

Due Diligence and Valuation Report

Arrowhead Code: 19-09-01
 Coverage initiated: 03 Nov 2011
 This document: 02 Feb 2012
 Fair share value bracket: AU\$0.15 to AU\$0.71
 Share price on date: AU\$0.115ⁱ

Analyst Team

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Market Data

52-Week Range:	AU\$0.049 – AU\$0.21 ⁱⁱ
Average Daily Volume:	172,116 ⁱⁱⁱ
Market Cap. on date:	AU\$25.81MM ^{iv}

Estimated EV (in AU\$ MM)

Value Bracket	Copper	Gold	Silver	Uranium	Total EV (AU\$ MM)
Low	25.5	3.7	0.7	2.9	32.8
High	93.1	5.3	1.0	59.6	159.0

Fiscal Year (FY)

1st July – 30th June

Summary

Tasman Resources Ltd. (Tasman), incorporated in 1987 and based in Perth, is a commodity exploration company focused on IOCGU (iron oxide associated copper, gold, uranium) deposits, along with interests in precious and base metals and alternative energy.

Tasman is in the exploration phase focused primarily on copper, gold, silver and uranium mineralization in its large, strategically located tenements on the richly mineralized Gawler Craton in South Australia, which hosts some of the world's major copper/gold/ uranium projects.

The company has two flagship projects namely Vulcan and Lucas Hill. The Vulcan Project has been shown to host at least one highly prospective, very large IOCGU system, whilst the Lucas Hill tenement is also considered to be prospective for IOCGU deposits.

Additionally, the 12 square km Vulcan prospect is only 30 km north of BHP Billiton's giant Olympic Dam IOCGU mine and 150 km away from OZ Minerals' IOCGU Prominent Hill mine. Olympic Dam is the world's fourth-largest copper deposit, the largest uranium deposit and the fourth largest



Company: Tasman Resources Ltd.
 Ticker: ASX:TAS
 Headquarters: Perth, Australia
 Managing Director: Gregory Howard Solomon
 Website: www.tasmanresources.com.au

gold deposit. The Lucas Hill prospect, which is 40 km away from the proven Carapeteena IOCGU deposit, is now being drilled for the first time.

In Oct-2011, after only 8 holes had been drilled, which confirmed the potential to host a major deposit, Tasman entered into a conditional Farm-in agreement over the Vulcan licence (EL4322) with Rio Tinto Exploration (RTX), which could see RTX paying Tasman up to \$17million and RTX also expending up to \$75million on further exploration to earn an 80% interest in EL 4322. The agreement is conditional on Tasman receiving the Aboriginal heritage clearance to drill a previously restricted part of the Vulcan prospect.

The company has recently commenced drilling at Lucas Hill and plans an extensive drilling program at Vulcan later this year. Tasman benefits from a good blend of commodities through its several projects, cushioning it against adverse market movements and uncertain economic conditions. In addition, its current focus on IOCGU deposits, if proven up, will provide it with significant operational and economic advantages.

Until the RTX agreement becomes unconditional, Tasman could be faced with financing challenges resulting from the simultaneous focus on two flagship projects.

Though still in the initial stages of exploration, Tasman has achieved good progress to date and the risks are mitigated by the extensive knowledge, expertise and experience of the Tasman management team.

Given due diligence and valuation estimations based on comparable resource based valuation method, Arrowhead believes that Tasman Resource's fair share value lies between AU\$0.15 and AU\$0.71^v. Valuation is based on the company's two flagship projects, the Vulcan and Lucas Hill prospects for copper, gold, silver and uranium.

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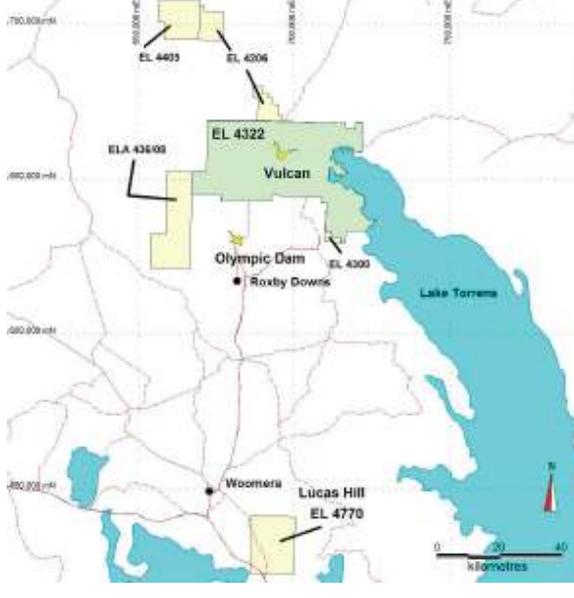
Company Presentation

Tasman Resources Ltd. (Tasman); incorporated in 1987 and based in Perth, is an exploration company focused on IOCGU (Iron Oxide-Copper-Gold-Uranium) deposits. Tasman’s commodity base is a good blend of precious and base metals in its tenements in South Australia, coupled with interests in companies focusing on Alternative Energy and precious and base metals.

Amongst Tasman’s wide asset portfolio are its flagship projects, the Vulcan and Lucas Hill prospects. Vulcan, a proven IOCGU deposit, and untested Lucas Hill which is prospective for an IOCGU deposit, hold significant potential for mineralization considering their respective proximities to the giant Olympic Dam mine and the Carapateena deposit. The company, having made good progress in drilling in Vulcan, commenced drilling at Lucas Hill in February 2012. We understand the Vulcan project to be top priority for Tasman, for which it could obtain the required financing (up to \$17million in cash and a further \$75million in exploration funding) as well as technical expertise through its October 2011 conditional Farm-in agreement with Rio Tinto Exploration (RTX), a subsidiary of Rio Tinto Limited.

Tasman’s Asset Portfolio

Tasman’s asset portfolio primarily comprises prospects on the Olympic Dam Province of the Stuart Shelf in South Australia, where it holds five granted Exploration Licences and one Exploration Licence Application. The Olympic Dam Province is considered to hold significant potential for further IOCGU exploration, evident from the already existing Olympic Dam, Prominent Hill and Carapateena IOCGU deposits.

Tasman’s tenement holdings	Tasman’s Projects
	<p>Primary / Flagship Projects</p> <p style="text-align: right;">South Australia</p>
	<ul style="list-style-type: none"> •Vulcan Project - 100% interest; IOCGU Deposit •Lucas Hill - 100% interest; IOCGU Deposit
	<p>Secondary Projects</p> <p style="text-align: right;">South Australia</p>
	<ul style="list-style-type: none"> •Parkinson Dam - 100% interest; Gold-Silver (Lead-Zinc) •Central Gawler - 100% interest; Gold •Garford Project - 100%; Oil Shale Prospect •SA Diamond Project - Joint Venture with Flinders Mining Lts.
	<p>Investments</p> <p style="text-align: right;">Equity Interest</p>
	<ul style="list-style-type: none"> •Eden Energy Ltd. - Alternative Energy company; 24.7% interest •Fission Energy td. - Uranium Explorer and potential nickel-cobalt producer; 19% interest
<p>Source: Company filings</p>	<p>Source: Company filings</p>

For more detail on Assets, see the [Assets and Projects](#) section of this report.

Tasman’s Corporate Strategy

Tasman’s strategy aims at further exploring its flagship projects – Vulcan and Lucas Hill, with a view to then finding strategic joint venture partners for development. The company is primarily targeting very large, high-grade copper, gold and uranium deposits from these projects and aims to provide growth through focus on these proven but underexplored areas. It will continue drilling of select priority sites within the Vulcan IOCGU system whilst also focusing on Lucas Hill, where drilling recently commenced.

intersections from the 8 holes drilled to date, indicating a sufficient prospectivity for the world's second largest mining company, the Rio Tinto Group, to enter into a conditional farm-in agreement.

Lucas Hill's geophysical characteristics are similar to Carapateena with a relatively larger area. Arrowhead derives comfort from the Inferred Resources of 203MMT graded at 1.31% Cu, 0.56g/T Au, 270ppm U3O8 and 6g/T Ag that Carapateena possesses, and which Lucas Hill could potentially possess having similar geological characteristics. Apart from sound mineralization, the Lucas Hill prospect benefits from good infrastructure access including a highway and railway line, power and water facility.

Considering these factors, Arrowhead considers these prospects offer considerable promise in terms of both economic benefits as well as operational efficiency in the medium to long term.

Farm-in agreement with RTX: The conditional Farm-in by RTX for Tasman's EL4322 tenement in the Vulcan prospect should provide Tasman with both significant funding and additional technological expertise for further exploration and development.

Experienced Management Team: Tasman's management team, under the geological direction of Rob Smith who worked at Olympic Dam for Western Mining for approximately 15 years, including six years as chief geologist, has sound experience in the field of mining, which should help in efficient risk management along with laying strategies appropriate to the company's operational, financial and business matrices. In addition, its experience and expertise in the contours of Olympic Dam provides it the required competence for executing existing projects as well as provide forethought for prospective assets.

For more details on the management, see the [Management and Governance](#) section of the report.

Tasman's Portfolio and Risks

Tasman is in its discovery stage, which is a relatively higher risk stage for a mining company. The intrinsic risks in the discovery stage derive from uncertainty regarding mineralization, gauging financing needs and maintaining operational flexibility. We understand this risk to prevail until the company reaches the development stage (or the 'lower risk' stage), which will be attained with a production decision. Arrowhead understands that because of the size of its prospects which will require significant testing, Tasman is quite likely to be at least two to three years distant from reaching the production decision stage as it is currently testing or is in the process of testing its prospects with drilling.

