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WONMUNNA IRON PROJECT – DRILLING UPDATE

First reconnaissance drillholes from CMM prospect indicate significant, thick iron mineralisation to 38m @ 55.56% Fe (remaining open at depth) and 12m @ 60.92% Fe.

CMM Reconnaissance Drilling

First assay results have been received for 3 reverse circulation drillholes completed as part of the program of reconnaissance drilling at the CMM (Central Marra Mamba) prospect, Wonmunna project.

These results clearly indicate good potential at this prospect for the definition of a significant iron resource. Further drilling has indicated that this outlier of Marra Mamba Iron Formation is a minimum of 200m wide, remaining open to the north, and extends over a strike length of at least 1.5km, remaining open to both the east and west.

Significant (>50% Fe) drill intercepts are listed in Table 1 and drillhole locations shown on Figure 1.

Table 1: Significant (>50% Fe) CMM Reconnaissance Drill Intercepts WNC281-283

Hole	East	North	From(m)	To(m)	Width(m)	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
WNC281	704952	7439096	**14**	**34**	**20**	**58.87**	4.26	2.55	0.10	0.02	8.9
	(including		***20***	***32***	***12***	***60.92***	*2.99*	*1.76*	*0.10*	*0.01*	*8.4)*
WNC282	704871	7438994	32	50	18	56.05	6.35	3.32	0.11	0.02	9.8
	(including		***44***	***48***	***4***	***61.34***	*2.94*	*1.62*	*0.12*	*0.01*	*7.9)*
WNC283	704867	7438897	**16**	**54**	**38(eoh)**	**55.56**	6.48	3.69	0.13	0.02	10.1
	(including		***24***	***28***	***4***	***61.27***	*2.82*	*1.88*	*0.14*	*0.01*	*7.8)*

eoh = End of Hole (Drillhole terminated in mineralisation)

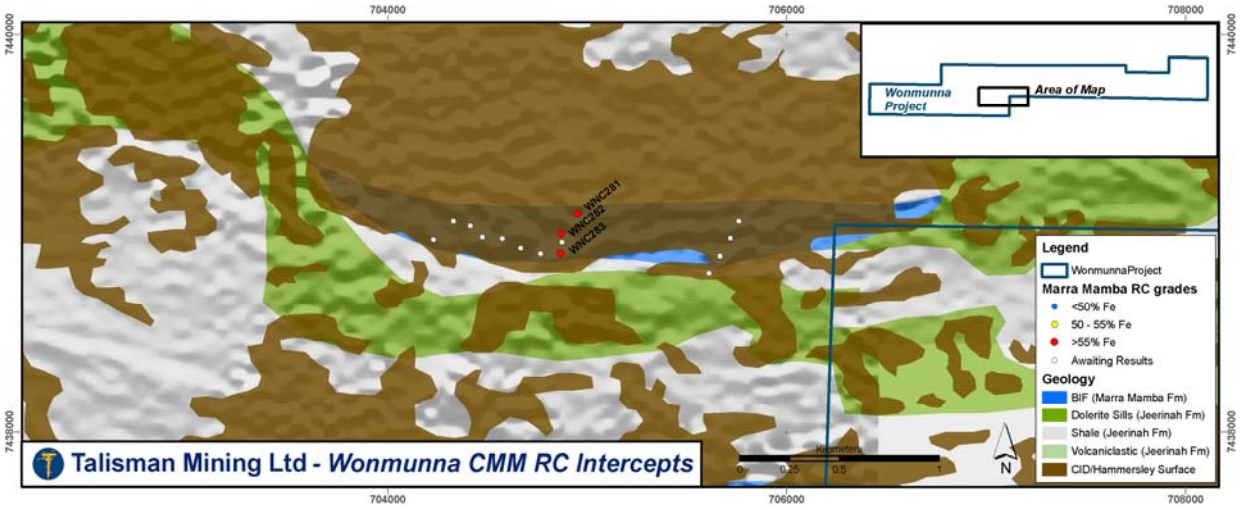


Figure 1

NMM Resource Drilling

Assay results have been received for a further 30 reverse circulation drillholes completed as part of the program of gridded resource drilling at the NMM (North Marra Mamba) prospect, Wonmunna project, East Pilbara region, Western Australia. Significant (>50% Fe) drill intercepts are listed in Table 2 and drillhole locations shown on Figure 2.

