB 2007-2 is applicable for annual reporting periods beginning on or after 1 January 2008 and must be applied at the same time as the Interpretation 12 Service Concession Arrangements.
  - AASB 2007-2 *Amendments to Australian Accounting Standards* also amends references to "UIG Interpretation" to interpretations. This amending standard is applicable to annual reporting periods ending on or after 28 February 2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 28: CHANGE IN ACCOUNTING POLICY (CONT'D)

- AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and other Amendments makes consequential amendments to AASB 1 First-time adoption of Australian Equivalents to International Financial Reporting Standards, AASB 2 Share Based Payments, AASB 3 Business Combinations, AASB 4 Insurance Contracts, AASB 5 Non-Current Assets Held for Sale and Discontinued Operations, AASB 6 Exploration for and Evaluation of Mineral Resources, AASB 7 Financial Instruments : Disclosures, AASB 102 Inventories, AASB 107 Cash Flow Statement, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 110 Events after the Balance Sheet Date, AASB 112 Income Taxes, AASB 114 Segment Reporting, AASB 116 Property, Plant and Equipment, AASB 117 Leases, AASB 118 Revenue, AASB 119 Employee Benefits, AASB 120 Accounting for Government Grants and Disclosure of Government Assistance, AASB 121 The Effects of Changes in Foreign Currency Rates, AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investment in Associates, AASB 129 Financial Reporting in Hyperinflationary Economies, AASB 130 Disclosures of Financial Statement of Banks and Similar Financial Institutions, AASB 131 Interest in Joint Ventures, AASB 132 Financial Instruments: Disclosures and Presentation, AASB 133 Earnings Per Share, AASB 134 Interim Financial Reporting, AASB 136 Impairment of Assets, AASB 137 Provision, Contingent Liabilities and Contingent Assets, AASB 138 Intangible Assets, AASB 139 Financial Instruments: Recognition and Measurement, AASB 141 Agriculture, AASB 1023 General Insurance Contracts, and AASB 1038 Life Insurance Contracts. This standard is applicable to annual reporting periods beginning on or after 1 July 2007. The potential impact on the Company has not yet been determined.
- AASB 2007-5 Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities requires inventories held for distribution by not-for-profit entities to be measured at the lower of cost and current replacement costs. AASB 2007-5 is applicable for annual reporting periods beginning on or after 1 July 2007 and is not expected to have an impact on the financial results or disclosures contained within the financial report.
- AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 makes amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements, AASB 111 Construction contracts, AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets, Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities and Interpretation 12 Service Concession Arrangements. AASB 2007-6 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be applied at the same time as AASB 123 Borrowing Costs. This standard principally removes the references to expensing borrowing costs on qualifying assets.
- AASB 2007-7 Amendments to Australian Accounting Standards arising from AASB 2007-4 makes amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 2 Share-Based Payment, AASB 4 Insurance Contracts, AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB Cash Flow Statements and AASB 128 Investments in Associates. AASB 2007-7 is applicable for annual reporting periods beginning on or after 1 July 2007. This standard is only expected to impact disclosures contained within the financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 29: COMPANY DETAILS

The registered office of the company is:

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

The principal place of business is:

— Tasman Resources NL  
Level 40, Exchange Plaza  
3 The Esplanade  
Perth  
Western Australia 6000

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 29 to 58, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company and consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
  - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....  .....

Gregory Howard Solomon

Dated this 28<sup>th</sup> day of September 2007

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TASMAN RESOURCES NL**

### **Report on the Financial Report and AASB 124 Remuneration Disclosures Contained in the Directors' Report**

We have audited the accompanying financial report of Tasman Resources NL (the "Company"), which comprises the balance sheets as at 30 June 2007, and the income statements, statements of changes in equity, and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 29, and the directors' declaration set out on page 59 of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the Company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "Remuneration Report" in the Directors' report and not in the financial report. We have audited these remuneration disclosures.

*Directors' responsibility for the financial report and the AASB 124 remuneration disclosures contained in the Directors' report.*

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors of the Company are also responsible for the remuneration disclosures contained in the Directors' report.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is also to express an opinion on the remuneration disclosures contained in Directors' report based on our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TASMAN RESOURCES NL**

**Report on the Financial Report and AASB 124 Remuneration Disclosures  
Contained in the Directors' Report (continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the Directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the Directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the Directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance and whether the remuneration disclosures are in accordance with Australian Accounting Standard AASB 124.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

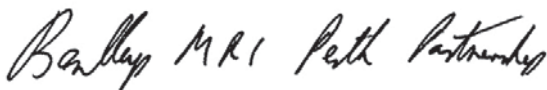
*Auditor's opinion on the financial report*

In our opinion, the financial report of Tasman Resources NL is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2007 and of their performance for the financial year ended on that date, and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

*Auditor's opinion on AASB 124 remuneration disclosures contained in the Directors' report*

In our opinion, the remuneration disclosures that are contained in the Remuneration report in the Directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*.



