

24 June 2009

The Manager
Company Announcements Office
Australian Securities Exchange

By Electronic Lodgement

Dear Sir

NOTICE OF GENERAL MEETING

Please find attached the Notice of General Meeting which has been dispatched to shareholders today.

By order of the Board



Darren Crawte
Company Secretary



Talisman Mining Ltd • ABN 71 079 536 495
6 Centro Avenue, Subiaco, WA 6008, Australia
PO Box 1262, Subiaco, WA 6904, Australia
Tel 618 9380 4230 • Fax 618 9382 8200
www.talismanmining.com.au

23 June 2009

Dear Shareholders

JULY 2009 SHAREHOLDER MEETING AND COMPANY UPDATE

I am pleased to provide this Company update and enclose a Notice of General Meeting, Explanatory Statement and Proxy Form for a meeting of Talisman Mining Limited shareholders to be held at 10.00am (WST) on Thursday, 23 July 2009.

The purpose of this meeting is to ratify a number of important new developments for your Company, including two recently announced key Board appointments, a \$5.2 million capital raising and the issue of incentive options to two new executive Directors.

Under the leadership of Gary Lethridge, who joined Talisman as Managing Director in February 2009, Talisman has embarked upon an exciting long-term strategy to build a premier Australian resources company. In the relatively short period of time since Gary joined the Company, we have already put in place some critical foundations to achieve this vision.

Following the recent restructure of the Board and senior management team, Talisman is now in the fortunate position of having an outstanding leadership team comprising the core of the former senior executive management team of the very successful Australian nickel producer Jubilee Mines NL.

Jubilee Mines was one of the great success stories of the mid-tier resource sector, receiving consistent recognition as one of the top mining companies in Australia for providing consistent shareholder returns as well as delivering organic growth through committed exploration.

The team we now have in place at Talisman intends to implement a growth strategy underpinned by a similar philosophy and approach to that which made Jubilee Mines so successful.

As a former non-executive Director of Jubilee Mines, I worked closely for several years with Gary, who was Jubilee's Executive General Manager – Corporate, as well as Talisman's recently appointed executive Directors Peter Langworthy (previously Jubilee's Executive General Manager – Exploration) and Brian Dawes (Jubilee's Executive General Manager – Operations & Projects).

Gary, Peter and Brian formed Jubilee's senior executive management team working with Kerry Harmanis, formerly Jubilee's Executive Chairman, who as many of you know is a major shareholder in Talisman.

Implementation of our strategy at Talisman is still in its early stages; however, we have made it clear that we see the path forward for Talisman as one of sustainable, long-term growth based on identifying and developing high quality exploration project opportunities. In addition we will apply a disciplined approach to the assessment of acquisition and investment opportunities and will also continue to evaluate and progress our existing exploration portfolio.



The resolutions to be considered at the Shareholder Meeting include the confirmation of Peter's and Brian's appointments as Directors, approval for the second tranche of the recently announced \$5.2 million share placement, approval for the issue of shares to Directors purchased under the placement at the same terms as all others participating in the placement, and the issue of incentive options to Brian and Peter.

The funds raised through the placement are intended to assist the Company with appropriate funding to target and secure initial attractive growth opportunities consistent with our strategy – and to do so in a considered manner without undue market pressure because of any perceived funding constraints.

The option packages proposed for Peter and Brian are designed to put in place appropriate incentives to ensure that we retain the services of these two very high calibre individuals who are integral to the successful implementation of our development strategy. The backgrounds of both Peter and Brian are detailed in the enclosed documentation and speak for themselves in terms of their skills, experience and capabilities.

We are delighted to have Brian and Peter on board and part of the Talisman team. Both have outstanding credentials in their respective areas of expertise and, together with Gary, make up a formidable management team.

I am confident Brian and Peter will make a strong contribution to Talisman, bringing an outstanding depth of knowledge and skills, a wide contact network and the ability to contribute proactively to the development of the Company and the enhancement of shareholder value.

If you are not able to attend the meeting on 23 July 2009, I urge you to complete the Proxy Form which is included with the Notice of Meeting and vote in favour of all the resolutions.

