



ANNUAL REPORT

for the Year Ended 30 June 2010

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

 **Tasman**
RESOURCES LTD

Table of Contents

Highlights for the Year to 30 June 2010	3
Corporate Directory	4
Review of Operations	5
Corporate Governance Statement	10
Directors' Report	14
Auditor's Independence Declaration	20
Statement of Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Equity	23
Statement of Cash Flows	24
Notes to the Financial Statements	25
Directors' Declaration	40
Independent Auditor's Report	41
Additional Information for Listed Public Companies	44
Tenement Schedule	46

HIGHLIGHTS FOR THE YEAR TO 30 JUNE 2010

- ❖ Tasman made an exciting, new iron-oxide copper uranium gold (IOCGU or Olympic Dam-style) discovery at its 100% owned Vulcan prospect approximately 30km NNE of Olympic Dam in SA. Four of five holes drilled intersected thick IOCGU-style alteration and mineralisation. In the third hole, VUD 003 a 56m down hole intersection at 0.59% Cu was obtained, including zones of 7.8m at 1.21% Cu and 0.35g/t Au as well as 0.65m at 7.82% Cu and 2.41g/t Au.
- ❖ Vulcan occurs within Tasman's very substantial tenement holdings (over 2,000 square km) adjacent to BHP Billiton's giant Olympic Dam deposit. Based on geophysical data the Vulcan target covers at least 11 square km (comparable to the Olympic Dam deposit) and Tasman plans to conduct further geophysical surveys (eg seismic) and drilling over the next year and is hoping for a major world class discovery. Resolution of an Aboriginal heritage issue over the southern part of the Vulcan target is in progress.
- ❖ At Parkinson Dam, a program of follow up drilling of the high grade gold-silver intersection (PD 63: 21m down hole assaying 21g/t Au and 83g/t Ag, including 9m at 31g/t Au and 152g/t Ag) was completed early in the year. A westerly extension to the structure hosting the high grade mineralisation was confirmed with drilling, but no significant results were returned. A lead-zinc target is being considered for diamond drilling.
- ❖ No further field work was conducted at Mirrica Project in Qld, although positive exploration results (for copper and gold) have been reported by the adjoining tenement holder, Krucible Metals Ltd at its Toomba Project. Tasman plans to conduct geochemical sampling over selected parts of its tenements early in the new year.
- ❖ Tasman has a 28% interest (fully diluted) in Fission Energy Ltd, which, under an agreement, can explore for uranium within most of Tasman's South Australian tenements. Fission also owns 50% of the Mt Thirsty nickel-cobalt-manganese oxide deposit in Western Australia. A decision to proceed with a PFS for this deposit was made. Exploration for nickel sulphides at Mt Thirsty was successful, resulting in an intersection of 6m at 3.4% Ni. This will be followed up during the next year.
- ❖ Tasman has a 17.8% interest (fully diluted) in alternative energy company Eden Energy Ltd, which is involved in production, development and marketing of hydrogen-based fuels, and interests in coal seam gas, conventional hydrocarbons and geothermal energy.

CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon **LLB** (Executive Chairman)

Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)

Guy T Le Page **B.A., B.Sc. (Hons), M.B.A., F.FIN., MAusIMM** (Non-Executive)

COMPANY SECRETARY:

Aaron P Gates **BCom CA**

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

Website: 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:

Grant Thornton (Audit) Pty Ltd

Chartered Accountants

Level 1

10 Kings Park Road

West Perth WA 6005

SHARE REGISTRY:

Advance Share Registry Services

150 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.

REVIEW OF OPERATIONS

The Company has exploration licences and applications located in South Australia and Queensland, covering a range of commodities – gold, silver, copper, zinc, lead, uranium and nickel/cobalt, for which the company's tenements are considered prospective. Potential for oil shale has been identified.

The uranium potential of Tasman's tenements is being investigated by Fission Energy Ltd, which was spun out of Tasman in 2007. Tasman has a 28% fully diluted interest in Fission.

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

- The "Lake Torrens IOCGU Project" comprising Exploration Licences 4206 and 4300, 4322 and 4405 and EL Application 2008/436.
- The "Parkinson Dam Epithermal Gold - Silver Project" (ELs 3453, 3739, 4168 and 4475).
- The "Central Gawler Gold - Nickel Project" (ELs 3343, 3423 and 3532).
- The "Streaky Bay Uranium Project" (EL 4360)
- The "Mirrica Gold - Base Metal Project" (EPMs 15642 and EPM Application 18226 in Queensland).

EXPLORATION RESULTS

During the year, the Company spent \$1.37 million on various exploration activities. Details of the results of the exploration are outlined below.

Lake Torrens Iron-oxide, Copper-Gold Uranium (IOCGU) Project (100% Tasman)

A new potential iron-oxide copper gold uranium deposit was discovered at Tasman's 100% owned Vulcan prospect, approximately 30km NNE of BHP Billiton's Olympic Dam deposit. The discovery occurs within Tasman's Lake Torrens Project, which consists of extensive tenement holdings (over 2,000 square km) adjacent to BHP Billiton's Olympic Dam tenements (see Figure 1).

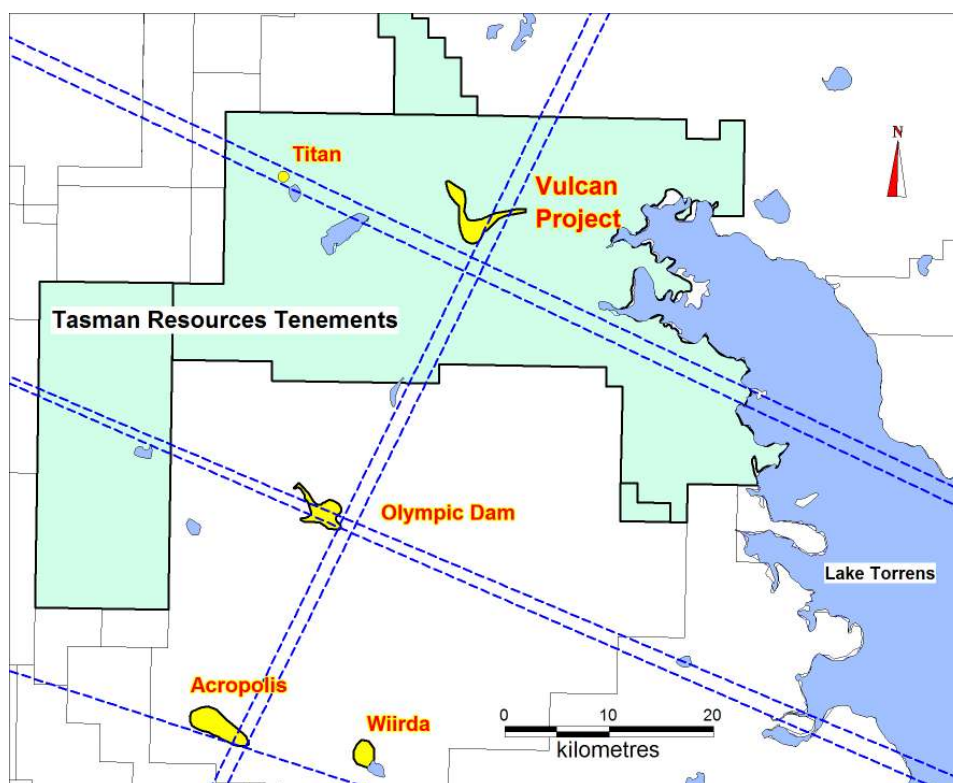


Figure 1: Location Plan showing the Vulcan IOCGU Project, nearby IOCGU deposits/systems and several key (historic) tectonic lineaments (dashed blue lines).

Vulcan was discovered by Tasman following the recognition, by Tasman of the following:

- A large, and previously untested gravity anomaly (Figure 2), with associated anomalous magnetic characteristics,
- A favourable location with respect to certain key tectonic lineaments (Figure 1) which had been important in the discovery of Olympic Dam by WMC Resources, and
- Unusual, previously unexplained reflection patterns in seismic data collected in a Government survey several years earlier.

