



Media/ASX Release
Purchase of Iron Ore Projects completed

18 February 2011

Rico Resources Ltd (ASX: **RRI**) is pleased to announce that it has yesterday completed the purchase of the **Wonmunna** and **Uaroo** iron ore projects from Talisman Mining Limited (ASX: **TLM**) for a total consideration of **\$41.35 million**, comprising:

- Cash of \$34.25 million (of which \$2 million was previously paid in the form of a non-refundable option fee);
- 35.5 million Rico Resources Limited post re-constructed shares valued at \$7.1 million; and
- A 1% gross royalty.

Rico Resources Limited has now paid Talisman Mining Limited the remaining cash payment of \$32.25 million and 35.5 million reconstructed Rico Resources Limited ordinary shares.

Rico Resources Limited's Executive Chairman, Mr. Imants Kins, said the completion of the purchase of the iron ore assets heralds the beginning of a new and exciting iron ore future for the company's existing and new shareholders.

"Rico Resources Limited welcomes the over 600 new shareholders and in particular its largest single new shareholder Talisman Mining Limited. This acquisition establishes the foundation for future growth of the Company in the iron sector. The initial main focus will be on Wonmunna, the strategically located inferred resource project situated near to major operating mines in the heart of the S. E. Pilbara. An aggressive exploration program is planned for Wonmunna to extend the resource base in tandem with progressing Rico Resources Limited's presence in the iron ore sector. ." Mr Kins added.

By Order of the Board
Rico Resources Limited

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