If you are able to attend, I look forward to seeing you there and talking to you further about our growth and development strategy.

I look forward to receiving your support.

Yours faithfully,

Alan Senior
Chairman



TALISMAN MINING LIMITED

ABN: 71 079 536 495

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date: 23 July 2009

Time: 10.00 am (WST)

Place: Ground Level
6 Centro Avenue
Subiaco WA 6008

THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9321 3514.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting will be held at 10.00 am (WST) on 23 July 2009 at:

Ground Level
6 Centro Avenue
Subiaco WA 6008

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

You may vote by attending the meeting in person, by proxy or by authorised representative.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Talisman Mining Limited, PO Box 1262, Subiaco WA 6904;
- (b) hand to Talisman Mining Limited, Ground Level, 6 Centro Avenue, Subiaco WA 6008; or
- (c) facsimile to the Company on facsimile number (+61 8) 9382 8200.

so that it is received not later than 10.00am (WST) on 21 July 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders will be held at 10.00 am (WST) 23 July 2009 at Ground Level, 6 Centro Avenue, Subiaco WA 6008.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00 pm (WST) on 21 July 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, the previous issue of 11,319,456 Shares at an issue price of \$0.30 per Share in the capital of the Company (as further described in the Explanatory Statement) be ratified and approved."

Short Explanation: An equity issue can be ratified by shareholders in accordance with ASX Listing Rule 7.4. This allows the Company the flexibility to issue shares and options to subscribe for fully paid ordinary shares in the future up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PLACEMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 4,253,330 Shares at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 –ELECTION OF MR PETER LANGWORTHY AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Peter Langworthy, being a Director of the Company who retires in accordance with Rule 13.4 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Peter Langworthy and any of his associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ELECTION OF MR BRIAN DAWES AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Brian Dawes, being a Director of the Company who retires in accordance with Rule 13.4 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Brian Dawes and any of his associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF SHARES TO MR ALAN SENIOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 66,666 Shares to Mr Alan Senior (or his nominee) at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Alan Senior (and his nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF SHARES TO MR GARY LETHRIDGE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 666,667 Shares to Mr Gary Lethridge (or his nominee) at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Gary Lethridge (and his nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF SHARES TO MS KAREN GADSBY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 166,667 Shares to Ms Karen Gadsby (or her nominee) at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ms Karen Gadsby (and her nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF SHARES TO MS ROBERTA GADSBY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 66,667 Shares to Ms Roberta Gadsby (or her nominee) at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ms Roberta Gadsby (and her nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – ISSUE OF SHARES TO MR PETER LANGWORTHY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 666,667 Shares to Mr Peter Langworthy (or his nominee) at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Peter Langworthy (and his nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ISSUE OF SHARES TO MR BRIAN DAWES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 333,333 Shares to Mr Brian Dawes (or his nominee) at an issue price of \$0.30 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Brian Dawes (and his nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – ISSUE OF DIRECTOR OPTIONS TO MR PETER LANGWORTHY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That subject to Shareholder approval for Resolution 3, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Company to allot and issue 4,000,000 Director Options to Mr Peter Langworthy (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Peter Langworthy (and his nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – ISSUE OF DIRECTOR OPTIONS TO MR BRIAN DAWES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That subject to Shareholder approval for Resolution 4, for the purposes of Chapter 2E of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Company to allot and issue 2,000,000 Director Options to Mr Brian Dawes (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Brian Dawes (and his nominee) and any of their associates. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'Darren Crawte', with a stylized flourish at the end.

Darren Crawte
Company Secretary

Dated: 22 June 2009

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at Ground Level, 6 Centro Avenue, Subiaco WA 6008 on 23 July 2009 at 10.00 am (WST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 General

On 28 May 2009, the Company announced to ASX that it had arranged a private placement to raise a total of approximately \$5.2 million (before issue costs). The placement would be completed in two tranches totaling 17,539,453 million Shares, comprising 11,319,456 Shares under tranche 1 (being within the Company's 15% placement capacity under the Listing Rules) and a further 6,219,997 Shares under tranche 2 (which would occur subsequently and be the subject of a shareholder approval).

