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The Manager  
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## **TALISMAN DELIVERS 80% INCREASE IN WONMUNNA IRON ORE RESOURCE TO 78.3 MILLION TONNES**

- **Total Inferred Resource increased to 78.3Mt @ 56.0% Fe (50% Fe cut off) within three key deposits.**
- **Increase driven by new resource estimates for CMM and SMM deposits, with slight increase to NMM resource.**
- **Significant high-grade DSO resource of 10.0Mt @ 61.3% Fe (60% Fe cut-off).**
- **Updated resource underpins current Scoping Study.**
- **Study in progress to review development options and capital and operating costs.**

Diversified resource company Talisman Mining Ltd (ASX: TLM – “Talisman” or “Company”) is pleased to announce a substantial upgrade to the Mineral Resource for its 100%-owned **Wonmunna Iron Ore Project** in the East Pilbara region of Western Australia following successful drilling programs completed in late 2008.

The overall tonnage of Marra Mamba-hosted hematite-goethite mineralisation at Wonmunna has increased to **78.3 million tonnes grading 56.0% Fe** using a 50% Fe cut-off. This represents an 80% increase over the previously announced maiden resource estimate (August 2008) of 44Mt @ 55.9% Fe (50% Fe cut-off).

The updated Inferred Mineral Resource also includes a significant component of high-grade Direct Shipping Ore (DSO), totalling **10.0 million tonnes @ 61.3% Fe** using a 60% Fe cut-off.

The substantial upgrade reflects the estimation of initial resources for the Central Marra Mamba (CMM) and South Marra Mamba (SMM) deposits, together with a small increase in the existing resource for the North Marra Mamba (NMM) deposit. These three deposits underpin the current Scoping Study for the Wonmunna Project, which is scheduled for completion within the March 2009 Quarter.

## WONMUNNA IRON ORE RESOURCE UPDATE

The updated Mineral Resource estimate was prepared by Bosta Pratama, who is a full time employee of Quantitative Group (QG). QG is an independent group specialising in resource evaluation. This estimate was prepared under the supervision of, and with technical review by, Chris De-Vitry, who is a full time employee of QG. Chris De-Vitry acts as the Competent Person for the resource estimate, with Talisman's Exploration Manager, Harry Cornelius, acting as the Competent Person for the geological interpretation and data quality that forms the foundation for this estimate.

The Mineral Resource estimate has been classified and reported in accordance with the 2004 JORC Code.

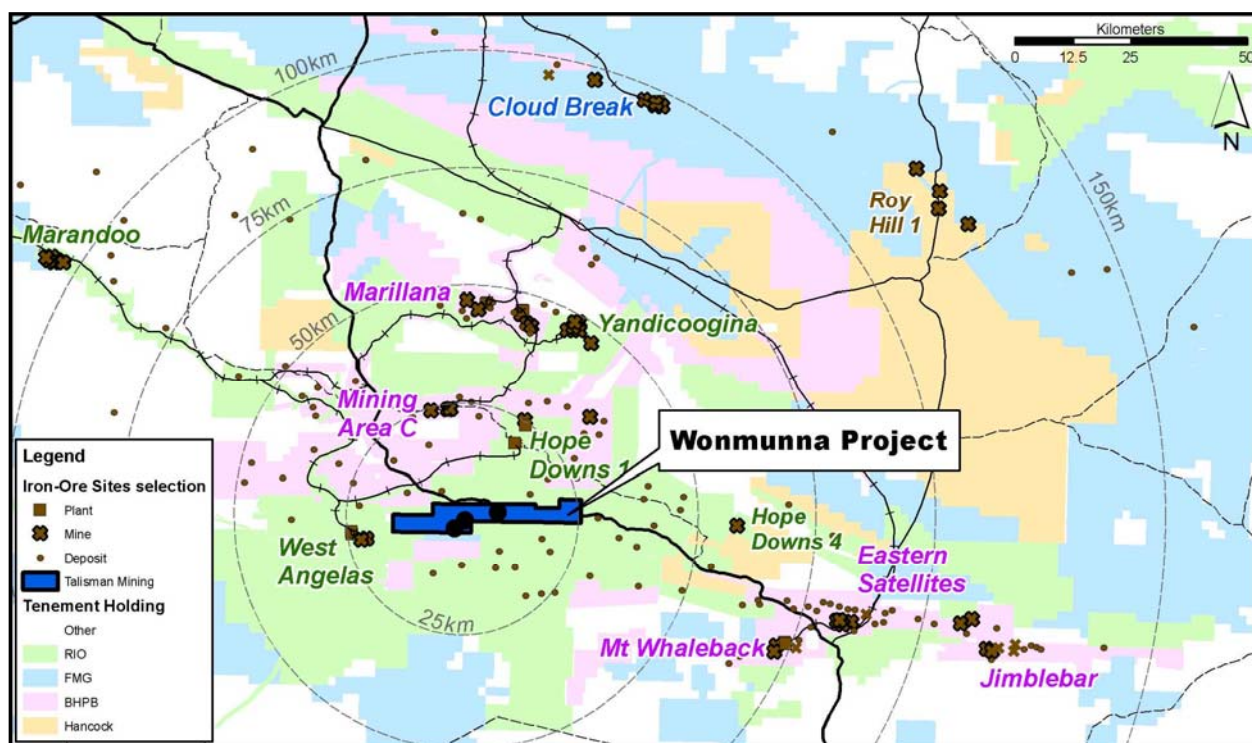
The updated Wonmunna Iron Ore Mineral Resource is presented in **Table 1** below:

