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EL 3254

MOUNT NORWEST

ANNUAL AND FINAL REPORTS TO LICENCE SURRENDER FOR THE PERIOD 29/9/2004 TO 15/4/2008

Submitted by
Tasman Resources NL
2008

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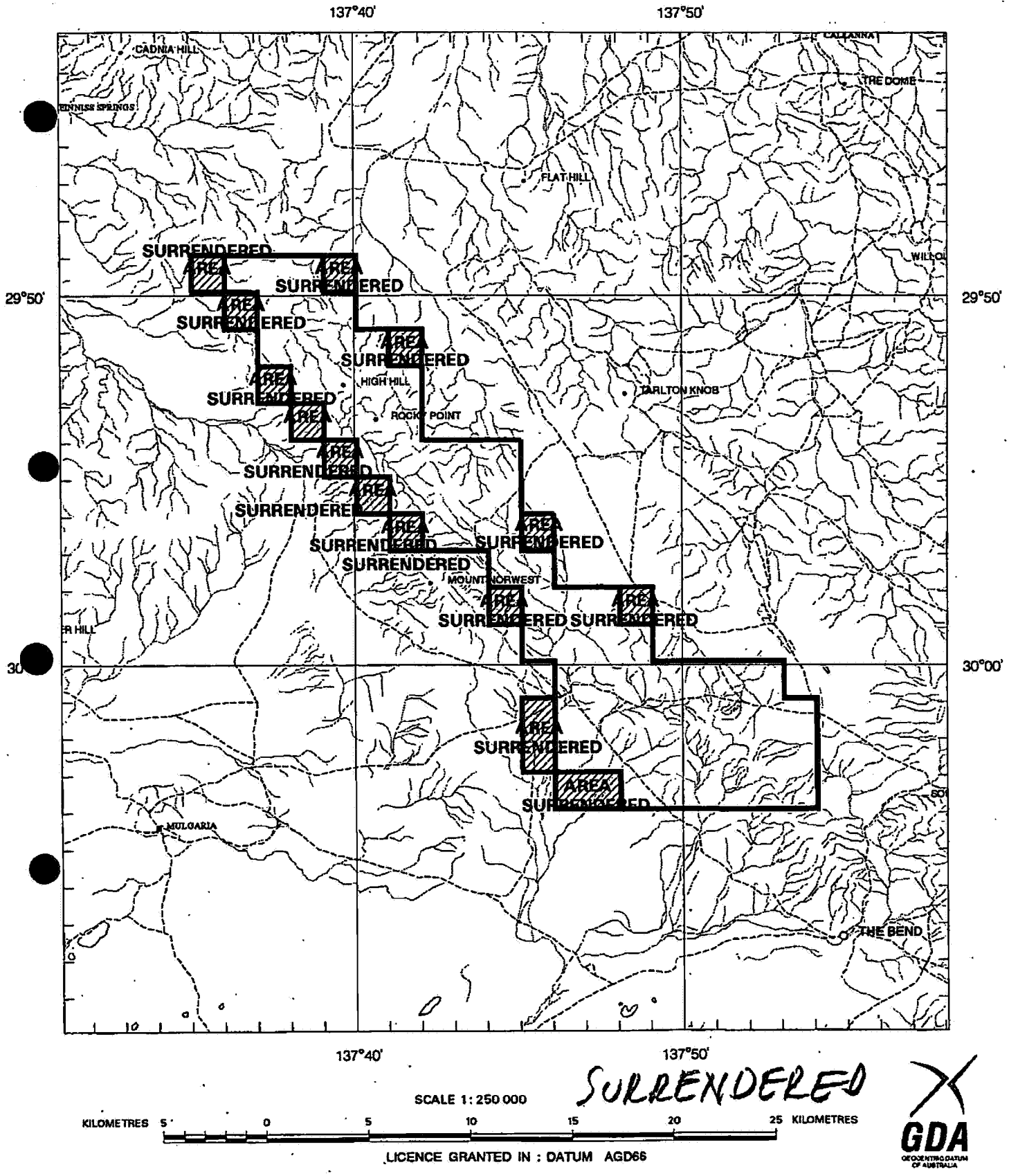
Government of South Australia
Primary Industries and Resources SA

SCHEDULE A



APPLICANT : **TASMAN RESOURCES NL**

FILE REF : **67/04** TYPE : **MINERAL ONLY** AREA : **199** km² (approx.)

