



## TALISMAN MINING LTD

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## WONMUNNA IRON UPDATE AND OVERVIEW

The Wonmunna iron project is situated in the heartland of the west Pilbara iron ore mining industry, with three major mines (West Angeles, Area C, Hope Downs) within 20km of the lease boundary (Figure 1).

Further results of drilling of the NMM and CCID prospects have been received with reported intercepts to **32m @ 56.85% iron** at NMM and **8m @ 56.12% iron** at CCID.

The status of the project is summarised below with a more detailed overview in the succeeding pages.

### SUMMARY

- ***Drilling at NMM continues to produce thick intercepts of significant iron-mineralised Marra Mamba Iron Formation.***
- ***Resource drilling at NMM to commence March, 2008 with anticipated maiden resource in August, 2008.***
- ***Drilling at CCID continues to intersect channel iron deposits. Follow up drilling to target thicker, higher grade zones.***
- ***Initial reconnaissance drilling of SMM, EMM and ECID prospects to commence March, 2008.***

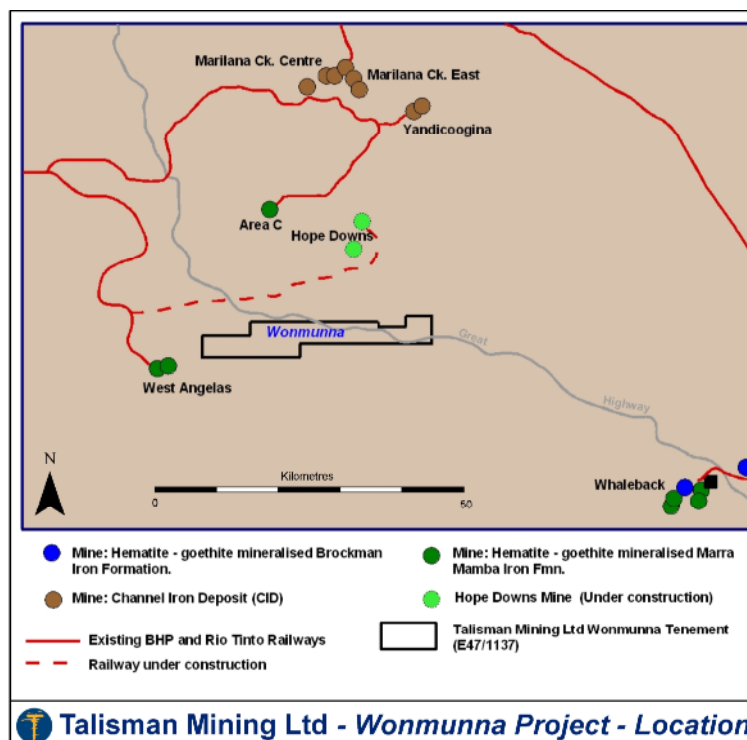


Figure 1

The Wonmunna project comprises five iron prospects, each of which is considered to have potential for the definition of significant iron ore resources. These prospects are shown in Figure 2 and are summarised as follows:

<u>Prospect</u>	<u>Target</u>	<u>Target Size</u>	<u>Drillholes</u>
NMM	Marra Mamba I.F.	~5,500m strike	35
SMM	Marra Mamba I.F.	~5,200m strike	0
EMM	Marra Mamba I.F.	~2,500m strike	0
CCID	Channel Iron	~15,000m strike	68
ECID	Channel Iron	~3,000m strike	0

