
Talisman delivers 80% increase in Wonmunna iron ore

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Talisman Mining Limited has announced 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 mineralization 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 in August 2008 of 44 million tonnes @ 55.9% Fe.

The updated inferred mineral resource also includes a significant component of high grade DSO, totaling 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 and South Marra Mamba deposits, together with a small increase in the existing resource for the North Marra Mamba deposit. These 3 deposits underpin the current scoping study for the Wonmunna project, which is scheduled for completion within the March 2009 quarter.

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

	Fe cut%	Mt	Fe %	SiO2 %	Al2O3 %	P %	LOI %
NMM Resource	50	47.2	55.9	6.9	3.7	0.1	8.9
NMM DSO60 Resource		6.2	61.4	3	1.8	0.1	7.2
CMM Resource	50	15.2	56.8	5.7	3.3	0.1	9.5
CMM DSO60 Resource		2.4	61.2	3.3	1.7	0.1	7.4
SMM Resource	50	15.9	55.3	6.7	3.8	0.1	9.7
SMM DSO60 Resource		1.4	61.2	2.9	1.6	0.1	7.6
Total Resources	50	78.3	56	6.6	3.6	0.1	9.2
Total DSO60 Resources		10	61.3	3.1	1.7	0.1	7.3

Mt in million tonnes

The Wonmunna Iron Project is located within the heartland of the Pilbara region close to major existing iron ore operations. The project area lies within 25 kilometer of the West Angelas, Hope Downs 1 and Mining Area C Operations.

Mr Alan Senior executive chairman of Talisman commented that "This represents an excellent achievement by our exploration team, which has successfully converted the identified mineralization at CMM and SMM to JORC compliant resource status."

He added that "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 realize 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."

Reuters quoted Mr Peter Garrett, environment minister of Australia as saying that Xstrata will be allowed to expand its controversial McArthur River lead and zinc project in northern Australia with conditions.

Some Aboriginal groups had appealed against a decision by Australia's previous government to approve Xstrata's plan to divert the McArthur River to expand the mine. They won a court decision in December 2008 that forced the current government to reconsider Xstrata's plans.

Mr Garrett said that he intended to approve the proposal to expand the mine's open pit operation, but the company and traditional aboriginal owners would have 10 days to respond. He added that "My decision is limited to protecting matters of national environmental significance in this case the freshwater sawfish and a number of migratory birds. I will ensure that they will be protected by any decision I make and any conditions I apply."

Xstrata warned on January 16th 2009 that it would have to close the mine by the end of this month and sack 300 staff unless the government made a decision.

Mr Garrett further said that other ministers and the mine operator, Xstrata unit McArthur River Mining, would also be able to respond to his decision before February 6th 2009.

(Sourced from Reuters)

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