Execution risk: We understand the company could also be exposed to the implementation challenges that could arise with simultaneously operating two projects. Tasman is currently focused on its two primary projects – Vulcan and Lucas. While Vulcan is in a more advanced drilling stage, drilling in Lucas is only recently commenced. However, with both projects in the exploration stage, should the RTX farm-in agreement not proceed, Tasman could be faced with implementation and execution challenges including allocation of resources and capital. On the other hand, a prolonged halt for the other project could result in a loss of exploration momentum.

Financing risk: Tasman is at the start-up stage and will require funding in each stage of the mining cycle. The company has currently adopted only the equity mode of funding and Arrowhead believes that failure to obtain additional funds or entering into partnerships could adversely impact its exploration operations. However, financing risk for Tasman to some extent is mitigated with the conditional Farm-in option with Rio Tinto Exploration (RTX) for its tenement EL4322 in the Vulcan prospect, which will provide it with immediate funding.

Aboriginal heritage clearance: The Farm-in agreement is subject to precedent conditions, including securing Aboriginal heritage access for conducting the Initial Exploration program over a portion of tenement over which Tasman has previously not secured the Aboriginal heritage access. Though the other conditions should be fulfilled, Tasman is still awaiting the Aboriginal heritage clearance. A delay in clearance would result in a delay in further drilling as well as delayed financial support.

Other risks: Tasman is additionally exposed to commodity price risk, environmental risk, title risk, insurance risk and foreign exchange risk, amongst others.

For a detailed risk assessment, please refer to the [Risk profile analysis](#) section.

For more information on the Farm-in with RTX, please refer to the [Tasman-Rio Tinto Farm-in agreement](#) details.

News

- **Drilling update from Lucas Hill project:** On January 17, 2012, Tasman announced that the drill rig is on site and drilling is about to commence at the Lucas Hill project. Drilling will consist of an initial two drill holes with further drilling dependent on the results of the holes drilled. The drilling program is likely to take around 5 to 6 weeks with assay results to be available 4 to 6 weeks after completion.
- **Lucas Hill project:** On November 15, 2011, the company announced that it had secured the services of a drilling contractor. It expects to initially start drilling two holes in mid-January 2012, for which it had obtained Aboriginal heritage clearance.
- **Tasman announces dating results of Vulcan IOCGU project:** On October 27, 2011, Tasman announced that initial results from four samples indicated an average age of 1590 Ma (Million years). This is the age of mineralization and is significant to prove that Vulcan can have a major deposit.
- **Capital raising completion by Tasman:** On October 20, 2011, Tasman announced the completion of the capital raising process which it initiated on October 17, 2011, AU\$2.16MM was raised by issuing 14.37MM fully paid ordinary shares at an issue price of AU\$0.15 per share to professional and sophisticated investors.
- **Development update on Lucas Hill:** On October 18, 2011, Tasman announced the completion of geophysical modeling of the Lucas Hill target. This confirms the prospect as a high-priority IOCGU target. South Australian government granted the exploration license and access clearance is being sought by Tasman.
- **Rio Tinto Exploration signs conditional farm agreement with Tasman:** On October 10, 2011, Tasman announced that it has signed a conditional farm-in/joint venture agreement over Vulcan IOCGU license EL4322, in which the Vulcan prospect is located. Conditions were laid for both preceding and completing the exploration programs to which both sides had agreed upon.
- **Identification of new target on Lucas Hill:** On August 01, 2011, Tasman announced that it identified a new IOCGU target at Lucas Hill in South Australia. Tasman plans to obtain Aboriginal heritage clearance for the target.
- **Tasman announces non-renounceable rights issue:** On May 25, 2011, Tasman announced a non-renounceable pro rata rights offer for 7.17MM ordinary fully paid shares and 1.79MM options to acquire one share at an exercise price of AU\$0.10 per share. This process is valid up to June 30, 2012 and will raise AU\$0.72MM – approximately 42% of the total new shares offered to eligible shareholders.
- **Tasman announces Vulcan assay results:** On May 12, 2011, Tasman provided an update on the drilling at the Vulcan project. The assay results prove that significant sulfide zoning is present at the site. Company will undertake further exploration.
- **South Australian government support for Vulcan project:** On May 09, 2011, Tasman announced that South Australian government had provisioned funding and technical support for the project through its PACE program for the dating process of selected samples.
- **Tasman announces pro rata non-renounceable rights issue:** On April 15, 2011, Tasman announced that it will offer one fully paid ordinary Tasman share for every 12 fully paid ordinary Tasman shares at AU\$0.1 per share and one free attaching Tasman option for every four shares issued, exercisable at \$0.10 at any time up to June 30, 2012.
- **Vulcan drilling reveals significant mineralization:** On March 2, 2011, Tasman announced encouraging results from the six-hole drilling program, suggesting mineralization associated with IOCGU-style system.
- **Tasman resumes drilling at Vulcan project:** On January 17, 2011, Tasman announced resumption of drilling at its Vulcan prospect, approximately 30km north of Olympic Dam in South Australia. Tasman expects to drill at least four to six holes. Assay results can be expected in four to six weeks.

Listing Information

Tasman Resources Ltd. (TAS) is listed on Australian Stock Exchange (ASX).

Contacts

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Major Shareholders^{vii}

#	Equity Holder	As on June-30-2011	
		No. of Shares Held (MM)	Percentage Holding
1	Arkenstone Pty Ltd	22.39	10.66%
2	March Bells Pty Ltd	19.02	9.05%
3	March Bells Pty Ltd	8.49	4.04%
4	Arkenstone Pty Ltd	8.22	3.91%
5	HSBC Custody Nominees (Australia) Ltd	7.16	3.41%
6	MrLafrasLuitingh	3.25	1.54%
7	Mr Thomas Fleet Scaife	3.20	1.52%
8	Nefco Nominees Pty Ltd	2.70	1.28%
9	Ernie Pty Ltd	2.50	1.19%
10	March Bells Pty Ltd	2.35	1.12%
11	Citicorp Nominees Pty Limited	2.31	1.10%
12	RBC Dexia Investor Services Australia Nominees Pty Ltd	1.76	0.84%
13	Kavel Pty Ltd	1.76	0.83%
14	Madam Biau Luan Tan	1.50	0.71%
15	Lippo Securities Nominees (BVI) Ltd	1.50	0.71%
16	Resources & Land Management Services	1.40	0.67%
17	Peto Pty Ltd	1.36	0.64%
18	Malenki Pty Ltd	1.30	0.6%
19	Gasmere Pty Ltd	1.20	0.57%
20	Arden Medical Pty Ltd	1.18	0.56%
	Top 20	94.64	45.05%

Management and Governance

Tasman's management comprises professionals with a proven track record and sound experience in the exploration and mining industry, which we understand is relevant to channel the company's strategies by perceiving market conditions, mining opportunities, operational implications and the associated economies.

Company Directors

Gregory Howard Solomon, LLB

Executive Chairman

Mr. Solomon has been a director of Tasman since the time of its incorporation in 1987. During his 27 years' experience as a commercial / corporate lawyer in Western Australia, Mr. Solomon has had a very broad range of experience in mining, technology, corporate, commercial, finance and property law. Mr. Solomon has a rich experience in the field of mining due to his involvement in mining / exploration industry as a legal advisor and as a director on several companies with projects in Australia, Indonesia and the Philippines – including the establishment and floating of two mining / exploration companies. He has held directorships of several public companies over a period of more than 27 years.

Guy Touzeau Le Page (BJuris LLB, Hons)

Non-executive Chairman

Mr. Le Page has a rich 10 years' experience as an exploration and mining geologist in Australia, Canada and the United States, covering gold and base metal exploration and mining geology. He also acted as a consultant to private and public companies, including production of both technical and valuation reports for resource companies.

Currently, Mr. Le Page is a corporate adviser at RM Capital Pty Ltd (specializing in resources) and is actively involved in mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles. Prior to joining Tolhurst Noall as a Corporate Adviser in July 1998, Mr. Le Page was Head of Research at Morgan Stockbroking Limited (Perth), responsible for the supervision of all Industrial and Resources research, and providing research on various mineral exploration and mining companies listed on the Australian Stock Exchange (ASX), when a Resource Analyst.

Douglas Howard Solomon

Non-executive Chairman

(B.A., B.Sc. (Hons), M.B.A., ASIA., MAusIMM)

Mr. Solomon a partner in the legal firm Solomon Brothers and is a Barrister and Solicitor with more than 22 years' experience in the areas of mining, corporate, commercial and property law.

Technical Expertise

Robert N Smith (BSc (Hons), MSc, MAIG)

Mr. Robert has been associated with Tasman since 2003. He is a member of the Australian Institute of Geoscientists and has particular geological expertise in a variety of gold deposits and komatiite nickel deposits. He has more than 22 years' experience in WMC Resources in a variety of exploration, operational and managerial roles across Australia. Mr. Robert has held the position of Chief Geologist at the Olympic Dam for six years and was also a member of the team involved in the discovery and development of the Olympic Dam deposit in South Australia.

Mr. Robert graduated from the University of Melbourne with a first class B.Sc (Hons) and M.Sc. degrees in geology in 1976.

Michael J Glasson (BSc (Hons), MSc, MAIG)

Mr. Mike is a member of the Australian Institute of Geoscientists and has almost 30 years' experience in gold, base metals and uranium exploration across Australia and in Fiji. He has an exploration background through his previous roles of a senior field geologist (Urangesellshaft (Australia) Pty Ltd), Chief Geologist (Metall Mining (Australia) Pty Ltd. and Sabminco NL) and Exploration Director (Kilkenny Gold NL). He has also acted as a Director for ten years of several ASX listed exploration companies.

Mr. Mike graduated from the University of Melbourne with B.Sc. (Hons) and M.Sc. degrees in geology in 1976.