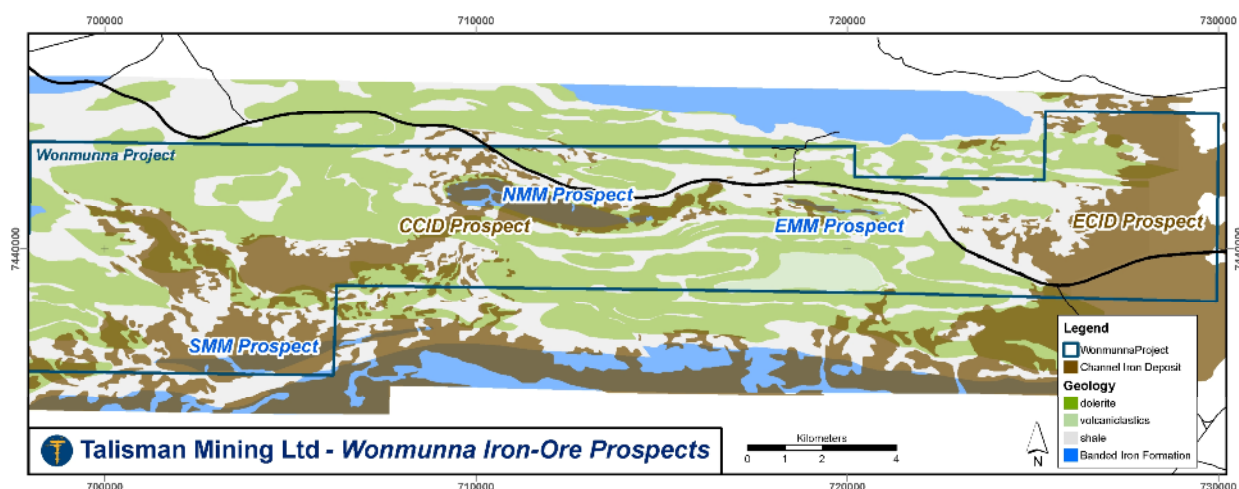


Figure 2

The two drilled prospects, NMM (Northern Marra Mamba) and CCID (Central CID), are in part geographically coincident, with the iron formation almost totally overlain by channel iron deposits.



### NMM (Northern Marra Mamba) Prospect

The majority of reconnaissance drilling completed to date has targeted this outlier of Marra Mamba Iron Formation in the core of a synclinal fold structure (Figure 3). By default, large areas of the overlying CCID (Central CID) has also been evaluated by this drilling.

It is important to note that the Marra Mamba Iron Formation has been interpreted largely from aeromagnetic data, being mostly obscured beneath channel iron deposits or recent surficial deposits. This is a unique situation as elsewhere in the Hamersley Basin the iron formation almost always outcrops as prominent strike ridges. Initial reconnaissance drilling has therefore been completed 'blind' in order to confirm the aeromagnetic interpretation.

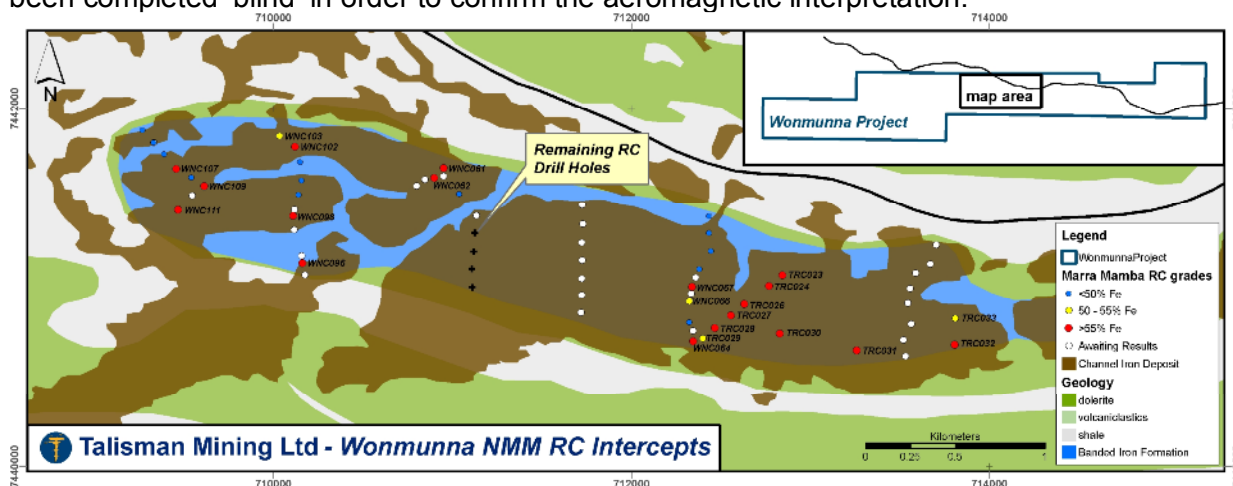


Figure 3

As a consequence of this blind drilling the iron formation at NMM has been confirmed as approximating the initial aeromagnetic interpretation.

Reconnaissance drilling has been completed along pre-existing exploration tracks at nominal 100m intervals between drillholes, closing to 50m intervals in some locations. Distances between drill lines vary from 500m to 1,200m. Many of the drillholes failed to penetrate all of the iron formation and, by association, all levels of potential iron mineralisation.

Of the 35 relevant drillholes completed to date and for which assay data have been received, a total of 22 drillholes have intersected significant (>50% Fe) iron mineralisation. The remaining drillholes either did not intersect the iron formation or returned only low grade (<50% Fe) mineralisation. This 63% strike rate is considered very significant given the exploratory nature of the drilling program.

