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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

2nd April 2012

LUCAS HILL - DRILLING UPDATE

- **Strong alteration and some copper mineralisation intersected in the two deep holes drilled**
- **Strong Lucas Hill gravity response not yet explained**

Tasman has recently completed two deep diamond drill holes at its wholly owned Lucas Hill Project located 100km south of Olympic Dam in South Australia (Figure 1). Drilling was aimed at testing a discrete, gravity anomaly (Figure 2), apparently larger in area and of comparable strength to that over the Carrapateena deposit, 48km to the ENE. Geophysical modeling indicated that the likely source of the gravity target at Lucas Hill is a significant body of quite dense material, becoming more magnetic at depth. The modeled depth to this body was about 900 to 1000m.

A vertical hole (LHD001, 693977E 6530146N GDA94 Zone 53) was drilled initially, intersecting the basement deeper than anticipated at 1128m. Variable intensity sericite -chlorite -carbonate alteration was intersected in places down this hole, with associated weak copper sulphide (chalcopyrite) mineralization over a 0.2m interval. The hole was terminated at 1275m in relatively unaltered metasediments, interpreted to be part of the Wallaroo Group.

A second hole (LHD002) inclined at -75^{o} to the SE was collared from the same location to follow up the alteration in the first hole, and intersected the basement at about the same RL, 230m further to the SE, closer to the centre of the interpreted highest density portion of the gravity model. More intense, sericite- chlorite - carbonate alteration in places overprinting earlier "red rock" alteration and obliterating the original metasediment host rock texture (refer Figures 3 to 5) was encountered in the lower portion of this hole. Copper sulphide (chalcopyrite) mineralization associated with pyrite and another sulphide mineral, probably arsenopyrite, was also observed over a short interval around 1320m. This hole was terminated at 1395m in intensely chlorite altered host rock.

The alteration observed in both holes is most likely part of a larger IOCGU* system although insufficient dense material (eg. hematite) was observed in these holes to explain the strength of the observed gravity response in the Lucas Hill area.

While the depth of the basement is significant, Tasman believes the presence of strong alteration and some mineralisation associated with a strong, as yet unexplained gravity anomaly, warrants further geophysical work and possible drill testing. Assay results should be available in four to six weeks.

Greg Solomon,
Executive Chairman

* iron oxide –copper-gold-uranium

Level 40, Exchange Plaza 2 The Esplanade, Perth, Western Australia 6000
Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866
Email: mailroom@tasmanresources.com.au

