
DEEP DIAMOND DRILL HOLE COMMENCES AT SHELBY PROJECT

Key Points:

- A single 1,500 metre diamond drill hole targeting a large modelled magnetic body has commenced at the Shelby Project.
- The drill hole is co-funded (up to \$200,000) under WA State Government Exploration Incentive Scheme (EIS).
- Regional gravity survey commenced and airborne magnetic survey scheduled to commence in May 2011.

Overview

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that the drilling of a single deep diamond drill hole (approximately 1,500 metres) has now commenced at its 100% owned **Shelby Project** in Western Australia.

The Shelby Project is located on the northern margin of the Bryah Basin approximately 30km north of the Horseshoe Lights Copper-Gold Mine (see Figure 1). The total project area covers an approximate 100km strike length of a major structural corridor.

Evaluation of recently collected airborne magnetic data indicates excellent potential for large intrusive bodies either of mafic-ultramafic or granitic affinity that have the potential to host a range of deposit types including mafic-ultramafic intrusive related nickel-copper deposits (e.g. Voisey's Bay (Vale), West Musgrave (BHPB)) and/or Iron Oxide Copper Gold (IOCG) deposits (e.g. Olympic Dam (BHPB)).

Talisman plans to test this concept by drilling a 1,500 metre diamond drill hole into a large modelled magnetic target at Shelby (see Figure 2) and has been granted co-funding of up to \$200,000 under the WA State Government Exploration Incentive Scheme (EIS).

Examination of open file records by Talisman found that BHPB had drilled a single 520 metre diamond hole to test this target in 1996. The single drill hole intersected highly altered mafic-ultramafic lithologies at approximately 450 metres further supporting the concept for the potential existence of a large intrusive mafic-ultramafic body with the potential to host magmatic nickel-copper sulphides.

The deep drill hole and associated programs of down-hole geophysics is anticipated to take approximately 6 weeks to complete.



Shelby Project - Other Exploration Activities

Initial assessment of the prospectivity of the wider Shelby Project area has resulted in Talisman pegging a series of exploration licence applications along strike to the east and west of the current granted tenement package.

In addition to the current diamond drilling program a regional gravity survey has commenced and a detailed airborne magnetic survey will be shortly commencing. Both surveys will cover the entire strike length of the major structural corridor.

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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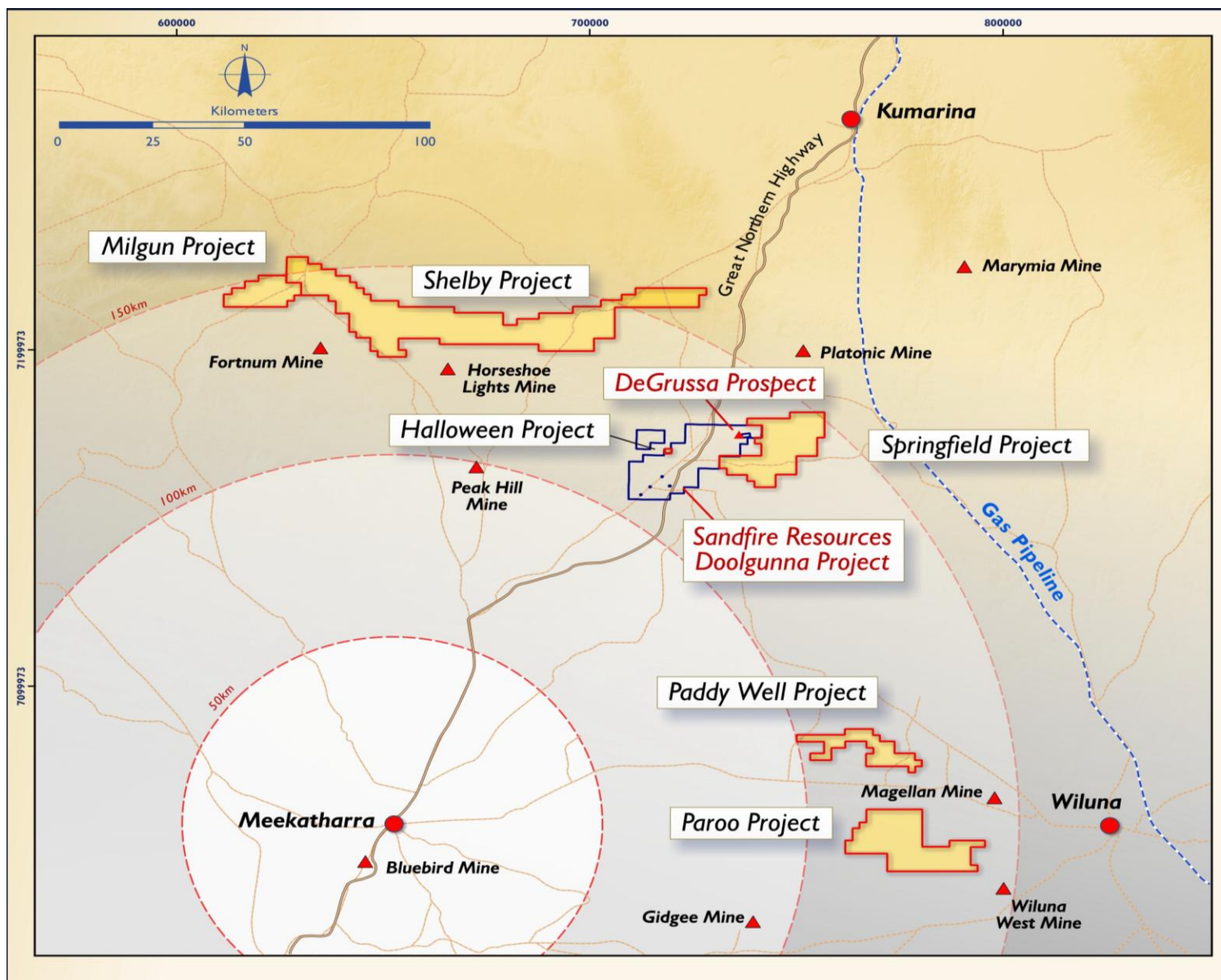


