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WONMUNNA PROJECT - INITIAL DRILLING RESULTS CONFIRM IRON ORE POTENTIAL

HIGHLIGHTS

- ✤ 36m @ 58.84% Fe (including 20m @ 61.41% Fe)
- 24m @ 59.73% Fe (including 8m @ 61.28% Fe)
- ✤ 40m @ 55.70% Fe

The Company is pleased to announce that results of first pass reconnaissance drilling of the Wonmunna project, Pilbara region, Western Australia, have confirmed the potential of this area to host significant iron ore mineralisation.

Results received to date are for the first 48 drillholes (1,745m) in 4 incomplete drill traverses along existing tracks (Figure 1). As a result of this 'opportunistic' siting of drillholes, this initial drilling is arbitrary and very wide spaced, and was intended only to confirm the presence and nature of iron ore mineralisation. An additional 50 drillholes are planned for completion of the program by the end of the calendar year. These initial results therefore represent approximately 50% of the initial reconnaissance drill program.

All available results are from 4 metre composites. Follow up assay at 1 metre intervals of mineralised sections is in progress.



Significant results are detailed in Table 1 below.

Figure 1

Table 1: Wonmunna Project – Initial Significant Drill Intercepts

Marra Mamba (>50% Fe)																	
Hole	East	North	From	То	Intercept	Grade	Grade										
			(m)	(m)	(m)	Fe %	SiO2 %	CaO %	Mn %	AI2O3 %	TiO2 %	MgO %	Р%	S %	K2O %	LOI_ %	
WNC061	710958	7441662	12	16	4	58.97	4.53	0.05	0.008	1.75	0.07	0.04	0.061	0.056	0.002	9.1	с
WNC062	710898	7441609	8	32	24	59.73	3.42	0.05	0.010	2.30	0.18	0.06	0.065	0.059	0.002	8.7	с
		(including	8	16	8	61.28	2.66	0.05	0.015	2.09	0.13	0.07	0.061	0.062	0.002	7.35)	с
WNC064	712347	7440703	20	28	8	57.49	6.18	0.16	0.001	3.04	0.09	0.16	0.059	0.066	0.006	8.5	с
WNC066	712325	7440921	12	16	4	51.72	9.23	0.05	0.001	6.51	0.36	0.09	0.026	0.076	0.01	9.8	с
WNC067	712342	7441001	12	48	36	58.84	5.42	0.07	0.020	3.00	0.18	0.10	0.050	0.059	0.011	7.2	с
		(including	12	32	20	61.41	4.46	0.08	0.0152	1.87	0.09	0.10	0.0622	0.0608	0.009	5.5)	с
WNC096	710165	7441136	44	48	4	58.95	2.67	<0.10	0.023	2.45	0.05	0.02	0.157	0.016	<0.003	9.3	с
WNC098	710116	7441398	8	48	40	55.70	5.46	0.24	0.017	4.14	0.41	0.14	0.06	0.022	0.010	9.0	с

CID (>40% Fe)																
Hole	East	North	From	То	Intercept						Grade					
			(m)	(m)	(m)	Fe %	SiO2 %	CaO %	Mn %	AI2O3 %	TiO2 %	MgO %	Р%	S %	K2O %	LOI_ %
WNC056	707248	7439899	0	4	4	43.10	15.60	0.05	0.039	11.03	1.23	0.06	0.017	0.076	0.040	8.7 c
WNC057	707289	7439802	0	4	4	45.10	13.29	0.12	0.039	9.58	0.64	0.03	0.017	0.080	0.020	10.4 c
WNC058	707334	7439704	0	4	4	42.35	15.93	0.05	0.062	10.71	0.78	0.19	0.017	0.080	0.020	11.0 c
WNC059	707443	7439605	0	4	4	43.78	12.54	0.05	0.031	11.85	0.86	0.13	0.017	0.088	0.010	11.2 c
WNC060	710884	7441768	12	20	8	45.46	13.41	0.35	0.023	7.96	0.33	0.09	0.035	0.088	0.015	11.4 c
WNC061	710958	7441662	0	12	12	50.40	10.91	0.15	0.011	6.33	0.25	0.35	0.042	0.095	0.007	10.4 c
		(including	8	12	4	55.95	7.09	0.05	0.008	3.26	0.07	0.21	0.052	0.068	0.002	10.0) c
WNC062	710898	7441609	4	8	4	57.90	5.51	0.05	0.015	3.98	0.16	0.15	0.044	0.072	0.002	7.5 c
WNC063	711043	7441526	0	4	4	42.54	17.56	0.05	0.008	14.64	0.81	0.48	0.017	0.052	0.050	4.4 c
WNC064	712347	7440703	12	20	8	48.04	11.975	0.39	0.001	7.91	0.33	0.27	0.052	0.080	0.006	10.4 c
WNC065	712326	7440803	8	12	4	46.78	11.78	0.05	0.001	9.69	0.47	0.19	0.048	0.088	0.002	10.5 c
WNC066	712325	7440921	0	12	12	45.86	13.59	0.07	0.008	9.73	0.7	0.09	0.020	0.065	0.047	10.5 c
WNC067	712342	7441001	0	12	12	49.01	10.66	0.16	0.008	8.68	0.51	0.06	0.028	0.067	0.021	9.9 c
		(including	0	4	4	51.76	8.66	0.14	0.023	6.55	0.49	0.07	0.022	0.068	0.050	9.8) c
WNC069	712449	7441199	0	4	4	42.66	16.56	0.15	0.015	11.76	0.44	0.15	0.013	0.076	0.07	9.7 c
WNC070	712439	7441299	0	4	4	51.38	12.95	0.05	0.008	9.58	0.36	0.08	0.017	0.036	0.04	3.4 c
WNC078	727451	7440599	12	16	4	50.85	11.08	<0.10	0.015	7.07	0.20	0.02	0.052	0.056	0.05	8.9 c

c = 4m composite sample, to be split



These initial results from the reconnaissance drilling program indicate strong hematite mineralisation in the Marra Mamba Iron Formation, up to **20m @ 61.41%** iron, with acceptable levels of impurities including P, AI_2O_3 and SiO_2 . These grades are favourably comparable with those from adjacent iron ore mining operations at West Angeles, Area C and Hope Downs.

It is significant to note that the two best Marra Mamba intercepts, drillholes WNC062 and WNC067, are situated approximately 1,500m along strike from each other. The previously reported Poondano drillhole, TRC032 (Figure1) with a intercept of 22m @ 60.8% Fe, is situated a further 1,300m east of drillhole WNC067. Collectively, these three drill intercepts occur over a total strike length of 2,800m, remaining open to both east and west over a total potential strike length in excess of 5,500m.

Infill drilling to test for strike continuity between the mineralised intercepts is to commence immediately.

The southern and eastern Marra Mamba, each of potential strike lengths of 4,000m and 2,500m respectively, remain untested by drilling.

Channel Iron Deposit (CID) mineralisation has also been intersected, from surface, in several drillholes, often directly overlying mineralised Marra Mamba Iron Formation. Whilst generally thin, and of low grade, these initial drillholes appear to be in the less prospective 'upstream' portion of the CID.

It is of interest to note that the better CID intercepts directly overly Marra Mamba hematite mineralisation.

The Company remains of the opinion that the CID remains poorly tested by drilling and good potential remains for the identification of significant CID iron ore mineralisation.

In summary, these initial results confirm the strong iron ore potential of the project. The remainder of the reconnaissance drill program results will be released as they become available.

Yours sincerely

Millet

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.