In addition to defining the iron formation, the reconnaissance drilling has been successful in locating hematite – goethite iron mineralisation at a number of wide spaced localities in this large area. Wide intercepts of moderate to high grade (55 – 61% Fe) have been reported, with impurities for the most part being of sufficiently low tenor to constitute DSO (Direct Shipping Ore) grade ore (Table 1 (*Drillholes indicated on Figure 3 but not included in Table 1 did not contain any 4 metre drill intercepts of >50% Fe*)).

Drilling is at this stage too wide-spaced to confidently ascertain how, or if, these occurrences might be linked and, by corollary, to determine any meaningful ore resource.

**Table 1: NMM Marra Mamba – Drill Intercepts >50% Fe**

Hole	East	North	From (m)	To (m)	Width (m)	Grade					
						Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %
TRC23	712713	7440915	18	26	8	53.22	8.63	4.31	0.081	0.021	10.1
TRC24	712632	7440848	12	24	12	57.60	6.45	2.70	0.065	0.016	7.8
		<i>(including</i>	20	24	<b>4</b>	<b>61.30</b>	6.45	2.70	0.087	0.01	6.4)
TRC26	712485	7440745	10	42	32	56.25	6.37	3.48	0.081	0.021	8.8
		<i>(including</i>	20	24	<b>4</b>	<b>61.20</b>	3.35	1.69	0.078	0.021	6.9
TRC27	712422	7440678	8	14	6	53.96	7.03	5.83	0.106	0.034	8.8
TRC28	712333	7440618	8	20	12	56.25	5.78	4.19	0.050	0.018	8.9
		<i>(including</i>	14	18	<b>4</b>	<b>61.25</b>	2.48	1.38	0.053	0.012	8.0)
TRC29	712265	7440562	10	12	2	50.02	9.66	6.90	0.056	0.02	11.0
TRC30	712685	7440581	8	30	22	57.12	6.07	3.76	0.061	0.026	7.5
		<i>(including</i>	20	22	<b>2</b>	<b>62.85</b>	2.91	1.71	0.066	0.015	4.7)
TRC31	713119	7440494	16	32	16	56.43	6.85	3.76	0.056	0.025	7.9
		<i>(including</i>	20	22	<b>2</b>	<b>61.09</b>	3.24	1.86	0.093	0.025	6.9)
TRC32	713658	7440527	8	38	30	58.09	4.85	3.25	0.094	0.011	8.0
		<i>(including</i>	16	34	<b>18</b>	<b>61.27</b>	3.02	2.02	0.107	0.008	6.6)
TRC33	713669	7440664	2	8	6	51.47	7.05	6.86	0.026	0.024	11.5
WNC061	710958	7441662	12	16	4	58.97	4.53	1.75	0.061	0.056	9.1
WNC062	710898	7441609	8	32	24	59.73	3.42	2.30	0.065	0.059	8.7
		<i>(including</i>	8	16	<b>8</b>	<b>61.28</b>	2.66	2.09	0.061	0.062	7.35)
WNC064	712347	7440703	20	28	8	57.49	6.18	3.04	0.059	0.066	8.5
WNC066	712325	7440921	12	16	4	51.72	9.23	6.51	0.026	0.076	9.8
WNC067	712342	7441001	12	48	36	58.84	5.42	3.00	0.050	0.059	7.2
		<i>(including</i>	12	32	<b>20</b>	<b>61.41</b>	4.46	1.87	0.0622	0.061	5.5)
WNC096	710165	7441136	44	48	4	58.95	2.67	2.45	0.157	0.016	9.3
WNC098	710116	7441398	8	48	40	55.70	5.46	4.14	0.06	0.022	9.0
WNC102	710124	7441781	12	22	10	53.97	6.83	4.94	0.087	0.034	10.3
WNC103	710038	7441841	18	20	2	51.69	8.89	6.15	0.096	0.04	10.0
WNC107	709460	7441666	4	30	26	51.33	9.75	6.03	0.063	0.030	10.1
WNC109	709619	7441569	12	18	6	55.75	4.80	4.40	0.058	0.051	10.9
WNC111	709475	7441436	16	48	32	56.80	4.83	3.22	0.107	0.012	10.2
		<i>(including</i>	22	24	<b>2</b>	<b>60.15</b>	2.25	2.07	0.118	0.011	9.3)

*New, not previously reported assay data*

### CCID (Central Channel Iron Deposit) Prospect:

Initial reconnaissance drill evaluation of the CCID prospect has been completed over approximately 7km strike of the CCID, at least in part as a result of exploratory drilling for the underlying Marra Mamba Iron Formation (Figure 4).

