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The Manager
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NMM Inferred Resource of 44Mt @ 55.9% Iron

HIGHLIGHTS

- **Inferred resource of 44Mt @ 55.9% Fe (50% Fe lower cut) inclusive of 28Mt @ 57.4% Fe (55% Fe lower cut),**
- **Six additional areas of known or potential Marra Mamba mineralisation encompassed within the Wonmunna project,**
- **Two Further resource announcements anticipated by November, 2008,**
- **Commencement of scoping study to evaluate commercial viability and development options for the Wonmunna project.**

NMM Resource

The Directors of Talisman Mining Ltd ('Talisman') are pleased to announce an Inferred Resource of **44Mt @ 55.9% Fe (at a 50% Fe lower cut)**, inclusive of **28Mt @ 57.4% Fe (at a 55% Fe lower cut)** for the NMM (North Marra Mamba) prospect at the 100% Talisman owned Wonmunna project, Pilbara region, Western Australia.

The estimate is summarised in Table 1 below.

Table 1: NMM Prospect, Wonmunna – Inferred Mineral Resources.

Fe Cut off (%)	Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %
50	44,000,000	55.9	0.07	6.9	3.7	8.9
55	28,000,000	57.4	0.07	5.7	3.1	8.7



The above resource estimate was prepared by Chris de-Vitry¹ who is a full time employee of Quantitative Group (QG). QG is an independent group specialising in resource evaluation. Chris De-Vitry acts as the competent person for the resource estimate while Steven Elliott² is acting as the competent person for the geological interpretation and data quality that form the foundation for this estimate.

Resources were estimated from the results of a total of 333 drillholes for a total of 15,787m completed over the NMM prospect at a nominal interval of 200m x 50m.

The NMM iron mineralisation occurs in a number of discreet and coherent zones of enriched Marra Mamba Iron Formation as indicated in **Figure 1**. Within the enriched Marra Mamba there are significant areas of **>60% Fe (Figure 2)**, up to 30m thick.

