



Media / ASX Release

11 February 2011

OPTION TO SELL NON-CORE IRON ORE PROJECTS EXERCISED

Talisman Mining Ltd (ASX: **TLM**) is pleased to announce that it received a written option exercise notice on 11 February 2011 from Rico Resources Limited (formerly E-Com Multi Limited) with regard to that company purchasing the **Wonmunna** and **Uaroo** iron ore projects from Talisman Mining Ltd for a consideration of **\$41.35 million**, comprising:

- cash of \$34.25 million (of which \$2 million has been received 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.

Talisman anticipates that settlement will take place during the week beginning 14th February 2011. Settlement is conditional upon the successful completion of the capital raising by Rico Resources Limited under the prospectus dated 28 January 2011, scheduled to close at 5pm WST on Tuesday 15 February 2011. Talisman has been advised that Rico Resources Limited currently has firm commitments for a total of \$44.6 million in funds raised under the prospectus.

Further details of the transaction are available in the announcements to the ASX entitled, "Talisman Grants Option to Sell Iron Ore Assets" dated 15 November 2010 and "Option Agreement to Sell Iron Ore Assets" dated 1 October 2010.

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