



TALISMAN MINING LTD

PO Box 1834, Osborne Park WA 6916
Tel: 61 8 9445 8282 / Fax: 61 8 9445 9575
www.talismanmining.com.au

15 May, 2007

The Manager
Company Announcements Office
Australian Stock Exchange

By Electronic Lodgement

TALISMAN MINING LTD – PROTO RESOURCES AND INVESTMENTS LTD

URANIUM JOINT VENTURE

Talisman Mining Ltd and Proto Resources and Investments Ltd have agreed, in principle, to vend their combined uranium exploration assets into a new company to be called Protal Metals Group Ltd ('Protal'), with this company to subsequently raise funds to continue exploration and development via an Initial Public Offer (IPO), and subsequent application for listing on the Australian Stock Exchange. It is anticipated that the capital raising of approximately \$4,000,000, and subsequent listing, will take place in the latter half of 2007.

Talisman proposes this divestment in order to concentrate on development of its gold and copper-zinc-gold-silver assets in Western Australia, whilst retaining exposure to the booming uranium sector via a substantial shareholding in the new entity. It is envisaged that existing Talisman (and Proto) shareholders will be given preference in obtaining shares in the IPO.

It is anticipated that, subsequent to the IPO and listing on the Australian Stock Exchange, Talisman will have a shareholding of 5,000,000 shares in Protal equating to approximately 14% of the total listed capital. Proto Resources and Investments will retain an identical holding and both companies will have equal representation on the Board of Directors.

Whilst the new company will have a primary focus on exploration and development of uranium resources, a number of the vended projects have substantial potential for other metals including copper, nickel and gold.

In addition, whilst the precise mix of vended projects is yet to be determined, both companies are committed to endowing the new entity with all of the uranium assets at their disposal. In Talisman's case, this will include the Copper Hills project near the Kintyre uranium deposit in Western Australia and access, where appropriate, to the uranium potential only (rights to all other metals retained 100% by Talisman) of the Company's precious and base metal projects. This will include the recently identified potential for calcrete – hosted uranium at the Company's Trillbar gold project.

Proto Resources and Investments Ltd contribution will include the uranium potential of the vast Arunta project in the Northern Territory and the Mount Vettors project in Western Australia.



In addition, both Talisman and Proto Resources and Investments are assessing other possible uranium acquisitions for vesting in the new entity.

Talisman is convinced that this proposal will substantially benefit all shareholders and I look forward to providing further details as they become available.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. J. Elliott', written in a cursive style.

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.