
SPRINGFIELD PROJECT – EXPLORATION UPDATE

HIGH GRADE COPPER SULPHIDES INTERSECTED AT THE MONTY PROSPECT

Key Points:

- A zone of breccia-massive copper sulphides has been intersected in diamond drilling (SPD020) at the **Monty Prospect**. Final assay results have returned an interval of **0.3 metres @ 7.6% Cu** at 502 metres downhole.
- This significant intersection is interpreted to be part of a mineralised “feeder zone” within an extensive alteration system. This zone has now been identified in both drilling and geophysical datasets over a strike length of approximately 3km. This interpreted “feeder zone” mineralisation is typically found proximal to the main metal concentration of VMS deposits.
- Near surface geochemical anomalism above this intersection (including visible chips of malachite) indicates potential for this mineralised position to extend close to surface. An RC hole (SPRC141) in this position returned XRF results* of **7 metres @ 0.21% Cu** within a broader zone of **23 metres @ 0.11% Cu** (assays awaited).
- These significant results have now identified a defined target horizon at the Monty Prospect for ongoing programs of focused drilling. Given the reconnaissance nature of the drilling to date the target zone at the Monty Prospect remains open in all directions.

OVERVIEW

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that recent drilling at the **Monty Prospect** within the Springfield Copper-Gold Project has returned very encouraging exploration results.

The Springfield Project comprises a 303km² ground package located ~ 150km north east of Meekatharra in the northern Murchison Goldfields region of Western Australia (see **Figure 1**). The project is located immediately along strike to the east of Sandfire Resources’ DeGrussa Project



where mineral resources now stand at 14.33mt @ 4.6% Cu, and 1.6g/t Au contained in four deposits and mine development activities have commenced.

The strength, size and grade of the DeGrussa Volcanogenic Massive Sulphide (VMS) system support Talisman's view that the exploration potential in this region and more importantly, immediately within Talisman's Springfield Project, located as little as 4km to the east of the DeGrussa Deposits, is very high.

Talisman Mining Ltd has been aggressively exploring the Springfield Project since the grant of the first two project tenements in November 2009. Exploration activities have been focused on the generation of quality data sets that have to date supported the view that the Springfield Project has multiple prospective exploration opportunities that will sustain and justify long term exploration efforts at the project.

Exploration activities over this period have comprised:

- geological mapping;
- geochemical sampling;
- a detailed airborne magnetic survey;
- moving loop electromagnetic (MLEM) surveys;
- detailed gravity surveys; and
- downhole electromagnetic surveys (DHEM).

The collection of the geophysical datasets have either been completed or are currently being finalised.

In addition to these fundamental exploration activities, programs of diamond, reverse circulation (RC) and rotary air blast (RAB) drilling have been undertaken concurrently to test priority targets as they have emerged from the exploration data. These drilling programs have also been undertaken to provide critical stratigraphic and structural information that is necessary for exploring for this type of deposit.

The outcomes from this work, and especially taking into account these recent results at Monty, confirm Talisman's view that the Springfield Project is a world-class exploration opportunity with potential to host world-class copper-gold VMS deposits.

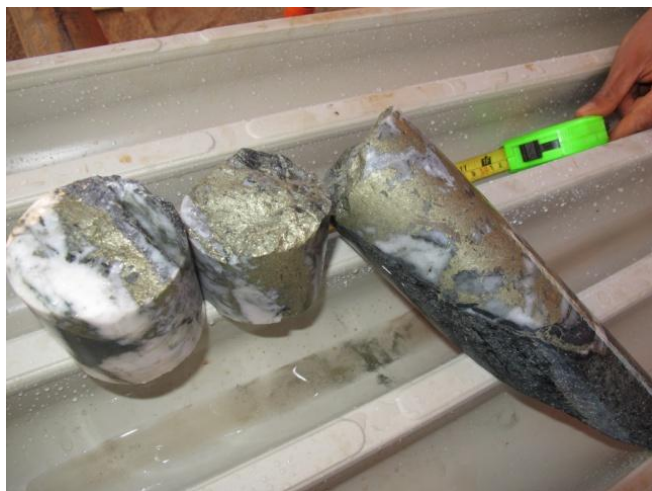
MONTY PROSPECT

The **Monty Prospect** is located in the Central Corridor (see **Figure 2**) and was originally identified as a high priority target from surface geochemical data.