The channel iron deposit in the area drilled varies considerably in thickness from 2m to 16m, with an observed positive correlation between thickness and grade. Better grades and thickness of mineralisation might therefore be expected near the centre of the palaeochannel in which the deposits have formed. To this end, the Company is in the process of constructing a geomorphological map, utilising drill data and a recently completed Differential GPS Elevation survey to define the centre of the palaeochannel.



Table 2: CCID Channel Iron – Drill Intercepts &gt;40% Fe

Hole	East	North	From (m)	To (m)	Width (m)	Fe %	SiO <sub>2</sub> %	Grade		S %	LOI_ %
								Al <sub>2</sub> O <sub>3</sub> %	P %		
TRC3	709750	7440570	0	6	6	43.77	12.13	12.00	0.032		11.5
TRC4	709795	7440500	0	6	6	49.37	7.87	8.60	0.035		11.9
TRC5	709824	7440444	0	6	6	50.00	7.56	7.80	0.033		12.0
TRC8	709510	7440485	0	10	10	51.22	7.42	7.16	0.028		10.9
TRC9	709085	7440435	0	6	6	52.77	6.30	6.07	0.025		11.0
TRC10	709190	7440365	0	12	12	51.57	6.65	6.37	0.034		12.4
TRC22	712581	7441044	0	16	16	44.69	7.99	8.00	0.046	0.04	10.5
TRC23	712713	7440915	0	10	10	49.55	9.21	8.49	0.022	0.037	10.5
	(including		2	6	4	53.98	6.35	5.56	0.020	0.028	10.24)
TRC24	712632	7440848	0	8	8	49.69	9.71	7.18	0.022	0.028	11.1
	(including		6	8	2	52.25	7.4	5.85	0.023	0.023	11.3)
TRC25	712562	7440801	0	14	14	48.14	11.81	7.81	0.024	0.03	10.5
	(including		8	12	4	52.67	8.2	5.43	0.025	0.03	10.2)
TRC26	712485	7440745	0	8	8	47.36	12.46	8.48	0.026	0.025	10.3
	(including		6	8	2	52.93	8.85	6.02	0.044	0.021	8.5)
TRC27	712422	7440678	6	8	2	52.95	6.84	7.34	0.064	0.041	8.7
TRC28	712333	7440618	0	6	6	41.44	19.01	10.05	0.046	0.018	9.7
TRC29	712265	7440562	4	8	4	41.40	14.51	12.85	0.045	0.023	11.4
TRC30	712685	7440581	2	6	4	49.94	8.88	7.42	0.026	0.021	11.1
	(including		4	6	2	53.72	6.44	5.16	0.035	0.027	11.1)
TRC31	713119	7440494	0	2	2	56.40	11.40	1.22	0.079	0.006	6.1
TRC32	713658	7440527	4	8	4	48.30	10.90	8.12	0.022	0.019	10.6
	(including		4	6	2	52.62	8.00	5.90	0.023	0.019	9.7)
TRC33	713669	7440664	0	2	2	53.34	7.61	5.12	0.021	0.032	10.1
WNC056	707248	7439899	0	4	4	43.10	15.60	11.03	0.017	0.076	8.7
WNC057	707289	7439802	0	4	4	45.10	13.29	9.58	0.017	0.080	10.4
WNC058	707334	7439704	0	4	4	42.35	15.93	10.71	0.017	0.080	11.0
WNC059	707443	7439605	0	4	4	43.78	12.54	11.85	0.017	0.088	11.2
WNC060	710884	7441768	12	20	8	45.46	13.41	7.96	0.035	0.088	11.4
WNC061	710958	7441662	0	12	12	50.40	10.91	6.33	0.042	0.095	10.4
	(including		8	12	4	55.95	7.09	3.26	0.052	0.068	10.0)
WNC062	710898	7441609	4	8	4	57.90	5.51	3.98	0.044	0.072	7.5
WNC063	711043	7441526	0	4	4	42.54	17.56	14.64	0.017	0.052	4.4
WNC064	712347	7440703	12	20	8	48.04	11.975	7.91	0.052	0.080	10.4
WNC065	712326	7440803	8	12	4	46.78	11.78	9.69	0.048	0.088	10.5
WNC066	712325	7440921	0	12	12	45.86	13.59	9.73	0.020	0.065	10.5
WNC067	712342	7441001	0	12	12	49.01	10.66	8.68	0.028	0.067	9.9
	(including		0	4	4	51.76	8.66	6.55	0.022	0.068	9.8)
WNC069	712449	7441199	0	4	4	42.66	16.56	11.76	0.013	0.076	9.7
WNC070	712439	7441299	0	4	4	51.38	12.95	9.58	0.017	0.036	3.4
WNC102	710124	7441781	4	8	4	40.41	15.40	14.54	0.03	0.050	8.8
WNC106	709397	7441746	0	2	2	44.99	14.33	9.96	0.045	0.070	10.3
WNC107	709460	7441666	0	4	4	45.62	11.29	11.45	0.053	0.026	9.7
WNC112	709422	7441337	0	2	2	48.38	13.08	7.43	0.054	0.024	8.3
WNC118	709507	7440893	0	10	10	40.87	16.82	13.70	0.036	0.038	9.8
WNC119	709590	7440809	0	6	6	46.52	13.01	10.36	0.033	0.040	8.7
WNC120	709635	7440731	2	8	6	48.97	10.16	8.72	0.033	0.042	10.2
WNC121	709656	7440638	0	12	12	50.91	9.01	7.60	0.033	0.042	9.8
	(including		2	8	6	54.80	5.69	5.50	0.037	0.0523	9.8)
WNC122	708567	7440200	0	16	16	50.46	10.98	6.78	0.023	0.035	9.2
	(including		6	14	8	56.12	6.43	4.00	0.024	0.026	9.2
WNC123	708601	7440100	0	6	6	48.87	10.77	8.03	0.026	0.040	10.1
	(including		2	4	2	50.16	9.42	7.31	0.03	0.05	10.6)
WNC124	708537	7440295	0	6	6	42.37	13.86	12.39	0.02	0.051	10.7