**BENTLEYS MRI PERTH PARTNERSHIP**



**M J HILLGROVE  
PARTNER**

Dated at Perth this 28<sup>th</sup> day of September 2007.

# ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

## 1. Shareholding

| a. Distribution of Shareholders | Number                     |             |
|---------------------------------|----------------------------|-------------|
|                                 | Category (size of holding) | Ordinary    |
|                                 | 1 – 1,000                  | 131         |
|                                 | 1,001 – 5,000              | 377         |
|                                 | 5,001 – 10,000             | 366         |
|                                 | 10,001 – 100,000           | 990         |
|                                 | 100,001 – and over         | 156         |
|                                 |                            | <hr/> 2,020 |

b. The number of shareholdings held in less than marketable parcels is 217.

c. The names of the substantial shareholders listed in the holding company's register as at 31 August 2007 are:

| Shareholder                                                          | Number     |
|----------------------------------------------------------------------|------------|
|                                                                      | Ordinary   |
| RBC Dexia Investor Services Australia Nominees Pty Ltd<br><MLCI A/c> | 27,789,649 |

## d. Voting Rights

Subject to any rights or restrictions for the time being attached to any classes of Shares (at present there are none), at meetings of shareholders of the Company:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote: and
- on a poll, every person present who is a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. 20 Largest Shareholders — Ordinary Shares

| Name                                                                                                                              | Number of<br>Ordinary<br>Fully Paid<br>Shares Held | % Held of<br>Issued<br>Ordinary<br>Capital |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------|
| 1. RBC Dexia Investor Services Australia Nominees Pty Ltd<br><MLCI A/c>                                                           | 27,789,649                                         | 22.655%                                    |
| 2. March Bells Pty Ltd <The Douglas H Solomon S/F><br>representing the interests of Douglas Howard Solomon                        | 4,795,875                                          | 3.910%                                     |
| 3. Arkenstone Pty Ltd <The Gregory H and Lee H Solomon<br>Super Fund A/c> representing the interests of Gregory Howard<br>Solomon | 4,640,625                                          | 3.783%                                     |
| 4. K & V Lamb Pty Ltd                                                                                                             | 2,895,537                                          | 2.361%                                     |
| 5. Synthe Pty Ltd                                                                                                                 | 1,714,508                                          | 1.398%                                     |
| 6. Kavel Pty Ltd <Kleeman Family A/c>                                                                                             | 1,600,000                                          | 1.304%                                     |
| 7. Arkenstone Pty Ltd representing the interests of Gregory<br>Howard Solomon                                                     | 1,380,945                                          | 1.126%                                     |
| 8. March Bells Pty Ltd representing the interests of Douglas<br>Howard Solomon                                                    | 1,356,045                                          | 1.106%                                     |
| 9. Mr Thomas Fleet Scaife                                                                                                         | 1,125,000                                          | 0.917%                                     |
| 10. HSBC Custody Nominees (Australia) Limited                                                                                     | 1,100,000                                          | 0.897%                                     |
| 11. Mr Kenneth William Lamb & Mrs Valerie Patrena Lamb <Lamb<br>Superannuation Fund A/c>                                          | 1,057,500                                          | 0.862%                                     |
| 12. Mr Allen John Tapp & Ms Maria Polymeneas <Super Account>                                                                      | 1,000,000                                          | 0.815%                                     |
| 13. Mr Peter Weber                                                                                                                | 900,000                                            | 0.734%                                     |
| 14. Mr Robert Hastings Smythe <Super Fund A/c>                                                                                    | 893,750                                            | 0.729%                                     |
| 15. Mr John Bateson Darling & Mrs Lorraine Joy Darling <Darling<br>Super Fund A/c>                                                | 824,025                                            | 0.672%                                     |
| 16. Valnera Holdings Pty Ltd                                                                                                      | 771,451                                            | 0.629%                                     |
| 17. Colbern Fiduciary Nominees Pty Ltd                                                                                            | 770,625                                            | 0.628%                                     |
| 18. Mr Roger Stuart Clarke <Dubiety Fund A/c>                                                                                     | 662,500                                            | 0.540%                                     |
| 19. Tascoast Pty Ltd <The Gulabovski Family A/c>                                                                                  | 623,384                                            | 0.508%                                     |
| 20. Dr Michael Ghan & Mrs Nie Tju Ghan <Michael Ghan S/F A/c>                                                                     | 621,253                                            | 0.506%                                     |
|                                                                                                                                   | <u>56,522,672</u>                                  | <u>46.080%</u>                             |

**THIS PAGE IS INTENTIONALLY BLANK**

**THIS PAGE IS INTENTIONALLY BLANK**

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

Phone: +61 8 9282 5889  
Fax: +61 8 9282 5866  
Email: [mailroom@tasmanresources.com.au](mailto:mailroom@tasmanresources.com.au)  
Web: [www.tasmanresources.com.au](http://www.tasmanresources.com.au)