1:250000 MAPSHEETS : **CURDIMURKA ANDAMOOKA**

LOCALITY : **MOUNT NORWEST AREA - Approximately 50 km southwest of Marree**

DATE GRANTED : **29-Sep-2004** DATE EXPIRED : **28-Sep-2006** EL NO : **3254**

Tasman Resources NL

ACN 009 253 187

ANNUAL TECHNICAL REPORT

LAKE TORRENS PROJECT

Exploration Licence 3254

For the period 29th September 2004 to 28th September 2005

Tasman Resources NL Report Number 2005-3

HELD BY:	Tasman Resources NL
MANAGER and OPERATOR:	Tasman Resources NL
AUTHOR:	M Glasson
DUE DATE FOR SUBMISSION:	27 November 2005
PROSPECTS:	
MAP SHEETS:	**1:250,000:** SH/53-12 Andamooka, SH/53-8 Curdimurka
GEOGRAPHIC COORDS	Min East: **748000mE** Max East: **780000mE** Min North: **6670000mN** Max North: **6698000mN** Datum: AGD84 Zone: 53
COMMODITY(s):	**Diamonds**
KEY WORDS:	Adelaide Geosyncline, Andamooka, Curdimurka, Diamonds, Airborne Magnetic Surveys, Geophysical Data Processing, Geophysical Interpretation, Kimberlites, Neoproterozoic.

Distribution:

- Tasman Resources NL
- Primary Industries and Resources SA

March 2006

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EL 3254
FOR THE PERIOD 29TH SEPTEMBER 2004 – 28TH SEPTEMBER 2005

1. SUMMARY OF ACTIVITIES

EL 3254 forms part of the Lake Torrens Project which comprises a group of tenements located in central South Australia covering an area between Lake Torrens and Lake Eyre South.

The company is mostly exploring in the region for precious and base metal mineralisation hosted in Neoproterozoic sediments, Palaeoproterozoic basement and Cambrian carbonate rocks, however EL 3254 was applied for on the basis of its diamond potential.

Exploration during the tenure period has included processing and interpretation of open file geophysical data, selection of aeromagnetic targets as possible kimberlite intrusions and field reconnaissance.

The Exploration Index Map (see Figure 1) shows the tenement boundary and the location of areas where exploration activities were undertaken.