Recent diamond drilling at Monty has identified a zone of **breccia-massive copper sulphides** interpreted to be part of a mineralised "feeder zone" within an extensive alteration system (see **Figure 3**). This zone has now been identified in both drilling and geophysical datasets over a strike length of approximately 3km (see **Figures 4a-d**).



This interpreted “feeder zone” mineralisation is typically found proximal to the main metal concentration of VMS mineralising systems.



Final assays have returned the following result from Talisman’s most recent diamond drillhole at Monty (see **Table 1** for details and the photo to the left):

- **SPD020 0.3 metres @ 7.6% Cu (502.0m – 502.3m).**

Supporting the prospectivity of this position, near surface RC drilling has defined a zone of significant geochemical anomalism directly above this intersection (including visible chips of malachite – see **Figure 3**).

Significant XRF results* from this RC drilling include (see **Table 1** for details);

- **SPRC141 7 metres @ 0.21% Cu** (within a broader zone of **23 metres @ 0.11% Cu**)
- **SPRC142 70 metres @ 0.04% Cu**
- **SPRC134 49 metres @ 0.03% Cu**
- **SPRC135 3 metres @ 0.03% Cu** (visible malachite)

Diamond and RC drilling in a similar position approximately 800 metres to the east has intersected the same extensive alteration zone including broad zones of disseminated and stringer copper sulphides (i.e. chalcopyrite) in both diamond and RC drilling.

These results have now identified a defined target horizon for ongoing programs of focused drilling which, given the reconnaissance nature of the drilling to date, remains open in all directions.

Programs of diamond drilling and associated DHEM surveys are continuing at the Monty Prospect on a high priority basis.

The recognition of the association of strong alteration with coincident discrete gravity highs and magnetic lows is providing key targeting parameters that can now be applied across the wider Springfield Project (see **Figures 4c and d**).

OTHER SPRINGFIELD PROJECT EXPLORATION ACTIVITIES

MLEM Survey

The collection of regional datasets across the entire Springfield Project has continued in concurrence with the diamond and RC drilling programs. A comprehensive MLEM survey has now covered most of the Northern Corridor and is currently moving onto the Central Corridor. It is expected that the remainder of the survey will take another 2 months. Results from this survey are currently being assessed and are incomplete, but it is likely that a number of conductive anomalies



identified to date will justify drill testing in the future once data is fully assessed and regulatory approvals achieved.

Gravity Survey

The positive impact of the gravity data on Talisman's targeting process has resulted in the gravity survey being expanded to cover the majority of the Springfield Project. This work is scheduled for completion by the end of June.

RAB Drilling

An extensive program of RAB drilling covering the Central Corridor is nearing the completion of its second phase (approximately 300 holes for 12,500 metres). A final phase of RAB drilling covering the extensions of the Northern Corridor is awaiting statutory approvals and at this point is scheduled for completion in August (150 holes for 10,000 metres). The data collected from the RAB drilling is proving critical in constructing the detailed project geology and also in providing important geochemical data that can then be targeted with follow-up RC drilling.

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.