Assets and Projects

Overview

Tasman's asset portfolio comprises projects in geologically prospective regions of South Australia. The company has large tenement holdings prospective for the iron-oxide associated copper-gold-uranium deposits (IOCGU), epithermal gold-silver prospects, and diamonds. Tasman also has indirect interests in Alternative Energy and Cobalt-Nickel.

Vulcan Prospect

Tasman's interest: 100%

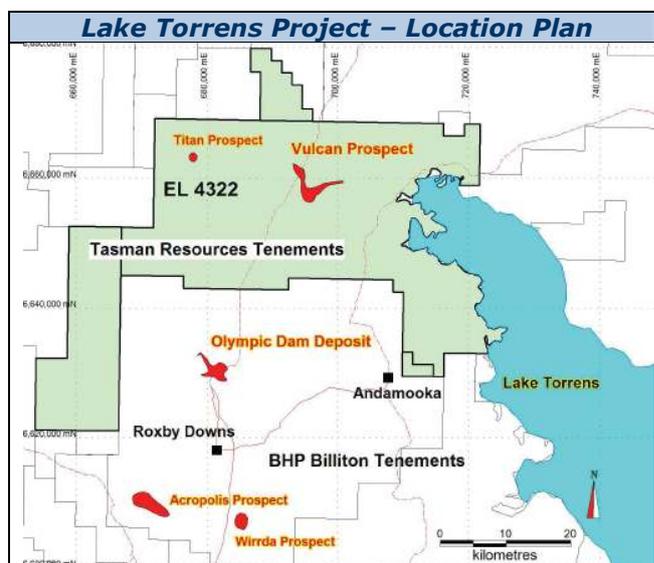
Target commodities: Primary focus on iron oxide associated copper-gold-uranium

Location: Tasman has a tenement holding of over 2,000km², in central South Australia. The main prospect is approximately 30km NNE of BHP Billiton's Olympic Dam IOCGU mine.

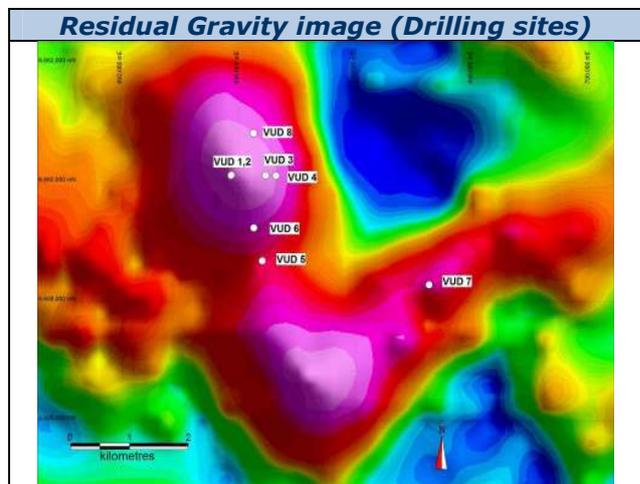
Asset summary: The Lake Torrens Project, which includes the Vulcan prospect, is Tasman's flagship project carrying enormous strategic advantages evident from its contiguity with BHP Billiton's Olympic Dam deposit and geophysical benefits of its proximity to key tectonic lineaments. Olympic Dam is the world's largest IOCGU deposit (largest uranium deposit, fourth largest copper deposit, and fourth largest gold deposit). As on June 2011, Proven reserves at the Olympic Dam mine stood at 146MMT with a grade of 1.98% Cu, 0.58kg/t U₃O₈, 0.69g/t Au and 4.01g/t Ag^{viii}.

Geology: Vulcan was identified as a prime IOCGU target in 2009 based on its geophysical similarities (a very large gravity anomaly) to the Olympic Dam deposit, 30 km to the south, and due to its proximity to key tectonic lineaments (previously used in the original targeting of Olympic Dam in the mid-1970's).

The Vulcan prospect covers at least 11km² based on geophysical data. This area is comparable to the Olympic Dam deposit with the ability of hosting a very large ore deposit. Close proximity to the Olympic Dam further enhances the possibility of enhanced mineralization in the Vulcan region. Subsequent analysis by the South Australian government, detailed below, has also confirmed the age of the Vulcan deposit to be essentially the same as the Olympic Dam ore body.



Project Status: The first hole at the Vulcan prospect was drilled in late-2009, with a total of eight holes drilled till date (Feb 2012).



VUD 003, VUD 007 and VUD008 exhibited the most favorable results, intersecting relatively stronger IOCGU mineralization in comparison to VUD 001.

Dating results

The South Australian government, through its PACE (Plan For Accelerated Exploration) 2020 initiative, funded and technically coordinated the

geological dating of selected samples from Tasman's IOCGU project. The dating results indicated an approximate average age of 1590 Ma (million years), which is similar to the approximate geological age of 1601 Ma of other proximate IOCGU rich deposits like the Olympic Dam, Prominent Hill and Carapateena.

Drilling results

Drilling results from Hole VUD 007 have been positive indicating similar mineralization and comparable thickness to zones which make up a very large portion of the nearby Olympic Dam IOCGU deposit.

VUD 003	From	To	M	Cu %	Au g/T	U3O8 Kg/T
	874.20	930.85	56.65	0.59	0.17	0.05
<i>Includes</i>	895.08	895.42	0.34	5.85	2.23	0.03
	912.00	919.80	7.80	1.21	0.35	0.14
<i>Includes</i>	919.05	919.80	0.75	4.44	1.34	0.58
	930.20	930.85	0.65	7.80	2.41	0.03

VUD 007	From	To	M	Cu %	Au g/T	U ₃ O ₈ Kg/T	Mo %
	1065	1228	163	0.23	0.08	0.04	0.01
<i>Incl.</i>	1118	1208	90	0.25	0.09	0.05	0.02

VUD 008	From	To	M	Cu %	Au g/T	U ₃ O ₈ Kg/T	Mo g/T
	899.75	1079.5	179.75	0.19	0.10	0.017	68
<i>Incl.</i>	910	931	21	0.63	0.28	0.023	107

Project schedule: Tasman is awaiting the results of recent heritage survey conducted over new targets. Tasman is expected to continue drilling the selected target sites which are on highest priority within the Vulcan IOCGU system.

Vulcan Program Details	Status
Geological and Geophysics review, remodeling	Completed
Dating of selected samples	Results available
Select new drill targets	Completed
Conclude 9B agreement with KU	Completed
Heritage survey over new targets	Awaiting report
Drill highest-priority targets	Pending

In addition to the Vulcan prospect, Tasman has several other lower priority IOCGU targets within its Lake Torrens tenement holdings, including Zeus, Billy Barnes and Marathon South.

Farm-in agreement with Rio Tinto

Tasman entered into a conditional agreement with Rio Tinto Exploration Pty Limited (RTX) providing RTX the right to farm-in to Tasman's wholly-owned Exploration Licence (EL4322) hosting the Vulcan prospect, which could see RTX expend in total \$92 million to earn an 80% interest.

While the company is making progress to satisfy the conditions of the agreement, the condition relating to Aboriginal heritage is not met, as the final report from the Aboriginal heritage is awaited. The Aboriginal heritage survey was conducted in Oct 2011 for a maximum 14 additional drill sites across the Vulcan target. For more details, please refer to the [Tasman-Rio Tinto Farm-in agreement](#) details.

Lucas Hill Project

Tasman's interest: 100%

Target commodities: IOCGU deposits

Location: 25km south east of Woomera on the Stuart Shelf in South Australia. The prospect apparently has good infrastructure facilities with proximity to the main railway line and highway, power and water.

Asset Summary: Identification of the IOCGU target at Lucas Hill was announced in Aug-2011.



Geology: Geophysical characteristics suggest that the gravity anomaly was of strength comparable to and size greater than the Carapateena deposit. Carapateena contains Inferred Resources of 203MMT graded at 1.31% Cu, 0.56g/T Au, 270ppm U3O8, and 6g/T Ag.

Recent developments: Tasman's proposed drilling program was cleared by the Aboriginal heritage survey (conducted in Oct 2011) and

drilling was expected to commence in mid-Jan 2012.

Project schedule: Once commenced, drilling will consist of an initial two drill holes with further drilling dependent upon results of previous drilling. The drilling activity is anticipated to continue for at least 5-6 weeks with assay results expected to be available 4-6 weeks after completion.

Parkinson Dam Project

Tasman's interest: 100%

Target commodities: Gold, Silver, lead, zinc

Location: Located approximately 60km west of Port Augusta in South Australia. The prospect benefits from a strategic location and infrastructure, being close to major highways.

Asset Summary: Exploration commenced in mid-2005 resulting in the discovery of the previously unknown epithermal gold-silver mineralization.

Drilling history: After the initial phases of RC percussion and diamond drilling, Tasman discovered high grade mineralization in drill hole PD 63 (21m at 21g/t Au and 83g/t Ag). However, further drilling did not yield similar positive results with respect to the grade or width of the intersection.

Project schedule: Though further targets for drill testing have been identified, Tasman did no further drilling during the year owing to its focus on the ongoing drilling at Vulcan.

Central Gawler Project

Tasman's interest: 100%

Target commodities: Gold

Location: 95km southwest of Coober Pedy, South Australia

Asset summary: It has three prospects, namely: Skye, Birdie and Golf North. Gold targets have been identified based on regional calcrete sampling and geophysical interpretation by previous explorers. Tasman aims to improve the identified target zones and find new targets.

Geology: Tasman had located a 15-m wide low-grade mineralized zone at the Skye prospect including 6m @ 2.9g/t, indicating potential for narrow high-grade plunging shoots.

Recent developments: Southern Gold reported positive results from drilling at the Golf Bore prospect, located several hundred meters southwest of Tasman's Golf North prospect.

Project schedule: No work was carried out during the year in these tenements as the area is restricted by Department of Defense, which Tasman expects to be resolved.

