



## TALISMAN MINING LTD

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29 April, 2008

The Manager  
Company Announcements Office  
Australian Stock Exchange

By Electronic Lodgement

### REPORT FOR QUARTER ENDED 31 MARCH, 2008

#### HIGHLIGHTS

- ❖ First pass (400m x 100m) resource drilling completed at North Marra Mamba (NMM), Wonmunna Project. Follow up 200m x 50m spaced drilling commenced.
- ❖ First pass 400m x 100m resource drilling commenced at South Marra Mamba (SMM), Wonmunna Project.
- ❖ Reconnaissance prospecting at East Marra Mamba (EMM), Wonmunna Project, locates 'blue ore' massive hematite float assaying up to 65.08% iron.
- ❖ Massive outcropping high-grade manganese mineralisation to 64.96% manganese located at Wandanya Project, East Pilbara.

#### WONMUNNA IRON ORE PROJECT (100% Talisman)

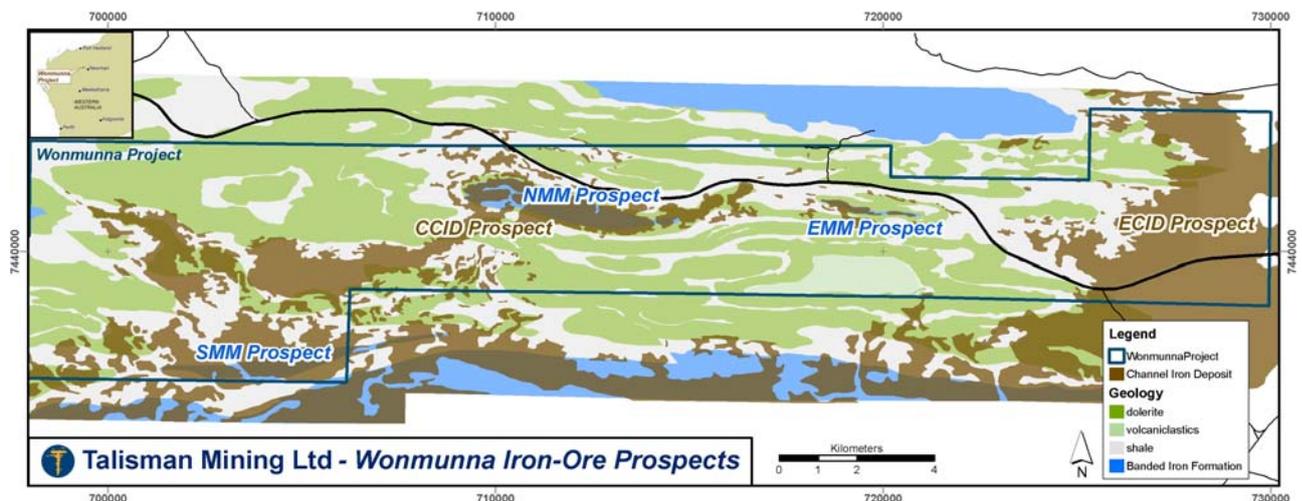


Figure 1: Wonmunna Project – Iron Prospects

#### North Marra Mamba (NMM) Prospect

Reconnaissance drill evaluation of Marra Mamba Iron Formation hematite-goethite iron mineralisation at the Northern Marra Mamba (NMM) was completed during the Quarter. All assay results, with the exception of two drillholes, have been received, with these results confirming the extensive nature of the hematite-goethite mineralisation. Mineralisation over 50% iron, and up to 64.7% iron, has been intercepted over a strike length of approximately 4.5km.



Following completion of the NMM reconnaissance drilling, resource drilling was completed on 400m x 100m centres. Complete assay results are expected by early June, 2008. Infill drilling on 200m x 50m centres has commenced in areas of significant mineralisation, as determined by the geological logs of the completed wider-spaced drillholes.

The Company believes that it remains on target for a maiden JORC resource at NMM by early in the First Quarter, 2008 – 2009 year.

Drilling of Channel Iron Deposits (CID), generally directly overlying mineralised Marra Mamba at NMM, indicated that the CID in this locality was generally thin and of low-grade and, as a consequence, further evaluation of these materials have been suspended in order to focus on the Marra Mamba mineralisation.

Clearly, the best short to medium term potential for definition of a commercial iron ore deposit(s) is in the Marra Mamba Iron Formation, and it is this potential upon which the Company will continue to focus.

#### **South Marra Mamba (SMM) Prospect**

Drill pads have been constructed at SMM for initial drilling on 400m x 100m centres. Drilling has commenced and it is expected that this first phase of drilling, over approximately 5km of strike, will be completed by early May, 2008, with first assay results expected by early June, 2008.