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of the 12 month period.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the Company's members subsequently approve it.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 11,319,456 Shares comprising tranche 1 of the placement (**Ratification**), which Shares were issued on 2 and 4 June 2009. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical Information Required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) a total of 11,319,456 Shares were issued to sophisticated and institutional investors (known to the Company or introduced to the Company by Southern Cross Equities Limited, Austock Limited and Paterson Securities Limited on 2 and 4 June 2009. The placees were not related parties of the Company;
- (b) the issue price per Share was \$0.30;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares; and
- (d) the funds raised were used to strengthen the Company's working capital position and underpin its growth strategy.

2. RESOLUTION 2 – PLACEMENT OF SHARES

2.1 General

As detailed in Section 1.1, the placement announced to ASX on 28 May 2009, was to be completed in two tranches with tranche 2 comprising a further 6,219,997 Shares (which, as announced to ASX, was to be the subject of a Shareholder approval). Of this, approval is being sought for 4,253,330 Shares under this Resolution 2, with the balance of 1,966,667 Shares being the subject of Resolutions 5 to 10.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1.

By approving this issue of 4,319,997 Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Shares to be issued under this Resolution is 4,253,330;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the one date;
- (c) the issue price per Share will be \$0.30;
- (d) the Shares will be issued to sophisticated and institutional investors (known to the Company or introduced to the Company by Hartleys, CK Locke and Indian Ocean Capital) who are not related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares; and
- (f) the funds raised will be used to strengthen the Company's working capital position and underpin its growth strategy.

3. RESOLUTION 3 –ELECTION OF MR PETER LANGWORTHY AS A DIRECTOR

Mr Peter Langworthy was appointed as a Director by the Board on 16 June 2009 in accordance with Rule 13.4 of the Constitution, which allows the Board to appoint additional directors.

Such an appointee must not hold office (without re-election) beyond the next general meeting of the Company. Accordingly, Mr Langworthy retires from office in accordance with Rule 13.4 of the Constitution and, being eligible, offers himself for election as a Director of the Company.

Mr Langworthy has over 22 years experience in the exploration and mining industry, including senior technical and management roles with a number of listed companies, most recently with Xstrata Nickel Australasia and Jubilee Mines.

Your Directors (other than Mr Langworthy, who given his interest in the outcome of this Resolution declines to make a recommendation) have reviewed the necessary competencies of

the Board members and each candidate's contribution to the Board and unanimously recommend that Shareholders vote in favour of Mr Langworthy's election.

4. RESOLUTION 4 – ELECTION OF MR BRIAN DAWES AS A DIRECTOR

Mr Brian Dawes was appointed as a Director by the Board on 16 June 2009 in accordance with Rule 13.4 of the Constitution, which allows the Board to appoint additional directors.

Such an appointee must not hold office (without re-election) beyond the next general meeting of the Company. Accordingly, Mr Dawes retires from office in accordance with Rule 13.4 of the Constitution and, being eligible, offers himself for election as a Director of the Company.

Mr Dawes has extensive experience in project development and operational roles within the mining industry across Australia and overseas, including Africa and the Middle East. Prior to his role as Executive General Manager - Operations and Projects at Jubilee Mines, he was General Manager Operations with ASX listed nickel producer Western Areas NL.

Your Directors (other than Mr Dawes, who given his interest in the outcome of this Resolution declines to make a recommendation) have reviewed the necessary competencies of the Board members and each candidate's contribution to the Board and unanimously recommend that Shareholders vote in favour of Mr Dawes' election.