**Table 1: Wonmunna Iron Ore Project – Inferred Mineral Resources.**

	Fe cut-off	Million Tonnes*	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
<b>NMM Resource</b>	50%	<b>47.2</b>	<b>55.9</b>	6.9	3.7	0.07	8.9
<b>NMM DSO Resource</b>	60%	<b>6.2</b>	<b>61.4</b>	3.0	1.8	0.07	7.2
<b>CMM Resource</b>	50%	<b>15.2</b>	<b>56.8</b>	5.7	3.3	0.10	9.5
<b>CMM DSO Resource</b>	60%	<b>2.4</b>	<b>61.2</b>	3.3	1.7	0.10	7.4
<b>SMM Resource</b>	50%	<b>15.9</b>	<b>55.3</b>	6.7	3.8	0.07	9.7
<b>SMM DSO Resource</b>	60%	<b>1.4</b>	<b>61.2</b>	2.9	1.6	0.06	7.6
<b>Total Resources</b>	50%	<b>78.3</b>	<b>56.0</b>	6.6	3.6	0.08	9.2
<b>Total DSO Resources</b>	60%	<b>10.0</b>	<b>61.3</b>	3.1	1.7	0.08	7.3

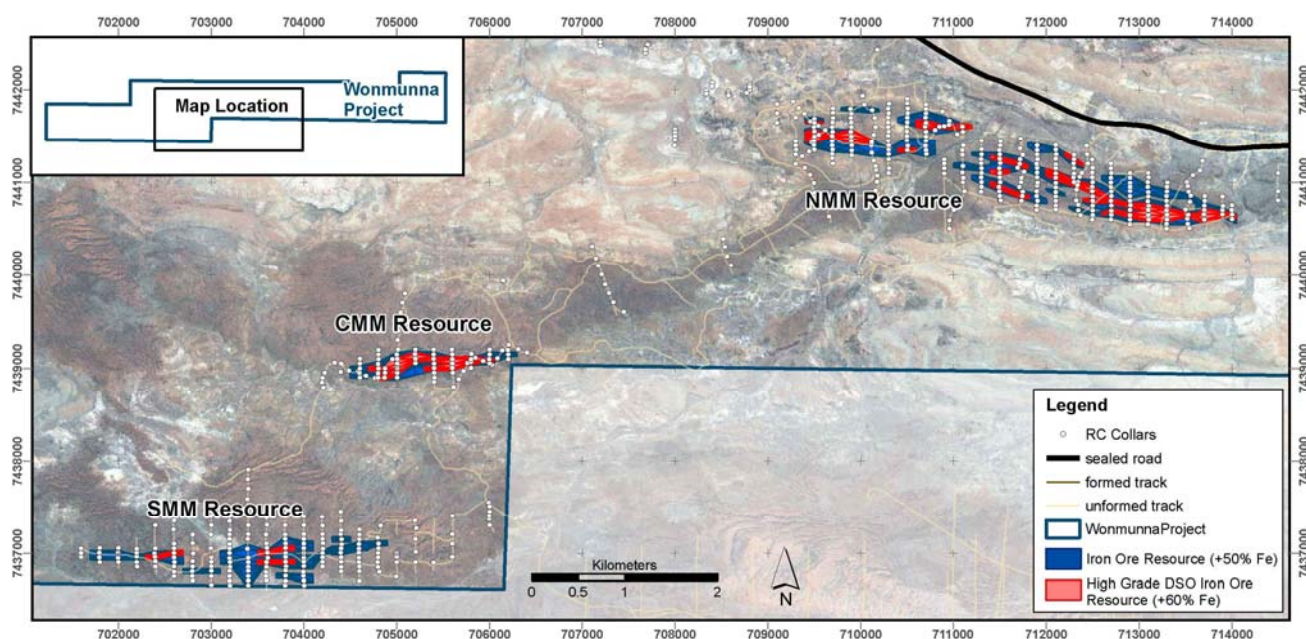
\* In accordance with Clause 24 of the JORC Code, tonnages have been rounded to the nearest 0.1Mt.