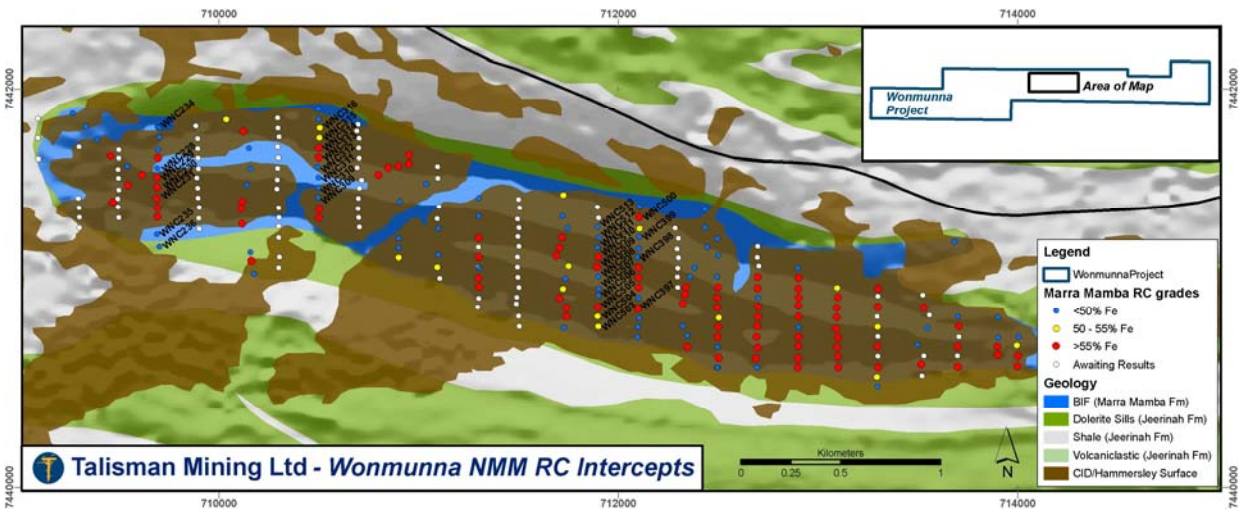


Figure 2

Table 2: Significant (>50% Fe) NMM Resource Drill Intercepts WNC228-231, 235-236, 309-316, 397-399, 500, 503-513.

Hole	East	North	From(m)	To(m)	Width(m)	Fe %	SiO_2 %	Al_2O3 %	P %	S %	LOI %
WNC228	709693	7441601				*no significant results (<50% Fe)*					
WNC229	709692	7441553	12	20	8	53.74	8.18	4.89	0.09	0.01	9.2
WNC230	709693	7441504	20	38	18	58.17	4.52	2.17	0.11	0.01	9.6
	(including		***26***	***36***	***10***	***60.41***	*2.22*	*1.45*	*0.10*	*0.00*	*9.9)*
WNC231	709691	7441449	**14**	**48**	**34**	**55.82**	7.29	2.98	0.09	0.02	9.5
WNC234	709695	7441805				*no significant results (<50% Fe)*					
WNC235	709691	7441265				*no significant results (<50% Fe)*					
WNC236	709703	7441203				*no significant results (<50% Fe)*					
WNC309	710499	7441453				*no significant results (<50% Fe)*					
WNC310	710501	7441503				*no significant results (<50% Fe)*					
WNC311	710500	7441553				*no significant results (<50% Fe)*					
WNC312	710494	7441607				*no significant results (<50% Fe)*					
WNC313	710503	7441653	8	22	14	54.66	8.76	3.41	0.10	0.01	8.6
	(including		***14***	***16***	***2***	***60.44***	*3.24*	*1.37*	*0.11*	*0.01*	*8.1)*
WNC314	710502	7441701	10	22	12	53.13	8.62	4.30	0.07	0.02	9.4
WNC315	710504	7441752	10	12	2	50.78	13.88	3.87	0.11	0.01	9.2
WNC316	710506	7441803	8	10	2	51.82	8.93	5.36	0.04	0.01	10.4
WNC397	712100	7440893	16	30	14	53.83	9.92	3.94	0.09	0.02	8.7
	(including		***20***	***22***	***2***	***60.08***	*3.51*	*2.21*	*0.08*	*0.01*	*8.4)*
WNC398	712097	7441152				*no significant results (<50% Fe)*					
WNC399	712104	7441252				*no significant results (<50% Fe)*					
WNC500	712104	7441353	12	20	8	54.43	8.22	4.40	0.07	0.03	9.2
WNC503	711900	7440802	12	14	2	50.92	8.84	6.54	0.06	0.03	11.7
			24	28	4	51.71	8.09	5.71	0.10	0.01	11.1
WNC504	711897	7440854	20	28	8	52.34	8.49	5.21	0.06	0.02	11.2
WNC505	711899	7440901	14	16	2	58.04	4.29	3.12	0.10	0.02	9.9
WNC506	711902	7440959				*no significant results (<50% Fe)*					
WNC507	711903	7440995				*no significant results (<50% Fe)*					
WNC508	711901	7441055				*no significant results (<50% Fe)*					
WNC509	711895	7441103	**22**	**52**	**30**	**52.13**	6.88	7.22	0.04	0.02	10.7
	(including		***36***	***36***	***2***	***60.23***	*2.78*	*2.15*	*0.04*	*0.01*	*9.1)*
WNC510	711902	7441152	**14**	**46**	**32**	**55.65**	6.59	4.42	0.07	0.02	8.9
	(including		***14***	***16***	***2***	***62.54***	*2.79*	*1.64*	*0.07*	*0.03*	*6.0)*
WNC511	711896	7441199				*no significant results (<50% Fe)*					
WNC512	711904	7441249				*no significant results (<50% Fe)*					
WNC513	711896	7441305				*no significant results (<50% Fe)*					