5. RESOLUTIONS 5, 6, 7, 8, 9 AND 10 – ISSUE OF SHARES TO MR ALAN SENIOR, MR GARY LETHRIDGE, MS KAREN GADSBY, MS ROBERTA GADSBY, MR PETER LANGWORTHY AND MR BRIAN DAWES

5.1 General

Resolutions 5, 6, 7, 8, 9, and 10 seek Shareholder approval in accordance with Listing Rule 10.11 of the ASX listing Rules to allow certain 'related parties' of the Company to participate in tranche 2 of the placement (on the same terms as all other placees) and, accordingly, to allow for the issue of:

- (a) 66,666 Shares at an issue price of \$0.30 per Share to Alan Senior (or his nominee);
- (b) 666,667 Shares at an issue price of \$0.30 per Share to Gary Lethridge (or his nominee);
- (c) 166,667 Shares at an issue price of \$0.30 per Share to Karen Gadsby (or her nominee);
- (d) 66,667 Shares at an issue price of \$0.30 per Share to Roberta Gadsby (or her nominee);
- (e) 666,667 Shares at an issue price of \$0.30 per Share to Peter Langworthy (or his nominee);
- (f) 333,333 Shares at an issue price of \$0.30 per Share to Brian Dawes (or his nominee).

As described above, these shares form part of tranche 2 of the placement (which, when aggregated with the 4,253,330 Shares the subject of Resolution 2, total the 6,219,997 Shares forming tranche 2).

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of any securities (including Shares) to a related party of the Company.

If Resolutions 5, 6, 7, 9 and 10 are passed, Shares will be issued (as part of tranche 2 of the Company's placement) to Messrs Alan Senior, Gary Lethridge, Peter Langworthy, Brian Dawes and Ms Karen Gadsby, all of whom are related parties by virtue of being directors of the

Company (irrespective of whether Resolutions 3 and 4 relating to the re-election of directors are approved).

If Resolution 8 is passed, Shares will be issued to Ms Roberta Gadsby, the mother of Ms Karen Gadsby, a Director of the Company. Under section 228(3) of the Corporations Act, parents of directors are also deemed to be related parties of a company, and therefore approval is also sought to allow her participation in tranche 2 of the placement.

Accordingly, approval for the above Share issues is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in respect of the Shares the subject of Resolutions 5 to 10 as approval is being sought under ASX Listing Rule 10.11 (and where approval is given under Listing Rule 10.11, it is not separately required under Listing Rule 7.1). Shareholders should note that the issue of the above Shares (the subject of Resolutions 5 to 10) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

5.3 Technical information required by ASX Listing Rule 10.11

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 5, 6, 7, 8, 9, and 10:

- (a) the total number of Shares to be issued by the Company pursuant to:
 - (i) Resolution 5 is 66,666 Shares;
 - (ii) Resolution 6 is 666,667 Shares;
 - (iii) Resolution 7 is 166,667 Shares;
 - (iv) Resolution 8 is 66,667 Shares;
 - (v) Resolution 9 is 666,667 Shares; and
 - (vi) Resolution 10 is 333,333 Shares.
- (b) the allottee under:
 - (i) Resolution 5 will be Mr Alan Senior (or his nominee);
 - (ii) Resolution 6 will be Mr Gary Lethridge (or his nominee);
 - (iii) Resolution 7 will be Ms Karen Gadsby (or her nominee);
 - (iv) Resolution 8 will be Ms Roberta Gadsby (or her nominee);
 - (v) Resolution 9 will be Mr Peter Langworthy (or his nominee); and
 - (vi) Resolution 10 will be Mr Brian Dawes (or his nominee).
- (c) the Shares will be issued no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date.
- (d) Each allottee, other than Ms Roberta Gadsby, is a director of the Company and therefore automatically considered to be a related party of it. The relationship between the allottee and the Director in respect of Resolution 8 is that Ms Roberta Gadsby is the mother of Ms Karen Gadsby, a Director of the Company (and, pursuant to section 228(3) of the Corporations Act, Ms Roberta Gadsby is also deemed to be a related party of the Company).
- (e) the issue price per Share is \$0.30 (which is the same price at which Shares were issued pursuant to tranche 1 of the placement (the subject of Resolution 1), and at which Shares will be issued to non-related parties pursuant to the balance of tranche 2 of the placement (the subject of Resolution 2)).

- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares; and
- (g) the funds raised will be used to strengthen the Company's working capital position and underpin its growth strategy.