The discovery drill hole, VUD 001 was drilled by Tasman in November 2009, and intersected a thick sequence of IOCGU-style altered and weakly mineralised basement rocks, including an intersection of 53m down hole at 0.10% Cu, 0.04g/t Au, 0.4g/t Ag and 0.021kg/t U₃O₈ (see Figure 2).

A four hole follow up program (Figure 2) was commenced in April 2010 and completed in July 2010. Three of these four holes intersected further thick IOCGU alteration and mineralisation. However one hole, VUD 003, hit a 245m down hole zone of alteration and mineralisation, including 56.65m at 0.59% Cu, which includes:

- 7.8m down hole at 1.21% Cu (and 0.35g/t Au), higher copper grade than the Olympic Dam discovery hole RD 1, and
- 0.65m at 7.82% Cu, 2.41g/t Au and 0.03kg/t U₃O₈.

The host rocks consist of variably IOCGU altered, originally granitic rocks – now containing hematite, sericite, siderite, chlorite and sulphides (dominantly pyrite and chalcopyrite, and minor molybdenite), as seen at Olympic Dam. The rocks are variably fractured, veined and brecciated, and there is a strong correlation between the specific IOCGU elements copper, gold and uranium. Minor elements such as molybdenum, barium, lanthanum, and cerium (normally associated with IOCGU deposits) are also strongly anomalous in VUD 003.

VUD 005 unfortunately failed to reach basement due to an unexpected, down-faulted body of later sediments.

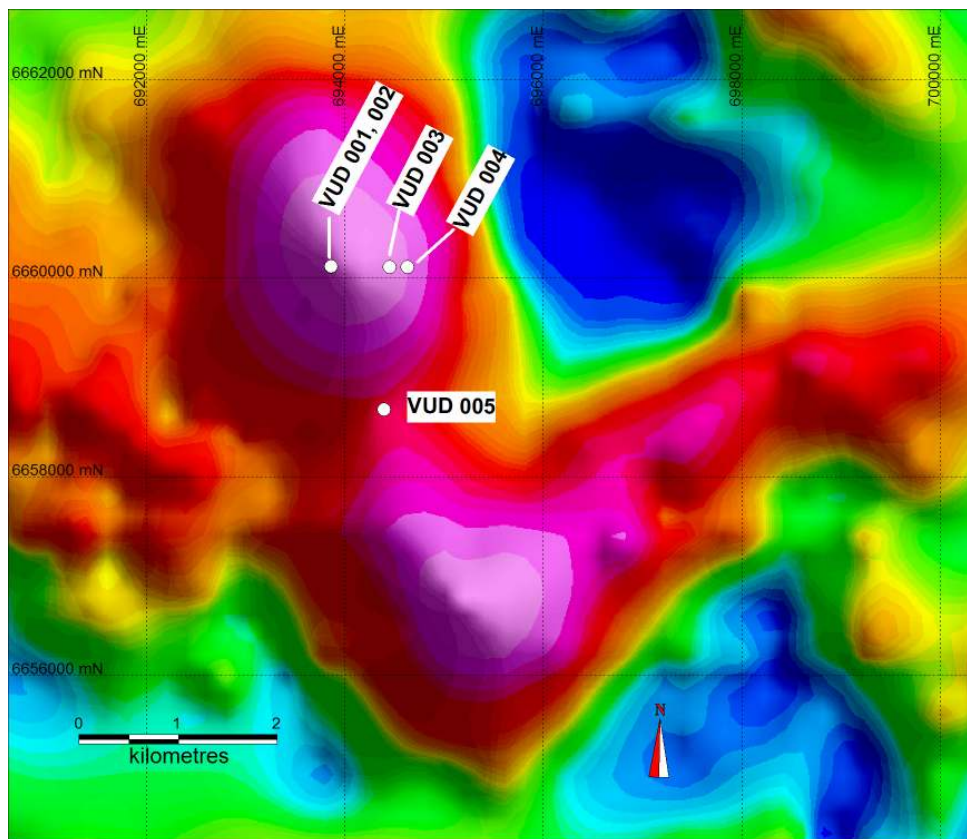


Figure 2: Vulcan residual bouguer gravity image (background) showing the location of drill holes VUD 001 to VUD 005.



Figure 3: Core photo of massive sulphide interval – pyrite/chalcopyrite. Upper photo 0.65m at 7.82% Cu, 2.41g/t Au. Lower photo detail of this interval.

Vulcan is a very large target, comparable in size to Olympic Dam, and clearly capable of hosting a very large ore deposit (see Figures 4). However, after only five drill holes, exploration at Vulcan is still at a very early stage – at Olympic Dam it is well known that it was not until the ninth hole was drilled that other than low grade mineralisation was hit, and only in the sixteenth hole (RD 17) that economic grades were intersected. The main sulphide minerals intersected in VUD 001 to VUD 004 are pyrite and chalcopyrite and not the higher tenor bornite or chalcocite as seen in higher grade parts of the Olympic Dam Deposit. However, Vulcan is clearly large enough (about 11km², Figures 2 & 4), for significant development elsewhere within the system of this style of higher-grade, and economically more attractive mineral assemblage.

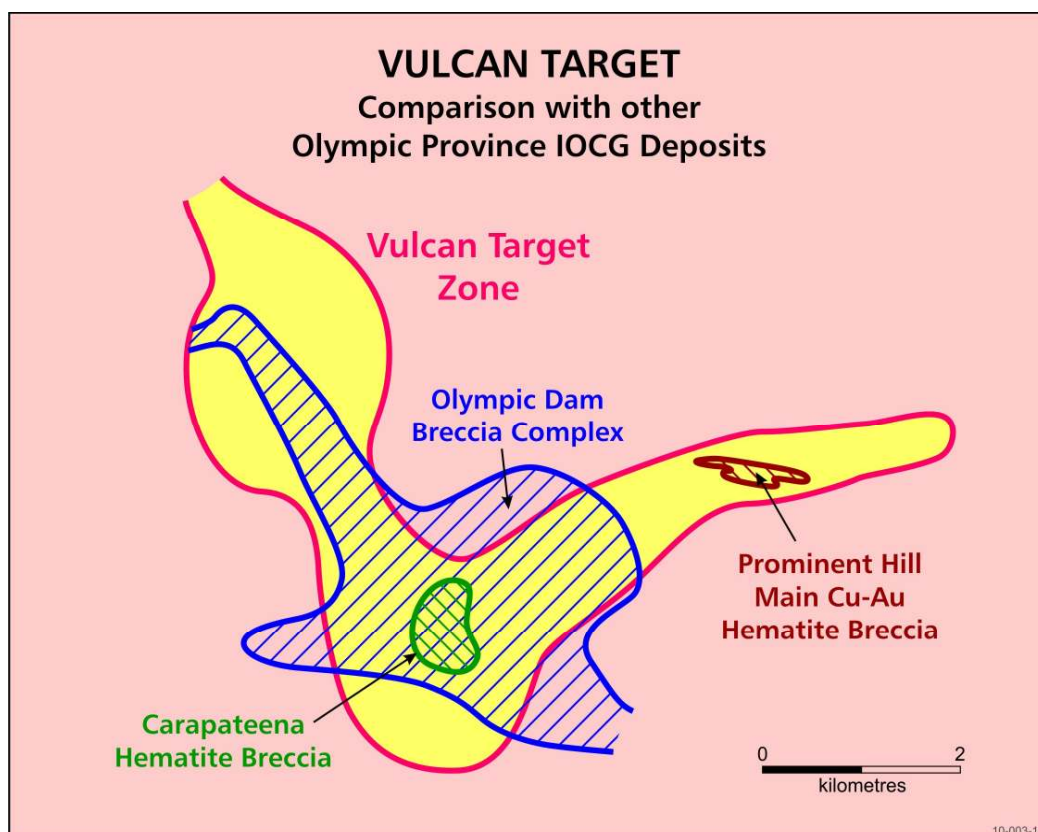


Figure 4: Comparison of areal extent of regional IOCGU systems with Vulcan target as currently defined.

