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31 January, 2008

The Manager
Company Announcements Office
Australian Stock Exchange

By Electronic Lodgement

EXPLORATION UPDATE – EAST KIMBERLEY

HIGHLIGHTS

- **5% copper and 694.5g/t silver in quartz veining,**
- **Strong Stream sediment nickel to 684ppm nickel,**
- **Strong multi-element (Cu, Zn, Au, Ag) stream sediment anomalies.**

EAST KIMBERLEY PROJECT

Although remaining focussed on exploration for commercial iron ore deposits, the Company has produced encouraging results from initial reconnaissance exploration of the East Kimberley project in the Kimberley region, Western Australia.

Originally acquired for its nickel potential, being situated only 20km west of the Sally Malay nickel mine, stream sediment geochemical sampling completed in October, 2007 has defined several strong nickel anomalies, in addition to copper, zinc, gold and silver (Figure 1).

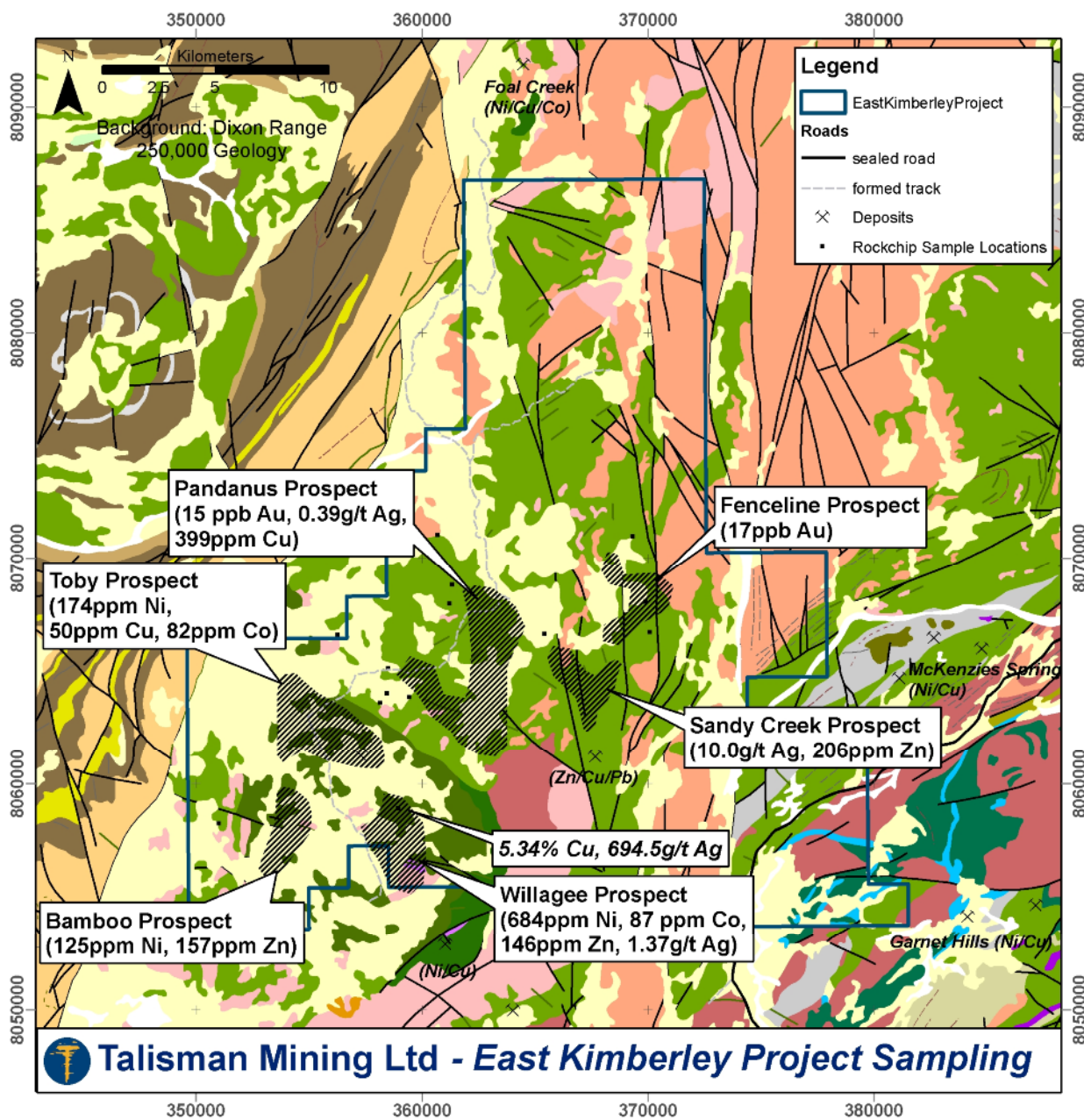
In the southwest of the project area multipoint stream sediment anomalies to 684ppm nickel (background = <50ppm) define the Toby, Bamboo and Willagee prospects. This highly anomalous nickel is variably accompanied by anomalous cobalt, copper, zinc and/or silver. These anomalies are associated with the gabbroic Toby intrusive complex and are indicative of, if not nickel mineralisation, at the very least the presence of ultramafic rocks which might host nickel mineralisation.

The centre of the project area is dominated by multipoint base and precious metal anomalies with peak values to 10ppm silver (background = <0.03ppm), 399ppm copper (background = <30ppm), 206ppm zinc (background = <70ppm), and 17ppb gold (background = <2ppb). These anomalies, designated Pandanus, Fenceline and Sandy Creek, are generally associated with areas of strong faulting in mafic intrusive rocks, volcanics and metasediments.

The 10ppm silver in stream sediment at Sandy Creek is a particularly strong anomaly indicative of silver mineralisation proximal to the sample site. The Sandy Creek anomaly is situated to the north of the historic Snake Zn/Cu/Pb prospect where mineralisation occurs in veins.

A single rock chip sample collected from vein quartz in the Willagee prospect area assayed **5% copper and 694.5g/t silver**. This mineralisation, also containing anomalous gold of 46ppb, is from quartz veining associated with a major east-northeast trending fault structure.

Initial reconnaissance exploration of the East Kimberley project has provided exciting indications of potential nickel, base and precious metals mineralisation. Follow up of the defined anomalies will be completed at the end of the current wet season, commencing in April, 2008.



Yours sincerely

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.