6. RESOLUTIONS 11 & 12 – ISSUE OF DIRECTOR OPTIONS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 6,000,000 Director Options to Mr Peter Langworthy and Mr Brian Dawes (**Related Parties**) on the terms and conditions set out below. Each of Mr Langworthy and Mr Dawes is a Director of the Company and therefore a related party of it. Each of resolutions 11 and 12 is conditional upon the relevant Director being re-elected to the Board of the Company.

In accordance with the Corporations Act, the grant of a 'financial benefit' to a related party of the public company requires approval under Chapter 2E of the Corporations Act (unless an exception applies). As previously noted, as Directors, Mr Langworthy and Mr Dawes are considered related parties of the Company and the proposed issue of Director Options amounts to the provision of a 'financial benefit'.

In addition, ASX Listing Rule 10.11 requires shareholder approval to be obtained where a company issues, or agrees to issue, securities (including options) to a related party, unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act (in respect of Chapter 2E) and ASX Listing Rule 10.12 (in respect of Listing Rule 10.11) do not apply in the current circumstances. Accordingly, Shareholder approval is being sought for the grant of Director Options to the Related Parties.

6.2 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.13)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the Related Parties are Mr Peter Langworthy and Mr Brian Dawes and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 4,000,000 Director Options to Mr Peter Langworthy; and
 - (ii) 2,000,000 Director Options to Mr Brian Dawes.
- (c) the Director Options will be granted for nil cash consideration and accordingly no funds will be raised by their issue. Any funds raised upon the exercise of the Director Options will be used for working capital purposes;
- (d) the Director Options will be issued to the Related Parties no later than one (1) month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that all of the Director Options will be issued on one date;
- (e) the Director Options will have exercise prices, vesting dates and expiry dates as follows:

Peter Langworthy

Tranche	Numbers	Exercise Price	Vesting Date	Expiry Date
1	500,000	\$0.50	Immediately	30 June 2013
2	1,000,000	\$0.50	31 December 2009	30 June 2013
3	1,000,000	\$0.60	30 June 2010	30 June 2013
4	1,000,000	\$0.70	31 December 2010	30 June 2013
5	500,000	\$0.70	30 June 2011	30 June 2013

Brian Dawes

Tranche	Numbers	Exercise Price	Vesting Date	Expiry Date
1	250,000	\$0.50	Immediately	30 June 2013
2	500,000	\$0.50	31 December 2009	30 June 2013
3	500,000	\$0.60	30 June 2010	30 June 2013
4	500,000	\$0.70	31 December 2010	30 June 2013
5	250,000	\$0.70	30 June 2011	30 June 2013

- (f) other terms and conditions of the Director Options are set out in Annexure A;
- (g) a valuation of the Director Options and the pricing methodology for that valuation is set out in Annexure B. The value of these options will be expensed in the Company's financial statements over the relevant vesting periods
- (h) as at the date of this Notice, the Related Parties' interests in the securities of the Company are as tabled below:

Related Party	Shares	Unlisted Options	Total Securities Held
Peter Langworthy	-	-	-
Brian Dawes	20,000	-	20,000

Should Resolutions 9 and 10 be passed, Messrs Peter Langworthy and Brian Dawes (or their nominees) will be allotted 666,667 and 333,333 Shares respectively (for which they will pay \$0.30 per Share).

- (i) the remuneration and emoluments paid by the Company to the Related Parties for both the current and previous financial year are as follows:

Related Party	Current Financial Year	Previous Financial Year
Peter Langworthy	\$17,760	N/A
Brian Dawes	\$10,200	N/A

- (j) if the Director Options granted to the Related Parties are exercised, a total of 6,000,000 Shares would be allotted and issued. The Company presently has on issue 86,782,503 Shares and 40,274,257 Options exercisable into Shares over various exercise periods and at various exercise prices. The dilution effect of exercise of the 6,000,000 Director Options as proposed above is 6.91% of Shares on issue (assuming no other Options are issued) and 4.72% on a fully diluted basis (that is, assuming that all other Options on issue are exercised);