The Wonmunna Iron Project is located within the heartland of the Pilbara region (**Figure 1**), close to major existing iron ore operations. The project area lies within 25km of the West Angelas (Rio Tinto), Hope Downs 1 (Rio Tinto/Hancock) and Mining Area C (BHP Billiton) Operations.



**Figure 1: Location of Talisman's Wonmunna Iron Ore Project**

The Wonmunna Iron Ore Project Mineral Resource is contained within three separate deposits within the project (NMM, CMM and SMM) as shown in **Figure 2** below:

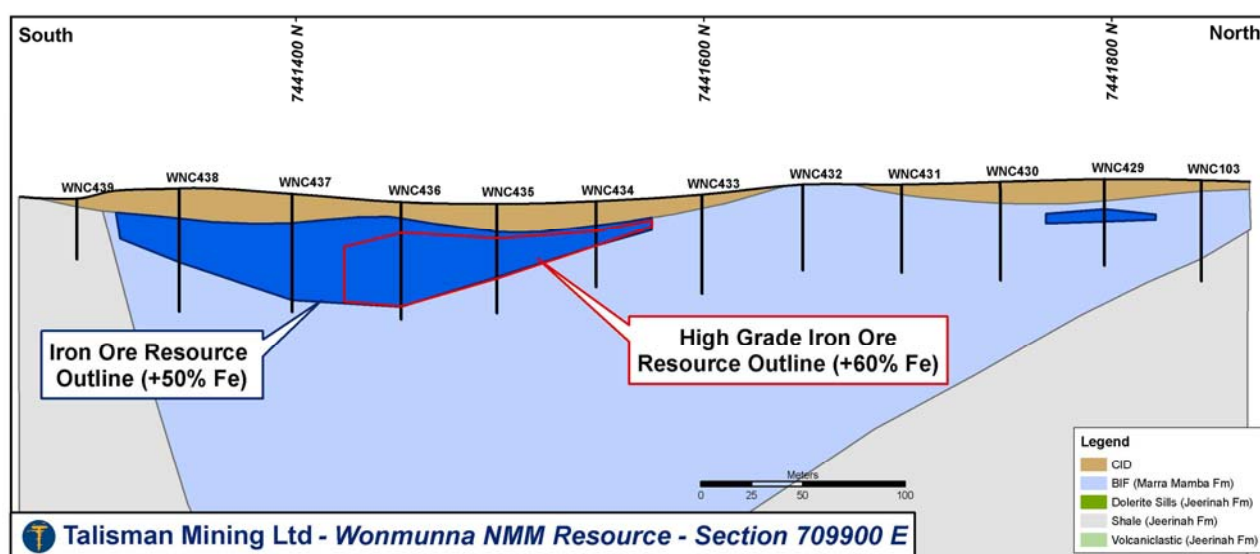


**Figure 2: Location of Iron Ore Mineral Resources within the Wonmunna Project**

## North Marra Mamba (NMM) Prospect

Following additional work undertaken at the NMM Prospect, a re-estimation of the existing NMM Mineral Resource was completed, as well as an estimate of the high grade, plus 60% Fe component of this resource, as outlined in **Table 1**.

