



TALISMAN MINING LTD

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The Manager
Company Announcements Office
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By Electronic Lodgement

EXPLORATION UPDATE

Highlights

- **TRILLBAR**
 - Receipt of assay results from first program of RC drilling at the Boundary prospect, Trillbar project with significant high-grade results to 6m @ 5.17g/t gold, 4m @ 7.73g/t gold and 1m @ 24.99g/t gold.
 - Indications of potential for a substantial increase in grade of the Boundary mineralisation.
 - Second RC drilling program designed to evaluate the strike and depth potential of the Boundary mineralisation has commenced.

- **WONMUNNA**
 - Significant iron mineralisation averaging 58.8% iron over an area of 1.5 x 0.5km reported by Poondano Exploration Pty Ltd in drilling at the Wonmunna Project.
 - Two shallow reconnaissance RC drillholes at the Schwanny's prospect, Wonmunna, report maximum intercept of 5m @ 0.53% copper from surface.
 - A single reconnaissance RC drillhole at the Layoff prospect, Wonmunna, reports oxide mineralisation to 12m @ 0.18% copper and primary, sulphide mineralisation to 6m @ 0.1% copper.
 - Two new outcropping high-grade oxide copper mineralisations discovered at Brendans (31.3% copper) and Weeli (8.6% copper, 0.21g/t gold).

TRILLBAR PROJECT (GOLD)

Boundary Prospect

Talisman is pleased to announce, following delays caused by flooding, that one metre re-splits of the Company's first program of RC drilling at the Boundary gold prospect have been received and analysed by fire assay. Results have confirmed the tenor and width of gold mineralisation as indicated in drilling completed by previous explorers. Drill intercepts >1g/t gold are given in Table 1 below. Location of the prospect is shown on Figure 1 and drillhole locations are shown on Figure 2.

This first phase of drilling by Talisman was designed to infill the drilling completed by previous explorers and to provide further information on the mineralisation system. Ore grade and width intercepts were reported, consistent with the previous drilling.

It is significant to note that the most recent pre-Talisman resource calculations for Boundary, completed by Livingstone Resources NL (1998) and utilising all drill data up to and including the Livingstone drillholes, reported average grades of 2.21g/t gold (0.6g/t lower cut – 17g/t upper cut) and 2.86g/t gold (1g/t lower cut – 17g/t upper cut). Using the same parameters, the Talisman drill data reports average grades of 2.74g/t and 3.57g/t respectively, an approximate 25% increase on the Livingstone results. It is possible that this apparent discrepancy is the result of inadequate sampling / assay techniques utilised by previous explorers. If the apparent grade increase indicated by the Talisman results is valid, it would imply an approximate 25% increase in the total contained gold in the deposit as currently defined. Whilst the Western Mining and Sons of Gwalia drill chips are no longer available, targeted resampling of Livingstone drill chips is being completed to ascertain the validity of the indicated discrepancy.