- (k) the market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time, any of the Director Options are exercised and the Company's Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company. The trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.680	1 July 2008
Lowest	\$0.085	24 November 2008
Last	\$0.330	19 June 2009

- (l) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their roles as Directors. Other than as set out in this explanatory statement, the Board does not consider that there are any significant opportunity costs or taxation consequences to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (m) Mr Peter Langworthy declines to make a recommendation to Shareholders in relation to Resolution 11 due to his interest (as a potential recipient of Director Options) in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 11, recommend that Shareholders vote in favour of Resolution 11. The Board (other than Mr Peter Langworthy) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and
- (n) Mr Brian Dawes declines to make a recommendation to Shareholders in relation to Resolution 12 due to his interest (as a potential recipient of Director Options) in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 12, recommend that Shareholders vote in favour of Resolution 12. The Board (other than Mr Brian Dawes) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being sought under ASX Listing Rule 10.11 (and where approval is given under Listing Rule 10.11, it is not separately required under Listing Rule 7.1). Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9321 3514 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (or, where relevant, the market conducted by it).

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Company means Talisman Mining Limited (ABN 71 079 536 495).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an Option granted pursuant to Resolution 11 and 12 with the terms and conditions set out in Annexure A.

Directors means the current Directors of the Company.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

General Meeting means the meeting convened by this Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Director Option as the context requires.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Annexure A –Terms and Conditions of Director Options

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director Option, the Optionholder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
- (b) The Director Options will expire at 5:00 pm (WST) on 30 June 2013 (Expiry Date). Any Director Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Director Options shall comprise five tranches with the following exercise prices (Exercise Price) and different vesting dates as follows:

Peter Langworthy

Tranche	Number of options	Vesting date	Exercise price	Expiry date
1	500,000	Immediate*	\$0.50	30 June 2013
2	1,000,000	31 December 2009	\$0.50	30 June 2013
3	1,000,000	30 June 2010	\$0.60	30 June 2013
4	1,000,000	31 December 2010	\$0.70	30 June 2013
5	500,000	30 June 2010	\$0.70	30 June 2013

Brian Dawes

Tranche	Number of options	Vesting date	Exercise price	Expiry date
1	250,000	Immediate*	\$0.50	30 June 2013
2	500,000	31 December 2009	\$0.50	30 June 2013
3	500,000	30 June 2010	\$0.60	30 June 2013
4	500,000	31 December 2010	\$0.70	30 June 2013
5	250,000	30 June 2010	\$0.70	30 June 2013

- (d) Any Director Options which have not vested at the time the Optionholder ceases to be a Director shall automatically lapse. Any that have vested shall remain capable of exercise up to the Expiry Date.
- (e) The Director Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Director Options (provided that they have vested) by lodging with the Company, before the Expiry Date:
 - a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised,
 (Exercise Notice).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (i) The Director Options are not transferable.
- (j) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Director Option had been exercised before the record date for the bonus issue.
- (p) Upon the occurrence of a Trigger Event, all of the outstanding Director Options shall vest. For the purposes of this clause a Trigger Event means:
 - i. the Company obtaining approval at a general meeting for it and its members to enter a scheme of arrangement pursuant to the Corporations Act;
 - ii. the date that the relevant interest of a bidder under a takeover bid for the Company is recorded as a minimum of 50.1% and the bid being declared unconditional;
 - iii. the Company obtaining approval at a general meeting for a transaction under Section 611 Item 7 of the Corporations Act; or
 - iv. the date upon which a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or appoint a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

ANNEXURE B – VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 11 and 12 have been valued by internal management (who, it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation) based on a valuation methodology using the Black & Scholes Option Pricing Model, which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the Black & Scholes Model is a function of a number of variables and is rounded to the nearest one hundredth of a cent. The assessment of the estimated value of the Options has been prepared applying the following assumptions:

Peter Langworthy

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Valuation date	2 June 2009	2 June 2009	2 June 2009	2 June 2009	2 June 2009
Expiry date	30 June 2013	30 June 2013	30 June 2013	30 June 2013	30 June 2013
Spot price	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34
Exercise price	\$0.50	\$0.50	\$0.60	\$0.70	\$0.70
Risk free rate	4.16%	4.16%	4.16%	4.16%	4.16%
Volatility	114%	114%	114%	114%	114%
Value per Option	\$0.246	\$0.246	\$0.237	\$0.230	\$0.230
Number of Options	500,000	1,000,000	1,000,000	1,000,000	500,000
Total value	\$123,000	\$246,000	\$237,000	\$230,000	\$115,000

The total value of Director Options issued to Peter Langworthy is \$951,000.