HISEIS Pty Ltd (affiliated with Curtin University, WA) has been contracted to conduct a low cost 2D seismic survey over selected parts of the Vulcan IOCGU target. The survey is expected to commence late in August 2010 and provide key insights to guide further drilling.

Diamond drilling is scheduled to resume in mid-October 2010, with between two and four holes being planned.

Resolution of Aboriginal heritage matters affecting a portion of the southern part of the gravity target is continuing.

Tasman has a number of other IOCGU targets within its tenement holdings, which at this stage are lower priority than Vulcan. These include Zeus, Billy Barnes and Marathon South.

Parkinson Dam Gold-Silver (-Lead-Zinc) Project (100% Tasman)

Tasman's 100% owned Parkinson Dam Project is located approximately 60km west of Port Augusta in South Australia. Tasman commenced exploration at Parkinson Dam in mid-2005, discovering previously unknown epithermal gold-silver mineralisation in outcrop.

Following initial phases of RC percussion and diamond drilling, Tasman hit high grade mineralisation in drill hole PD 63 (21m at 21g/t Au and 83g/t Ag, including 9m down hole at 31g/t Au and 152g/t Ag), but subsequent drilling was unable to repeat the grade or width of this intersection.

In late 2009, further follow up drilling confirmed the continuity and orientation of the main structure to the west of PD 63, obtaining narrow intersections of epithermal mineralisation probably equivalent to the high-grade veins in PD 63. Gold and silver assays however were generally low grade over narrow widths.

Most of Tasman's drilling completed elsewhere in the project 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. Further consideration is being given to testing for other, previously unrecognised steep possibly high grade structures over the 2.5 km² area known to be mineralised from surface outcrops of altered, veined and mineralised epithermal quartz veins. It is also planned to follow up encouraging zones of thick lead-zinc mineralisation hit in previous drilling with at least one deep diamond drill hole.

Mirrica Gold and Base Metal Project (100% Tasman)

The Company's 100% owned Mirrica Project is located on the eastern edge of the Simpson Desert approximately 350km south-southwest of Mt Isa in Queensland. The principal exploration target is Mesoproterozoic gold and/or base metal mineralisation under relatively thin cover rocks of the Eromanga Basin and Simpson Desert sands.

No further field work was conducted at Mirrica Project, although positive exploration results (for copper and gold) have been reported by the adjoining tenement holder, Krucible Metals Ltd at its Toomba Project. Tasman plans to conduct geochemical sampling over selected parts of its tenements early in the new year.

Central Gawler Gold-Nickel Project (100% Tasman)

No further work was conducted by Tasman on these tenements during the year. Access to this area is currently restricted by the Department of Defence.

EXPLORATION AGREEMENTS AND JOINT VENTURES

Diamond Exploration Agreement with Flinders Mining Ltd (formerly Flinders Diamonds)

Flinders Mines has a diamonds only joint venture with Tasman over all of Tasman's tenements in South Australia, except for the Parkinson Dam Project. Under the joint venture, Flinders may earn 70% of the diamond rights by expenditure of \$750,000 over a four-year period.

Fission Energy Ltd

Fission Energy Ltd was listed on the ASX on 18th June 2007 as a uranium-focussed mineral explorer, and Tasman has a 28% in Fission on a fully diluted basis. Under an agreement with Tasman, Fission has the rights to explore for uranium on a significant portion of Tasman's South Australian tenements.

Fission has sold its uranium rights over the Wynbring Project (Exploration Licence 4526, formerly 3306) on the Gawler Craton in South Australia to Marmota Energy Ltd for a cash consideration of \$350,000. Tasman Resources Ltd has also sold its residual interest in EL 4526 to Marmota and received 500,000 Marmota shares as consideration, escrowed for 12 months.

The consideration to each party was based on the relative exploration expenditures of Tasman and Fission on EL 4526. Divestment of Wynbring allows Fission to focus on nickel sulphide exploration and development of the Mt Thirsty oxide project.

Fission has a joint venture with Mega-Hindmarsh Ltd, a wholly owned subsidiary of Mega Uranium Ltd of Canada to explore part of the Parkinson Dam Project for uranium. The area is considered prospective for unconformity-associated uranium deposits close to the contact between the Mesoproterozoic Corunna Conglomerate and the underlying Palaeoproterozoic sedimentary rocks.

INVESTMENTS

Investment in Fission Energy Ltd (Tasman has a 28% interest in Fission Energy on a fully diluted basis)

Fission Energy owns 50% of the Mt Thirsty Nickel-Cobalt Project in WA, with the other 50% held by Barra Resources Limited (ASX: BAR).

Mt Thirsty Oxide Deposit

The Mt Thirsty Cobalt-Nickel-Manganese oxide project is located 20km north-northwest of Norseman. The Mt Thirsty deposit has the potential to emerge as a significant world cobalt supplier. Metallurgical testwork indicates that high recoveries of cobalt, nickel and manganese can be achieved through low temperature atmospheric leaching. Based on the current flowsheet design, approximately 27,000 tonnes of mixed sulphide precipitate (containing 2,700t Co & 10,000t Ni) and 33,000 tonnes of manganese carbonate could be produced annually from Mt Thirsty.

Mt Thirsty has a current JORC compliant Indicated Resource of 14.8 million tonnes at 0.14% Cobalt, 0.59% Nickel and 0.99% Manganese and a JORC compliant Inferred Resource of 14.2 million tonnes at 0.11% Cobalt, 0.52% Nickel and 0.77% Manganese over a length of 1.3 kilometres and a width of up to 850 metres.

Metallurgical consultants Independent Metallurgical Operations Pty Ltd (IMO) carried out further metallurgical testwork and completed a process development study which has demonstrated that there are no significant impediments in the production of a nickel-cobalt mixed sulphide precipitate (MSP) and separate manganese carbonate product from Mt Thirsty oxide ore using low temperature atmospheric leaching.

A process package and tender documents were prepared by IMO and distributed to selected globally recognised process engineering companies. All of the tender submissions received from the process engineers have been evaluated and a short list compiled. The successful tenderer is still to be announced.

The PFS is scheduled to commence within the next few months with completion early in 2011.

Mt Thirsty – Nickel Sulphides

A very thick sequence of originally olivine-rich, cumulate - textured ultramafic rocks has been intersected in previous holes drilled at Mt Thirsty. These rocks contain variable amounts of disseminated, vein and stringer-style sulphide mineralisation. The footwall contact where the best concentration of nickel sulphides might be expected was unable to be reached in any holes drilled by the MTJV until quite recently. Basal lava channel embayments located on ultramafic-basalt contacts are a preferred location for nickel sulphide accumulations eg. in the Kambalda region. Several of these basal embayment type structures have been identified within the project area and are being evaluated at Mt Thirsty.

Nickel sulphide exploration by the MTJV involved the drilling of a number of diamond and RC holes. The highlight of this exploration program was the discovery of massive stringer nickel sulphides (6m @ 3.4% Ni) adjacent to the footwall contact in hole MTRC015. This encouraging result will be followed up later in the year.

Investment in Eden Energy Ltd (Tasman has a 17.8% interest in Eden Energy on a fully diluted basis)

Tasman, through its wholly owned subsidiary, Noble Energy Ltd, has a current share and option holding in alternative energy company Eden Energy Ltd (ASX: EDE), which is presently valued at approximately \$2 million. Tasman holds 33,979,888 fully paid shares in Eden, which on a fully diluted basis represents a 17.8% share holding.

During the year Eden has made considerable progress in its core businesses, in particular the commercial development of its patented hydrogen-based fuel Hythane® in India.

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 annual report, 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 their 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

CORPORATE GOVERNANCE STATEMENT

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand.

The membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporation Act 2001, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke the appointment.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance statement of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies for time to time in light of changing circumstances and economic conditions. The directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

The board has reviewed its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's present position with regard to adoption of these Principles.

