



## TALISMAN MINING LTD

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The Manager  
Company Announcements Office  
Australian Stock Exchange

By Electronic Lodgement

### HIGHLIGHTS

- Agreement entered into to expand land holding position along strike at Mt James Project.
- Preliminary 4m composite assays from 1st pass Trillbar drill programme return highly encouraging results.
- Initial 3 exploratory RC holes drilled at Wonmunna Project
- Appointment of Exploration Manager

Despite having only completed its IPO and ASX listing on 25 November 2005, the Company has implemented first pass drill programmes on two of its more prospective project areas, concluded its first additional ground acquisition agreement and added strength to our Technical staff

### MOUNT JAMES PROJECT

The Company has reached an agreement to acquire 80% of the Bustler Well gold prospect from Adelaide Prospecting Pty Ltd for a nominal cash sum and a commitment to carry the vendor minority interest to completion of a bankable feasibility study.

The Project is located immediately adjacent to and along strike of the Company's Mount James Project.

Previous limited drilling by past explorers had returned drill intercepts of **1m @ 37.4g/t gold, 2m @ 9.08g/t gold, 3m @ 7.62g/t gold and 3m @ 7.17g/t gold.**

The Company believes that the Bustler well mineralisation could provide a high grade repetition of the Mount James mineralisation approximately 10 kilometres to the southwest.

The project has been in private hands for a number of years with little or no detailed exploration work completed on the prospect in the 16 years since 1989.

### TRILLBAR PROJECT

Preliminary 4 metre assay results have been received for the first round of RC drilling at the Boundary prospect, Trillbar Project. These results confirm the Company's interpretation of the strike and depth potential of the mineralisation and supports the devised program of further drilling to expand the resource.

Confirmatory 1 metre re-sampling and fire assay is required to provide firm results. This work has been delayed as a result of flooding from Cyclone Clare but will be completed and available by the end of January, 2006.

A second RC drill program of 1500m is planned for commencement on or about February 1, 2006. This program will target further strike and depth extensions to the mineralisation.

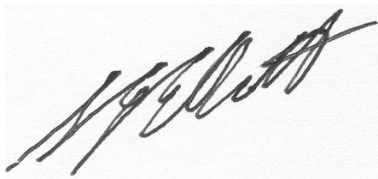
## **WONMUNNA PROJECT**

Three RC drillholes for 168m were completed at Wonmunna in January; two to test outcropping copper mineralisation and a third to test a copper-zinc-gold-silver gossan previously located by the Company. Assay results are expected to be available by early February, 2006.

## **MANAGEMENT**

The Company is pleased to advise that Mr Harry Cornelius has been appointed as Exploration Manager. Mr Cornelius was formerly senior geologist with Sons of Gwalia Ltd.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. J. Elliott', written in a cursive style.

**S. J. Elliott**  
**Managing Director**

Information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Steven Elliott who is a member of the Australasian Institute of Mining and Metallurgy. Mr Steven Elliott is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Steven Elliott consents to the inclusion in this report of the matters based on information in the form and context in which it appears.