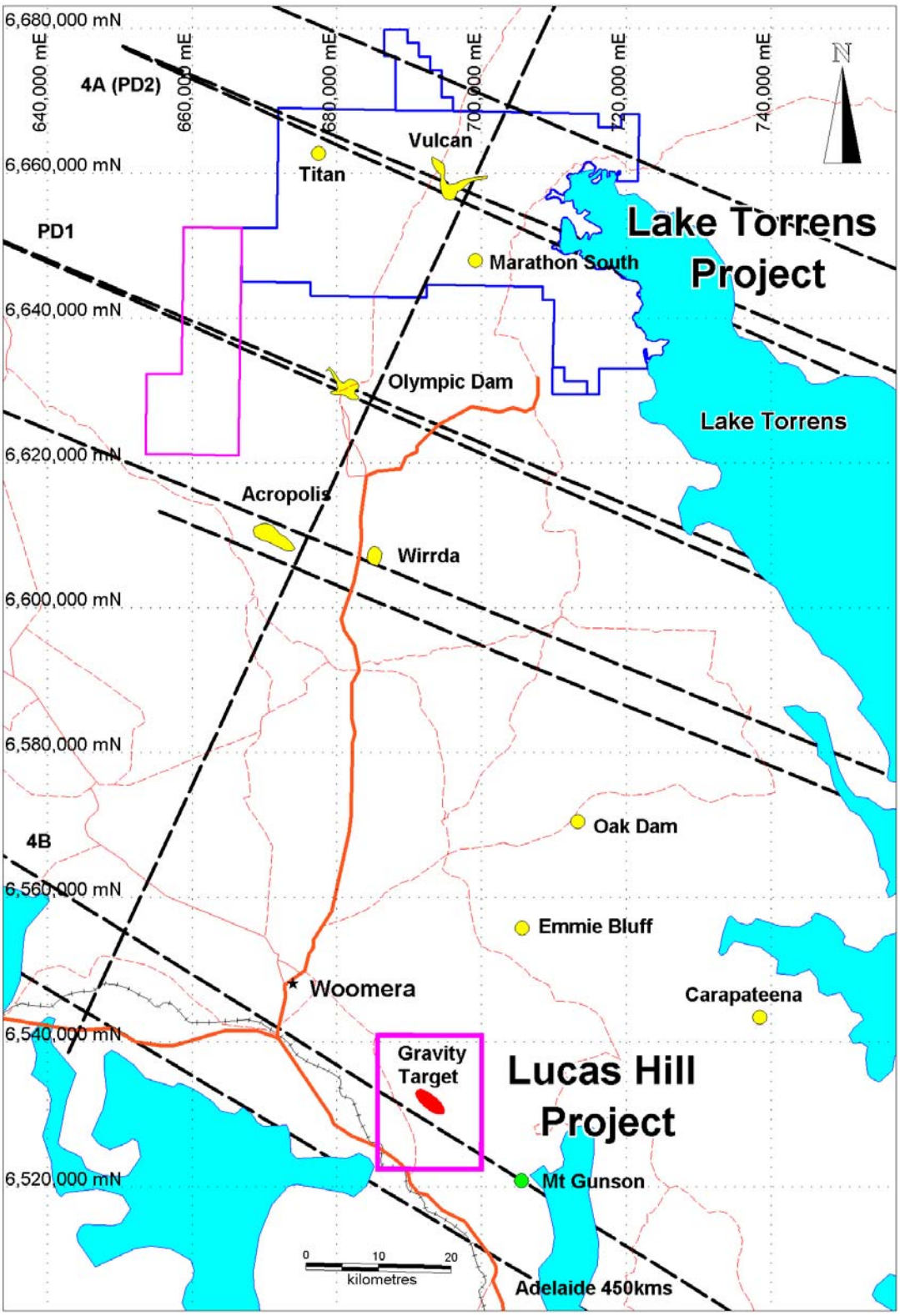

Figure 1: Tasman Lake Torrens and Lucas Hill Project locations showing selected key historic tectonic lineaments, IOCGU deposits/prospects (yellow) and Lucas Hill gravity target.