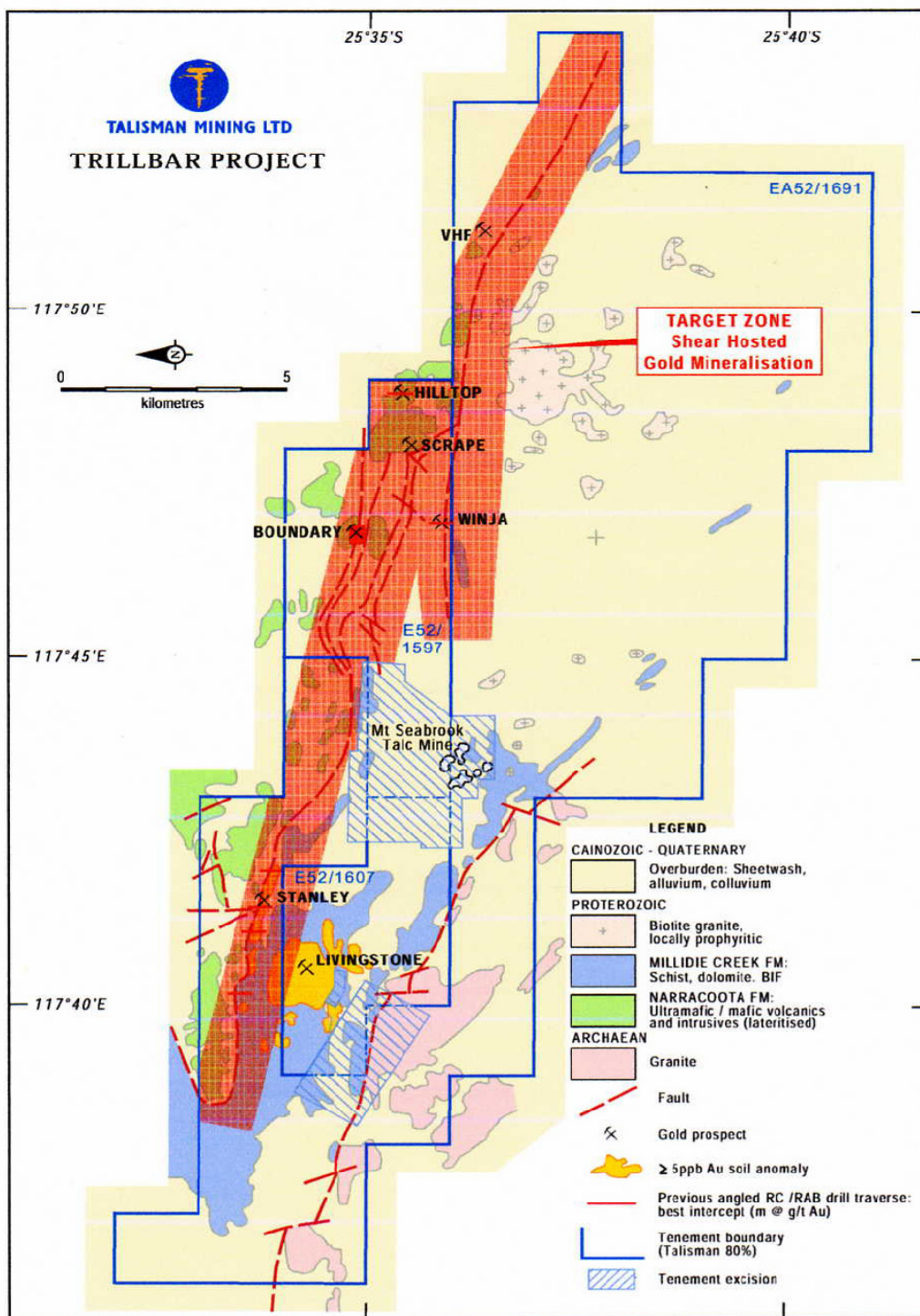


Figure 1

Limited drilling was also completed to test for east and west extensions of the mineralisation. Sub-ore grade (<0.5g/t gold) intercepts were reported in both directions. Re-interpretation of the mineralisation has however indicated that these 5 extension drillholes on 2 traverses were poorly sited and good potential remains for the definition of extensions or repetitions to the known mineralisation.

It is also significant to note that the mineralisation remains open at depth below, on different traverses, 30m to 102m vertical. The deepest mineralisation intercept to date, in Talisman drillhole TRC14, terminated in mineralisation at 112m downhole (102m vertical).

A second drilling program of 1500 metres targeted at defining depth and strike extensions has commenced and is expected to be completed by March 15 with results expected by April 10.

Following completion of the second drilling program it is anticipated that there will be sufficient data to enable recalculation of a global gold resource for the prospect. Management considers that there is excellent potential for a substantial upgrade of the pre-existing JORC compliant resource of 314,000t @ 2.21g/t gold (0.6g/t gold lower cut-off).

Table 1; Trillbar Project, Boundary Prospect – December, 2005 Drill Program
RC Drill Intercepts >1g/t Gold

<u>Drillhole</u>	<u>From</u>	<u>To</u>	<u>m</u>	<u>g/t Au</u>
TRC2	42	45	3	6.96
including	43	44	1	18.47
	49	50	1	1.03
TRC4	54	55	1	1.23
	56	58	2	1.06
TRC6	61	63	2	1.84
TRC7	0	1	1	1.24
TRC8	0	5	5	4.53
including	0	1	1	11.58
	15	16	1	1.55
TRC9	9	12	3	1.87
	19	25	6	3.07
TRC11	16	17	1	7.72
	20	25	5	2.15
TRC12	11	12	1	1.75
	31	35	4	7.73
including	33	34	1	24.99
	39	40	1	1.59
	44	47	3	4.61
TRC14	109	112(eoh)	3	2.19
TRC15	27	33	6	5.17
including	29	31	2	10.45
TRC17	17	20	3	1.36
	25	29	4	1.51
TRC18	57	58	1	1.38
TRC19	30	34	4	1.80
	39	41	2	6.61
including	40	41	1	10.45
TRC30	7	8	1	2.33

