

Media / ASX Release

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TALISMAN ACQUIRES HALLOWEEN COPPER-GOLD PROJECT

STRATEGIC TENEMENT LOCATED SOUTH-WEST OF DOOLGUNNA VMS DISCOVERY

Talisman Mining Ltd (ASX: **TLM**) is pleased to announce that it has further expanded its copper-gold exploration portfolio in Western Australia's **Bryah Basin** after reaching agreement to acquire a highly prospective tenement located immediately south-west of Sandfire Resources Limited's **Doolgunna Project**.

Talisman has acquired a 100% interest in the **Halloween Copper-Gold Project** (P52/1241) from private prospectors Mr Max Pedri and Mr Keith Scudds for a combination of cash, shares and a future net smelter production royalty.

Halloween is located approximately 11.5km west of Talisman's 100%-owned **Springfield Copper-Gold Project** and approximately 16.5km south west of, and along strike from the high-grade **DeGrussa, Conductor 1 and Conductor 4** VMS copper-gold deposits, where Sandfire is currently completing a resource drill-out (*see Figure 1*).

The Halloween Project covers part of the prospective stratigraphy within the Bryah Basin known as the Narracoota Volcanic Formation. The potential of this region as an emerging VMS camp has been highlighted by the DeGrussa, Conductor 1 and Conductor 4 VMS discoveries as well as encouraging results from regional airborne and ground-based exploration activities across the belt.

Sandfire has reported up to 17 conductive features from airborne EM surveys conducted over its tenements, while Chrysalis Resources has identified five anomalous zones from an airborne EM survey completed over its Doolgunna West Project, which lies immediately west of Halloween.

The acquisition complements Talisman's Springfield Project, where it has generated promising results from programs of surface geochemical sampling. These include two priority copper-gold prospects, the Homer Prospect and Abraham Prospect, respectively located approximately 5km along strike to the east and 9.5km south of DeGrussa.

"The acquisition of the Halloween Project provides Talisman with another quality project within the Bryah Basin prospective for VMS-style deposits," said Talisman's Managing Director, Mr Gary Lethridge.

"We are looking forward to starting initial exploration activities at Halloween, including reconnaissance mapping and soil sampling, in the first Quarter of 2010 in parallel with the commencement of ground-based exploration at Springfield, where we recently secured the grant of our two key tenements," he added.

KEY AGREEMENT TERMS

The key terms of the Halloween Project Acquisition are summarised as follows:

- Talisman will acquire a 100% interest in P52/1241 by the payment of \$400,000 (being the payment of \$300,000 in cash and \$100,000 in Talisman shares);
- Should Talisman reach a decision to mine on the Tenement within 5 years, Talisman will make a further payment to the Vendors of an additional \$100,000 in cash or Talisman shares;
- The Vendors will retain a 2% net smelter royalty on all metals sold from the project; and
- The Vendors will retain surficial gold rights over the project (to a depth of 5 metres) for a period of 3 years.

BACKGROUND

The Springfield and Halloween Projects are located approximately 150km north east of Meekatharra in the northern Murchison Goldfields, Western Australia (see Figure 1). The Project covers approximately 300 square kilometres of ground immediately adjacent to Sandfire Resources Limited's Doolgunna Project, which hosts the recently discovered DeGrussa high-grade copper-gold volcanogenic massive sulphide (VMS) deposits.

Key features of the Springfield Project include:

- *Initial reconnaissance exploration by Talisman has identified the continuation of the same Upper Narracoota Volcanic Formation that hosts the DeGrussa Deposits for approximately 25 kilometres within the Springfield Project Area.*
- *The Springfield Project tenement boundary is approximately 5 kilometres to the east of Sandfire's high grade VMS deposits.*
- *The typical nature of VMS Deposits is that they occur in "camps" of multiple deposits. This well understood geological concept presents the Springfield Project as a very prospective Western Australian exploration property for the discovery of high grade copper-gold VMS Deposits.*
- *The Springfield Project comprises two granted Exploration Licences and an Exploration Licence Application (ELA) pegged by Talisman as part of a strategy targeting prospective formations within the Peak Hill District for gold and copper mineralisation.*
- *Geochemical sampling by Talisman has identified a robust, highly anomalous copper response (with some supporting gold) immediately along strike of the DeGrussa Deposits. In addition, a series of additional copper anomalies that require detailed programs of follow-up exploration have been identified throughout the wider Springfield Project area.*
- *Programs of moving loop electromagnetic surveys ("MLEM") have now commenced at Springfield.*