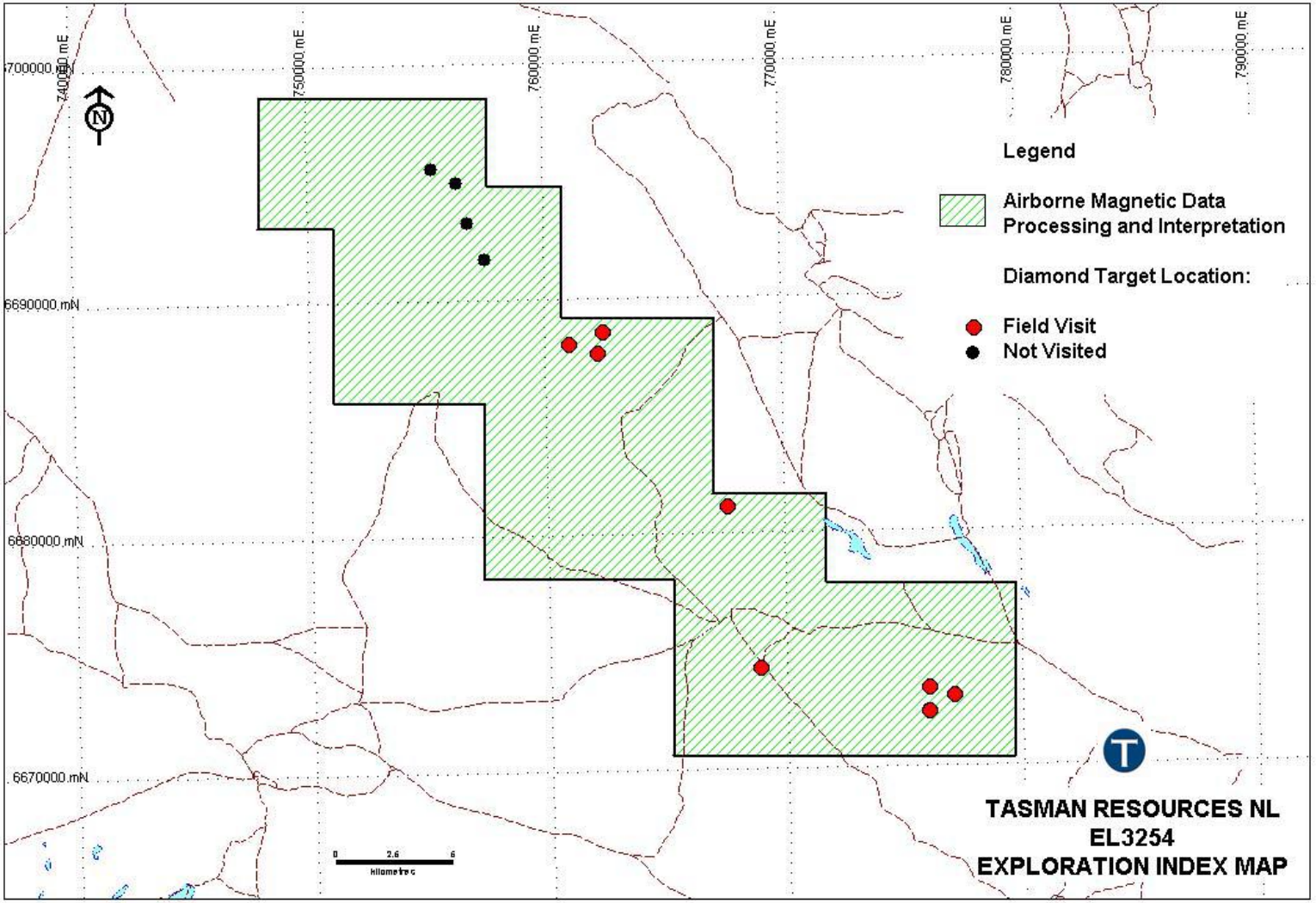

Figure 1: EL 3254 Exploration Index Map

2. INTRODUCTION

Tasman Resources NL (Tasman) has primarily focussed on base and precious metal exploration in selected parts of the northeast sector of the Stuart Shelf and the Adelaide Geosyncline west of the Willouran Range since 1997. EL 3254 however was applied for in 2004 based on its diamond potential following a regional study of diamond prospectivity in South Australia.

Work carried out during the tenure period has included processing and interpretation of open file aeromagnetic and Landsat data, selection of aeromagnetic targets as possible kimberlite intrusions and field visits.

3. LOCATION AND ACCESS

EL 3254 is located in the Willouran Ranges approx. 50km north east of the northern end of Lake Torrens in the northern pastoral district of South Australia (Figure 2). Access from Port Augusta is along 270 km of sealed road to Olympic Dam or 300km to Andamooka and various station tracks via Mulgaria Homestead.

4. TENEMENT DETAILS

EL 3254 is 100% owned by Tasman. The tenement was granted on the 29th September 2004 with an area of 351km^2.

Tenement details are listed in Table 2.

Table 1: EL3254 Tenement Details

EL Number	Locality	Area km^2	Date EL Granted	EL Expiry Date	Annual Rents	Minimum Annual Expenditure Commitment
3254	Mt Norwest	351	29-Sep-04	28-Sep-05	$1,509.30	$64,000