SMM Reconnaissance Drilling

Assay results have been received for a further 13 reverse circulation drillholes completed as part of the program of reconnaissance drilling at the SMM (South Marra Mamba) prospect, Wonmunna project. Significant (>50% Fe) drill intercepts are listed in Table 3 and drillhole locations shown on Figure 3.

Table 3: Significant (>50% Fe) SMM Reconnaissance Drill Intercepts WNC240, 243, 320-323, 328-331,334-336.

Hole	East	North	From(m)	To(m)	Width(m)	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI%
WNC240	703999	7436857	22	24	2	53.43	8.56	3.95	0.08	0.01	10.4
WNC243	702389	7436998	26	30	4	53.74	9.64	2.75	0.13	0.01	10.8
			38	40	2	50.51	8.88	6.00	0.18	0.01	11.8
WNC320	704397	7437203	*no significant results (<50% Fe)*								
WNC321	704403	7437088	*no significant results (<50% Fe)*								
WNC322	704399	7437004	18	20	2	51.16	9.25	6.72	0.02	0.03	9.2
			22	24	2	53.84	7.50	5.11	0.04	0.01	9.2
WNC323	704403	7437302	2	16	14	58.13	5.46	2.95	0.03	0.02	8.6
	(including		***8***	***12***	***4***	***60.95***	*2.69*	*2.04*	*0.03*	*0.02*	*8.5)*
WNC328	703590	7436793	*no significant results (<50% Fe)*								
WNC329	703598	7436704	*no significant results (<50% Fe)*								
WNC330	703197	7437049	*no significant results (<50% Fe)*								
WNC331	703210	7436944	20	22	2	50.40	8.54	8.22	0.05	0.02	10.2
			30	36	6	57.57	4.96	3.44	0.07	0.01	8.9
WNC334	702805	7436996	*no significant results (<50% Fe)*								
WNC335	702800	7436903	*no significant results (<50% Fe)*								
WNC336	702800	7436854	*no significant results (<50% Fe)*								

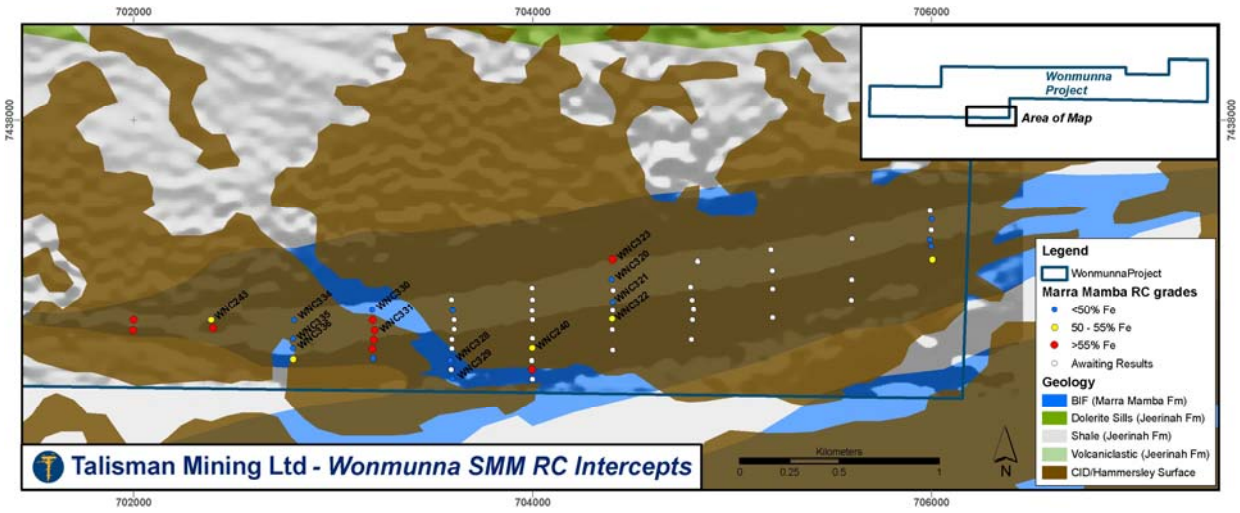
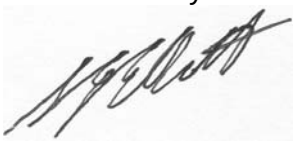


Figure 3

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.