New, not previously reported assay data

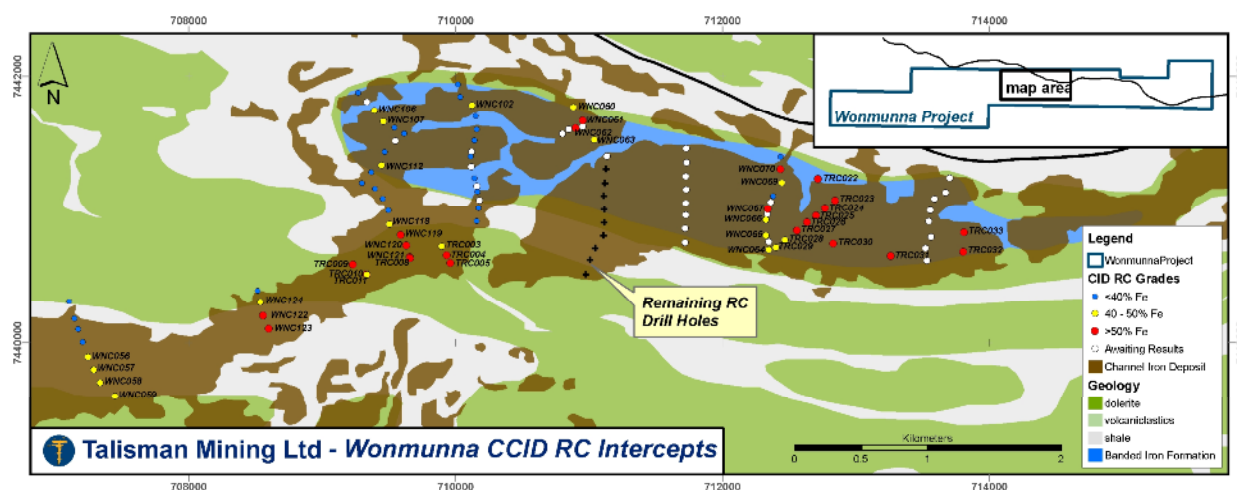


Figure 4

The limonite – goethite – hematite mineralisation in the CID averages approximately 48% Fe (using a lower cut of 40% Fe) with peak values to 57.9% Fe (Table 2 (*Drillholes indicated on Figure 4 but not included in Table 2 did not contain any 4 metre drill intercepts of >40% Fe*)). Whilst these grades are generally below DSO requirements, the Company remains confident of excellent potential for the definition of higher grade mineralisation in this large system.

Drilling is at this stage too wide-spaced to confidently determine any meaningful ore resource.

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.