Garford Project - Columba Oil Shale Prospect

Tasman's interest: 100%

Target commodities: Oil Shale

Location: 80km southwest of Coober Pedy and 30km west of the Port Augusta to Darwin railway

Asset Summary: Drilling indicated 7m to 30m thickness of strongly carbonaceous black organic rich Tertiary mudstones at various points along its 40km length at shallow depths of around 7m to 15m. A 2m composite sample of carbonaceous material from one hole was determined for its oil shale potential. A pyrolysis gas chromatography was conducted, which indicated good potential for oil generation.

Joint Ventures

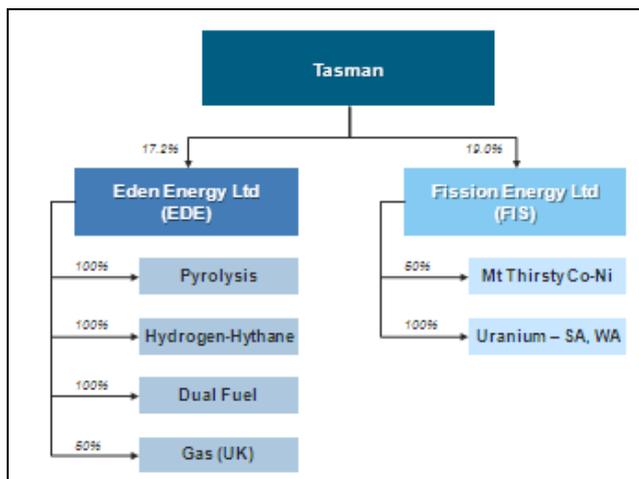
Target commodities: Diamond

Asset Summary: Flinders Mining Ltd (Flinders) has a diamonds-only joint venture with Tasman. The JV included all of Tasman's tenements other than the Lucas Hill and Parkinson Dam projects.

Based on the Joint Venture agreement, Flinders could earn 70% of the diamond rights on expending AU\$750K over four years.

Investments

Tasman has equity interests in Eden Energy and Fission Energy, both possessing different commodities / assets.



Eden Energy Ltd. (EDE)

Tasman's interest: 24.7% interest on a fully diluted basis as on 31-Dec-11.

Target commodities: Alternative energy - hydrogen, coal seam and abandoned mine methane, and geothermal energy.

Company details: EDE is an alternative energy company making promising progress in its carbon / hydrogen pyrolysis project. At the same time, EDE's subsidiaries in the United States and India are making progress in Optblend Dual Fuel Kit sales.

Fission Energy Ltd. (FIS)

Tasman's interest: 19% interest as on 31-Dec-11

Target commodities: Uranium, nickel-cobalt

Company details: FIS owns 50% in Mt Thirsty Nickel-Cobalt Project in Western Australia. Mt Thirsty has current JORC resources as below:

	Resource (MMT)	Co	Ni	Mn
Inferred	15.3	0.11%	0.51%	0.73%
Indicated	16.6	0.14%	0.60%	0.98%

Tasman – Rio Tinto Farm-in agreement

In October 2011, Rio Tinto Exploration Pty Limited (RTX), a wholly owned subsidiary of Rio Tinto Limited, signed a conditional agreement with Tasman for funding an accelerated exploration program on its wholly-owned EL4322 in the Vulcan prospect.

The agreement was to see an

Terms of the agreement

Immediate cash injection of AU\$10MM by RTX, of which AU\$5MM were to fund the exploration program over the first 12 months, aiming to prove up the potential of the Vulcan prospect with drilling of at least 12000 meters required.

Option 1: 55% interest in the Agreement by RTX

Conditions:

- 1) Payment of a further AU\$7MM to Tasman; and
- 2 a) Fund the delineation of a JORC compliant Inferred mineral resource and completing a concept study within three years of electing to farm-in; or
- 2 b) Disbursing an additional AU\$25MM for funding exploration; whichever is earlier

Option 2: Increase interest from 55% to 80%

Conditions:

- 1) Pre-feasibility study should be completed within the next five years; or
- 2) Disbursing an additional AU\$50MM for funding exploration; whichever is earlier

At 80% interest by RTX, Tasman can:

- 1) maintain the remaining interest and contribute to future funding; or
- 2) Offer its remaining stake to RTX (for compulsory purchase) for an agreed value of fair market value

Technologies and Markets

Uranium

Chemistry and Properties

Uranium is a radioactive element that occurs naturally in low concentrations (a few parts per million) in soil, rock, and surface and groundwater. It is the heaviest naturally occurring element, with an atomic number '92'. Uranium has sixteen isotopes, all of which are radioactive.

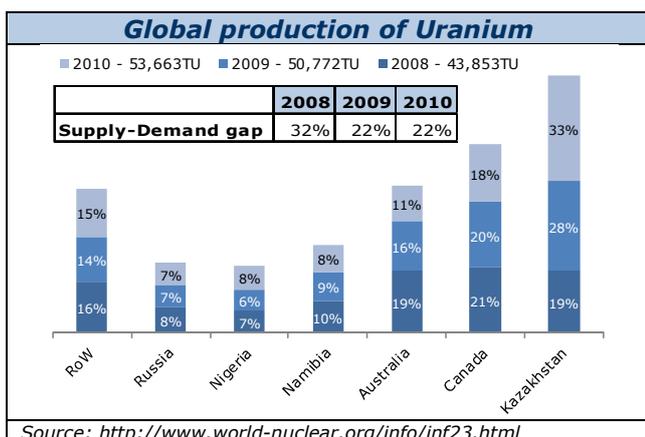
Uranium Applications^{ix}

Uranium finds its widest application as a fuel to nuclear power plants. Its other applications include:

- explosive and yield booster in nuclear weapons
- material for armor and armor-piercing projectiles
- catalyst
- additive for glass and ceramics (to obtain beautiful green or yellow colors)
- toner in photography
- mordant for textiles
- additive for the preparation of biological samples for electron microscopy
- shielding material (depleted uranium)
- ballast (counter weights)

Sources, Production and Demand^{xxi}

Global production of Uranium stood at 63.29KT as on 2010, catering to 78% of the world demand. Kazakhstan, Canada and Australia contributed to around 62% of the world's production.



World Nuclear Association (WNA) expects 2011 Uranium production to be 56.05KT and UxC predicts 2012 production to be around 63.6KT.

Historically, global uranium consumption has exceeded production, a trend witnessed since 1985. The 2006 demand-supply mismatch (when producers could meet only 62% of the global demand) resulted in using the reprocessed uranium and plutonium from the dismantling of Russian and U.S. nuclear weapons.

Uranium demand

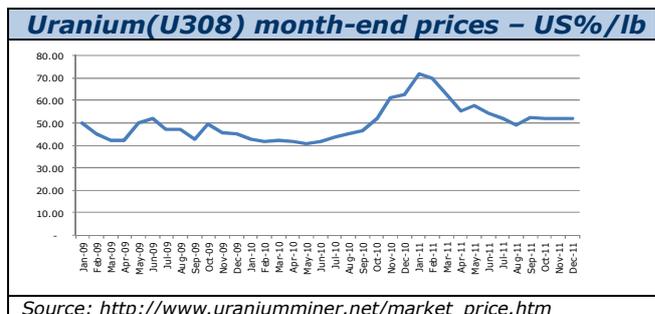
Demand forecasts for uranium predominantly depend on the installed and operable capacity of nuclear power plants, regardless of economic fluctuations.^{xii} As on October 2011, there were 432 nuclear reactors operating worldwide with 215 reactors under construction or planned for completion by 2020. The demand for processed uranium continues to rise as countries, particularly China and India, increase their reliance on nuclear energy for electricity.^{xiii}

The World Nuclear Association (WNA) reference scenario shows a 33% increase in uranium demand over 2010-20 for a 27% increase in reactor capacity, indicating many new cores will be required.

The World Nuclear Association estimates that uranium mining will need to increase by almost 300% in the next two decades. Many announced resources, which have added to the sentiment of an expected adequate supply solution, are now being proved down as uneconomic, and demand for nuclear power supply is only increasing.^{xivxx}

Uranium Pricing

Falling uranium inventories and concerns over future availability of secondary uranium saw prices pick up appreciably, evident from the prices as high as \$138/lb in 2007. However, barring certain volatile movements, prices have remained stable in the range US\$50-60/lb over the last three years (see graph below), to a great extent owing to increased supply. Arrowhead believes the uranium price of US\$50-60/lb to be sustainable in the medium-to-long term.



Gold

Chemistry and Properties

Gold is the most widely accepted and applied precious metal, with chemical symbol 'Au' and atomic number '79'. It is dense, soft, shiny and the most malleable and ductile pure metal.

Gold Applications

Gold, due to its properties, has been a highly sought-after precious metal for coinage, jewelry and other arts since the beginning of recorded history, and has been majorly used for jewelry (50% of the total application as on 2010), investments (38%) and technological purposes (12%).

Value Conservation and Transmission (from Coinage to Central Bank Reserves): Gold has been one of the main coinage metals throughout history. Gold standards have provided a basis for monetary policies and modern central banks complement the assets of the country whose currencies they govern and other currency reserves, with gold reserves as hard collateral for a minimal value preservation of these currencies. Private investors may also hedge their portfolio with gold during distressed times in equity, debt and cash markets. Like all large international commodities markets, there is a big element of speculation which underlies and animates the 'gold-as-an-investment market'.

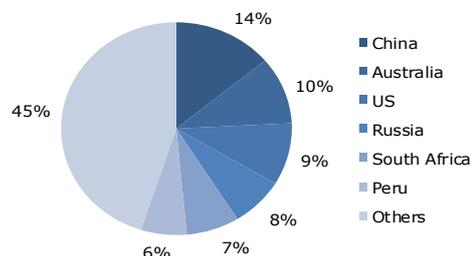
Jewelry: Gold's main use today is in ornamental products, especially jewelry. In jewelry, it is used in different grade alloys. Because of the softness of pure (24k)^{xvi} gold, it is usually alloyed with base metals for use in jewelry, altering its hardness and ductility, melting point, color and other properties. Alloys with lower gold purity, typically 22k, 18k, 14k or 10k, contain percentages of copper, other base metals, silver or palladium.