– ENDS –

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Table (1) – Monty Prospect Drilling Results

Hole ID	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Interval (m)	Cu (%)
SPD020	743603	7171669	-60	180	502.0	502.3	0.3	7.6%
SPRC141	743600	7171307	-60	180	65	72	7.0	0.21%*
SPRC142	743604	7171169	-60	180	49	119	70.0	0.04%*
SPRC134	743598	7171434	-60	180	87	136	49.0	0.03%*
SPRC135	743596	7171560	-60	180	105	108	3.0	0.03%*

** Note: Hand-held XRF Analyser - The estimates of Cu for RC samples referred to in this release are based on readings on pulverized drill-spoil samples using an InnovX portable XRF analyser. Whilst Talisman believes that these readings are indicative of grade, the Company wishes to make clear that the InnovX results are not formal assays and are an estimate of Cu grades only. Laboratory assays are awaited.*

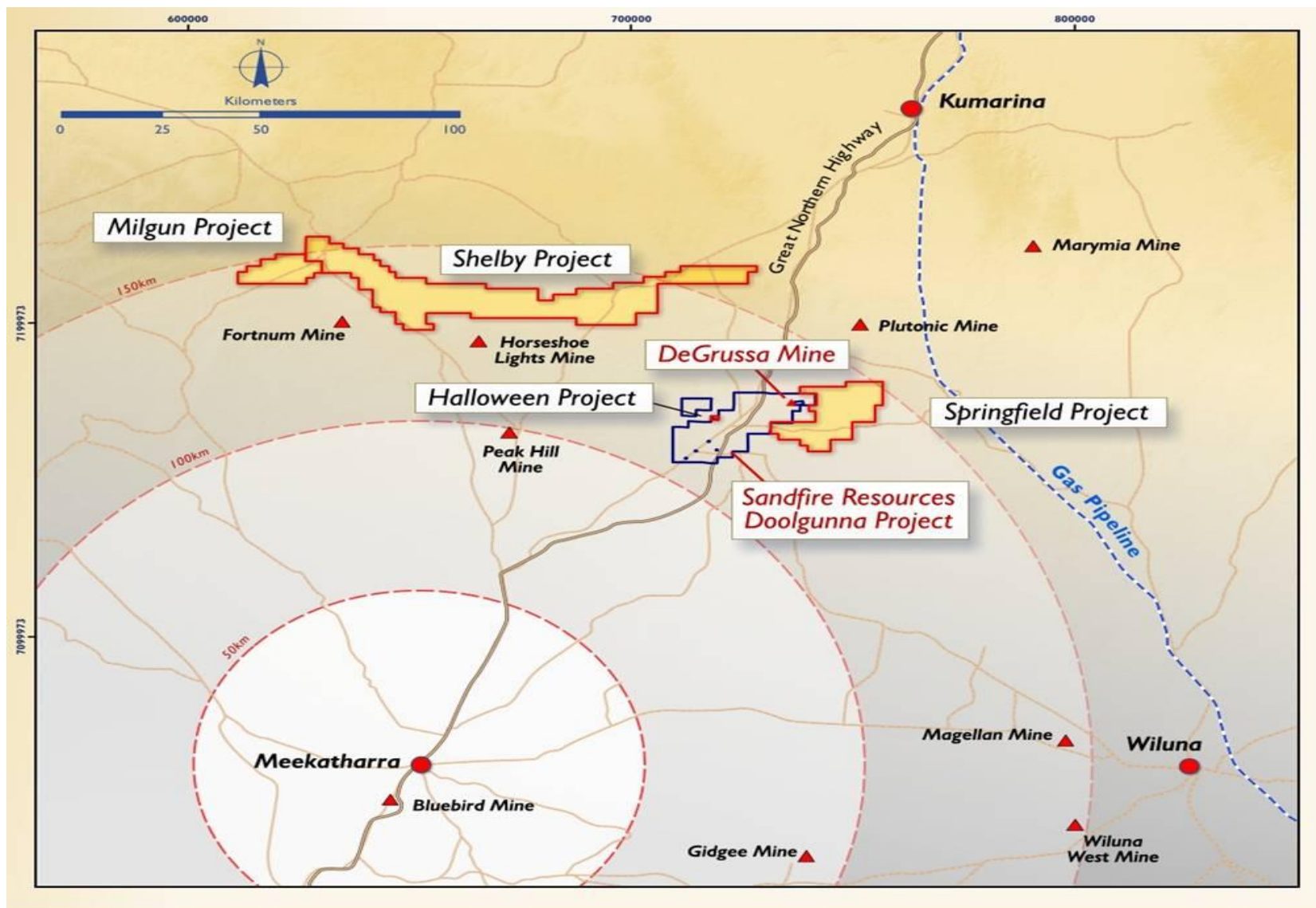


Figure 1: Springfield Location Plan

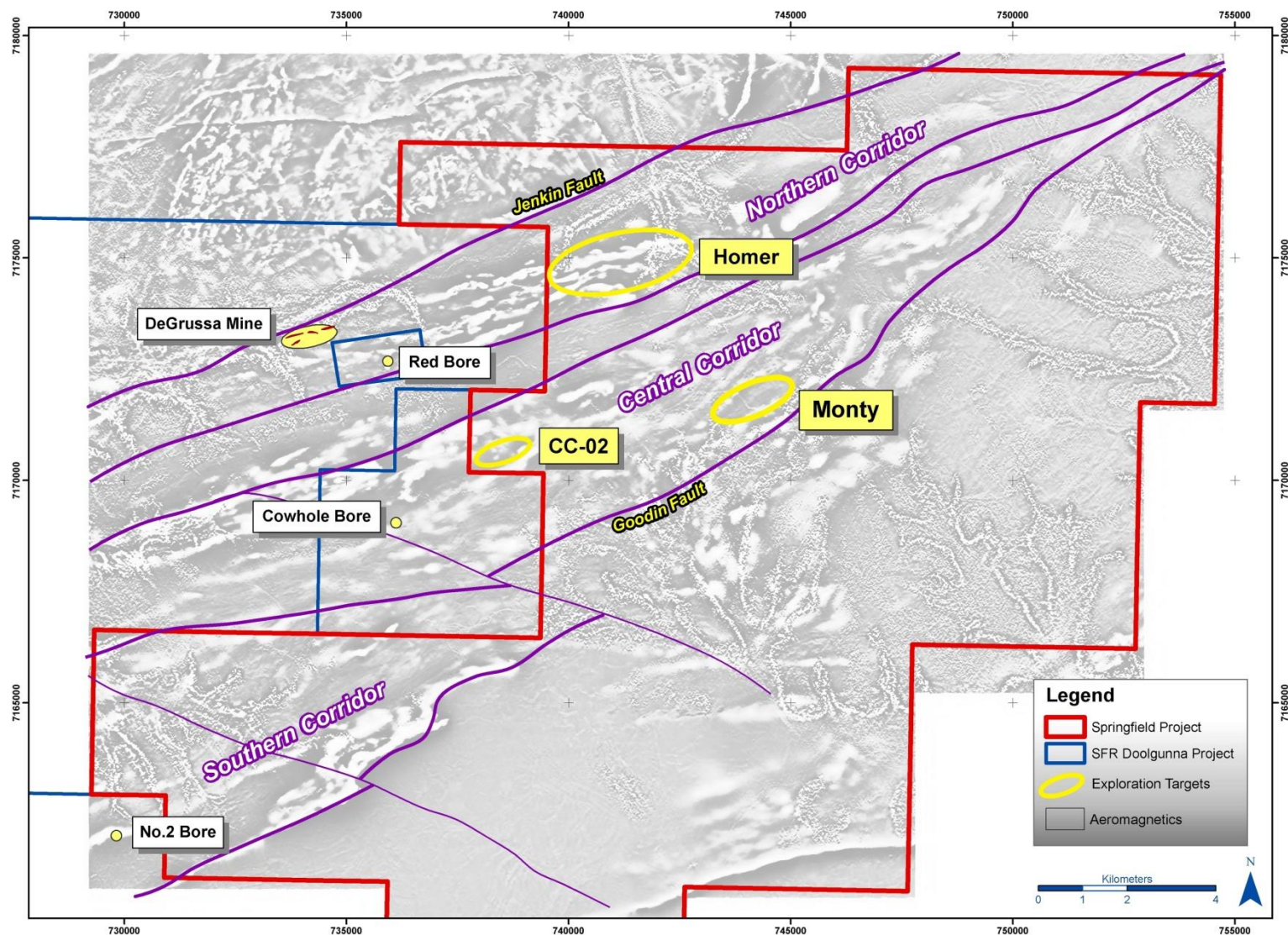


Figure 2: Springfield Project - Monty Prospect Location

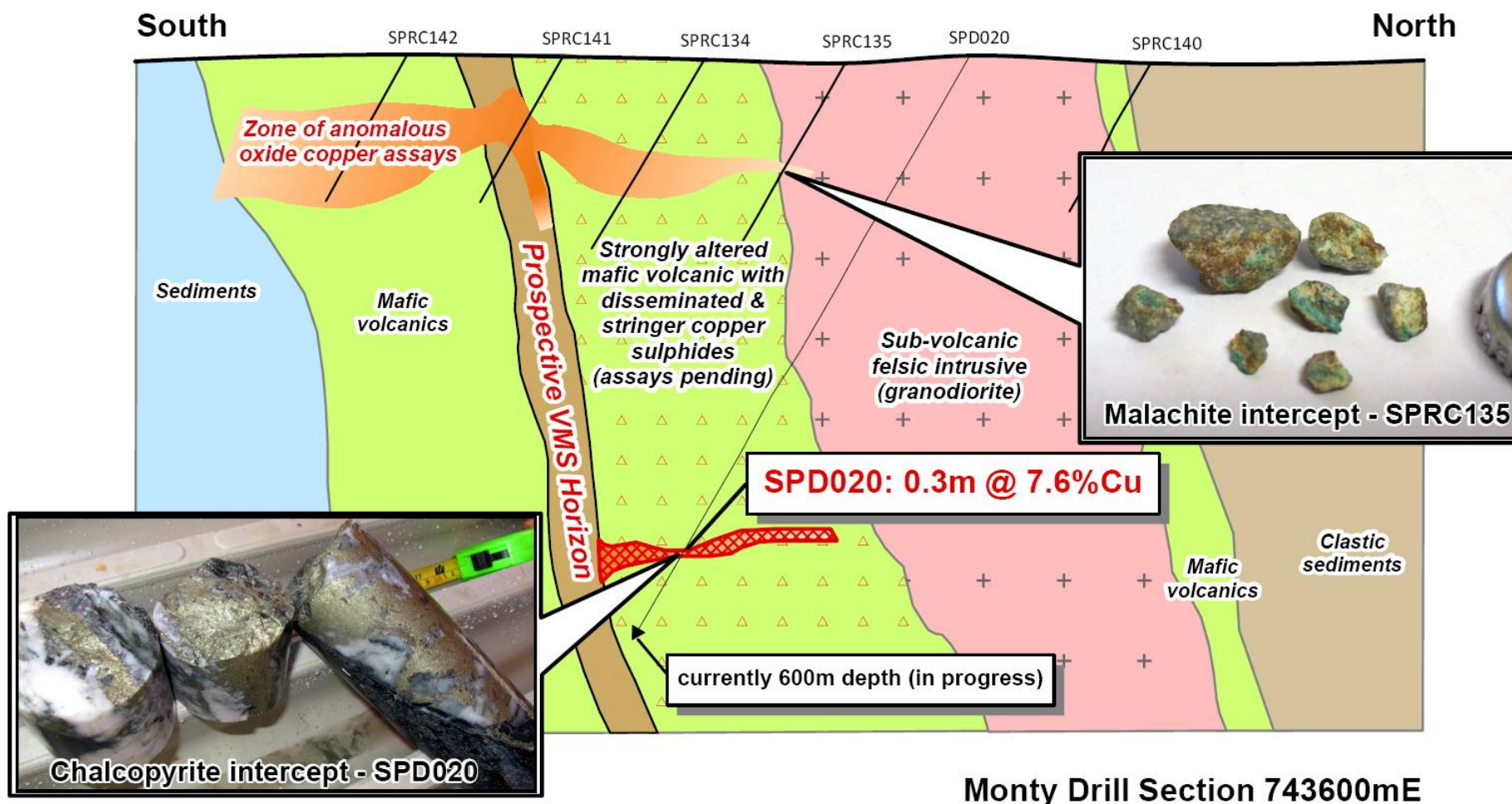


Figure 3: Monty Prospect Schematic Cross Section 743600mE