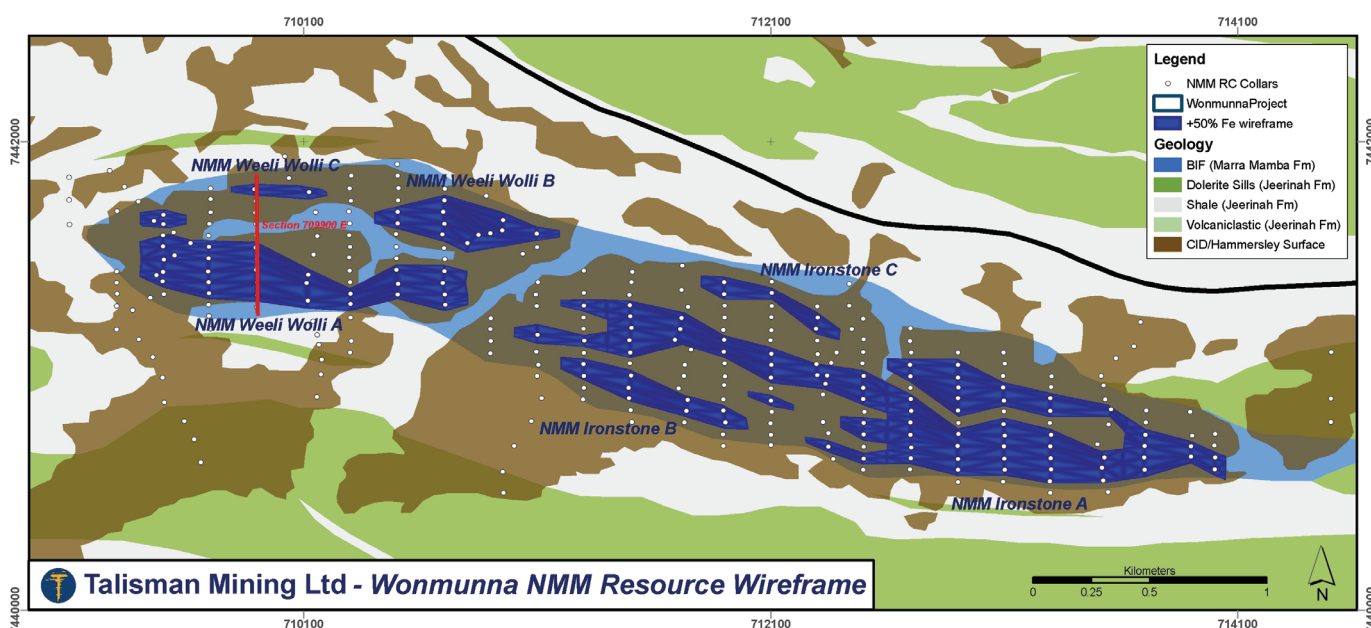


Figure 1

The defined hematite-goethite mineralisation is of supergene origin and as such comprises flat lying 'blankets' averaging 20 - 40m thick within the oxidised Marra Mamba Formation. This mineralisation is in turn overlain by low-grade (40 – 50% Fe) CID (Channel Iron Deposit) mineralisation ranging from 0 to 20m thick (**Figure 2**).

¹ Mr Chris De-Vitry is a member and registered practicing geologist of the Australian Institute of Geoscientists (AIG). Mr Chris De-Vitry has sufficient experience in iron ore to act as competent person for this estimate as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Chris De-Vitry consents to the inclusion in this report of NMN resource estimate.

² Mr Steven Elliott 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.

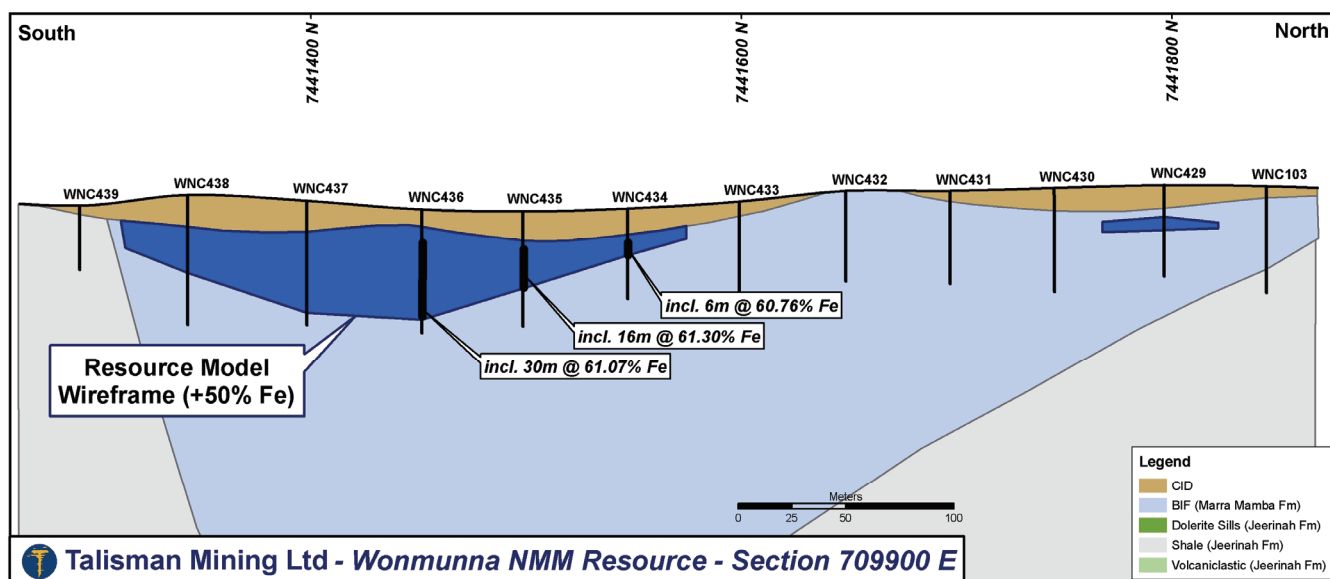


Figure 2

Wonmunna Project Overview

In addition to the NMM prospect, the Wonmunna project encompasses six additional areas of known or potential Marra Mamba – hosted iron mineralisation; SMM (South Marra Mamba), CMM (Central Marra Mamba), WMM (West Marra Mamba), WRR (West Rhodes Ridge), WAH (West Arrowhead), EWA (East Wonmunna Angeles) (**Figure 3**).