Industrial applications: Gold has many modern industrial uses, including dentistry and electronics, because of its good resistance to oxidative corrosion and excellent quality as a conductor of electricity.

Sources, supply and production

Production declined 8% yoy in 2011 with China remaining the top producer. Production has slowed since 2009 owing to project delays, lower grade ores and rising cash costs.

World Gold Production 2011 (100%= 76.4Moz)



Source: Bloomberg

Gold Market Driver

Gold demand is mainly driven by the need for value preservation, which is affected by the economic situation (money supply, inflation, interest rates, debt and equity markets, etc.). Demand for gold is generally seen to be rising during weak economic conditions and is thus considered to be a safe haven for investments.

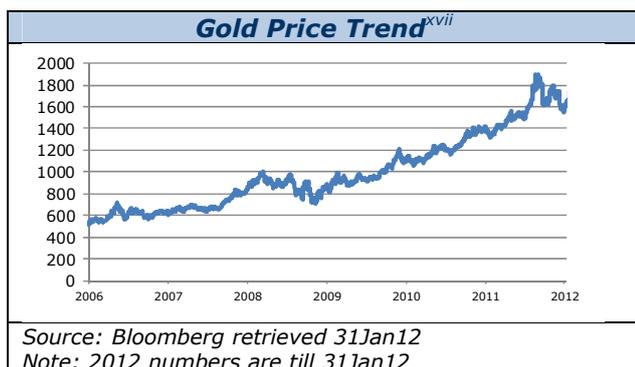
Another important driver is the fabrication demand from downstream sectors, predominantly jewelry. Also, a structural shift in central bank policy towards gold in recent times is driving the demand. Central banks have bought about 30Moz of gold since March 2009, which is about 12% of global demand. Further, China, one of the largest buyers of U.S. Treasuries, reduced its holdings in US treasuries and is increasing the gold reserves by around 30% a year. This clearly shows its intent to diversify foreign-exchange holdings.

Gold Price Trends

Gold prices have been rising since 2001, when the price was around US\$250/oz. An increase in money supply in the US in early 2011 pushed gold prices to record levels, while recessionary conditions in the Eurozone maintained gold's important position for investment.

We believe the price rise to continue in 2012 and beyond, with European debt crises yet to be fully resolved, combined with uncertain implications of loose monetary and fiscal policies worldwide. However, the rate of increase is not expected to be as significant as in 2010 with supply expected to rise in the near future.

Gold prices are likely to remain supported by central bank purchases (driven by real interest rates), and increasing global money supply.



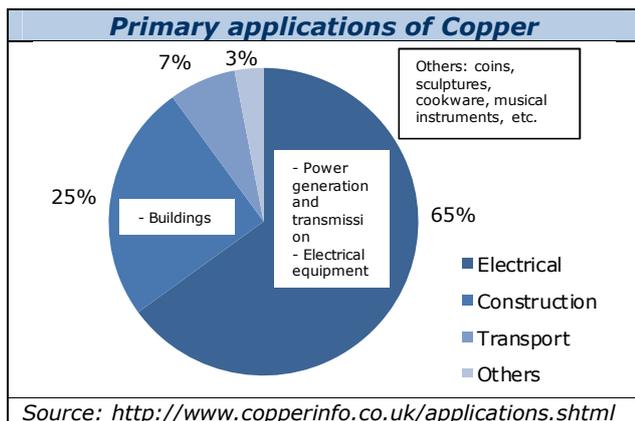
Copper

Chemistry and Properties

Copper is a ductile metal with high thermal and electrical conductivity possessing the chemical symbol 'Cu' and atomic number 29.

Copper uses

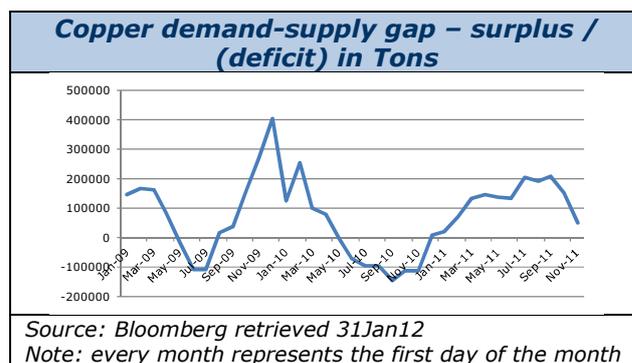
Copper is primarily used in electrical applications, construction, and transport.



Sources and production

The top 10 corporate producers control approximately 53% of global mine output, with the remaining holdings being fragmented. The top five producing countries viz. Chile, Peru, China, US, and Indonesia, control 61% of the total mine production. Chile leads the world in mine production with a 34% share; China is the major contributor to refined production and demand at 23.8% and 39%, respectively.^{xviii}

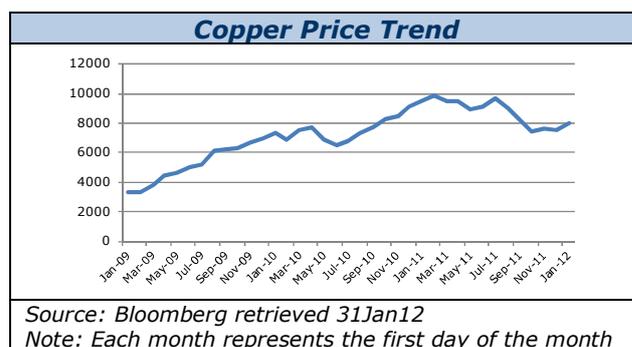
The world's leading producers (including Codelco, Freeport McMoRan, BHP Billiton, Xstrata and Grupo Mexico) are anticipated to add new mine supply over the next three years. Africa and South America are likely to show significant growth opportunities, and with mine expansions in Chile and the US, mine production is indicated to grow at a CAGR of 4.7% by 2014.



Despite high copper prices (in comparison to the levels witnessed in 2010), new mine supply remained and could likely remain restricted, owing to strikes and political unrest, project delays, permitting restrictions, technical issues and shortage of skilled labor.

Copper Price Trend

Copper prices declined 21% in 2011, however, have recovered in Jan-2012 with stabilization in Chinese manufacturing and relatively improving economic conditions in Europe.



Prices are expected to remain subdued in 2012 considering the slowdown in GDP growth globally and an increase in mine supply.

IOCGU Deposits

Properties^{xix}

IOCGU (Iron oxide-copper-gold-uranium) deposits are the significantly valuable concentrations of copper, gold and uranium ores hosted within iron oxide dominant gangue assemblages sharing a common genetic origin.

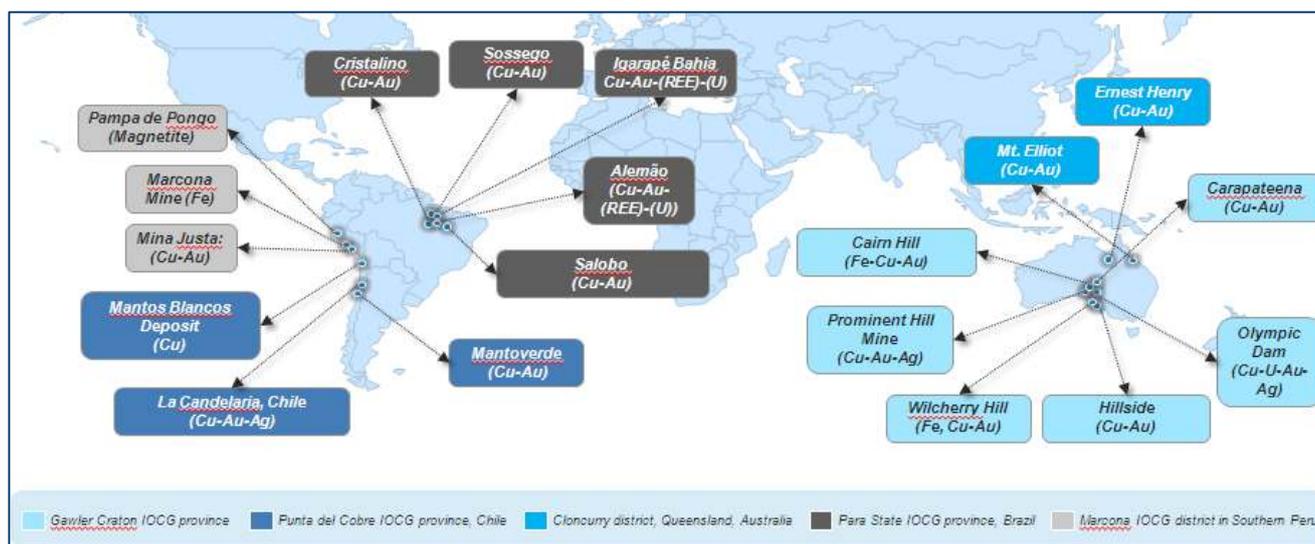
The IOCGU deposits generally possess the following properties:

- Economic metals comprise copper, with or without gold
- Ore style is hydrothermal with strong structural controls
- Magnetite and hematite is found in abundance
- Fe oxides with Fe / Ti are greater than that found in most igneous rocks and bulk crust

Mineralization

The IOCGU deposits are hugely mineralized with contained ore in the range 10MMT to 4BT with a grading between 0.2% to 5% copper and 0.1 to more than 3 g/T gold.