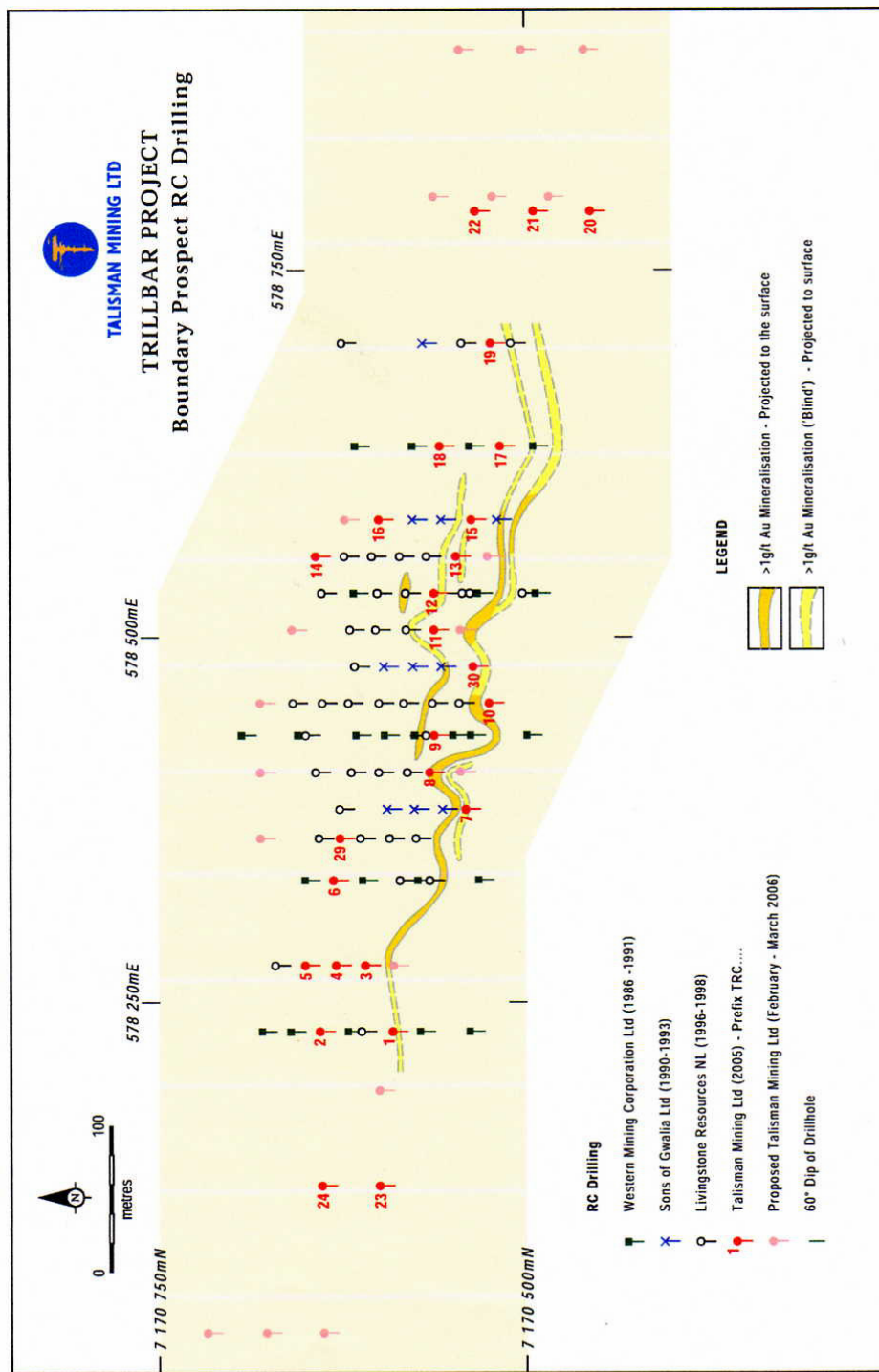


Figure 2

The shear system that is host to the Boundary mineralisation extends for a strike length of over 25 kilometres through the Talisman tenements (Figure 1). This shear system is host to under-evaluated or unevaluated gold mineralisations at the VHF, Hilltop, Scrape, Winja and Stanley prospects, all of which have good potential for the definition of similar mineralisations to Boundary. Furthermore, the majority of the shear system remains unevaluated by any previous exploration and the potential for the location of further prospects with similar potential to Boundary is considered to be good.