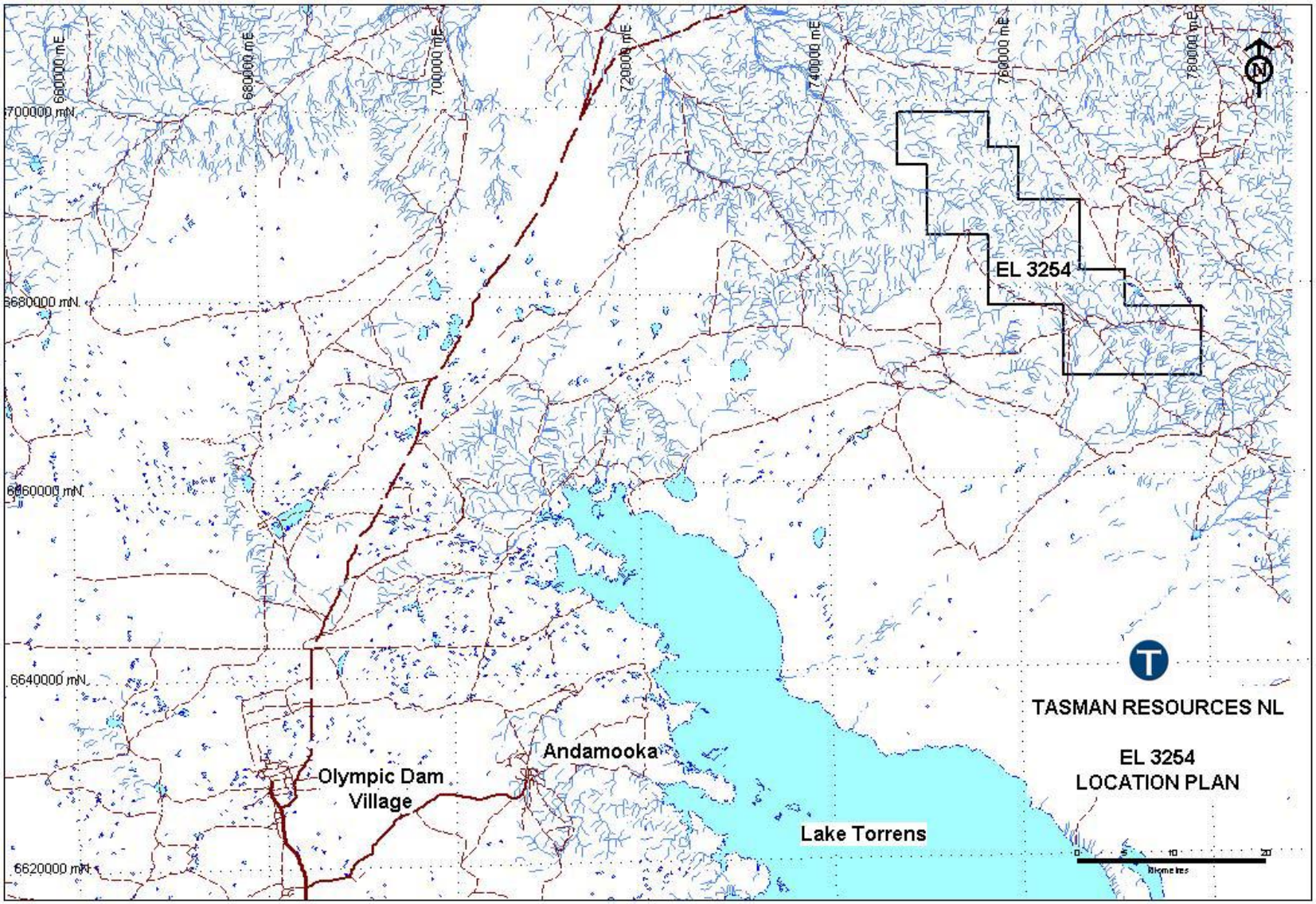

Figure 2: EL 3254 Location Plan

5. PREVIOUS EXPLORATION

Diamond exploration was carried out in large parts of the Tasman Resources Lake Torrens tenement block in the mid 1980s, and kimberlite indicator anomalies were identified. However, these indicator mineral anomalies were written off as shedding from reworked Proterozoic tillites or Jurassic to Cretaceous sedimentary deposits, not kimberlitic intrusions. Drainages were not often well developed and sample trap sites were of poor quality. Vast areas could not be sampled due to flat playa and dune country, and most of the area consists of post-Jurassic outcrop geology. Only small areas were covered by aeromagnetic surveys, without any work reported using magnetic targeting for kimberlitic intrusions. No modern exploration, such as indicator mineral sampling and processing of fractions below 0.3mm, or detailed to high resolution aeromagnetic prospecting, has been carried out in the region for almost 20 years.

5.1. Tarlton Knob

The Tarlton Knob area lies adjacent to Tasman's EL 3254 (Figure x). The geology in this area is mostly comprised of outcropping Proterozoic rocks forming the northern end of the Adelaide Fold Belt (Krieg et al., 1991). Positive indicator mineral samples at Tarlton Knob include several microdiamonds (1 as large as 0.45x0.35mm). Here, RTZ (formerly CRAE) explored for diamonds up until 1987, and diamond exploration was carried out as a sideline to precious and base metal exploration. RTZ collected and analysed over 200 gravel samples, and concluded that the recovered kimberlite indicator minerals were shed from tillites of the Proterozoic Umberatana Group (PIRSA-OFE no.5403); however Tasman's consultants Resource Potentials believe that this is not a reasonable explanation. A multi-indicator mineral anomaly area, which includes a microdiamond, was identified at Black Wattle Creek. This area is considered to be the best local drainage for verification indicator mineral sampling. This area now sits in Tasman Resources EL 3254. In all instances, indicator mineral microprobe data was not provided by RTZ in the statutory reporting.

An aeromagnetic survey using 250m E-W line spacing and 80m terrain clearance was flown over the area by RTZ, but no plans or digital copies of the data were found on record. Furthermore, no magnetic targets were identified or drill tested according to the reports. Aeromagnetic data of 1980's vintage, flown at 80m terrain clearance could have easily missed weak to intermediately magnetized kimberlitic intrusions. A number of carbonated mafic volcanic plugs were documented by RTZ and these were later mapped in greater detail by PIRSA, and are thought to be of Neoproterozoic age (Krieg et al., 1991). These features have strong magnetic expressions in detailed aeromagnetic images. Resource Potentials believe some of these intrusions and mapped pods of carbonate veining may be unrecognized carbonatite related intrusions. At the Douglass Gully prospect, a 450-150m stockwork zone of quartz-pyrite veins with Cu staining was drilled by RTZ, with a best return of 1m at 2.3g/t Au (PIRSA-OFE no. 5403).