CORPORATE GOVERNANCE STATEMENT

ASX Principle	Reference/comment
---------------	-------------------

Principle 1: Lay solid foundations for management and oversight

1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company has not adopted this recommendation to formalise and disclose the functions reserved to the board and those delegated to management. The roles and functions within the Company must remain flexible in order for it to best function within its level of available resources.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Company does not have any senior executives and as such has not developed a process for evaluating the performance of senior executives.
1.3	Companies should provide the information indicated in the Guide to Reporting on Principle 1.	See above.

Principle 2: Structure the board to add value

2.1	A majority of board should be independent directors.	Due to the Company's size, nature and extent of operations, the company has departed from this principle
2.2	The chair should be an independent director.	Due to the Company's size, nature and extent of operations, the company has departed from this principle
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company does not have a Chief Executive Officer.
2.4	The board should establish a nomination committee.	Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee is warranted.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Acting in its ordinary capacity, the board from time to time carries out the process of considering and determining performance issues. Whenever relevant, any such matters are reported to the ASX.
2.6	Companies should provide the information indicated in Guide to Reporting on Principle 2.	The skills and experience of directors are set out in the Company's Annual Report and on its website.

Principle 3: Promote ethical and responsible decision-making

3.1	Companies should establish a code of conduct and disclose the code or summary of the code as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in the Company's integrity the practices necessary to take into account their legal obligations and the responsible expectations of their stakeholders the responsibility and accountability of individuals reporting or investigating reports of unethical practices. 	The Company has a Code of Conduct which can be viewed on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Due to the Company's size, nature and extent of operations, the company has departed from this principle.

3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Due to the Company's size, nature and extent of operations, the company has departed from this principle.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Tasman does not have any women employees in the organisation, women in senior executive positions or women on the board.
3.5	Companies should provide the information indicated in Guide to Reporting on Principle 3.	The Code of Conduct can be viewed on the Company's website.

Principle 4: Safeguard integrity in financial reporting

4.1	The board should establish an audit committee.	Due to the Company's size, nature and extent of operations, the company has departed from this principle. The Board itself is the forum that deals with this function.
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not the chair of the board • At least three members 	See 4.1
4.3	The audit committee should have a formal charter.	See 4.1
4.4	Companies should provide the information indicated in Guide to Reporting on Principle 4.	See above

Principle 5: Make timely and balanced disclosure

5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.	The Company has a Continuous Disclosure Policy which can be viewed on the Company's website.
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	See above.

Principle 6: Respect the rights of shareholders

6.1	Companies should design and disclose a communications policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose their policy or a summary of that policy.	The Company has a Communications Policy which can be viewed on the Company's website.
6.2	Companies should provide the information indicated in Guide to Reporting on Principle 6.	The Company has a Communications Policy which can be viewed on the Company's website.

Principle 7: Recognise and manage risk

7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Due to the size and nature of the Company, the Company does not have formalised policies on risk management. The Board recognises its responsibility for identifying areas of material business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	See above
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Executive Chairman and the Chief Financial Officer make this assurance to the board.
7.4	Provide information indicated in Guide to Reporting on Principle 7.	See above.

Principle 8: Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	Due to the size and nature of the Company, the Company does not have a remuneration committee. 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 change to the annual amount must be approved at a General Meeting of members of the Company.
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> consists of a majority of independent directors is chaired by an independent chair has at least three members.	See 8.1
8.3	Companies should clearly distinguish the structure of non-executive directors remuneration from that of executives.	See 8.1
8.4	Companies should provide information indicated in ASX Guide to Reporting on Principle 8.	No schemes exist for retirement benefits for non-executive directors other than statutory superannuation.

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2010.

Directors

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

Gregory H Solomon

Douglas H Solomon

Guy T Le Page

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 Aaron P Gates has worked for Tasman Resources Ltd for the past 2 years. He is a Chartered Accountant and Chartered Secretary, has completed a Bachelor of Commerce (Curtin University) with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Tasman he worked in public practice in audit and corporate finance roles.

Principal Activities

The principal activity of the economic entity during the financial year ended 30 June 2010 was mineral exploration.

Operating Results

The consolidated loss of the economic entity after providing for income tax amounted to \$1,581,854 (2009: \$459,971).

Dividends Paid or Recommended

No dividends were paid or declared for payment during the year.

Mineral Exploration Operations

Tasman's primary focus during the year has been mineral exploration for a range of commodities within the Company's tenements in South Australia and Queensland. The principal exploration projects are Lake Torrens IOCGU-base metal project, the Parkinson Dam epithermal gold-silver (lead-zinc) project and central Gawler Craton gold-nickel-cobalt project in South Australia, and the Mirrica gold-base metal project in Queensland.

All Tasman's tenements in South Australia (except for Parkinson Dam) are subject to a farm-in agreement with Flinders Mining Ltd, covering diamonds. Tasman also has an agreement with Fission Energy covering uranium.

A review of the operations of the Group during the year ended 30 June 2010 is set out in the Review of Operations on Page 4.

Financial Position

The net assets of the consolidated group have increased by \$2,039,857 from 30 June 2009 to \$13,755,900 in 2010. This increase has largely resulted from capital raisings during the year.

Significant Changes in State of Affairs

In the opinion of the directors, other than disclosed elsewhere in this report, there were no significant changes in the state of affairs of the Company that occurred during the year.

After Balance Date Events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company 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 H 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

28,171,975 Ordinary Shares
6,633,297 Options

Directorships held in other listed entities

Fission Energy Limited (ASX:FIS)
Eden Energy Limited (ASX:EDE)

Douglas H 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

27,851,500 Ordinary Shares
6,570,301 Options

Directorships held in other listed entities

Fission Energy Limited (ASX:FIS)
Eden Energy Limited (ASX:EDE)

Guy T Le Page

Non-Executive

Qualifications

B.A., B.Sc. (Hons), M.B.A., F.FIN., MAusIMM Bachelor of Arts, Bachelor of Science, Masters Degree in Business Administration, Bachelor of Applied Science (Hons), Graduate Diploma in Applied Finance and Investment

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.

Interest in Shares and Options

1,784,821 Ordinary shares

Directorships held in other listed entities

Eden Energy Limited (ASX:EDE)
Fission Energy Limited (ASX:FIS)
Red Sky Energy Limited (ASX:ROG)
Palace Resources Limited (ASX:PXR)
Enerji Limited (ASX:ERJ)
3D Resources Ltd (ASX: DDD)
Soil Sub Technologies Ltd (ASX: SOI)

Remuneration Report (Audited)

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

Remuneration Policy

The remuneration policy of Tasman Resources Ltd 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 Ltd 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.

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

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.

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.

Shares Issued on Exercise of Compensation Options

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

Options Granted as Remuneration

Key Management Person	Vested No.	Granted No.	Grant Date	Value per option at grant date \$	Exercise Price \$	First Exercise date	Last Exercise Date
Michael J Glasson	1,000,000	1,000,000	7/8/2009	0.03	0.16	7/8/2009	30/6/2012
Robert N Smith	1,000,000	1,000,000	7/8/2009	0.03	0.16	7/8/2009	30/6/2012
Gregory H Solomon	1,000,000	1,000,000	20/11/2009	0.04	0.16875	20/11/2009	20/11/2012
Douglas H Solomon	1,000,000	1,000,000	20/11/2009	0.04	0.16875	20/11/2009	20/11/2012
Guy T Le Page	1,000,000	1,000,000	20/11/2009	0.04	0.16875	20/11/2009	20/11/2012
Michael J Glasson	200,803	200,803	8/2/2010	0.05	0.15	8/2/2010	8/2/2013
Robert N Smith	200,803	200,803	8/2/2010	0.05	0.15	8/2/2010	8/2/2013
	<u>5,401,606</u>	<u>5,401,606</u>					

All options were granted for nil consideration.

