



TALISMAN MINING LTD

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The Manager
Company Announcements Office
Australian Stock Exchange

By Electronic Lodgement

WONMUNNA IRON - EXPLORATION UPDATE

Talisman is pleased to announce that first pass drill evaluation of the iron ore potential of the 100% owned Wonmunna project, Pilbara region, Western Australia, has been completed. A total of 49 reverse circulation drillholes for 1481m were completed (Figure 1). Preliminary assay results are expected by early November, 2007.

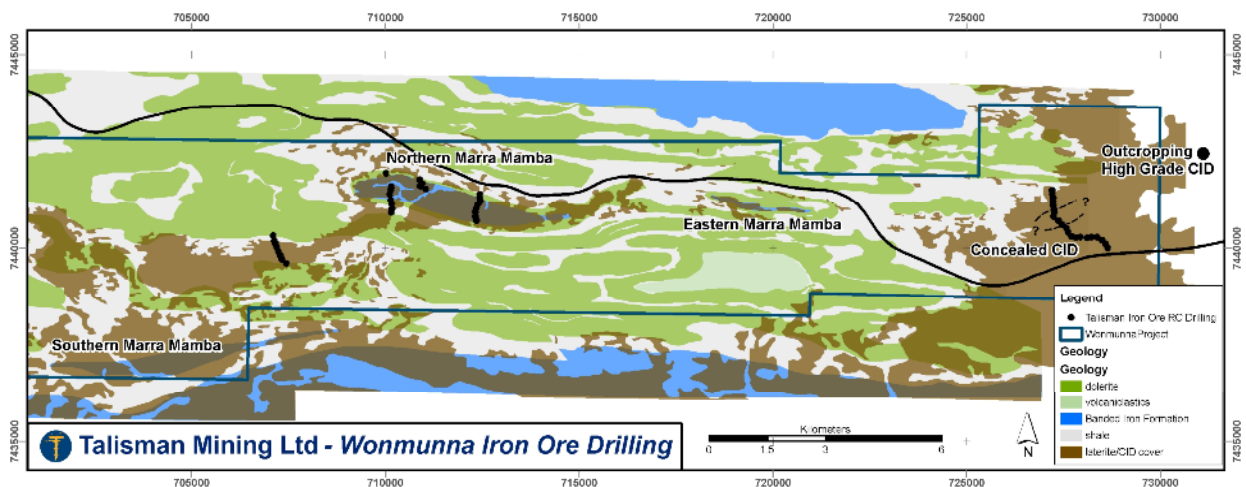


Figure 1

Drillholes were targeted to evaluate both Channel Iron Deposit (CID) mineralisation, and mineralised Marra Mamba Iron formation beneath the CID in the centre of the project area. Field reports indicate that both of these mineralised environments were intersected in drilling, with the extent and grade of mineralisation awaiting confirmation by assay.

The eastern most drill traverse located a concealed palaeochannel which, in the drill traverse, is up to 35 metres deep and greater than 600 metres wide. This channel has infill of CID, including pisolitic iron and clay layers, and is probably the western extension of the high-grade CID outcropping, off lease, approximately 4 kilometres to the northwest. It would appear, from this work, that this newly discovered CID channel has a minimum length of approximately 3 kilometres within the project area (Figure 1).

In order to accelerate the program and to minimise Aboriginal Heritage and conservation issues, all drillholes in this program were completed on pre-existing tracks. Although thus limited, and although no drill evaluation of the Southern or Eastern Marra Mamba has yet been completed, it is believed that this first pass drilling is of sufficient scope to define the overall potential of the project area to host commercial iron ore mineralisation.



Resource drilling, the scope of which will depend upon results of this initial program and ongoing drilling, is scheduled to commence in the latter half of November, 2007, continuing through 2008. Construction of access tracks will commence in late October, following completion of Aboriginal Heritage and fauna surveys.

The Company looks forward to the results of its initial iron ore drilling program and to rapid evaluation and, should results so dictate, commercialisation of the Wonmunna project.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. J. Elliott', written over a light grey rectangular background.

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.