Important global deposits^{xx}

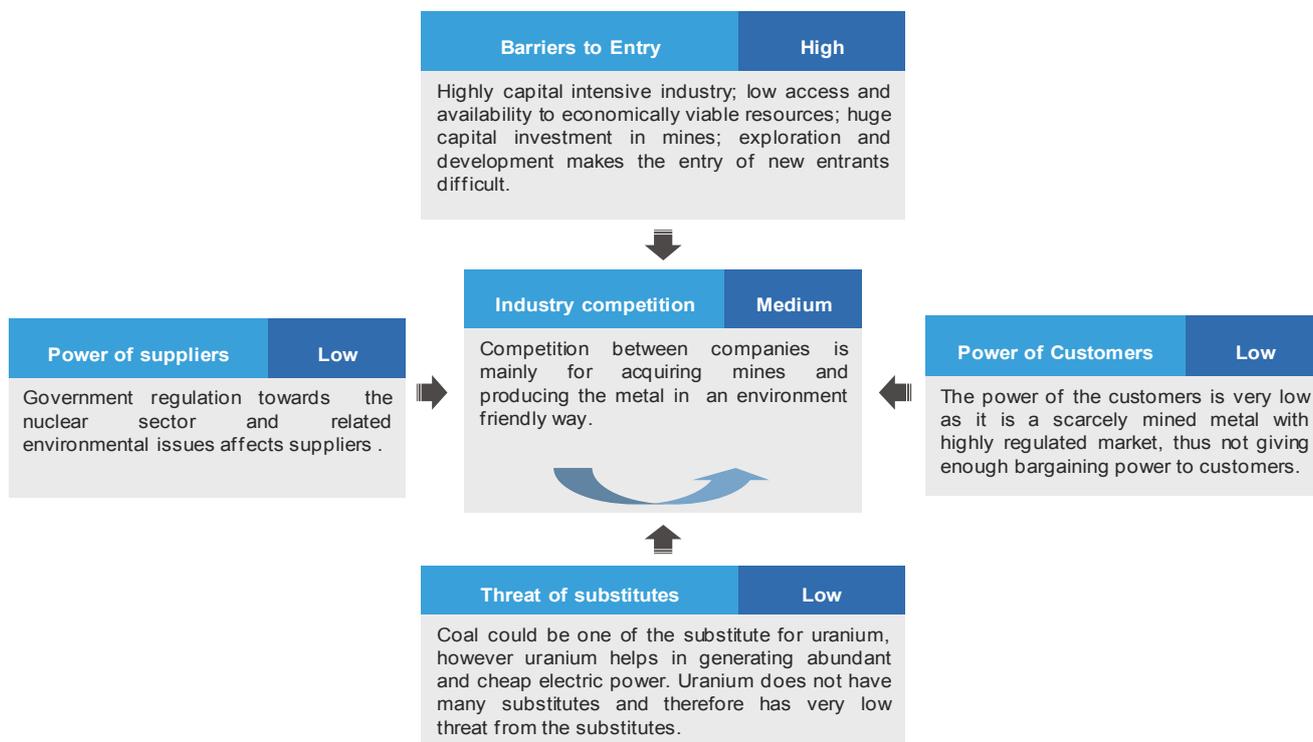


Advantages and disadvantages of exploring IOCGU deposits

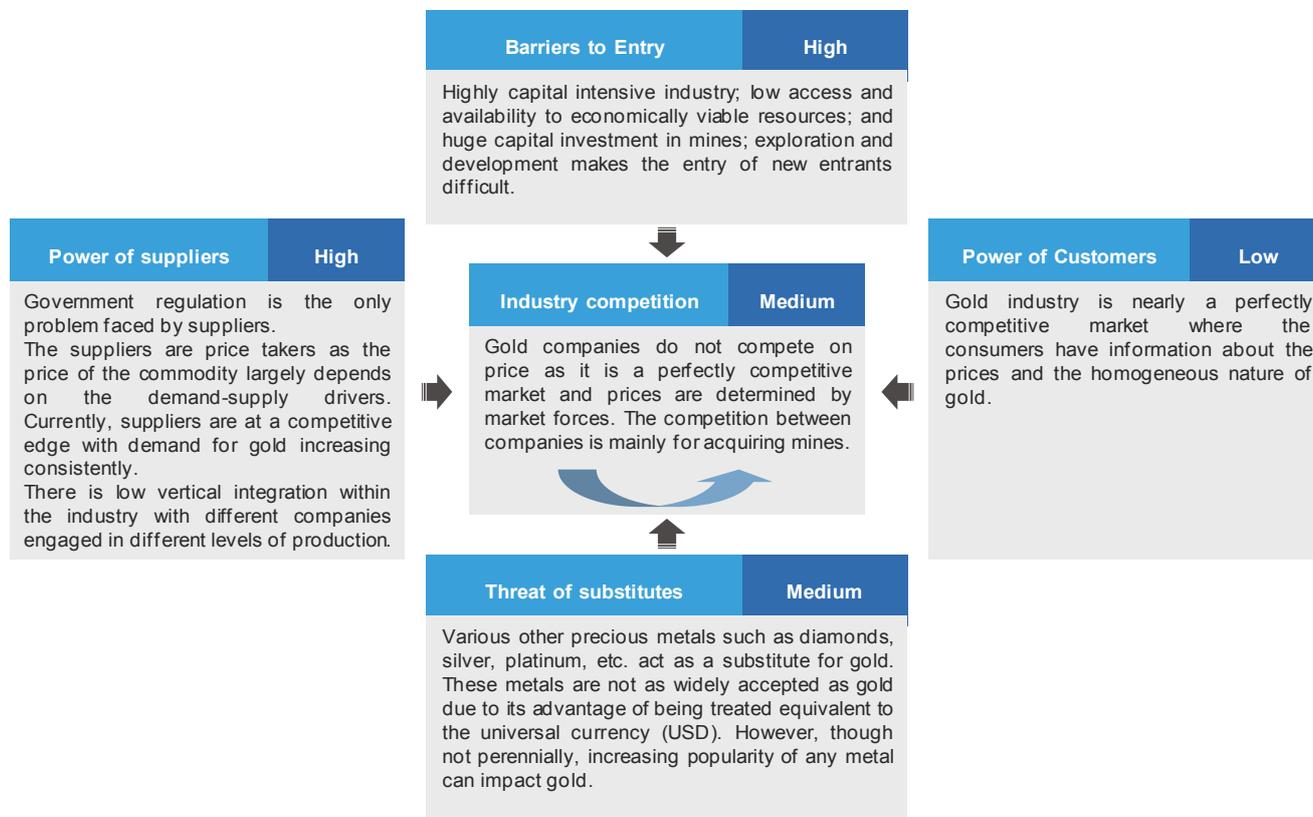
The underlying benefit of IOCGU deposits is the resultant profitable mines, which is generally an outcome of the large size of such deposits, comparatively simple metallurgy and comparatively high grade of IOCG deposits^{xxi}.

At the same time, IOCGU exploration is difficult owing to vast alteration systems and difficult to drill unaltered rocks. Additionally, numerous occurrences, and a wide variety of deposit styles widens exploration efforts^{xxii}.

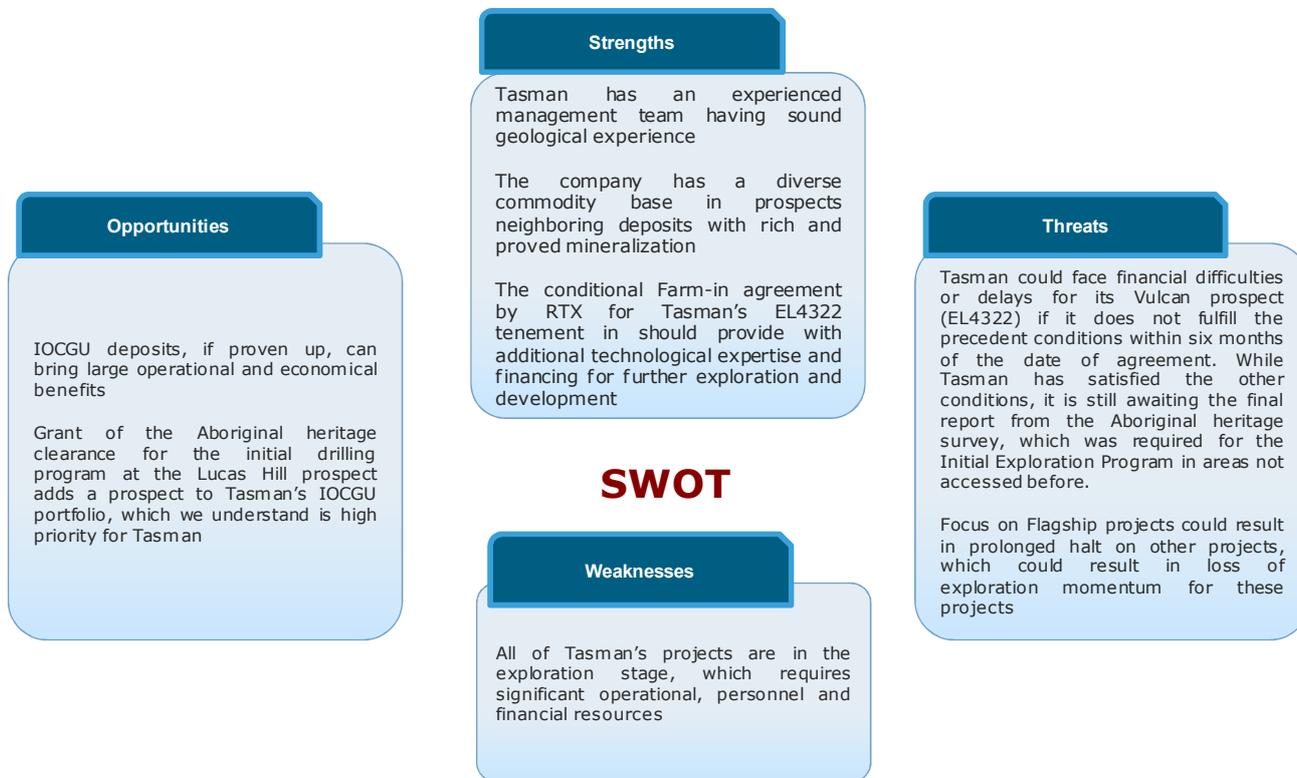
Porter’s Five Force Analysis for the Uranium industry



