



TASMANIA MINES LIMITED

ABN 45 009 491 990

Level 33, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia

Telephone (02) 9251 4244
Facsimile (02) 9247 2322

In reply please refer:

07 November 2016

Manager Announcements
Australia Stock Exchange Limited
20 Bridge Street
Sydney NSW

Dear Sir,

RE: Proposed Selective Capital Reduction

Please find attached announcement.

Yours faithfully,
Tasmania Mines Ltd

K.J. Broadfoot
Director



TASMANIA MINES LIMITED

ABN 45 009 491 990

Level 33, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia

Telephone (02) 9251 4244
Facsimile (02) 9247 2322

In reply please refer:

07 November 2016

Manager Announcements
Australia Stock Exchange Limited
20 Bridge Street
Sydney NSW

RE: Proposed Selective Reduction of Capital

Following queries raised at the 2016 Annual General Meeting, Tasmania Mines Limited has recently received correspondence from certain shareholders regarding possible mechanisms to enable them to exit the Company's share register.

Having examined the available options the Board has determined, subject to the matters mentioned below, to seek shareholder approval for a selective capital reduction of the 20.78% of issued shares held by minority shareholders at \$1.80 per share. This will require a special resolution (75% majority) of the minority shareholders.

The Company has appointed Grant Thornton Corporate Finance to provide an independent expert opinion as to whether the proposal is fair and reasonable to the shareholders as a whole and is seeking a ruling from the Australian Taxation Office.

The proposal is dependent on satisfactory outcomes on both these matters.

Yours faithfully,

Tasmania Mines Ltd

K.J. Broadfoot

Director