Talisman has called for tenders to complete a high-resolution aeromagnetic and radiometric survey to define the gold-mineralised shear system beneath cover. This survey is to be completed at the earliest opportunity.

WONMUNNA PROJECT (Copper – Zinc – Gold – Silver / Iron Ore)**Schwanny's Prospect**

Results have been received for two short reconnaissance RC drillholes completed to test the outcropping high-grade mineralisation reported previously (Rock-chip sample 20% copper, 0.37% zinc, 0.23gt/ gold, 8g/t silver, 0.187g/t platinum + palladium) (Figure 3). This drilling returned a best intercept in drillhole WRC2 of 5m (0 – 5m) @ 0.53% copper, 0.28% zinc. The significance of the relatively low grades intersected in these two reconnaissance drillholes, as opposed to the high grades noted in the surface sample, has not yet been ascertained. Further work to map the extent and structure of the outcropping mineralisation is in progress.

Layoff Prospect

The Layoff prospect encompasses a section of the Parmelia copper – zinc – gold – silver gossan previously defined by the Company (Figure 3). A single reconnaissance RC drillhole (WRC3) of 114 metres was completed to test the gossan where it is traversed by an iron ore exploration access track. This drillhole intersected 38 metres of weathered shale and minor chert over 72 metres of carbonaceous black shale before terminating in dolerite. The black shale contains 5-10% sulphides, primarily pyrite and pyrrhotite, as disseminations and thin laminae. The 6 metre interval from 45 to 51 meters contained 15-25% sulphides, this interval appearing to represent the unoxidised equivalent of the outcropping gossan.

The best drill intercept in WRC3 was near the base of weathering with 12 meters (24 – 36m) @ 0.18% copper, 0.17% zinc. The sulphide-rich 45 – 51 metre interval averaged 0.1% copper.

Results of this single reconnaissance drillhole have shown both the presence of significant sulphide accumulations with elevated base metals, and the presence of supergene enrichment in the weathering profile of the black shale.

Reconnaissance

A program of stream sediment geochemistry designed to locate further areas of base and/or precious metals mineralisation has commenced. Initial results are expected by mid-March.

Two new outcropping occurrences of high-grade oxide copper mineralisation have been located at the Brendan's and Weeli prospects (Figure 3) with composite surface rock sample assays of 31.3% copper at Brendan's and 8.6% copper, 0.21g/t gold at Weeli.