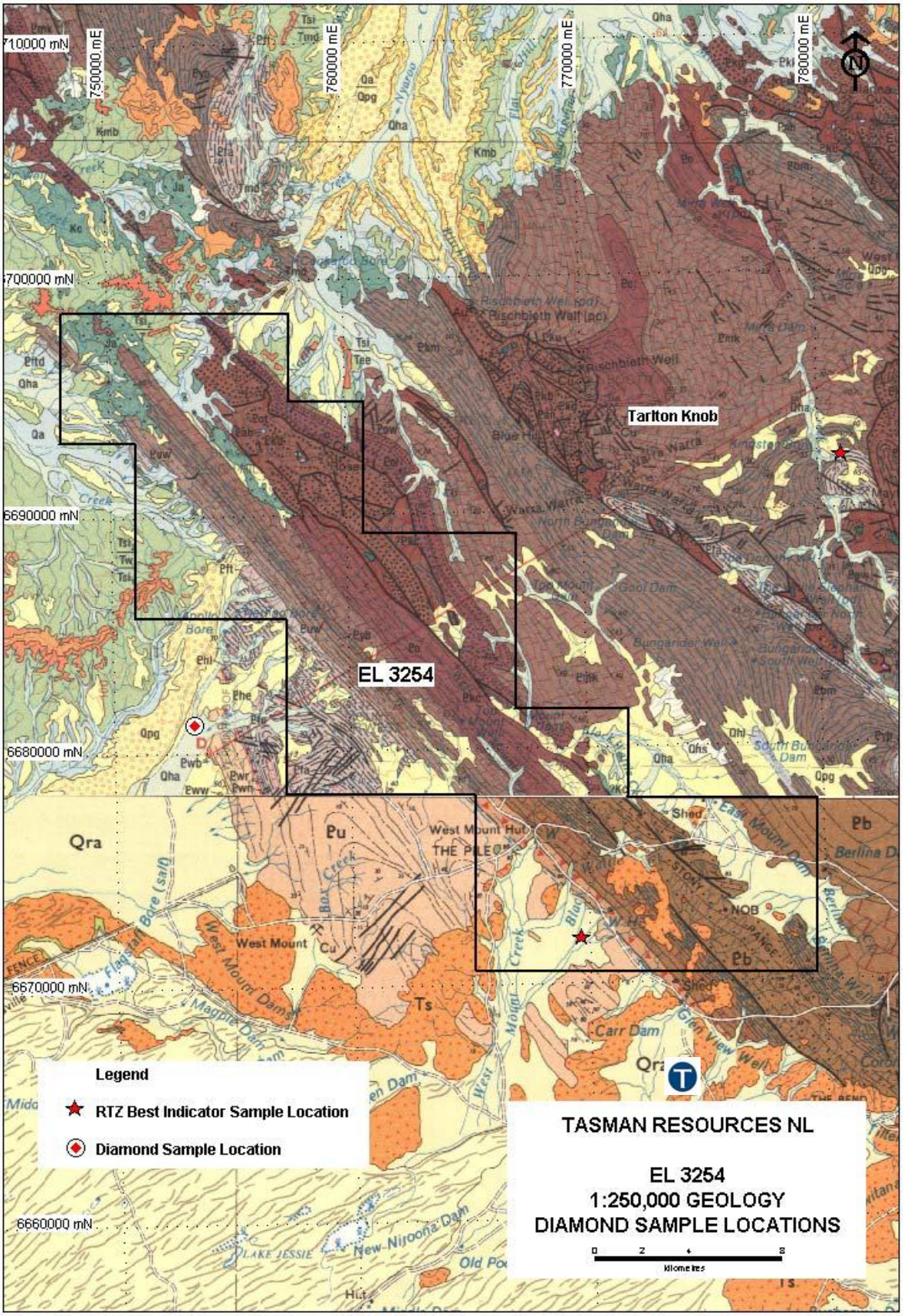

Figure 3: EL 3254 1:250,000 Geology and Diamond Sample Locations (AGD84)

6. TARGETS AND EXPLORATION MODELS

EL 3254 was applied for on the basis of favourable geological criteria for the presence of diamond bearing kimberlites and previous positive indicator mineral sampling.

6.1. Exploration Strategy

Tasman's initial exploration strategy has been to identify and prioritise possible magnetic kimberlite targets through reprocessing and interpretation of available post 1990 airborne magnetic data.

7. GEOLOGY

EL 3254 is situated within the Adelaide Geosyncline near the eastern edge of the Gawler Craton (Stuart Shelf). Sedimentary rocks dominate the project area and were deposited in four periods: Quaternary/Tertiary, Mesozoic (from the Eromanga Basin) and Adelaidean (the Adelaide Geosyncline).

The geology has been comprehensively described by Preiss (1987), Drexel et al. (1993), Preiss et al. (1998), Preiss and Cowley (1999), and, Preiss (2000), upon which the following summary is based.

7.1. Regional Geology

A very thick sequence of sediments was deposited in the Adelaide Geosyncline, a sedimentary basin, during Adelaidean (the latter part of the Neoproterozoic) and Cambrian times (Preiss, 1987). The greatest volume of sediments was deposited to the east of a major crustal structure known as the Torrens Hinge Zone. To the west of the Torrens Hinge Zone the sediments of the Adelaide Geosyncline are much thinner and are represented by the Stuart Shelf. The Adelaide Geosyncline is floored by Mesoproterozoic age rocks, as indicated by basement outcrops around the margins like the westerly Gawler Craton, and in basement inliers like the Mount Painter Inlier. Many minor deposits of copper, lead-zinc-silver and gold are known within Adelaidean and Cambrian rocks throughout the northern Flinders Ranges and Stuart Shelf, but to date no large deposits have been discovered (Olliver and Preiss, 1990). The giant Olympic Dam copper-uranium deposit occurs in the Stuart Shelf but is hosted by Mesoproterozoic basement rocks of the Gawler Craton below the Adelaidean and Cambrian sequences.

Four groups represent the Adelaidean succession: from base to top they are the Callana Group, the Burra Group, the Umberatana Group and the Wilpena Group (Preiss, 1987). Sediments of the Callana Group were deposited in non-marine to marginal marine rift valleys. Thick sequences of evaporitic clastics and carbonates followed minor mafic volcanism.