The iron ore mineralisation within the NMM deposit occurs in a number of discrete zones of supergene-enriched Marra Mamba Iron Formation; as such, it comprises flat-lying blankets averaging 20m-40m in thickness within the oxidised zone. In turn, this mineralisation is overlain by low grade (40%-50% Fe) Channel Iron Deposit (CID) mineralisation ranging from 0m to 20m in thickness (see **Figure 3** below).



**Figure 3: NMM Mineral Resource Cross Section.**

The NMM Mineral Resource was estimated from the results of a total of 333 RC drillholes for a total of 15,787m, completed at a nominal spacing of 200m x 50m.

Metallurgical testwork and ore characterisation studies have been completed for the NMM Mineral Resource by Mets Pty Ltd. The metallurgical testwork showed that the 60% Fe cut off grade produces a saleable grade DSO product in both the lump and fines fractions. Results also indicate generally 'soft' ore, potentially amenable to continuous free-digging mining, with high lump: fines ratios in excess of 60:40.

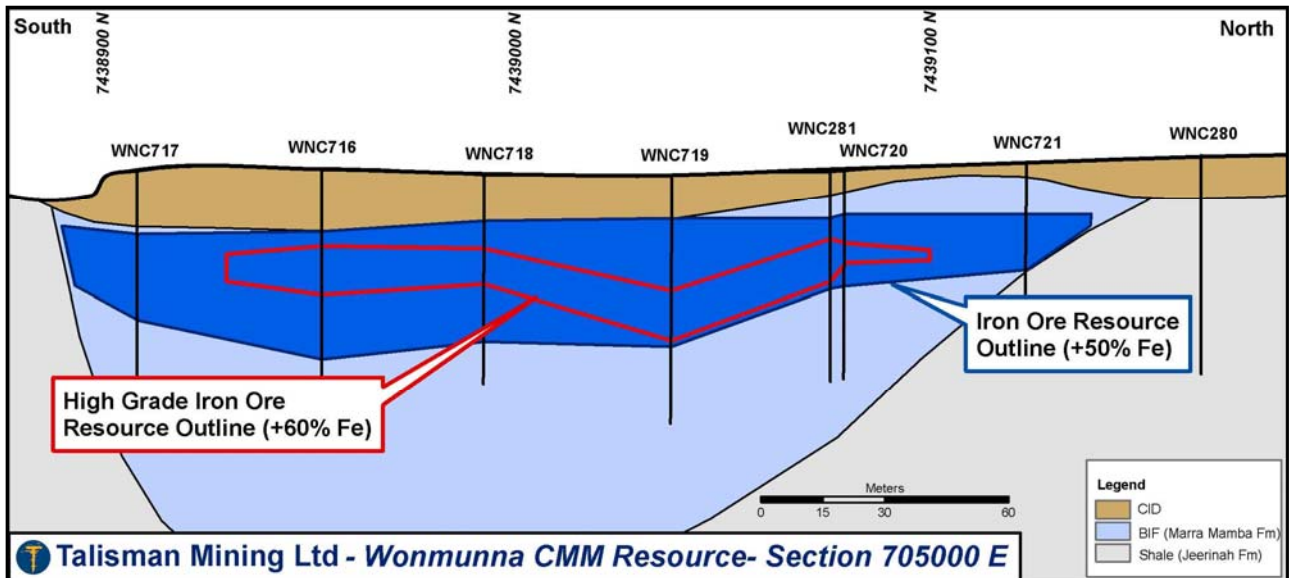
## Central Marra Mamba (CMM) Prospect

An estimate of the CMM Mineral Resource was completed including an estimate of the high grade, plus 60% Fe component of this resource, as outlined in **Table 1**. The CMM Iron Ore mineralisation occurs as a coherent zone of supergene-enriched Marra Mamba Iron Formation; as such, it comprises a flat-lying blanket averaging 20m-40m in thickness within the oxidised zone.



This mineralisation is in turn overlain by low grade (40%-50% Fe) Channel Iron Deposit (CID) mineralisation and associated fluvial deposits, ranging from 0m to 20m in thickness (see **Figure 4** below).

The CMM Mineral Resource was estimated from the results of a total of 82 RC drillholes for a total of 3,980m, completed over the CMM Prospect at a nominal spacing of 200m x 50m.



