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CHAIRMANS LETTER

Dear Shareholder

Tasman listed on the ASX on the 21st December 2007, issuing 20.4 million new fully paid shares at \$0.25 each and raising \$5.1 million in the midst of what we can now look back on as a period of extraordinary turmoil in the financial markets. That the listing was successfully oversubscribed, despite not being underwritten, is a testament to the quality of the Company's assets and its management.

The six months since that listing covered by this Annual Report and, indeed, to now as I write this in September has been a period in which the markets have recoiled from risk, actual or perceived, and smaller companies in general, and miners and explorers in particular, have been grouped together and seen as uniformly risky regardless of the qualities that distinguish one company from another. The Opes Prime and other failures helped no-one in our business.

There are two points, however, which I would like to make on how all this affects your Company: firstly, Tasman, through the quality of our assets and the use to which we have put a part of those funds raised last December, is in at least as strong a position as it was at listing and secondly, that market fundamentals are more likely than not to keep metals prices in general and the gold Tasman explores for, high.

Of course, there will be troughs and peaks in sentiment and metal prices as the current credit crisis resolves itself but with the current inability of juniors to raise financing, delays in exploring and bringing exploration discoveries to production and the ultimate demise of many cash poor explorers, it is my view that pressure will be brought to bear on the supply side of the equation. Companies like Tasman who remain with cash resources and can resist returning to the markets will survive this downturn, and with their assets, will emerge stronger as metal prices increase and sanity returns to a sector that needs explorers to provide for the future.

Given the current market conditions, we have therefore taken the decision to scale down exploration activities on a number of our project areas in order to concentrate our efforts on a few advanced exploration programmes and to seek partnerships for others.

It's been a busy period since listing, however, and Geoffrey will describe in detail much better than I can the nature of the work we've carried out in that period.

We've conducted initial drilling programmes on our gold projects at Challenger in NSW and Longwood in New Zealand and we've advanced considerably our Papua New-Guinea and Otago projects through the performance of major data reinterpretation and geochemical studies. With the appointment of a drilling contractor, who previously drilled Longwood, now dedicated to Tasman programmes and based at Challenger we are confident that service shortages in this area will no longer affect our ability to progress this and our other projects.

The Challenger mineralisation sits within the historic Adelong Goldfield and an indicated and inferred resource of 139,000oz (1.25mt @ 2.17 g/t Au and 1.87mt at 2.22 g/t Au) was defined by previous drilling with the mineralisation open down-plunge to the north.

Significant intercepts from our initial programme included:

- 16m at 2.43 g/t gold, including 9m at 3.08 g/t gold, and
- 7m at 4.02 g/t gold, including 2m at 11.41 g/t gold.

Subsequent to our year end all NSW DPI and other approvals have now been granted and Tasman intends carrying out significant further work, including deeper infill and 3,000 m of step-out RC drilling.

Entry to the adjacent exploration project at Mt Adrah which contains the Hobbs deposit with inferred resources of 239,000oz; 6.6mt @ 1.13 g/t, has now been secured and drilling to obtain core for metallurgical testwork will commence early next calendar year.

The main focus for detailed work at the Longwood project where we had an intercept of 1.55 m at 17.9 g/t from drilling undertaken early this year is the Merrivale prospect. GIS compilation of the Merrivale prospect area was undertaken with the aim of completing a basemap with all soil and rock data digitised. A detailed aeromagnetic survey was flown over the Longwood project area to target the sites we have now evaluated and designated for the upcoming scheduled drilling programme.

In January we exercised our option to acquire Golden Pacific Resources and the Malamaunda project in PNG. Subsequent to a camp upgrade on site we appointed John Keenan as Project Manager (PNG) in April following the resignation of Tony Gates for personal reasons and with the award of EL 1444 which surrounds the Malamaunda property (EL 1235) have now commenced field work on both licences.

All historic work conducted at Malamaunda has now been digitized and we have identified targets for an extensive soil and stream geochemistry programme which will be the precursor to future drilling of possible porphyry Cu/Au prospects.

There remain many more excellent assets in Tasman's portfolio and we will continue to maintain these but in these parlous times it is our first duty as a board to survive the downturn and to do so we must actively control our outgoings. Our principal exploration focus, therefore, over the next 6 months will be on the projects I've described above and on the securing of new partners for our other better projects.

To that end we expect

- In NSW to be drilling at the Challenger Main, Sawpit and Mt Adrah prospects;
- In New Zealand to be drilling at the Longwood Merrivale prospect and at the Bullendale prospect in Otago; and,

- In Papua New Guinea to commence a major field programme at Malaumanda

We look forward to reporting on all these in the future.

John Park
Chairman

MANAGING DIRECTOR'S REVIEW

Background

Tasman successfully listed on the ASX on 21 December 2008, having acquired an attractive package of advanced exploration projects located in Australia, New Zealand and Papua New Guinea. Given the volatility in world financial markets since the quotation date, the decision by the directors to list two days prior to Christmas, rather than postpone until January was clearly the right decision.

Since listing, Tasman personnel have been clearly focused on the task of exploring our projects with the aim of adding significant value to each. Tasman has been successful in advancing each of its projects and we are now close to being able to realise value from some of the progress achieved. Exploration is a key element in the company's future growth, however, in the current financial environment, your directors are mindful that short term survival is currently a larger than usual factor in how your company conducts its business.

Challenger

Challenger sits within the historic Adelong Goldfield located on the Gilmore Suture, NSW. At Challenger, an indicated and inferred resource of 134,000oz (1.25mt @ 2.17 g/t Au and 1.87mt @ 2.22 g/t Au) has been defined by previous drilling with the mineralisation open down-plunge to the north.