The Umberatana Group contains rocks from two major glacial periods and includes a thick marine sequence of partly sulphidic and carbonaceous shales, the Tapley Hill Formation. Many of the gold occurrences in the Flinders ranges occur within the Umberatana Group, predominantly in the eastern part of the Flinders Ranges.. The youngest Adelaidean sediments belong to the Wilpena Group, also a marine succession of clastics and carbonates.

Following a break, marine sedimentation resumed in the Adelaide Geosyncline during the Cambrian with deposition within the Arrowie Basin.

Sedimentation in the Adelaide Geosyncline terminated with the onset of the Cambro-Ordovician Delamerian Orogeny, and rocks affected by this orogeny are referred to as the Delamerian Fold Belt (Preiss, 1987). Both the Adelaide Geosyncline and the Delamerian Fold Belt are bounded to the west by the Torrens Hinge Zone (THZ). West of the THZ the

sediments of the Stuart Shelf are not folded or are only weakly deformed, whereas to the east of the THZ the Adelaide Geosyncline sediments are strongly folded and faulted.

7.2. Local Geology

EL 3254 covers a northwest striking steeply dipping anticlinal? sequence of outcropping Callana and Burra Group sediments (Figure) which have been disrupted by the Northwest fault and late stage diapiric injection. The Adealidean sequence is partially obscured by Mesozoic sediments in the northwest and Tertiary silcrete caps in the southwest.

8. WORK CARRIED OUT DURING THE REPORTING PERIOD

During the tenure period Tasman completed the following work on EL 3254.

- Processing of open file AGSO and PIRSA airborne TMI data;
- Acquisition of Landsat 7 TM data;
- Interpretation of possible magnetic kimberlite targets.
- Field reconnaissance of target areas.

8.1. Data Processing

Resource Potentials Pty Ltd were contracted by Tasman to source, process and interpret post 1990 aeromagnetic data (Table 2) over the Willouran Ranges including EL 3257 for possible kimberlites. Post 1990 data contains less noise and produces better quality images which are more able to discern the low magnetic signatures of kimberlites.

Table 2: Airborne Magnetic Survey Details

Survey Name	SAEI Survey Area	Year Flown	Survey Company	Bearing (degrees)	Line Spacing (m)	Clearance (m)
Area C1	C1	1993	Geoterrex	90	400	80
Flinders Ranges	AGSO	1998	Tesla	90	400/200	60

All located TMI data was gridded and processed to produce first and second vertical derivative, textural filtered and analytical signal grids. The former were automatically gain controlled and all grids were reduced to the pole. The processing methods used were aimed at enhancing the subtle magnetic signature of a kimberlite pipe against the more intense magnetic features.

A Landsat 321 Ternary image was also created. Band 3 has the greatest reflectivity for minerals associated with kimberlite pipes.

8.2 Interpretation

The Resource Potentials study delineated 12 magnetic kimberlite targets above the magnetically quiet background within EL 3254 (Table 3).

Anomalies 11 to 14 are within the same locality and all lie between two faults.

Anomalies 16 to 18 all lie within the same locality. Anomaly 16 is a large anomaly 900 metres in diameter and with a high intensity, where as anomalies 17 and 18 are small with a low intensity. The anomalies are placed between two parallel faults, two kilometres apart. The Euler depth solutions indicate a circular shape over anomaly 16 with a shallow edge, shallower than 100 metres with a deeper core at 150 metres depth. Anomaly 17 has no solutions and anomaly 18 is placed shallower than 100 metres depth.

Anomaly 19 is an elongated shape 750 metres in length oriented parallel to a fault positioned 50 metres from the anomaly. The Euler depth solutions indicate that the anomaly is a circular shape and shallow at less than 100 metres depth.

Anomalies 21 to 23 are all within the same locality. Anomaly 21 is magnetically intense and elongated with a length of 600 metres and the other two anomalies are of low intensity and small in size. The Euler depth solutions indicate that anomalies 21 and 23 are shallow and elongated, oriented to the north and anomaly 22 is also shallow.

Anomaly 31 is a very high priority target. It is situated upstream from the location of a diamond occurrence with diamond indicators by Rio Tinto. The magnetic anomaly occurs on a single line and is a weak anomaly of only several tens of nanoTeslas in intensity. The anomaly is situated 3 kilometres from the hinge of a fold and 4 kilometres from a major north west trending fault. There are no Euler depth solutions associated with this anomaly.

Table 3: EL 3254 Magnetic Kimberlite Targets

Anomaly	Easting	Northing	Priority	Field Visit	Cultural Feature
	AGD84 Zone 53				
11	755290.6	6695625	2	N	
12	756291.4	6694981	1	N	
13	756783.3	6693301	1	N	
14	757478.8	6691758	2	N	
16	760989.2	6688152	3	Y	N
17	762211.3	6687682	2	Y	N
18	762427.5	6688556	2	Y	N
19	767600.2	6681166	3	Y	N
21	776039.6	6673318	2	Y	N
22	775975.3	6672375	2	Y	N
23	777067.8	6672954	2	Y	N
31	768857	6674263	1	Y	Y

8.3 Resource Potential's Conclusions

Three priority 1 and 6 priority 2 anomalies were selected within EL 3254 making 9 priority targets for follow up in the field. Of particular note is anomaly 31, which is located upstream from a diamond occurrence with indicators located by Rio Tinto.