Initial reports indicate that significant hematite-goethite mineralisation has been intersected in a number of drillholes.

#### **East Marra Mamba (EMM) Prospect**

Initial prospecting at the EMM prospect has located massive fine-grained hematite ('blue ore') assaying up to 65.08% iron. A road has been constructed to access this area with initial drill evaluation to commence in May, 2008.

### **TRILLBAR POLYMETALLIC PROJECT (80% Talisman)**

#### **Iron Ore**

The Northern Iron Formation (NIF) was previously defined as outcropping sporadically over approximately 350m strike, with outcrop samples averaging 68.12% iron. Both the east and west strike extensions are obscured by thin cover and it was believed that the mineralisation may be substantially more extensive than indicated in outcrop. Accordingly, a ground-based gravity survey was completed over the iron formation to define the full potential strike extent of this high-grade mineralisation. Results of this survey are currently being interpreted.

#### **Gold**

No evaluation of the gold potential of this project was completed during the Quarter.

### **YAMADA IRON PROJECT (100% Talisman)**

No exploration activities completed during the Quarter.

### **WANDANYA MANGANESE PROJECT (100% Talisman)**

Reconnaissance prospecting of this new project area had previously been noted as locating 5 small outcrops of massive hematite mineralisation, presumed to be coincident with a projected northerly extension of the Marra Mamba Iron Formation. Detailed mineralogy and assay subsequently proved this mineralisation to be not hematite but high-grade pyrolusite, a manganese ore mineral, with samples assaying up to 64.96% manganese. This project, only 50km southwest of Consolidated Minerals Woodie Woodie manganese operations, is now considered to offer excellent potential for the definition of high-grade manganese deposits.

**ANTICLINE POLYMETALLIC PROJECT (100% Talisman)**

No exploration activities completed during the Quarter.

**TOM PRICE POLYMETALLIC PROJECT (100% Talisman)**

No exploration activities completed during the Quarter.

**MOUNT JAMES GOLD PROJECT (Talisman Earning 60%)**

No exploration activities completed during the Quarter.

**BUSTLER WELL GOLD PROJECT (80% Talisman)**

No exploration activities completed during the Quarter.

**EAST KIMBERLEY NICKEL PROJECT (100% Talisman)**

No exploration activities completed during the Quarter.

**YILGALONG GOLD / BASE METALS PROJECT (100% Talisman)**

Initial soil geochemistry completed in follow up to anomalies defined by stream sediment geochemistry has defined a series of strong gold-in-soil anomalies up to peak values of 270ppb gold. Further follow up soil geochemistry is planned for completion in the following Quarter.



**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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

TALISMAN MINING LIMITED

ABN

71 079 536 495

Quarter ended ("current quarter")

31 March 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(906)	(1,807)
(b) development	-	-
(c) production	-	-
(d) administration	(328)	(740)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	98	134
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,137)</b>	<b>(2,417)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(56)	(81)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(19)	(159)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(75)</b>	<b>(240)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,212)</b>	<b>(2,657)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,212)	(2,657)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	498	12,064
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(8)	(24)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(450)	(581)
	<b>Net financing cash flows</b>	40	11,459
	<b>Net increase (decrease) in cash held</b>	(1,172)	8,802
1.20	Cash at beginning of quarter/year to date	10,641	667
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	9,469	9,469

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	89
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director's remuneration and payments to associates of the directors.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 15 February 2008, the Company issued 1,000,000 unlisted options over ordinary shares exercisable at \$1.20 on or before 31 December 2010 in relation to corporate advisory services provided during the placement completed in January 2008.

On 25 March 2008, the Company issued 400,000 unlisted options over ordinary shares exercisable at \$1.20 on or before 31 December 2010 pursuant to the Employee Share Option Plan.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	2,580
4.2 Development	
<b>Total</b>	<b>2,580</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	9,469	10,641
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,469</b>	<b>10,641</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	75,188,047	75,188,047		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,000,000 253,548	9,000,000 253,548	\$1.00 20 cents	\$1.00 20 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	24,927,257 2,222,000 1,400,000	24,927,257 - -	<i>Exercise price</i> 20 cents 25 cents \$1.20	<i>Expiry date</i> 31 Dec 2010 31 Dec 2010 31 Dec 2010
7.8 Issued during quarter	1,400,000	-	\$1.20	31 Dec 2010
7.9 Exercised during quarter	253,548	253,548	20 cents	31 Dec 2010
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 April 2008  
(Company secretary)

Print name: Darren Crawte.....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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