DIRECTORS' REPORT

Details of Remuneration for Year Ended 30 June 2010

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 - 2010

Key Management Person	Short-term Benefits				Post-employment benefits Super-annuation	Other long-term benefits Other	Share-based payments		Total	Performance Related
	Salary and Fees	Cash profit share	Non-cash benefit	Other			Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Gregory H Solomon	120,000	-	-	-	10,800	-	-	40,600	171,400	-
Douglas H Solomon	24,000	-	-	-	2,160	-	-	40,600	66,760	-
Guy T Le Page	24,000	-	-	-	2,160	-	-	40,600	66,760	-
Aaron P Gates	(i)	-	-	-	-	-	-	2,640	2,640	-
Robert N Smith	137,000	-	-	-	49,390	-	-	37,100	223,490	-
Michael J Glasson	131,500	-	-	-	49,985	-	-	37,100	218,585	-
	436,500	-	-	-	114,495	-	-	198,640	749,635	-

Key Management Personnel Remuneration - 2009

Key Management Person	Short-term Benefits				Post-employment benefits Super-annuation	Other long-term benefits Other	Share-based payments		Total	Performance Related
	Salary and Fees	Cash profit share	Non-cash benefit	Other			Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Gregory H Solomon	120,000	-	-	-	10,800	-	-	-	130,800	-
Douglas H Solomon	24,000	-	-	-	2,160	-	-	-	26,160	-
Guy T Le Page	24,000	-	-	-	2,160	-	-	-	26,160	-
Raymond F Buscall	(i)	-	-	-	-	-	-	-	-	-
Aaron P Gates	(i)	-	-	-	-	-	-	1,540	1,540	-
Robert N Smith	107,077	-	-	-	96,837	-	-	10,000	213,914	-
Michael J Glasson	98,827	-	-	-	99,721	-	-	10,000	208,548	-
	373,904	-	-	-	211,678	-	-	21,540	607,122	-

(i) These management personnel are remunerated by Princebrook Pty Ltd under the Princebrook Management Services Contract.

DIRECTORS' REPORT

Directors Meetings

During the financial year, 1 meeting of directors was held. Attendance by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Gregory H Solomon	1	1
Douglas H Solomon	1	1
Guy T Le Page	1	1

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 \$7,000.

Options

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

Grant Date	Date of Expiry	Exercise Price	Number under Option
16 October 2008	26 May 2013	\$0.12	500,000
7 April 2009	16 April 2012	\$0.10	1,574,804
23 June 2009	30 June 2012	\$0.10	20,589,396
7 August 2009	30 June 2012	\$0.16	2,000,000
20 November 2009	20 November 2012	\$0.16875	3,000,000
8 February 2010	8 February 2013	\$0.15	401,606
1 June 2010	31 May 2013	\$0.15	500,000
			28,565,806

During the year ended 30 June 2010, no ordinary shares of Tasman Resources Ltd were issued on the exercise of options granted under the Tasman Resources Ltd 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.

DIRECTORS' REPORT

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 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 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

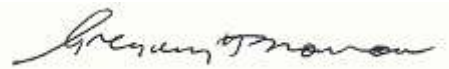
- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The no fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2010.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 20.

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

A handwritten signature in black ink, appearing to read 'Gregory H Solomon', written over a light yellow rectangular background.

Gregory H Solomon

Dated this 28th day of September 2010

Grant Thornton Audit Pty Ltd
ABN 94 269 609 023

10 Kings Park Road
West Perth WA 6005
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

**Auditor's Independence Declaration
To the Directors of Tasman Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Tasman Resources Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Director - Audit & Assurance Services

Perth, 28 September 2010

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group	
		2010 \$	2009 \$
Other income	2a	137,653	414,792
Audit and accounting		(22,571)	(21,538)
Depreciation and amortisation expense		(3,503)	(4,944)
Employee benefits expense		(599,674)	(496,794)
Exploration expenditure written off		(28,764)	(8,751)
Finance costs		-	(5,391)
Impairment of exploration and evaluation	14	(602,580)	-
Insurance		(15,275)	(31,773)
Legal and other consultants		(14,094)	(3,990)
Listing and share registry		(49,996)	(42,785)
Management fees		(226,170)	(226,170)
Other expenses		(57,628)	(32,627)
Realised loss on sale of available-for-sale financial assets		(99,252)	-
Loss before income tax	3	(1,581,854)	(459,971)
Income tax expense	4	-	-
Loss for the year		(1,581,854)	(459,971)
Other Comprehensive Income			
Loss on revaluation of financial assets		(170,369)	(11,368,472)
Income tax relating to comprehensive income		-	-
Loss attributable to members of the parent entity		(170,369)	(11,368,472)
Total Comprehensive Income / (Loss) attributable to members of the parent		(1,752,223)	(11,828,443)
Basic earnings per share (cents per share)	7	(0.9016)	(0.3347)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated Group	
		2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,083,980	516,166
Trade and other receivables	9	113,123	-
TOTAL CURRENT ASSETS		2,197,103	516,166
NON-CURRENT ASSETS			
Financial assets	10	2,001,953	2,201,298
Property, plant and equipment	13	11,662	14,406
Exploration and Evaluation expenditure	14	9,850,374	9,111,335
TOTAL NON-CURRENT ASSETS		11,863,989	11,327,039
TOTAL ASSETS		14,061,092	11,843,205
CURRENT LIABILITIES			
Trade and other payables	15	305,192	127,162
TOTAL CURRENT LIABILITIES		305,192	127,162
TOTAL LIABILITIES		305,192	127,162
NET ASSETS		13,755,900	11,716,043
EQUITY			
Issued capital	16	19,610,391	16,193,088
Reserves		2,624,126	2,419,718
Retained earnings/(accumulated) losses		(8,478,617)	(6,896,763)
TOTAL EQUITY		13,755,900	11,716,043

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010

	Issued Capital	Option Reserve	Financial Asset Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Consolidated Group					
Balance at 1 July 2008	15,511,377	650,035	13,167,974	(6,436,793)	22,892,593
Shares issued during the year	681,711	-	-	-	681,711
Options issued during the year	-	21,540	-	-	21,540
Total other comprehensive income	-	-	(11,419,831)	(459,970)	(11,879,801)
Balance at 30 June 2009	16,193,088	671,575	1,748,143	(6,896,763)	11,716,043
Shares issued during the year	3,417,303	-	-	-	3,417,303
Options issued during the year	-	237,660	-	-	237,660
Total other comprehensive income	-	-	(33,252)	(1,581,854)	(1,615,106)
Balance at 30 June 2010	19,610,391	909,235	1,714,891	(8,478,617)	13,755,900

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group	
		2010	2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		62,595	586,165
Payments to suppliers and employees		(734,221)	(913,561)
Interest received		45,304	18,223
Net cash used in operating activities	22a	(626,322)	(309,173)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(1,288,911)	(466,606)
Purchase of property, plant and equipment		(1,597)	-
Investment in associated entities		-	(118,108)
Loans to associated entities		-	1,317
Proceeds on sale of property, plant and equipment		500	-
Proceeds on sale of financial assets		66,842	1,906
Net cash used in investing activities		(1,223,166)	(581,491)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,417,302	681,711
Net cash provided by financing activities		3,417,302	681,711
Net increase (decrease) in cash held		1,567,814	(208,953)
Cash at beginning of financial year		516,166	725,119
Cash at end of financial year	8	2,083,980	516,166

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**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 Ltd and controlled entities, and Tasman Resources Ltd as an individual parent entity. Tasman Resources Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report of Tasman Resources Ltd and controlled entities, and Tasman Resources Ltd as an individual parent entity complies with all International Financial Reporting Standards (IFRS) 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.

Going Concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. In addition the Group actively manages the level of discretionary exploration expenditure in line with the funds available to the Group. Joint venture parties earning their interest in various tenements may effectively meet a significant portion of the exploration commitments. These commitments can also be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions.

Accounting Policies**a. Principles of Consolidation**

A controlled entity is any entity Tasman Resources Ltd 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 11 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

b. **Income Tax Continued**

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Tasman Resources Ltd and Noble Resources Pty Ltd, its wholly-owned Australian subsidiary, have formed an income tax consolidated group under the tax consolidation regime. 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.

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 Evaluation 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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.