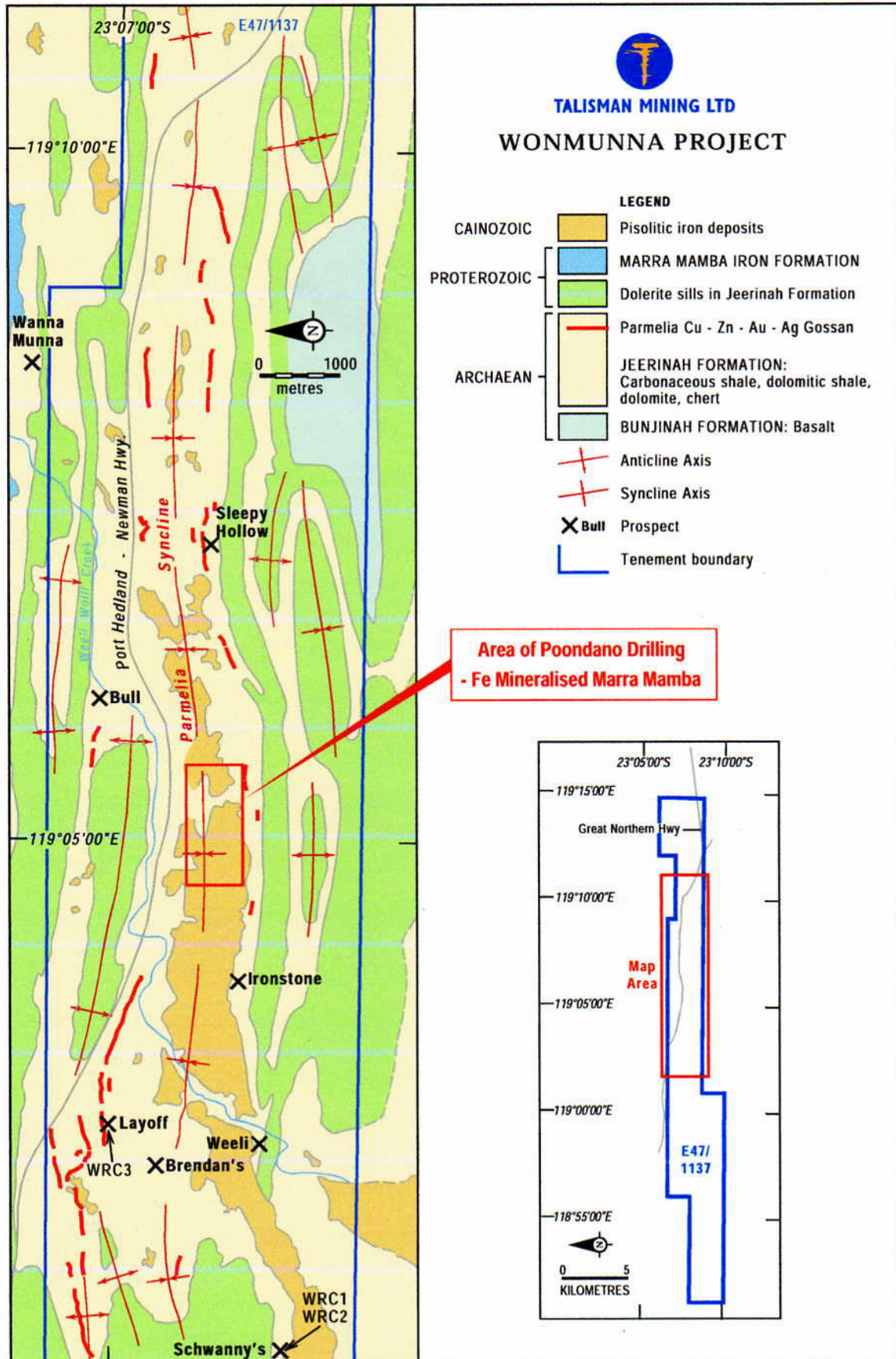
Talisman has called for tenders to complete a high-resolution aeromagnetic and radiometric survey at the earliest opportunity.

Poondano Exploration Pty Ltd Iron Ore Royalty

Reconnaissance drilling by Poondano Exploration Pty Ltd, completed under the auspices of an iron ore royalty agreement between Poondano and Talisman, has intersected significant primary iron ore mineralisation associated with the Marra Mamba Iron Formation. Results of this drilling have previously been reported in detail by Mount Gibson Iron Ltd, a major shareholder in Poondano Exploration Pty Ltd.

Initially targeting overlying Yandi-type pisolitic iron deposits, the reported drill intercepts of mineralised Marra Mamba in an area not previously known to host iron formation are very significant (Figure 3). Six drillholes over an area of approximately 1.5 x 0.5 kilometres averaged 58.8% iron over 15.7 metres with a best intercept of 6m @ 62.9% iron. These results, together with silica, alumina and phosphorus, are comparable with current specifications of Pilbara iron ores. The mineralisation is considered to be similar to the West Angelas and Marandoo iron ore deposits.

Poondano has noted 'a strong probability of Western extension' of the mineralisation, together with potential for buried Marra Mamba ores elsewhere on the Wonmunna tenement. Further drilling is planned.



OTHER


Maitland (Gold)

Talisman has called for tenders to complete a high-resolution aeromagnetic and radiometric survey to define the gold-mineralised banded iron formation and associated structures. This survey is to be completed at the earliest opportunity.

Mount James – Bustler Well (Gold)

Talisman has called for tenders to complete a high-resolution aeromagnetic and radiometric survey to define the gold-mineralised shear system beneath cover. This survey is to be completed at the earliest opportunity.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. J. Elliott', written on a light-colored background.

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.