Brian Dawes

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Valuation date	2 June 2009	2 June 2009	2 June 2009	2 June 2009	2 June 2009
Expiry date	30 June 2013	30 June 2013	30 June 2013	30 June 2013	30 June 2013
Spot price	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34
Exercise price	\$0.50	\$0.50	\$0.60	\$0.70	\$0.70
Risk free rate	4.16%	4.16%	4.16%	4.16%	4.16%
Volatility	114%	114%	114%	114%	114%
Value per Option	\$0.246	\$0.246	\$0.237	\$0.230	\$0.230
Number of Options	250,000	500,000	500,000	500,000	250,000
Total value	\$61,500	\$123,000	\$118,500	\$115,000	\$57,500

The total value of Director Options issued to Brian Dawes is \$475,500.

The estimated valuation has assumed that the issue date and share price on date of issue of the Director Options is 2 June 2009. The valuation is not a representative valuation of the Director Options at the proposed date of issue. In order for this valuation to be provided, a new valuation model would need to be run at the time of issue (ie immediately following the General Meeting of Shareholders).

In deriving the valuation the Black & Scholes Model relies upon the following assumptions:

- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying shares do not pay a dividend; and
- share prices behave in a manner consistent with a random walk in continuous time.

Any change in the variables applied in the Black & Scholes Model between the date of the valuation and the date the Director Options are granted would have an impact on their value.

TALISMAN MINING LIMITED**ABN: 71 079 536 495****PROXY FORM**

The Company Secretary
Talisman Mining Limited
PO Box 1262
SUBIACO WA 6904
Ph +61 8 9380 4230
Fax +61 8 9382 8200

GENERAL MEETING

I/We

being a member(s) of Talisman Mining Limited and entitled to attend and vote at the General Meeting, hereby
appoint:

(Name of proxy)

OR☐

Mark this box if you wish to appoint the Chair of the General Meeting as your proxy)

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting of the Company to be held at 10.00 am (WST) on 23 July 2009 at Ground Level, 6 Centro Avenue, Subiaco WA 6008 (and at any adjournment thereof) (Meeting).

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Mr Peter Langworthy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Election of Mr Brian Dawes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Shares to Mr Alan Senior	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Shares to Mr Gary Lethridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Shares to Ms Karen Gadsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Shares to Ms Roberta Gadsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Issue of Shares to Mr Peter Langworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Issue of Shares to Mr Brian Dawes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Issue of Directors Options to Mr Peter Langworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – Issue of Directors Options to Mr Brian Dawes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR☐

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 5 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 5 and that votes cast by the Chair of the General Meeting for Resolution 5 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 5.

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If no directions are given, the Chair will vote in favour of all of the Resolutions

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %.

Signed this _____ day of _____ 2009

By: Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Sole Director and Sole Company Secretary
Director/Company Secretary

INSTRUCTIONS FOR COMPLETING 'PROXY FORM'

1. A member entitled to attend and vote at a general meeting is entitled to appoint not more than two (2) proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one (1) proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two (2) proxies and the appointment does not specify this proportion, each proxy may exercise half ($\frac{1}{2}$) the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one (1) name the holder must sign. Where the holding is in more than one (1) name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two (2) directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - post to Talisman Mining Limited, PO Box 1262, Subiaco WA 6904;
 - hand, to Talisman Mining Limited, Ground Floor, 6 Centro Avenue, Subiaco WA 6008; or
 - facsimile to the Company on facsimile number (+61 8) 9382 8200.

so that it is received not later than 10.00am (WST) on 21 July 2009.

Proxy forms received later than this time will be invalid.