Figure 1: Shelby Location Plan

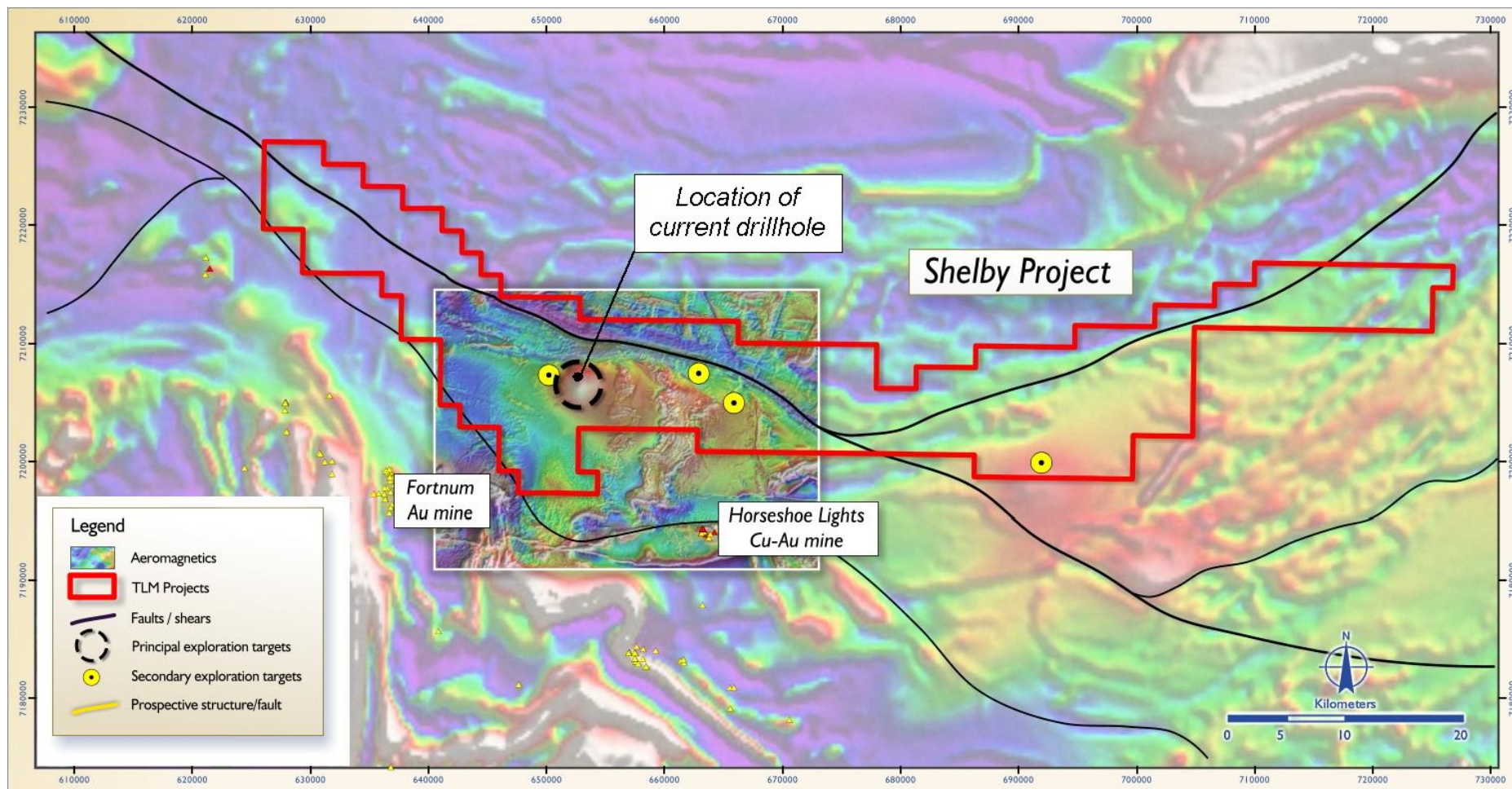


Figure 2: Shelby Project – Location of initial diamond drill target and other exploration targets.