An initial 251 m of drilling was completed at the Sawpit prospect with assay results being released to the market in early January 2008.

Significant intercepts included:

- **16m at 2.43 g/t gold, including 9m at 3.08 g/t gold, and**
- **7m at 4.02 g/t gold, including 2m at 11.41 g/t gold.**

The drill programme was successful in intersecting the Sawpit Reef in all nine holes, five of which recorded mineralisation, including three that returned potential ore grade mineralisation. Further drilling at Sawpit is planned for the coming summer.

A 3,000m RC drill program planned for the margins and satellites of the Challenger Main deposit commenced in early July 2008.

Longwood

In December 2007, Tasman completed a combined aircore and diamond drilling program at the Quartz Creek prospect in the East Longwood Goldfield, Southland, NZ. The drilling was designed as a follow up to previous drilling.

The best intercept was:

- **1.55 m @ 17.9 g/t gold (downhole width, some core loss)**

Varying quartz veinlet stockwork and sheeted veinlet development cutting weathered Takitimu Group lithologies was seen in all drillholes, with fresh, sulphidic material below about 50m depth. This was the first diamond drilling at the prospect and has confirmed that a favourable extensional environment existed during the mineralisation phase and that sulphide mineralisation is present as both disseminations and in association with quartz veining.

The Quartz Creek prospect is at an early stage of evaluation, and mineralisation has so far been characterised to a reconnaissance level only.

At the Merrivale prospect, further soil geochemical sampling has extended the previously identified surface gold anomaly along strike. To date, drainage geochemistry, float and outcrop sampling, soil sample grids, tape and compass surveying, and geological mapping has outlined a geochemical anomaly approximately 1km long by up to 300m wide. Consents and an access agreement to enable a summer 2008-09 drilling programme on this anomaly are currently being progressed.

Tasman is currently awaiting data from an airmag survey flown in early September 2008 over the Quartz Creek and Merrivale prospects. It is expected that the data will help define structure and any potassic alteration within and surrounding the two prospects.

Otago

Although being centered on the historic Bullendale Mine, within Central Otago, New Zealand's largest gold producing province, little modern gold exploration has occurred along most of the approximately 4 km line of strike. The project area is significantly anomalous on a regional scale for gold in rock chip and stream sediment samples. Mineralisation is dominantly controlled by NW and E trending shear zones producing wide (20 m to 40 m plus) alteration zones around quartz lodes.

Surface field work and geochemical activities commenced in the March quarter with a soil geochemical programme completed on the eastern extension of the Bullendale shear zone and at the Roaring Meg prospect. The Bullendale soil grid extended from the historic Bullendale mine across an area from which a previous operator had obtained a rock chip sample assay of up to 7.8 g/t Au from mullock heaps and related adits and also across a further historic adit where a channel sample had previously assayed 3.8 metres at 15 g/t Au. Assay results (soil up to 427 ppb gold) confirmed that the strike extent of the main mineralised Bullendale shear is 1.5km within EP 40794, and is open in both directions along strike.

These results provide a well defined surface trace of the main Bullendale shear, and will likely be followed up with a helicopter-supported diamond drilling program over the coming summer. A new exploration permit has been applied for, surrounding the current EP 40794. This new permit includes the known strike extensions of the lode, some 2.5 km's long. A soil sampling program will commence on the grant of this permit.

Malaumanda

Tasman exercised its option in early January 2008 to acquire Golden Pacific Resources Ltd and its entitlement to an initial 60% equity interest (with further earn in to 80%) in Exploration Licence 1235 in the East Sepik District of Papua New Guinea. Local landowners, who remain supportive of exploration, hold the balance of permit equity. Late in the financial year the 2,500km² Exploration Licence Application 1444 surrounding EL 1235 was granted.

In the June quarter, Tasman commenced an extensive surface geochemical programme with the aim of indentifying locations of possible skarn, porphyry and nickel-cobalt styles of mineralisation. John Keenan, appointed to the position of Project Manager in April following the resignation of Tony Gates, successfully assembled a team of field staff who quickly commenced work on the large soil geochemical and stream sediment sample programmes on selected areas of both EL1235 and EL1444 licences. These extensive field programmes were completed in the September quarter.

Subject to the interpretation of both surface geochemical and recent PNG Government commissioned airmag data, it is the Company's intention to commence a programme of drilling of selected targets.

Miclere

Post 30 June, SRK Consulting were engaged to conduct a review of historic exploration and mining information relating to the project, with a particular emphasis on assessing the potential for hard rock mineralisation. Currently Tasman has two potential hard rock drill targets, however we are awaiting the receipt of the SRK report to assist with the planning of further field activities.

Mt Adrah

Following entry refusal and an Arbitrator's hearing, the Arbitrator granted access to Tasman to enter the property on which the Hobbs Deposit (inferred 239,000 oz gold; 6.6 mt @ 1.13 g/t gold) is located. The terms of access were acceptable to the company, as they were largely as proposed by Tasman. Tasman intends to conduct further drilling on the deposit to both test the strike extent and obtain core for metallurgical analysis.

Pajingo

The option to acquire the Pajingo project in Queensland, (EPM 13667) was exercised in February in order that Tasman could better facilitate a renewal of the tenement when it expired in March 2008. We anticipate the renewal being granted soon. Following renewal it is proposed to drill test a number of structures within the Mt Leyshon-Pajingo Corridor that appear similar to those which host the epithermal vein systems at the adjacent Pajingo/Vera-Nancy mines.

Geoffrey Checketts
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Nicolson, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists, is a full-time employee of Tasman Goldfields Ltd, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity referred to herein, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Nicolson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.