



TASMANIA MINES LIMITED

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In reply please refer:

30 June 2011

The Manager Announcements
ASX Limited
Level 45, South Tower, Rialto
525 Collins Street
Melbourne Vic 3000

Dear Sir

Updated Mineral Resource Estimate

We enclose an updated TMM Mineral Resource Estimate of its Kara Number 1 Pit at its Kara Mine in Tasmania.

Yours faithfully
Tasmania Mines Limited

K J Broadfoot
Director and Secretary

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Kara No 1 Pit Updated Mineral Resource Estimate

Tasmania Mines Ltd (TMM) engaged Tim Callaghan – Resource and Exploration Geology (REG) to prepare an updated Mineral Resource Estimate for Kara No 1 Pit only (i.e. not the Company's total resources) TMM is now in receipt of REG's Report (the Report) and relevant extracts from the Report appear below.

The total estimated resource for the Kara No 1 deposit, reported as Measured, Indicated or Inferred Resource in accordance with the 2004 JORC code is as follows:

Classification	MTonnes	FeO %	WO3 ppm	Sn ppm
Inferred	2.17	47.0	1416	550
Indicated	7.11	47.4	620	760
Measured	9.30	48.2	203	754
Total	18.58	47.7	504	733

Mineral resource estimates in the Report have been classified and reported in accordance with the Australasian CODE for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 edition (the "JORC" code).

The mineral resource includes 16.65Mt of un-oxidised magnetite skarn mineralisation and 1.93 Mt of weathered magnetite skarn. The iron grades represent total iron and not necessarily recoverable iron (magnetite).

Tungsten is strongly zoned through the deposit, concentrated mainly towards the southern and western side.

This report follows from resource extension drilling focusing on the South end of the deposit in the summer of 2010 and 2011.

An additional 22 diamond holes for 1602.4 m have been completed since the last resource estimate in 2009 as detailed in attached Table 2.

The Report notes that there are numerous other opportunities to extend the TMM Resource base in the near mine area and prefeasibility studies into increased production rates are warranted given the current resource base and probability of resource additions.

Limitations and Consent

The Report by REG is provided to Tasmania Mines Ltd in the context of a Mineral Resource Estimation and should not be used or relied upon for any other purpose.

The Report has been prepared using information available to REG at the time of writing. The opinions stated therein are given in good faith and with the belief that the basic assumptions are factual and correct and the interpretations reasonable.

Competent person and JORC Code

The report was prepared in accordance with the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code") BY Tim Callaghan, who is Member No 22210 of the Australian Institute of Mining and Metallurgy ("AusIMM") has a minimum of five years experience in the estimation and assessment and evaluation of Mineral Resources of this style and is the competent person as defined in the JORC Code. The Report accurately summarises and fairly reports his estimations and he has consented to the inclusion of extracts from the resource report in the form and context it appears above.

Table 2. Summer 2010-2011 Kara No 1 Drill Collar Details.

Hole_id	East	North	RL	Depth	Azimuth	Dip	From	To	Length	FeO %	WO3 ppm	Sn ppm
K1029A	7283.7	6380	459.3	63.3	0	-90	38	53	15	58.6	391	593
K1029B	7283.7	6380	459.3	51.5	270	-61	27	30	3	47.1	290	400
K1030	7323	6420	447.2	68	0	-90	39	61	22	61.1	37	545
K1031	7323	6420	447.3	105	90	-57	30.5	97.5	67	57.3	47	476
K1032	7323	6420	447.3	51	270	-64	23.6	42.6	19	60.2	48	644
K1033	7283.7	6380	459.3	98	90	-61	39.5	97.5	58	54.3	41	525
K1034	7352.2	6420	447.3	96	90	-48	67	94	27	24.5	73	504
K1035	7363.1	6458.2	444.3	88.5	90	-80	26	85	59	58.8	33	512
K1036	7362	6458	444.2	79	270	-55	27	35	8	55.2	47	466
							53	69	16	36.7	43	463
K1037	7320.5	6458.8	442.6	45	270	-55	40.5	42	1.5	30.2	190	600
K1038	7424.6	6471.8	440.6	63	0	-90	31	59	28	54.9	43	500
K1039	7424.9	6471.7	440.5	78	90	-50	42	71	29	47.4	35	1138
K1040	7413.7	6502	438	61.5	0	-90	31.5	61	29.5	54.8	100	456
K1041	7414.2	6502	439	90	90	-50	45	78	33	62.4	62	833
K1042	7408	6541.6	434.3	61.5	0	-90	39	58	19	34.0	179	518
K1043	7408.5	6541.5	434.2	64.5	90	-50	53	60	7	61.2	213	1223
K1044	7417.1	6581.5	431.8	48	0	-90	39	46	7	53.8	95	585
K1045	7417.6	6581.5	431.7	56.5	90	-55	47	52	5	54.2	68	1060
K1046	7350	6500	435	91.5	90	-80	26	80	54	60.5	54	429
K1047	7350	6500	435	60	270	-55	41	56	15	35.1	27	313
K1048	7345.3	6542.2	434.7	82.5	0	-90	8	67	59	58.3	59	480
K1049	7345	6542.1	434.6	102	270	-55	55	84	29	55.2	47	459