Resource Potentials concluded that the known kimberlite pipes in South Australia are Triassic in age, and the surrounding sedimentary deposits in the area are older and could easily be host rocks for younger kimberlite intrusions. The magnetic data quality is sufficient for detecting kimberlite pipes in this magnetically quiet region. The prospect of identifying kimberlite pipes from the magnetics is quite good, even with such wide flight line spacing and relatively high terrain clearance.

8.4 Diamond Target Reconnaissance

Field visits have so far been made to 8 of the 12 diamond targets listed in Table 3 and as a result the highest priority target was found to be a cultural feature (a water bore with a steel mast and a diesel pump). No outcropping kimberlites were observed in the vicinity of the other target areas visited however most are covered with Adelaidean quartzite scree. Anomaly 19 lies beneath a large floodplain.

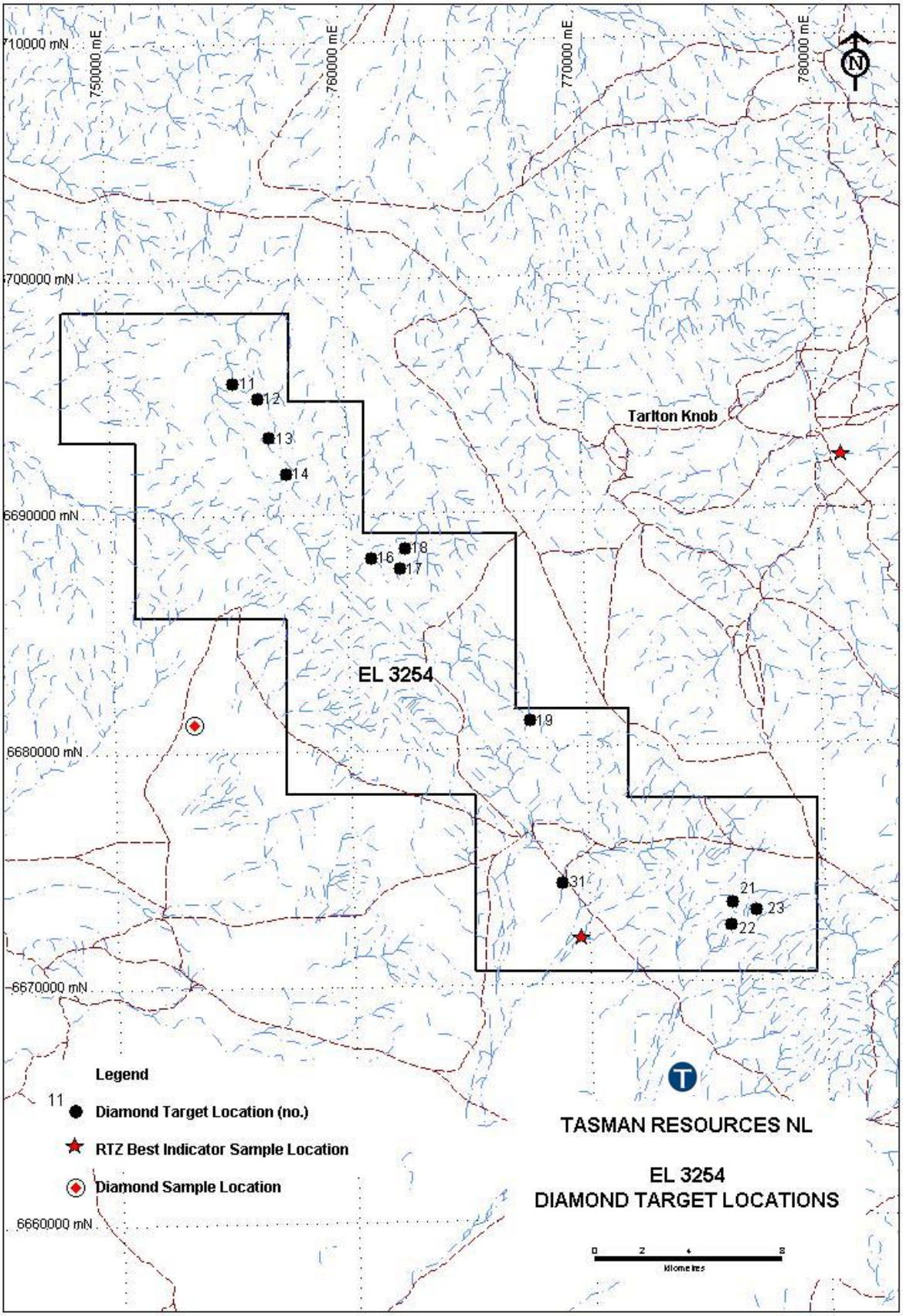

Figure 4: EL 3254 Diamond Target Locations (AGD84)

9. EXPENDITURE SUMMARY

The total expenditure for EL 3254 for the first 12 months to the end of September 2005 was $44,627. Details are summarised in Table 4.