Porter’s Five Force Analysis for the Gold industry



SWOT Analysis



Project Risk Profile Analysis

Tasman in comparison to its peers carries a medium risk profile. Tasman's peers are exploration companies in Australia possessing a similar commodity base, with however relatively more advanced stages in exploration. However, from a medium-to-long term perspective, we believe Tasman will be able to quickly advance its projects by defining resources for development, considering it has huge potential in South Australia and the required management expertise

Peer Risk Analysis

Arrowhead's Peer Risk Analysis focuses on evaluating the company's risk profile given a set of considerations against determined peer companies. The peers are identified on the basis of a similar business model (commodities, projects, etc.) and region of operation (to keep the peer base at par in terms of the regulatory risk), with flexibility in terms of the size of the company and its stage of development. This assists in benchmarking the target company with its peers for determining or forecasting the required progression. Consequently, the risk analysis is not only based against peers but also on a stand-alone basis.

Risk categories are classified as below:

Category	Low	Low-Medium	Medium	Medium-High	High
Score	1	1.1-1.9	2	2.1-2.9	3
Symbol					

Risk categories do not include those risks which are common to the industry and the players in general. The various risk categories for the purpose of our analysis includes:

Risk Type	Low Risk	High Risk	Weight
Project Stage Risk	Near Feasibility	Proof of Concept Stage	40%
Financing Risk	Near negotiations Lower exploration capex	High funding needs for exploration Uncertainty for funding sources	20%
Operational / execution Risk	Advanced stages of production and stable grade extraction	Early development stages and volatile grade extraction or more	20%
Key Man Risk	All key operations / decisions do not depend on a few people	Few decision makers whose presence is critical for decision making	20%

Peer Risk Profile

Ticker	Total Risk Score	Project Stage Risk	Financing Risk	Operational Risk	Keyman Risk
TAS					
GCR					
RXM					
HAV					

Tasman has a relatively higher financing, operational and project stage risk, while it fares relatively better in terms of key man risk.

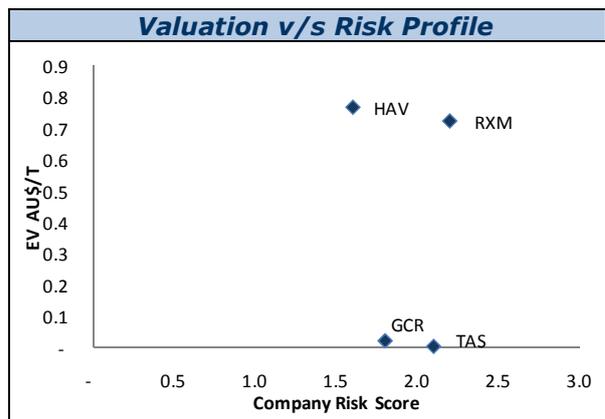
Risk Stage	Hypothesis	Risk Score
Project Stage Risk	Tasman is in the initial stages of exploration, with ongoing drilling activity in Vulcan and drilling expected to commence in Lucas Hill. At the same time, it has achieved good progress with the drilling it has conducted till date. Thus, we consider it to be in the medium risk category.	
Financing / Capex Risk	The company has zero debt and has strong backing of strong private players. Nearly 25% of the equity is held by strong private players. This should support funding its capex requirements Tasman's conditional Farm-in with RTX should provide it with good financial flexibility for it EL4322 Vulcan prospect.	
Operational / execution Risk	Tasman could be challenged for appropriate allocation of resources (capital and personnel) with two of its flagship projects - Vulcan and Lucas Hill running nearly simultaneously Sound technical expertise should support Tasman's on the functional and operational front.	
Key man Risk	We understand Tasman to face Key man risk considering it has a small board of directors, thus limiting scope for planning and implementing decisions at a larger forum. Nevertheless, the long association of the management with the company mitigates this risk to a great extent.	

Peer Valuation and Risk Profile

Risk Profile is further assessed quantitatively to gauge the level of risk undertaken by the company against the set valuation multiple. Enterprise Value per MMT of Resource (AU\$/T) has been used as a proxy for the valuation measure. We derive comfort from the fact that the level of risk should be in consensus with the resources of the company.

Valuation v/s Risk Profile

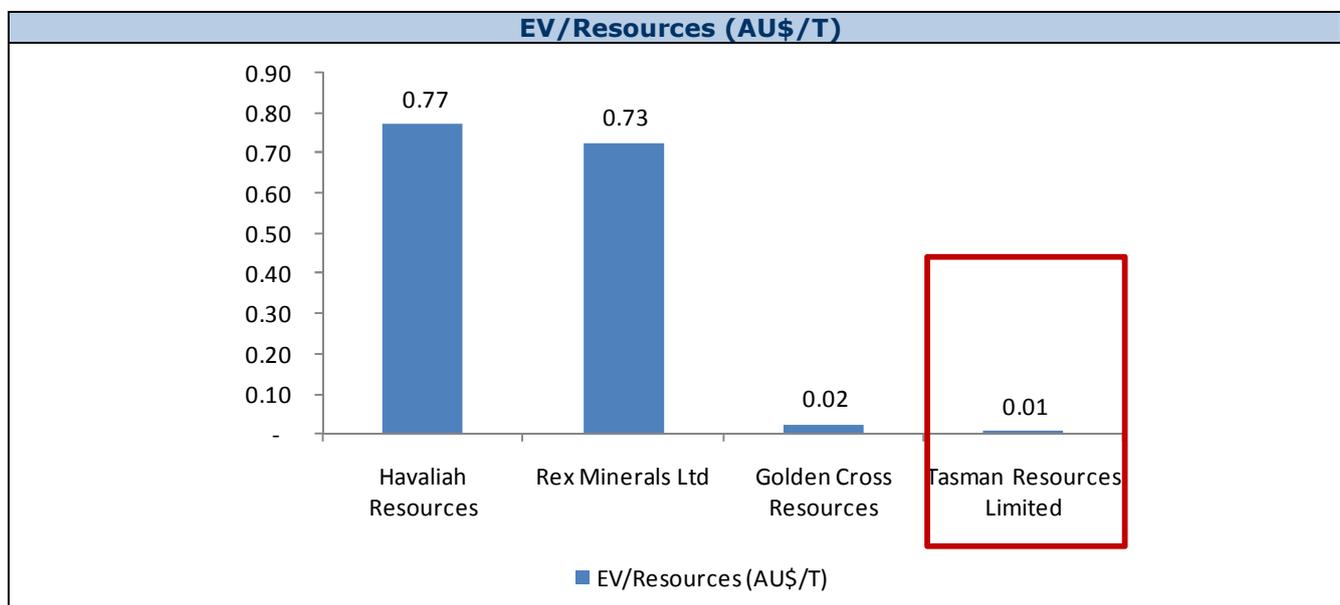
Company	Total Risk Score	Enterprise Value/ Resource (AU\$/T)	Enterprise Value (AU\$MM)	Total Resource (MMT)
TAS	2.1	0.01	25.0	3,630.0
GCR	1.8	0.02	3.8	152.0
RXM	2.2	0.73	157.5	217.0
HAV	1.6	0.77	67.5	87.7



The analysis clearly indicates our assertion that Tasman commands a premium compared to its peers, considering the medium risk profile of its projects.

Peer Analysis

Name of Company	Project name	Market cap (MM AU\$)	EV (MM AU\$)	Resources MMT	EV/Resources (AU\$/T)
Tasman Resources Ltd.	Vulcan	26	25	3,630	0.01
Golden Cross Resources	Copper Hill	71	4	153	0.02
Rex Minerals Ltd	Hillside Project (Pine Point Copper Belt)	237	158	217	0.73
Havaliah Resources	Kalkaroo	69	68	88	0.77



Value

The Fair Market Value for Tasman Resources' shares stands between AU\$32.78MM and AU\$159.02MM.

The Fair Market Value for one of Tasman Resources' publicly traded shares stands between AU\$0.15 and AU\$0.71.

Tasman Resources Comparables

The Comparable Resources valuation uses Peer's resource, resource grade/project stage and Enterprise value to arrive at Tasman's fair value. The peers have been identified on the basis of similar resources and region of operation.

The valuation is done using regression analysis between the grade of the resource or project stage and EV/Resource of the comparables. We have used the resource grade or project stage depending on the correlation factor between the resource grades or project stage and EV/resource of the peers.

Arrowhead has estimated the resources for Vulcan based on the drilling results disclosed in company filings.