Competent Persons' Statement

Information in this ASX release that relates to Exploration Results is based on information compiled by Mr Harry Cornelius, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Harry Cornelius is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities 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 Harry Cornelius consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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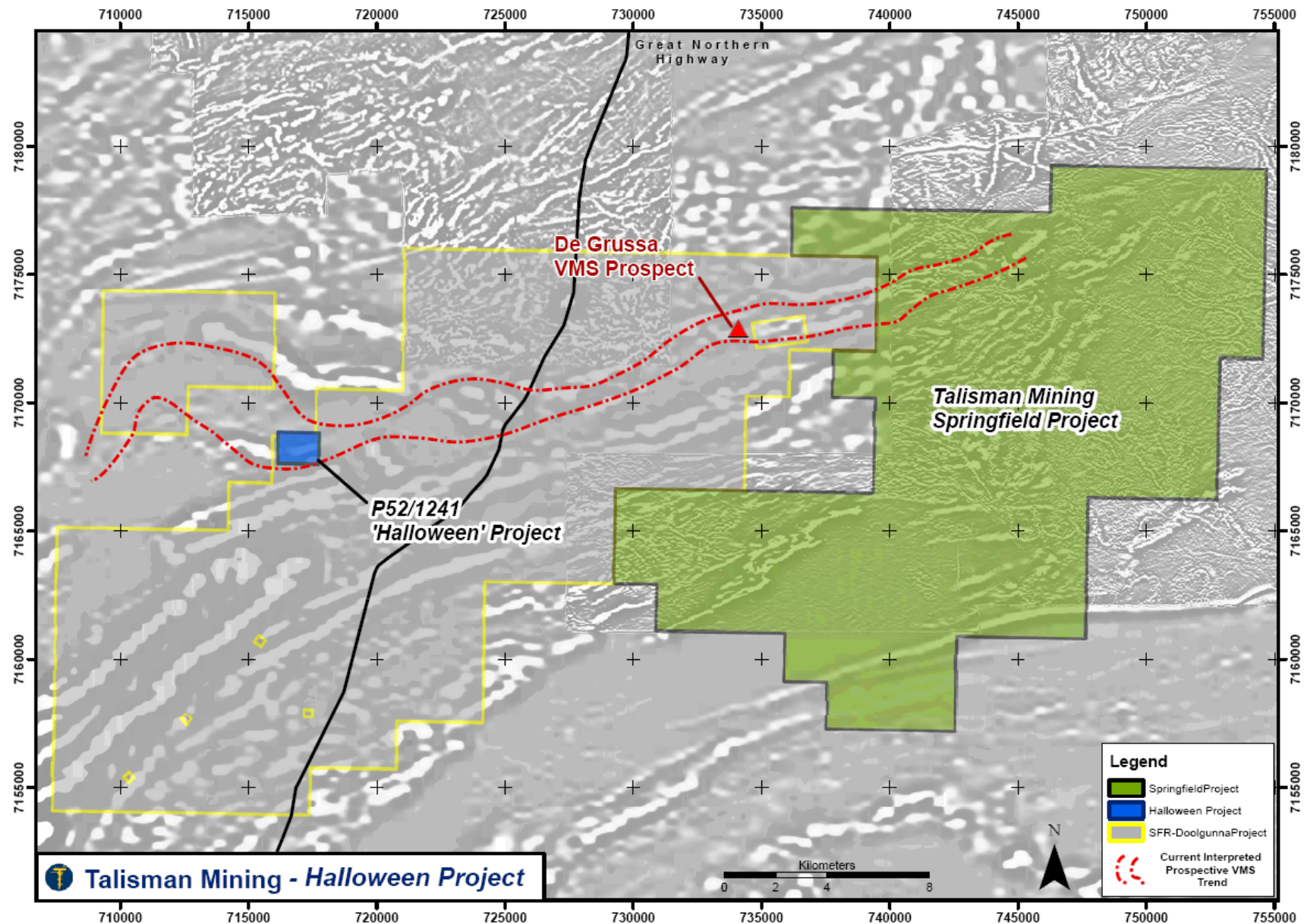


Figure 1 – Location Plan of the Halloween Project