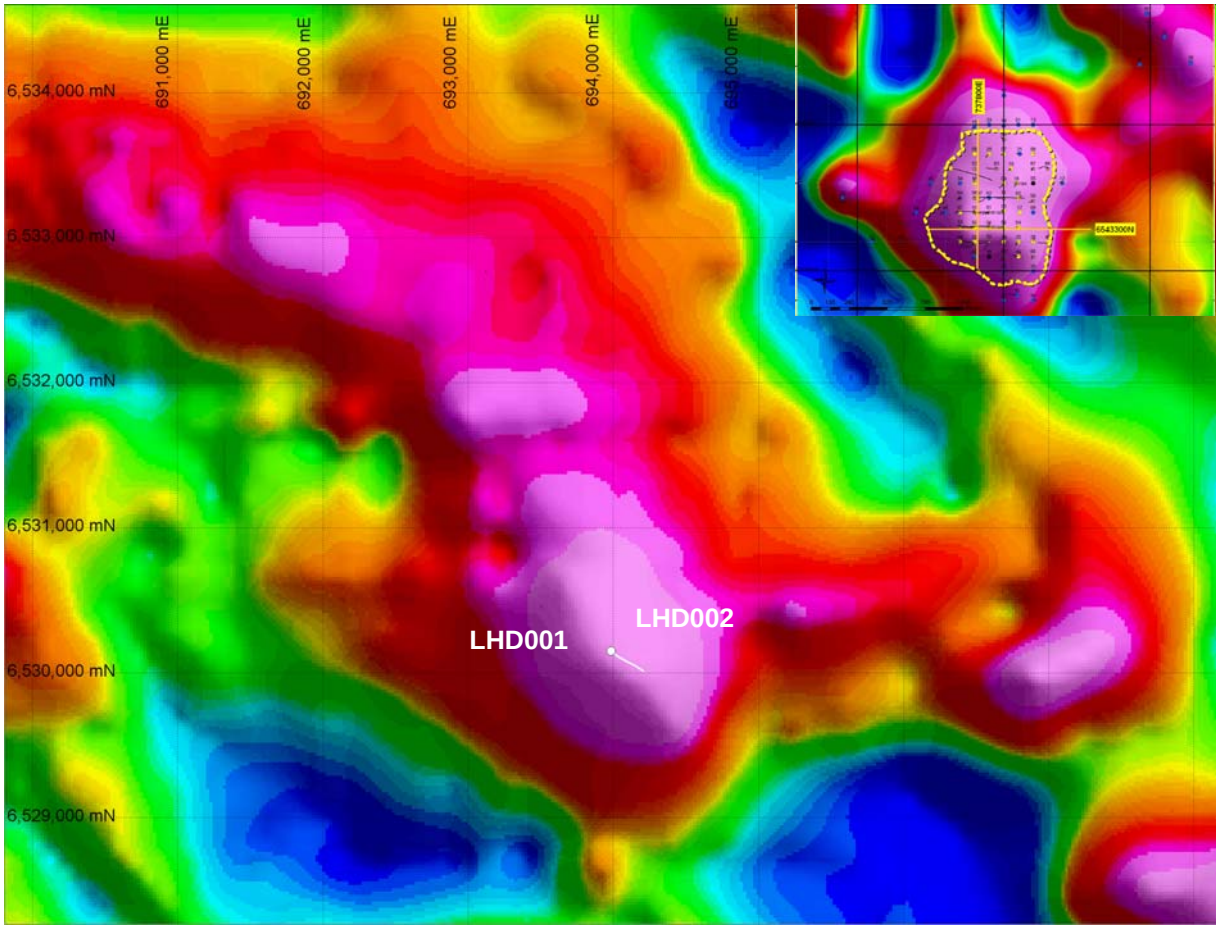

Figure 2: Lucas Hill Project - residual gravity image showing drill hole locations and surface projection of LHD002. Inset - Carrapateena residual gravity image at same scale.