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 impairment has arisen. Impairment losses are recognised in the income statement.

f. **Impairment of Non-Financial Assets**

At each reporting date, the Group reviews the carrying values of its non-financial 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. **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i. **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.

j. **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.

k. **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 the rendering of a service is recognised upon the delivery of the service to the customers.

l. **Comparative Figures**

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

m. **New accounting standards and interpretations not yet adopted**

As a result of the revised AASB 101, there have been changes to the presentation and disclosure of the financial statements. Key changes include:

- statement of comprehensive income — a new statement, the statement of comprehensive income in which all income and expenses to be presented;
- terminology changes — including the amendment of the names of the primary financial statements;
- reporting changes in equity — all changes in equity arising from transactions with owners, as owners, to be presented separately from non-owner changes in equity. Owner changes are to be presented in the statement of changes in equity, with non-owner changes presented in the statement of comprehensive income;
- Other comprehensive income — introduction the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Other comprehensive income is to be disclosed in the statement of comprehensive income.

The directors have assessed the new accounting standards issued but not yet effective at 30 June 2010 and noted no impact on the entity's financial statements.

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's policy for exploration and evaluation is discussed in Note 1(g). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. At the date of this report the Group has sufficient reason to believe:

- rights to explore in specific areas, once expired, will be renewed;
- substantive expenditure on further exploration and evaluation in specific areas has been budgeted;
- exploration in specific areas is ongoing and the entity has not decided to discontinue such activities; and no specific sufficient data exists that indicates that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

The financial report was authorised for issue on 28 September 2010 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: OTHER INCOME

	Note	2010 \$	2009 \$
— interest received		45,304	18,223
— other		-	178,650
— wages recovery from associated entity		92,349	217,919
		<u>137,653</u>	<u>414,792</u>

NOTE 3: LOSS FOR THE YEAR

a. Expenses

Depreciation and amortisation expense	3,503	4,944
Exploration expenditure written off	28,764	8,751

b. Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Impairment of exploration and evaluation	(602,580)	-
Settlement proceeds – farm-in dispute	-	175,000

NOTE 4: INCOME TAX EXPENSE

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 loss from ordinary activities at 30% (2009: 30%)	(474,556)	(137,991)
	<u>(474,556)</u>	<u>(137,991)</u>
Add tax effect of:		
— other non-allowable items	189,403	-
— deferred tax assets not brought to account	285,153	137,991
	<u>-</u>	<u>-</u>

The applicable weighted average effective tax rates are as follows:

b. Unrecognised Deferred Tax Balances:

Unrecognised deferred tax asset- losses	5,217,080	4,552,505
Unrecognised deferred tax asset - other	31,384	69,184
Unrecognised deferred tax liabilities	(3,356,048)	(3,225,353)
Net Unrecognised deferred tax assets	<u>1,892,416</u>	<u>1,396,336</u>

NOTE 5: AUDITORS' REMUNERATION

	Note	2010 \$	2009 \$
Remuneration of the auditor of the parent entity for:			
— auditing or reviewing the financial report		20,371	23,313
— Other		-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 6: 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 H Solomon	Executive Director
Douglas H Solomon	Non-Executive Director
Guy T Le Page	Non-Executive Director
Aaron P Gates	Company Secretary / CFO
Robert N Smith	Senior Geologist
Michael Glasson	Senior Geologist

- b. **Options and Rights Holdings**

Number of Options Held by Key Management Personnel

	Balance 1.7.2009	Granted as Comp- ensation	Opt- ions Exer- cised	Net Change Other*	Balance 30.6.2010	Total Vested 30.6.2010	Total Exer- cisable 30.6.2010	Total Unexer- cisable 30.6.2010
Gregory H Solomon	11,556,548	1,000,000	-	(5,923,251)	6,633,297	6,633,297	6,633,297	-
Douglas H Solomon	11,437,347	1,000,000	-	(5,867,046)	6,570,301	6,570,301	6,570,301	-
Guy T Le Page	181,622	1,000,000	-	(181,622)	1,000,000	1,000,000	1,000,000	-
Aaron P Gates	500,000	-	-	-	500,000	300,000	300,000	200,000
Robert N Smith	1,824,512	1,200,803	-	(1,037,110)	1,988,205	1,988,205	1,988,205	-
Michael J Glasson	1,874,033	1,200,803	-	(1,039,855)	2,034,981	2,034,981	2,034,981	-
Total	27,374,062	5,401,606	-	(14,048,884)	18,726,784	18,526,784	18,526,784	200,000

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

- c. **Shareholdings**

Number of Shares held by Key Management Personnel

	Balance 1.7.2009	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2010
Gregory H Solomon	28,171,975	-	-	-	28,171,975
Douglas H Solomon	27,851,500	-	-	-	27,851,500
Guy T Le Page	1,784,821	-	-	-	1,784,821
Aaron P Gates	-	-	-	-	-
Robert N Smith	90,235	-	-	(50,000)	40,235
Michael J Glasson	233,878	-	-	-	233,878
Total	58,132,409	-	-	(50,000)	58,082,409

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7: EARNINGS PER SHARE

	Note	2010 \$	2009 \$
a. Reconciliation of earnings to profit or loss			
Profit/(loss)		(1,581,854)	(459,971)
Earnings used to calculate basic EPS		(1,581,854)	(459,971)
		No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		175,446,758	137,432,415

The effect of share options on issue is not potentially dilutive at 30 June 2009 or 30 June 2010.

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	2010 \$	2009 \$
Cash at bank and in hand		2,083,980	516,166
		2,083,980	516,166

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	2,083,980	516,166
	2,083,980	516,166

NOTE 9: TRADE AND OTHER RECEIVABLES
CURRENT

Other receivables	113,123	-
	113,123	-

NOTE 10: FINANCIAL ASSETS

Available-for-sale financial assets	11a	2,001,953	2,201,298
		2,001,953	2,201,298

a. **Available-for-sale financial assets**

Listed investments, at fair value

— shares in listed entities	2,001,953	2,136,304
— options in listed entities	-	64,994

Total available-for-sale financial assets	2,001,953	2,201,298
---	-----------	-----------

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.

NOTE 11: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		2010	2009
Parent Entity:			
Tasman Resources Ltd	Australia		
Subsidiaries of Tasman Resources Ltd:			
Noble Energy Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 12: ASSOCIATED COMPANIES

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carry amount of investment	
				2010 %	2009 %	2010 \$	2009 \$
Listed:							
Fission Energy Limited	Mineral exploration	Australia	Ord	19.70	20.96	-	-
				Note		2010 \$	2009 \$
a. Movements During the Year in Equity Accounted Investment in Associate							
	Balance at beginning of the financial year					-	-
Add:	New investments during the year					-	-
	Share of associated company's profit/(loss) after income tax			10b		-	-
	Balance at end of the financial year					-	-
b. Equity accounted profits of associate are broken down as follows:							
	Share of loss before income tax					-	-
	Share of income tax expense					-	-
	Share of loss after income tax					-	-
c. Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associate							
	Current assets					1,463,825	2,332,188
	Non-current assets					14,332,800	13,519,180
	Total assets					15,796,625	15,851,368
	Current liabilities					222,934	604,443
	Non-current liabilities					250,000	250,000
	Total liabilities					472,934	854,443
	Net assets					15,323,691	14,996,925
	Revenues					156,406	428,780
	Profit/(Loss) after income tax of associate					(780,138)	(547,168)
d. Ownership interest in Fission Energy Limited at that company's balance date was 19.70% (2009: 20.96%) of ordinary shares. The reporting date of Fission Energy Limited is 30 June 2010. The Company also holds 25,000,000 options in Fission Energy Limited.							
						2010 \$	2009 \$
e. Market value of listed investment in associate							
—	Fission Energy Limited - shares					2,000,000	2,125,000
—	Fission Energy Limited - options					300,000	500,000
						2,300,000	2,625,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Note	2010 \$	2009 \$
Plant and equipment:			
At cost		72,631	96,424
Accumulated depreciation		(60,969)	(82,018)
Total plant and equipment		<u>11,662</u>	<u>14,406</u>
Total Property, Plant and Equipment		<u><u>11,662</u></u>	<u><u>14,406</u></u>

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

Plant & Equipment

Balance at the beginning of year		14,406	19,350
Additions		1,597	-
Disposals		(838)	-
Depreciation expense		(3,503)	(4,944)
Carrying amount at the end of year		<u>11,662</u>	<u>14,406</u>

NOTE 14: EXPLORATION AND EVALUATION EXPENDITURE

	Note	2010 \$	2009 \$
Balance at the beginning of the financial year		9,111,335	8,666,268
Expenditure incurred during the year		1,370,383	453,818
Less provision for impairment		(602,580)	-
Written off		(28,764)	(8,751)
Balance at the end of the financial year		<u>9,850,374</u>	<u>9,111,335</u>

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

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.