Copper Comparables				
Ticker	Company	Enterprise Value (AU\$ MM)	Estimated Resources (KT)	Estimated EV/Resources
TAS	Vulcan Project	\$25	4,389	\$6
BHP	Olympic Dam	\$210,070	70,218	\$2,992
HGO	Kanmantoo	\$136	307	\$444
OZL	Prominent Hill	\$2,548	2,305	\$1,105
OZL	Carapateena Project	\$2,548	798	\$3,194

Gold Comparables				
Ticker	Company	Enterprise Value (AU\$ MM)	Estimated Resources (Koz)	Estimated EV/Resources
TAS	Vulcan Project	\$25	1.2	\$20,937
BHP	Olympic Dam	\$210,070	95,758	\$2,194
HGO	Kanmantoo	\$136	214	\$636
OZL	Prominent Hill	\$2,548	4,810	\$530
OZL	Carapateena Project	\$2,548	1,110	\$2,295

Silver Comparables				
Ticker	Company	Enterprise Value (AU\$ MM)	Estimated Resources (Koz)	Estimated EV/Resources
TAS	Vulcan Project	\$25	31	\$814
BHP	Olympic Dam	\$210,070	432,688	\$486
HGO	Kanmantoo	\$136	4,458	\$31
OZL	Prominent Hill	\$2,548	22,262	\$114
OZL	Carapateena Project	\$2,548	11,760	\$217

Uranium Comparables				
Ticker	Company	Enterprise Value (AU\$ MM)	Estimated Resources (T)	Estimated EV/Resources
TAS	Vulcan Project	\$25	51	\$492
BHP	Olympic Dam	\$210,070	2,184,528	\$96
UUU	Honeymoon	\$2,298	443,700	\$5
RIO	Ranger	\$139,431	84,473,984	\$2
CUY	Oban	\$2	390	\$6

Important information on Arrowhead methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent, depending on the sub-sectors in which the research is conducted. But all Arrowhead valuation researches possess an underlying set of common principles and a generally common quantitative process.

With Arrowhead commercial and technical due diligence, the company researches the fundamentals, assets and liabilities of a company, and builds estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance such as price/earnings ratios, indicated as applicable, are mainly for reference. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

We have also presented the comparable method based on enterprise value per resource of ton (AU\$/T) as a secondary measure of fair value, which, though is not central to the methodology applied towards building the fair value bracket, is presented here as additional information.

Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analyses such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a valuation tool.

In principle, an investor comfortable with the high brackets of our key variable analysis will align with the high bracket in the Arrowhead Fair Value Bracket, and, likewise, in terms of low estimates. The investor will also note the company intangibles to analyze the strengths and weaknesses, and other essential company information. These intangibles serve as supplementary decision factors for adding or subtracting a premium in investor's own analysis.

The bracket should be taken as a tool by Arrowhead BID for the reader of this report and the reader should not solely rely on this information to make his decision on any particular security. The reader must also understand that while on the one hand global capital markets contain inefficiencies, especially in terms of information, on the other, corporations and their commercial and technical positions evolve rapidly. This present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months). The reader should refer to important disclosures on page 27 of this report.

Information on the Tasman Resources Limited valuation

Tasman Resources Valuation Methodology: The Arrowhead fair valuation for Tasman is based on the comparable Resource Based Valuation method. Arrowhead has adopted Resource Based Valuation as the company is currently in the exploration stage and is yet to demonstrate existence of a feasible mineral deposit in its flagship projects. Arrowhead has identified comparable resources in companies comparable to Tasman, which could be relatively larger in size and at an advanced stage of mining. We have discounted each resource based on the stage of operation. Currently, Arrowhead has based the valuation on Vulcan project.

Prudential Nature of Valuation: This Arrowhead Fair Value Bracket estimate is a relatively prudential estimate, as it discounts the projects and products according to their contribution to the fair value of the company.

Comparable Companies: Tasman is at the early stage of exploration with prime focus on mining copper, gold, silver and uranium. The company has completed geological and geophysical review remodeling, selected new drill targets and concluded 9B agreement with KU. The comparable deposits include Olympic Dam, Prominent Hill, Carapateena, and Honeymoon. All these comparables are into the exploration / production of Cu, Au, Ag and U, providing good benchmark for estimating the company's EV/Resources.

Underlying Business Plan: Tasman Resources, with diversified projects, is focused on developing its flagship projects – Vulcan and Lucas Hill. The company has drilled eight holes in Vulcan, with Aboriginal heritage clearance awaited for another six holes. Tasman has entered into a Farm-in agreement with Rio Tinto Exploration (a subsidiary of Rio Tinto Ltd), which is expected to provide with additional technical expertise and the required financing.

For its Lucas Hill project, Tasman has secured the services of a drilling contractor. It expects to initially start drilling two holes, for which it had obtained Aboriginal heritage clearance, in mid-January 2012.

Analyst Certifications and Important Disclosures

Analyst Certifications

I, Rashmi Shah, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

I, Vishal Pasari, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

Disclosures

Arrowhead Business and Investment Decisions, LLC received fees in 2011 from Tasman Resources for researching and drafting this report and for a series of other services to Tasman Resources, including distribution of this report and networking services. Arrowhead BID owns long positions in Tasman Resources equity.

Aside from certain reports published on a periodic basis, the large majority of reports are published by Arrowhead BID at irregular intervals as appropriate in the analyst's judgment.

Any opinions expressed in this report are statements of our judgment to this date and are subject to change without notice.

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, any of the financial or other money-management instruments linked to the company and company valuation described in this report, hereafter referred to as "the securities", may not be suitable for all investors.

Investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their

own financial advisors as they deem necessary. Investors are advised to gather and consult multiple information sources before making investment decisions. Recipients of this report are strongly advised to read the information on Arrowhead Methodology section of this report to understand if and how the Arrowhead Due Diligence and Arrowhead Fair Value Bracket integrate alongside the rest of their stream of information and within their decision taking process.

Past performance of securities described directly or indirectly in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from any of the financial securities described in this report may rise as well as fall, and may be affected by simple and complex changes in economic, financial and political factors.

Should a security described in this report be denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the security.

This report is published solely for information purposes, and is not to be considered as an offer to buy any security, in any state.

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Arrowhead Business and Investment Decisions, LLC is not responsible for any loss, financial or other, directly or indirectly linked to any price movement or absence of price movement of the securities described in this report.

Valuation

Resource Based Valuation for the Vulcan Prospect				
Copper		Low	High	Remarks
EV/Resources		1740.06	3851.80	Correlation of 66% between resource grade and EV/Resource
Slope		267309.25	267309.25	
Intercept		-1494.38	-1494.38	
Grade (%)		1.2%	2.0%	
Value Bracket	Estimated EV/Resources	Mineral content (in KT)	Attributed EV (AU\$ MM)	Value/Share (AU\$)
Low	1,740	14.6	25.45	0.11
High	3,852	24.2	93.13	0.41
Gold		Low	High	Remarks
EV/Resources		933.27	1073.41	Correlation of 25% between resource grade and EV/Resource
Slope		2002.10	2002.10	
Intercept		372.68	372.68	
Grade (g/t)		28.0%	35.0%	
Value Bracket	Estimated EV/Resources	Mineral content (in Koz)	Attributed EV (AU\$ MM)	Value/Share (AU\$)
Low	933	4.0	3.71	0.02
High	1,073	5.0	5.34	0.02
Silver		Low	High	Remarks
EV/Resources		183.54	194.91	Correlation of 1.8% between resource grade and EV/Resource
Slope		18.94	18.94	
Intercept		138.10	138.10	
Grade (g/t)		240.0%	300.0%	
Value Bracket	Estimated EV/Resources	Mineral content (in Koz)	Attributed EV (AU\$ MM)	Value/Share (AU\$)
Low	184	4.0	0.73	0.00
High	195	5.0	0.97	0.00
Uranium		Low	High	Remarks
EV/Resources		17.04	84.97	Correlation of 84% between resource grade and EV/Resource
Slope		154.39	154.39	
Intercept		-4.58	-4.58	
Grade (kg/t)		14.0%	58.0%	
Value Bracket	Estimated EV/Resources	Mineral content (in T)	Attributed EV (AU\$ MM)	Value/Share (AU\$)
Low	17	169.3	2.88	0.01
High	85	701.2	59.58	0.27

ARROWHEAD FAIR VALUE BRACKET

Value Bracket	Copper Project	Gold Project	Silver Project	Uranium project	Total EV (AU\$ MM)	Value/ Share (AU\$)
Low	25.5	3.7	0.7	2.9	32.8	0.15
High	93.1	5.3	1.0	59.6	159.0	0.71

Notes

-
- i* Bloomberg as on 02-Feb-12
- ii* Bloomberg as on 02-Feb-12
- iii* 3 months average daily volume from Bloomberg as on 02-Feb-12
- iv* Bloomberg as on 02-Feb-12
- v* Arrowhead Business and Investment Decisions Fair Value Bracket - AFVBTM. See information on valuation on pages 23-27 of this report and important disclosures on 26 of this report.
- vi* <http://paceinvestors.pir.sa.gov.au/>
- vii* Tasman's 2011 Annual Report
- viii* <http://www.mining-technology.com/projects/olympic-dam/>
- ix* http://wiki.answers.com/Q/What_is_uranium_used_for
- x* <http://www.world-nuclear.org/info/inf23.html>
- xi* <http://www.macyel.com/uranium/uranium-price.cfm>
- xii* World Nuclear association: <http://www.world-nuclear.org/info/inf22.html>
- xiii* Source: http://www.wikininvest.com/stock/Cameco_%28CCJ%29#China_and_India.27s_Uranium_Demand
- xiv* <http://www.roperId.com/science/NuclearPowerDecline.htm>, IEA's world energy outlook 2006
- xv* <http://www.macyel.com/uranium/uranium-price.cfm>
- xvi* K stands for karat, a standard unit of measurement for the purity of gold
- xvii* Bloomberg data as on 12-Jan 2012
- xviii* Bloomberg retrieved 31-Jan-12
- xix* http://en.wikipedia.org/wiki/Iron_oxide_copper_gold_ore_deposits; <http://eprints.jcu.edu.au/4705/>
- xx* Recreated from information available in: http://en.wikipedia.org/wiki/Iron_oxide_copper_gold_ore_deposits
- xxi* http://en.wikipedia.org/wiki/Iron_oxide_copper_gold_ore_deposits
- xxii* http://www.pir.sa.gov.au/__data/assets/pdf_file/0005/104198/Baker_Tim.pdf