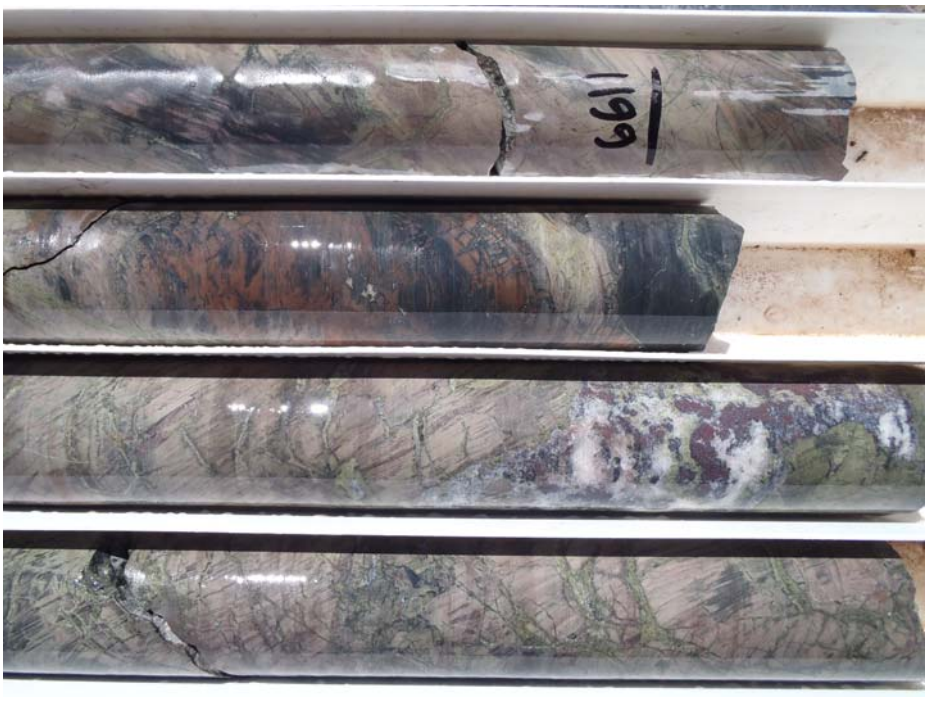

Figure 3: Sericite -carbonate - hematite veins cross cutting and also partly replacing laminated Wallaroo Group? metasediments. Hole LHD002 1199m NQ2 core.

Figure 4: Pervasive "red rock" and variably chlorite-sericite-carbonate altered Wallaroo Group? metasediments hosting chalcopyrite mineralization (yellow) together with pyrite and arsenopyrite? (silvery). Hole LHD002, 1320m NQ2 core.

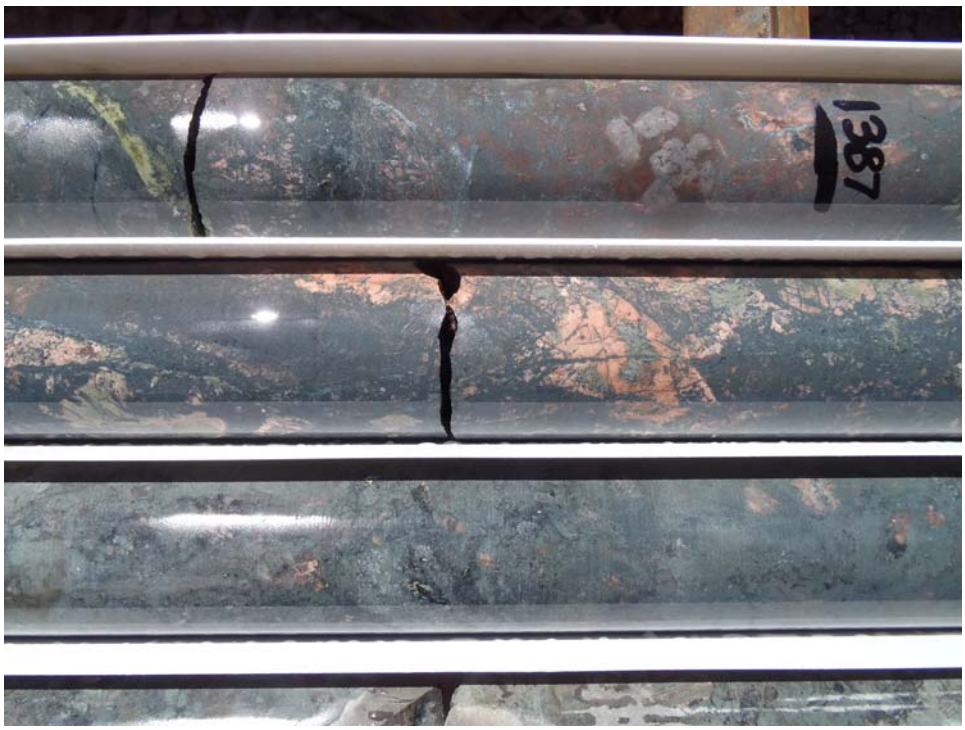

Figure 5: Breccia composed of strongly chlorite-sericite altered Wallaroo Group? metasediments with remnant "red rock" altered clasts. Hole LHD002 1387m NQ2 core.

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

The information in this announcement, insofar as it relates to Mineral Exploration activities, is based on information compiled by Robert N. Smith and Michael J Glasson who are members of the Australian Institute of Geoscientists, and who have more than five years experience in the field of activity being reported on. Mr Smith and Mr Glasson are full-time employees of the company. Mr Smith and Mr Glasson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith and Mr Glasson consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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