	Note	2010 \$	2009 \$
Capitalised costs included in cash flows from investing activities in the cash flow statement		<u>1,288,911</u>	<u>466,606</u>

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT - UNSECURED

Trade payables		187,703	29,913
Sundry payables and accrued expenses		56,983	54,772
Employee entitlements		60,506	42,477
		<u>305,192</u>	<u>127,162</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: ISSUED CAPITAL

	Note	2010 \$	2009 \$
193,787,678 (2009: 160,627,981) fully paid ordinary shares		19,610,391	16,193,088
		<u>19,610,391</u>	<u>16,193,088</u>
		2010 No.	2009 No.
a. Ordinary shares			
At the beginning of reporting period		160,627,981	132,656,953
Shares issued – prior year			27,971,028
Shares issued during the year			
— 21 July 2009		80,212	-
— 23 October 2009		16,833,333	-
— 19 April 2010		16,221,485	-
— Options exercised at various dates		24,667	-
At reporting date		<u>193,787,678</u>	<u>160,627,981</u>

On 21 July 2009 the company issued 80,212 ordinary shares at \$0.02 per share with one free attaching option for every share to raise working capital.

On 23 October 2009 the company issued 16,833,333 ordinary shares at \$0.09 per share to raise working capital.

On 19 April 2010 the company issued 16,221,485 ordinary shares at \$0.13 per share 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.

	2010 No.	2009 No.
b. Options		
At the beginning of reporting period	54,739,000	25,572,276
Options issued	5,981,818	30,006,277
Options exercised	(24,667)	(39,553)
Options lapsed	(32,130,345)	(800,000)
	<u>28,565,806</u>	<u>54,739,000</u>

i. For information relating to the Tasman Resources Ltd employee option plan and options issued to key management personnel during the financial period, refer to Note 25 Share-based Payments.

c. Capital Management

Management controls the working capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in responses to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17: RESERVES

a. **Option Reserve**

The option reserve records items recognised as expenses on valuation of employee share options.

b. **Financial Asset Reserve**

The financial asset reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

NOTE 18: COMMITMENTS

a. **Capital Expenditure Commitments**

Exploration commitments:

In order to maintain current rights of tenure to exploration tenements, the company is required to perform minimum exploration work to meet the requirements specified by various State governments. Due to the nature of the company's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. It is anticipated that expenditure commitments for the twelve months will be tenement rentals of \$50,000 (2009: \$98,000) and exploration expenditure of \$1,667,000 (2009: \$1,237,000). Joint venture parties earning their interest in various tenements may effectively meet a significant portion of the commitment costs. These obligations can also be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 30 June 2010.

NOTE 20: SEGMENT REPORTING

The group operates predominately in one geographical segment and one business being gold and other base metals exploration in South Australia.

NOTE 21: EVENTS AFTER THE BALANCE SHEET DATE

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

NOTE 22: CASH FLOW INFORMATION

	2010 \$	2009 \$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(1,581,854)	(459,971)
Non-cash flows in loss		
Depreciation	3,503	4,944
Share based payments	229,960	21,520
Impairment expense	602,580	-
Net gain on disposal of available for sale assets	99,252	-
Net gain on disposal of plant and equipment	338	-
Write-off of exploration expenditure	28,764	8,751
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	(29,756)	175,865
Increase/(decrease) in trade payables and accruals	20,891	(60,282)
Cash flow from operations	<u>(626,322)</u>	<u>(309,173)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 23: PARENT COMPANY INFORMATION

	2010 \$	2009 \$
a. Parent Entity		
Assets		
Current assets	2,197,019	516,109
Non-current assets	11,673,056	10,959,545
Total Assets	13,870,075	11,475,654
Liabilities		
Current liabilities	305,192	127,162
Non-current liabilities	-	-
Total liabilities	305,192	127,162
Equity		
Issued Capital	19,610,391	16,193,088
Retained Earnings	(6,954,743)	(5,379,062)
Reserves		
Financial assets reserve	-	(137,109)
Option reserve	909,235	671,575
Total reserves	909,235	534,466
Financial performance		
Profit for the year	(1,575,681)	(458,621)
Other comprehensive income	-	(51,109)
Total comprehensive income	(1,575,681)	(509,730)

Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2010.

NOTE 24: RELATED PARTY TRANSACTIONS

	2010 \$	2009 \$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.		
a. Key Management Personnel		
Management fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	226,170	226,170
Legal fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.	25,062	3,330
Placement fees paid to RM Capital, a firm of which Mr GT Le Page has an interest.	103,169	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 25: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2010:

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.

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 other 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 during the year ended 30 June 2010. The closing share market price of an ordinary share of Tasman Resources Ltd on the Australian Securities Exchange at 30 June 2010 was \$0.11 (30 June 2009 \$0.027). Included under employee benefits expense in the income statement is \$229,960 (2009: \$21,520), and relates, in full, to equity-settled share-based payment transactions.

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

The options outstanding at 30 June 2010 had a weighted average exercise price of \$0.15 and a weighted average remaining contractual life of 2.2 years. Exercise prices range from \$0.10 to \$0.16 in respect of options outstanding at 30 June 2010.

	2010		2009	
	Number of Options	Weighted Avg Exercise Price	Number of Options	Weighted Avg Exercise Price
Outstanding at the beginning of the year	4,274,804	0.15	3,000,000	0.20
Granted	5,901,606	0.16	2,074,804	0.10
Expired	(2,200,000)	0.20	(800,000)	0.20
Outstanding at year-end	7,976,410	0.15	4,274,804	0.15
Exercisable at year-end	7,776,410	0.15	3,974,804	0.15

NOTE 26: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts payable.

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

i. Liquidity Risk

Responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring cash flows.

The remaining contractual maturities of the Group and Parent entities financial liabilities are:

	2010	2009
	\$	\$
6 months or less	305,192	127,162
Total	305,192	127,162

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 26: FINANCIAL INSTRUMENTS CONTINUED

ii. 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, as disclosed in the balance sheet.

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

b Financial Instruments

i. Interest Rate Risk

The Group'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:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
			\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	4.00%	3.00%	2,083,980	516,109	-	-	2,083,980	516,109
Trade and other receivables	-	-	-	-	113,123	-	113,123	-
Total Financial Assets			2,083,980	516,109	113,123	-	2,197,103	516,109
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	305,192	127,162	305,192	127,162
Total Financial Liabilities	-	-	-	-	305,192	127,162	305,192	127,162

ii. Price Sensitivity Analysis

At 30 June 2010, the effect on equity as a result of changes in the price risk, with all other variables remaining constant would be as follows

	2010 \$	2009 \$
Increase in market value of available-for-sale financial assets at fair value by 10%	200,195	220,130
Decrease in market value of available-for-sale financial assets at fair value by 10%	(200,195)	(220,130)

At 30 June 2010, there will be no effect on profit as a result of changes in the price risk.

iii. Net Fair Values

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

	2010		2009	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial Assets				
Cash and cash equivalents	2,083,980	2,083,980	516,109	516,109
Loans and receivables	113,123	113,123	-	-
Available-for-sale financial assets at fair value	2,001,953	2,001,953	2,201,298	2,201,298
Investments accounted for using the equity method	-	2,300,000	-	2,625,000
	4,199,056	6,499,056	2,717,407	5,342,407
Financial Liabilities				
Trade and sundry payables	305,192	305,193	127,162	127,162
	305,192	305,193	127,162	127,162

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 27: COMPANY DETAILS

The registered office of the company is:

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

The principal place of business is:

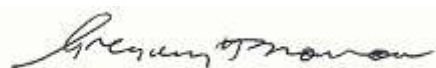
Tasman Resources Ltd
Level 40, Exchange Plaza
2 The Esplanade
Perth
Western Australia 6000

DIRECTORS' DECLARATION

In the opinion of the directors of Tasman Resources Ltd (the "Company"):

- a. the financial statements and notes set out on pages 21 to 39, and the Remuneration disclosures that are contained in pages 20 to 21 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its 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; and
 - (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
- b. the remuneration disclosures that are contained in page 16 to 17 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
- c. 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.