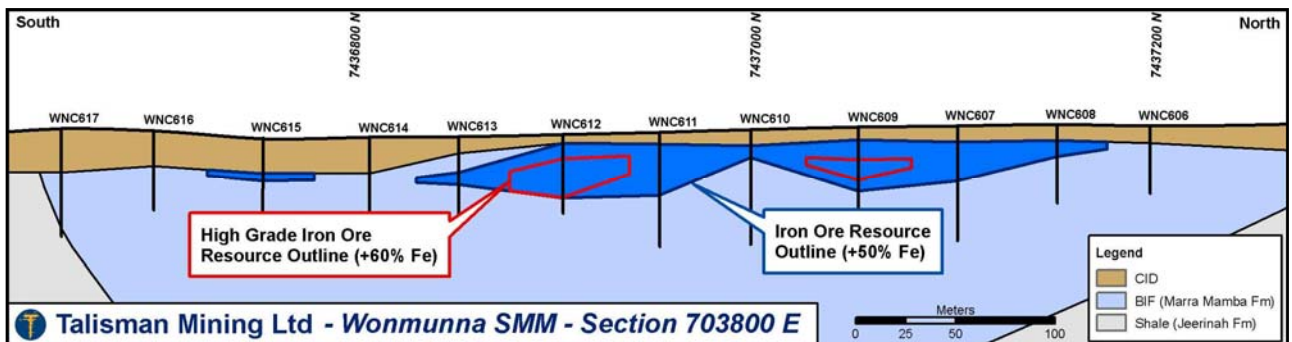
**Figure 4: CMM Mineral Resource Cross Section**

Diamond core drilling (PQ3 diameter) was completed at the CMM Prospect to provide samples for metallurgical testwork and ore characterisation studies. This work, which is being undertaken by Mets Pty Ltd, is expected to be completed within the March 2009 Quarter.

### South Marra Mamba (SMM) Prospect

An estimate of the SMM Mineral Resource was completed, including an estimate of the high grade, plus 60% Fe component of this resource, as outlined in **Table 1**. The SMM Iron Ore mineralisation occurs as a series of supergene-enriched Marra Mamba Iron Formation zones; as such, it comprises flat-lying blankets averaging 20m-40m in thickness within the oxidised zone.

In turn, this mineralisation is overlain by low grade (40%-50% Fe) Channel Iron Deposit (CID) mineralisation and associated fluvial deposits, ranging from 0m to 20m thick, (see **Figure 5** below).



**Figure 5: SMM Mineral Resource Cross Section.**

The SMM Mineral Resource was estimated from the results of a total of 185 RC drillholes for a total of 10,098m, completed over the SMM Prospect at a nominal spacing of 200m x 50m.

Diamond core drilling (PQ3 diameter) was completed at the SMM Prospect to provide samples for metallurgical testwork and ore characterisation studies. This work, which is being undertaken by Mets Pty Ltd, is expected to be completed within the March 2009 Quarter.

## SUMMARY AND OUTLOOK

The updated Mineral Resource for the Wonmunna Project represents a significant milestone for Talisman, coming just seven months after the maiden resource estimate was announced.

Talisman has recently engaged AMC Consultants Pty Ltd (AMC) to perform a Scoping Study at the Wonmunna Project based on the three currently defined deposits (NMM, CMM and SMM). This study, which is due to be completed within the March 2009 Quarter, will define various mine development scenarios and provide projected capital and operating costs.

Commenting on the announcement, Talisman's Executive Chairman, Alan Senior, said: "This represents an excellent achievement by our exploration team, which has successfully converted the identified mineralisation at CMM and SMM to JORC compliant resource status."

"The upgraded iron ore resource, including the high-grade DSO component of 10 million tonnes, will underpin the Scoping Study and enable us to examine strategic options to bring this substantial asset to account and realise value for our shareholders. The strategic location of Wonmunna close to existing mining operations and infrastructure represents a significant plus for the Project as we advance it to the next level."

Yours sincerely



Alan A Senior  
Chairman

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### **Competent Persons' Statement**

*Information in this report that relates to Mineral Resources is based on information compiled by Mr Chris De-Vitry, who is a member and registered practicing geologist of the Australian Institute of Geoscientists (AIG). Mr Chris De-Vitry is a full time employee of Quantitative Group (QG) and 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 the Wonmunna Mineral Resource estimate.*

*Information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Harry Cornelius, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Harry Cornelius 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 Harry Cornelius consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*