At SMM resource drilling has been completed on nominal 200m x 50m centres with initial drill intercepts to 34m @ 58.34% Fe (including 22m @ 61.1% Fe). Complete assay results are awaited with a resource anticipated by November, 2008.

Resource drilling has also been completed at CMM with reported initial intercepts to 20m @ 58.87% Fe (including 12m @ 60.9% Fe). Complete assay results are awaited with a resource anticipated by November, 2008.

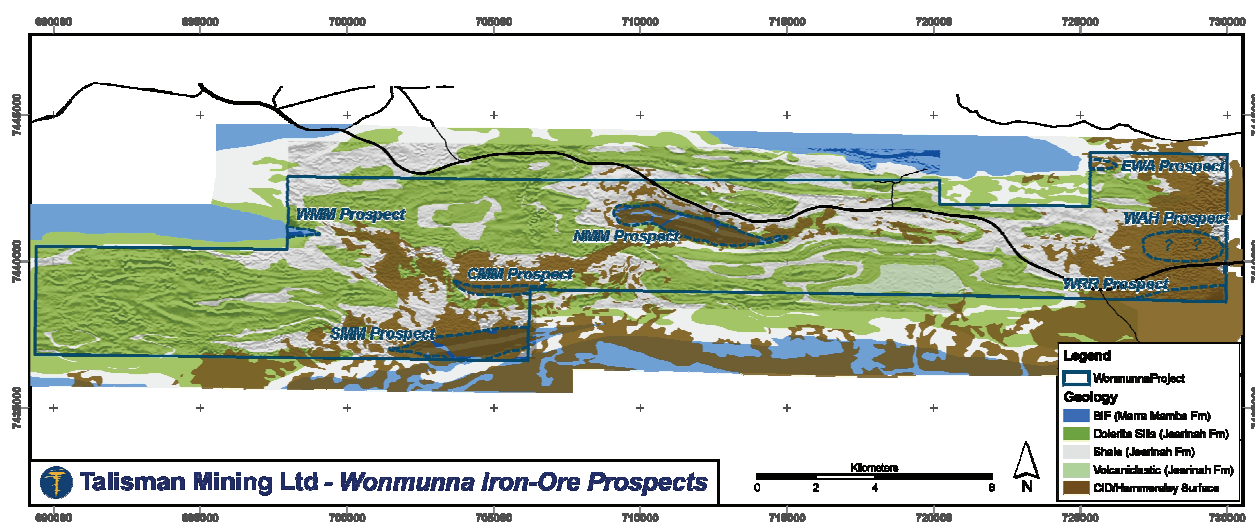


Figure 3



Reconnaissance drilling at both WRR and WAH has intersected iron mineralisation. Assay results are awaited.

Outcropping iron mineralisation has been noted at WMM. Iron formation at EWA has been interpreted from aeromagnetic data.

Table 2: Wonmunna Project Marra Mamba Exploration Targets.

<i>Prospect</i>	<i>Exploration Targets (Mt)</i>	
	<i>Minimum</i>	<i>Maximum</i>
NMM extensions	2	5
SMM	15	30
CMM	20	30
WMM	5	10
WRR	2	5
WAH	2	15
EWA	0	5
Concealed deposits	0	20
Total	46 Mt	120 Mt

In addition to these known prospects, good potential exists for the discovery of additional as yet unknown lenses of mineralisation beneath shallow cover. Detailed gravity surveys are to be completed in order to test this potential.

Total targetted Marra Mamba mineralisations for the Wonmunna project, encompassing the known prospects (additional to NMM), are summarised in **Table 2**.

In addition there is the potential for 100 – 150Mt of low-grade (40 – 50% Fe) Channel Iron Deposit (CID) mineralisation in the project area. Whilst this low-grade material does not at this time constitute an economic proposition, investigations will be undertaken to determine if it can be economically upgraded to a saleable product.

Wonmunna Development

Having confirmed that Wonmunna hosts a significant iron ore resource, the Board of Directors is examining options for the commercial development of that resource. A scoping study to evaluate the commercial viability and development options for the project has commenced.

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.