Gregory H Solomon
Director

Dated this 28th day of September 2010

Grant Thornton Audit Pty Ltd
ABN 94 269 609 023

10 Kings Park Road
West Perth WA 6005
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

Independent Auditor's Report To the Members of Tasman Resources Limited

Report on the financial statements

We have audited the accompanying financial statements of Tasman Resources Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial statements and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 also state, in the notes to the financial statements, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial statements, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and

perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion,:

- a the financial statements of Tasman Resources Limited are in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial statements also comply with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report


We have audited the Remuneration Report included in pages 16 to 18 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the Remuneration Report of Tasman Resources Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Director – Audit & Assurance

Perth, 28 September 2010

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. Shareholding as at 15 September 2010

a. Distribution of Shareholders	Number
Category (size of holding)	Ordinary
1 – 1,000	86
1,001 – 5,000	316
5,001 – 10,000	404
10,001 – 100,000	1,183
100,001 – and over	257
	2,246

b. The number of shareholdings held in less than marketable parcels at 30 June 2010 is 415.

c. The names and relevant interests of the substantial shareholders listed in the company's register as at 15 September 2009 are:

Shareholder	Number Ordinary
Arkenstone Pty Ltd	28,171,975
March Bells Pty Ltd	27,851,500

d. **Voting Rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

Name	Number of	% of Issued
	Shares Held	Capital
1. Arkenstone Pty Ltd <G H Solomon Family Invest A/C>	20,426,855	10.541%
2. March Bells Pty Ltd <DH Solomon Family A/C>	17,562,995	9.063%
3. March Bells Pty Ltd <The Douglas H Solomon S/F>	7,693,384	3.970%
4. Arkenstone Pty Ltd <The Gregory and Lee Solomon Super Fund A/C>	7,444,338	3.841%
5. HSBC Custody Nominees (Australia) Ltd	6,566,952	3.389%
6. RBC Dexia Investor Services Australia Nominees Pty Ltd <MLCI A/C>	3,280,103	1.693%
7. Ernie Pty Ltd	2,974,497	1.535%
8. Citicorp Nominees Pty Limited	2,316,899	1.196%
9. March Bells Pty Ltd	2,175,324	1.123%
10. Mr Thomas Fleet Scaife	1,804,688	0.931%
11. Kavel Pty Ltd <Kleemann Family A/c>	1,760,000	0.908%
12. Mr Peter Chappell	1,692,308	0.873%
13. Boulevard Investments Pty Ltd	1,500,000	0.774%
14. Lippo Securities Nominees (BVI) Ltd <Client A/C>	1,500,000	0.774%
15. Peto Pty Ltd <The 1953 Super Fund A/C>	1,361,250	0.702%
16. Mr Kenneth Lamb & Mrs Valerie Lamb <Lamb Superannuation Fund>	1,163,250	0.600%
17. Arden Medical Pty Ltd	1,118,888	0.577%
18. Gasmere Pty Ltd	1,112,888	0.574%
19. Mr John Darling & Mrs Lorraine Darling <Darling Super Fund A/C>	1,068,928	0.552%
20. Mr Robert H Smythe <Super Fund A/C>	1,000,000	0.516%
	85,523,547	44.133%

2. Optionholding as at 15 September 2009 (TASOB: \$0.10 Expiring 30 June 2012)
a. Distribution of Optionholders

Category (size of holding)	Number of Optionholders
1 – 1,000	49
1,001 – 5,000	188
5,001 – 10,000	96
10,001 – 100,000	141
100,001 – and over	22
	496

b. 20 Largest Optionholders — TASOB

Name	Number Options Held	% of Issued Capital
1. Arkenstone Pty Ltd <GH Solomon Family Inv A/C>	4,084,272	2.108%
2. March Bells Pty Ltd <DH Solomon Family A/C>	3,512,599	1.813%
3. March Bells Pty Ltd <The Douglas H Solomon S/F>	1,538,677	0.794%
4. Arkenstone Pty Ltd <The Gregory and Lee Solomon Super Fund A/C>	1,488,868	0.768%
5. Ernie Pty Ltd	843,625	0.435%
6. March Bells Pty Ltd	435,065	0.225%
7. Timmid Pty Ltd	419,875	0.217%
8. Mr Thomas Fleet Scaife	360,938	0.186%
9. Temmedo Pty Limited	350,000	0.181%
10. Mr Alban Horst Hasslinger	300,000	0.155%
11. Mr Kenneth Lamb & Mrs Valerie Lamb <Lamb Superannuation Fund>	290,813	0.150%
12. Mr Roy Wiseman & Mr Benjamin Wiseman <Wiseman Superfund A/C>	250,000	0.129%
13. Mr Peter Weber	155,000	0.080%
14. Mrs Barbara Watson	154,688	0.080%
15. Rivermore Pty Limited	140,000	0.072%
16. Doug Perry (Insurances) Nominees Pty Ltd <D C Perry Family A/c>	136,778	0.071%
17. Voodoo Financial Services Pty Ltd	125,000	0.065%
18. Mr Phillip Hardcastle	125,000	0.065%
19. HSBC Custody Nominees (Australia) Limited	125,000	0.065%
20. Andrew Peterson	114,252	0.059%
	14,950,450	7.715%

3. Unlisted Options as at 15 September 2010

Name	Date of Expiry	Exercise Price	Number under Option
ESOP	16 April 2012	0.10	1,574,804
ESOP	26 May 2013	0.12	500,000
ESOP	30 June 2012	0.16	2,000,000
DIRECTORS	20 November 2012	0.16875	3,000,000
ESOP	8 February 2012	0.15	401,606
ESOP	31 May 2013	0.15	500,000
			7,976,410

TENEMENT SCHEDULE

Table 1 lists further details on the tenements.

Table 1: Tasman Resource Tenement Schedule

State	Licence Type	Number	% Interest	Locality	Location
Qld	EPM	15642	100	Mirrica North	Approximately 150 NW of Bedourie
Qld	EPM Applic.	18226	100	Toomba South	Approximately 150 NW of Bedourie
SA	EL	4168	100*	Wartaka	Approximately 50 km west of Port Augusta
SA	EL	4206	100*	White Cliff	Approximately 70 km NNW of Andamooka
SA	EL	4405	100*	Fergusson Hill	Approximately 120km northwest of Andamooka
SA	EL	4300	100*	Andamooka	Immediately ENE of Andamooka
SA	EL Applic.	2008/436	100*	Todds Dam	Approximately 45km west of Andamooka
SA	EL	4322	100*	Andamooka North	Approximately 140 km northwest of Leigh Creek
SA	EL	4475	100*	Iron Knob	Approximately 50 km WSW of Port Augusta
SA	EL	3343	100*	Sandstone	Approximately 90 km southwest of Coober Pedy
SA	EL	3423	100*	Wildingi Claypan	Approximately 95 km southwest of Coober Pedy
SA	EL	3453	100*	Reid Lookout	Approximately 70 km west of Port Augusta
SA	EL	3532	100*	Galaxy Tank	Approximately 85 km southwest of Coober Pedy
SA	EL	3739	100*	Old Wartaka	Approximately 70 km west of Port Augusta
SA	EL	4360	100	Streaky Bay	Approximately 35 km east of Streaky Bay

* Fission has the uranium rights in these tenements under an agreement with Tasman. In ELs 4206, 4300, 4322 and EL4405, 2008/436 Fission only has the rights to uranium mineralisation in rocks above the basement.

**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
Web: www.tasmanresources.com.au**