



TALISMAN MINING LTD

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17 May, 2007

The Manager
Company Announcements Office
Australian Stock Exchange

By Electronic Lodgement

Dear Sir,

Share Placement

The company is pleased to announce that it is proceeding with a capital raising by way of a share placement of up to 15,000,000 fully paid shares at 14 cents to raise a total of \$2,100,000 (before costs). For every three shares allocated by way of the placement, a single free option, exercisable at 20 cents on or before 31 December, 2010, will be issued.

The capital raising is to be managed by RM Capital Pty Ltd (AFS Licence Number: 221938) pursuant to a mandate letter executed 16 May, 2007.

As the number of shares to be issued pursuant to the placement will exceed the 15% threshold as set out in Listing rule 7.1, the Company will proceed with the placement in two phases. The first phase will be an Immediate placement of 6,600,000 shares within the 15% threshold available to the Company and will be followed by a second placement of shares and options that will be subject to shareholder approval at General Meeting to be called in the near future..

The Company is currently preparing a Notice of Meeting to seek shareholder approval for the placement of shares.

In consideration of the placement, RM Capital are to receive fees of 6% on funds raised and in addition, subject to the successful raising of a minimum of \$2,000,000, RM Capital will receive 3,000,000 new options exercisable at 20 cents. Should the raising fall below the \$2M target, the number of options to be granted to RM Capital will be reduced by a factor of 500,000 options for every \$250,000 shortfall in the raising.

The funds raised will be used by the Company primarily to drill evaluate strong geochemical anomalies at the Wonmunna copper – zinc – gold – silver project in the Pilbara region together with resource drilling to expand the gold resource at the Trillbar gold project, Murchison region, and drill evaluation of the numerous gold geochemical anomalies defined by the Company at Trillbar and other gold projects in the region.

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.