Table 4: Expenditure Summary – EL3254

Consultants/Contractors	3,710
Field Exploration	300
Maps & Air photos	85
Native Title & Heritage	440
Salaries etc	31,829
Tenement Rent	82
Administration & Office Expenes	8,181
TOTAL	**$44,627**

10. REFERENCES

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ACN 009 253 187

Wednesday, 10 October 2007

Your Ref: EL 3254

The Director
Mineral Resources Group
Office of Minerals and Energy SA
GPO Box 1671
Adelaide SA 5001

Attention: Records Officer, Mineral Resources Group

RE: ANNUAL TECHNICAL REPORT: 29/9/2005 TO 28/9/2006

Dear Sir/Madam,

EL 3254 was granted to Tasman Resources NL on 29th September 2004. Tasman applied for the ground targeting diamonds based on the results of a conceptual study and the presence of diamond indicator minerals in the Willouran Ranges.

A minimal amount of work has been completed on the licence area during the 2006 term. This is because Tasman was focussing on obtaining a joint venture partner with significant diamond exploration experience.

Tasman has not conducted any field-based exploration or new data collection over the twelve months of the licence.

This letter is submitted in place of a formal Annual Technical Report.

A number of possible deals were investigated but in the end none of these reached a conclusion.

Earlier this year Tasman signed a joint venture agreement with Flinders Diamonds Ltd. Under the terms of this joint venture, Flinders will be exploring for diamonds over a number of Tasman's tenements in South Australia, including EL 3254.

Exploration activities and new exploration data will be reported in the next Annual Report on the licence.

FDL are proposing an integrated programme covering a number of Tasman's licences. The work proposed will include airborne magnetics, target ranking, ground magnetic follow-up of selected targets and drill testing of priority targets to locate diamondiferous kimberlites.

Expenditure on EL 3254 is estimated to be a significant proportion of the statutory amount including the 2006 shortfall. It is difficult to be more precise at this stage since the actual areas of

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work by FDL will depend on the results of the initial airborne magnetics work. FDL's intention is to complete it's work programme during 2007. Should their work not be successful, it is highly probable that this licence would be surrendered unless an alternative target type or JV opportunity present itself.

FDL plan to commence flying the area as soon as they can procure a suitable aircraft. They have suffered considerable frustration in obtaining a contractor to undertake the work and the programmes have had to be delayed significantly because of this. The latest communication from FDL is that a 2-month programme was due to start in mid-October 2007.

Yours faithfully
Graham Jeffress
Senior Geologist

EXPENDITURE STATEMENT FOR THE 12 MONTH PERIOD 29/9/05-28/9/06

Geological Consulting	788
Geophysical Surveys & Consulting	
Geological & Geophysical Review	
Geochem Review	
Field Exploration	
Field & Camp Supplies & Fuel	
Sample Analysis & Data Processing	
Administration & Office Expenses	
Native Title	
Equipment Hire & Storage	77
Licence Rental	834
Logistics, Salaries & Supervision	
Drilling Review	
	1699

NB – Plus any expenditure by FDL – to be reported in next report.

Tasman
RESOURCES NL

ACN 009 253 187

Tuesday 26th August 2008
The Director
Mineral Resources Group
Office of Minerals and Energy SA
GPO Box 1671
Adelaide SA 5001

Attention: Records Officer, Mineral Resources Group

RE: FINAL TECHNICAL REPORT EL 3254: 29/9/2007 TO 8/4/2008 (DATE OF SUBMISSION OF SURRENDER)

Note: Annual Report to 28.9.07 – No Work

Dear Sir/Madam,

EL 3254 was granted to Tasman Resources NL on 29th September 2004. Tasman applied for the ground targeting diamonds based on the results of a conceptual study and the presence of diamond indicator minerals in the Willouran Ranges.

A minimal amount of work has been completed on the licence area during the term and Tasman has not conducted any field-based exploration or new data collection.

Flinders Mining Ltd, under a joint venture agreement with Tasman conducted some assessment of the area's potential for diamonds: however no field activities were conducted by Flinders. Earlier this year Flinders indicated that they had no further interest in the tenement, and on 8th April 2008 Tasman submitted a full surrender application to PIRSA.

This letter is therefore submitted in place of a formal Final Technical Report.

Yours faithfully

R.W. Smith

Robert Smith
Senior Geologist

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EXPENDITURE STATEMENT FOR THE 12 MONTH PERIOD 29/9/07-8/4/08

Geological Consulting	
Geophysical Surveys & Consulting	
Geological & Geophysical Review	
Geochem Review	
Field Exploration	
Field & Camp Supplies & Fuel	
Sample Analysis & Data Processing	
Administration & Office Expenses	70.45
Native Title	
Equipment Hire & Storage	
Licence Rental	119.25
Logistics, Salaries & Supervision	578.45
Drilling Review	
	768.15