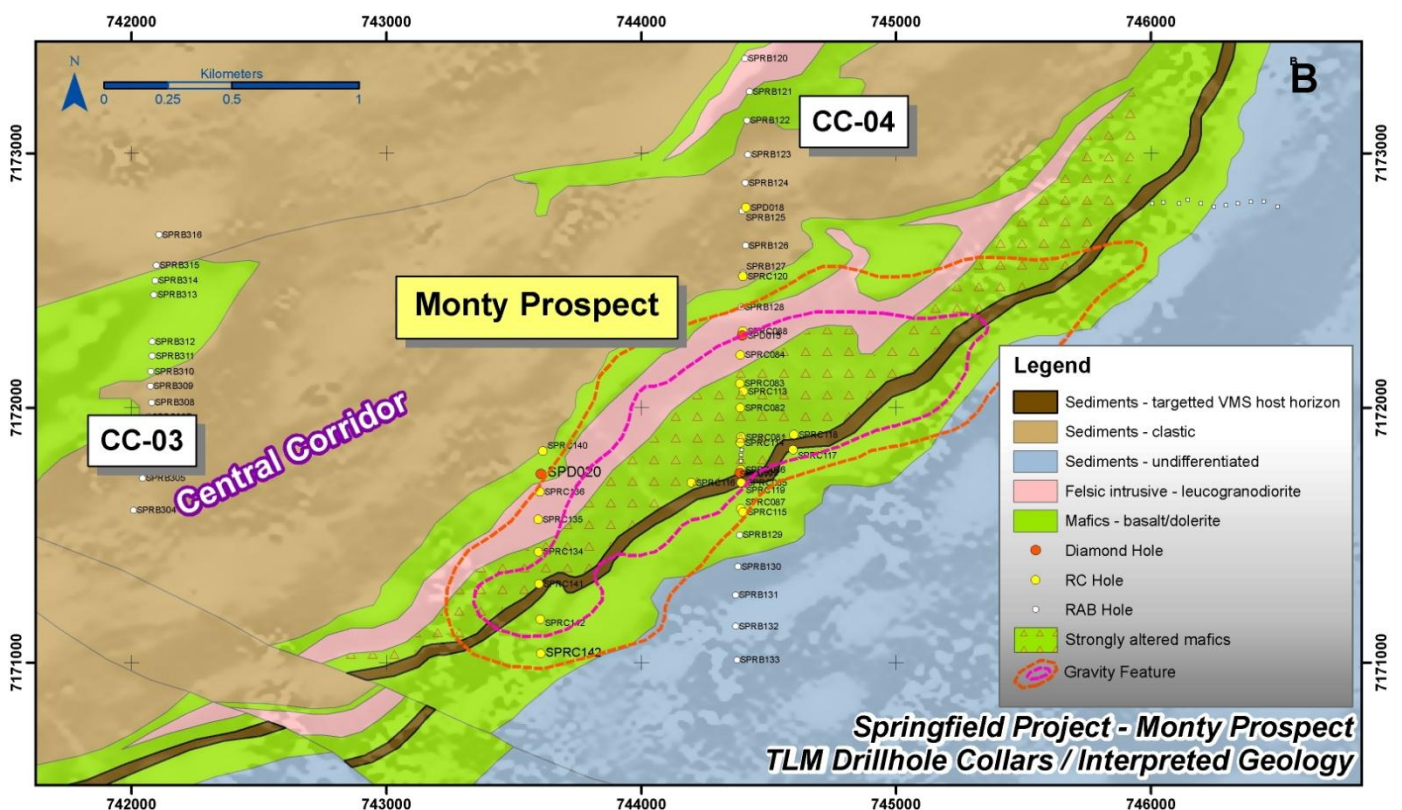
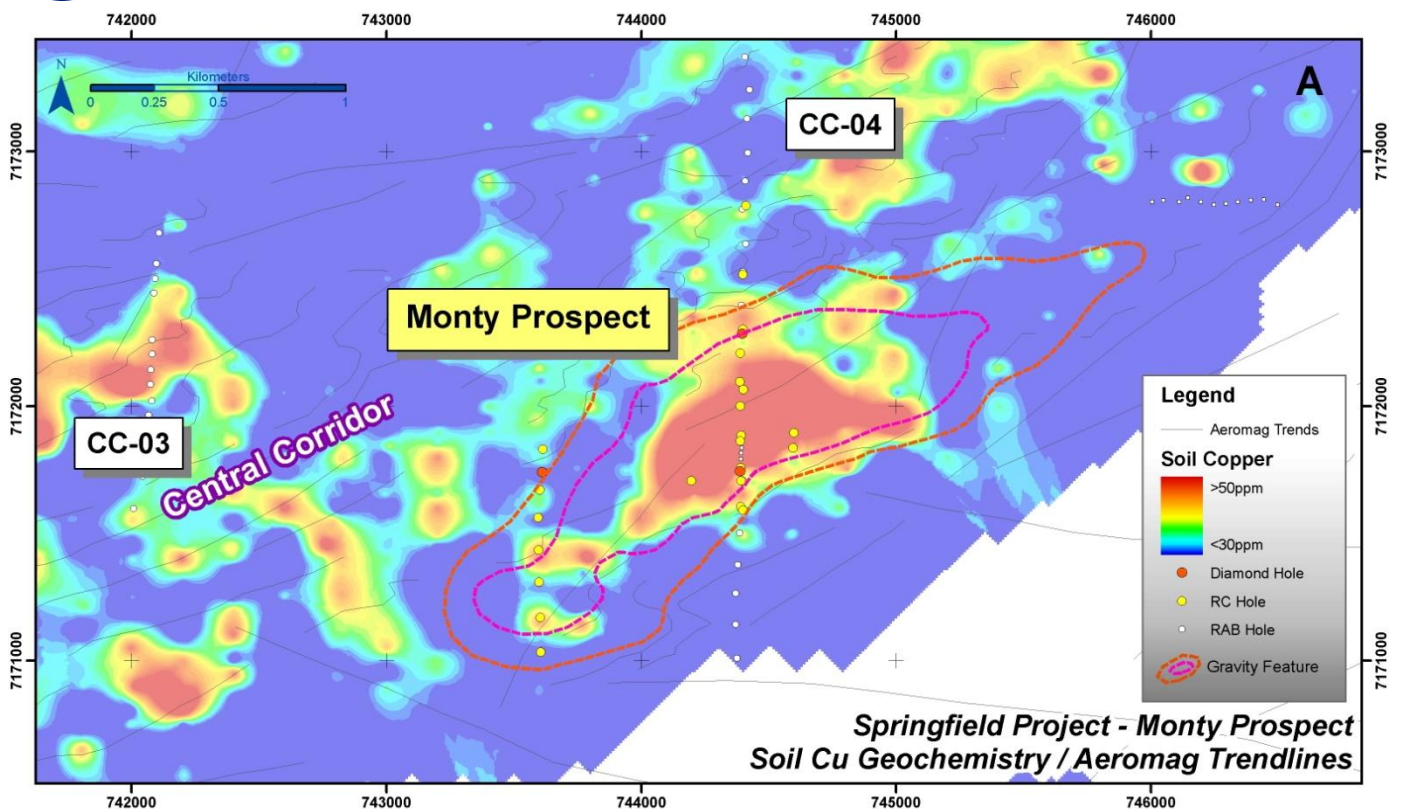


Figure 4A: Monty Prospect Soil Geochemistry and Aeromagnetic Trend Lines – Top of page

Figure 4B: Monty Prospect Interpreted Geology and Drill Hole Collars – Bottom of page

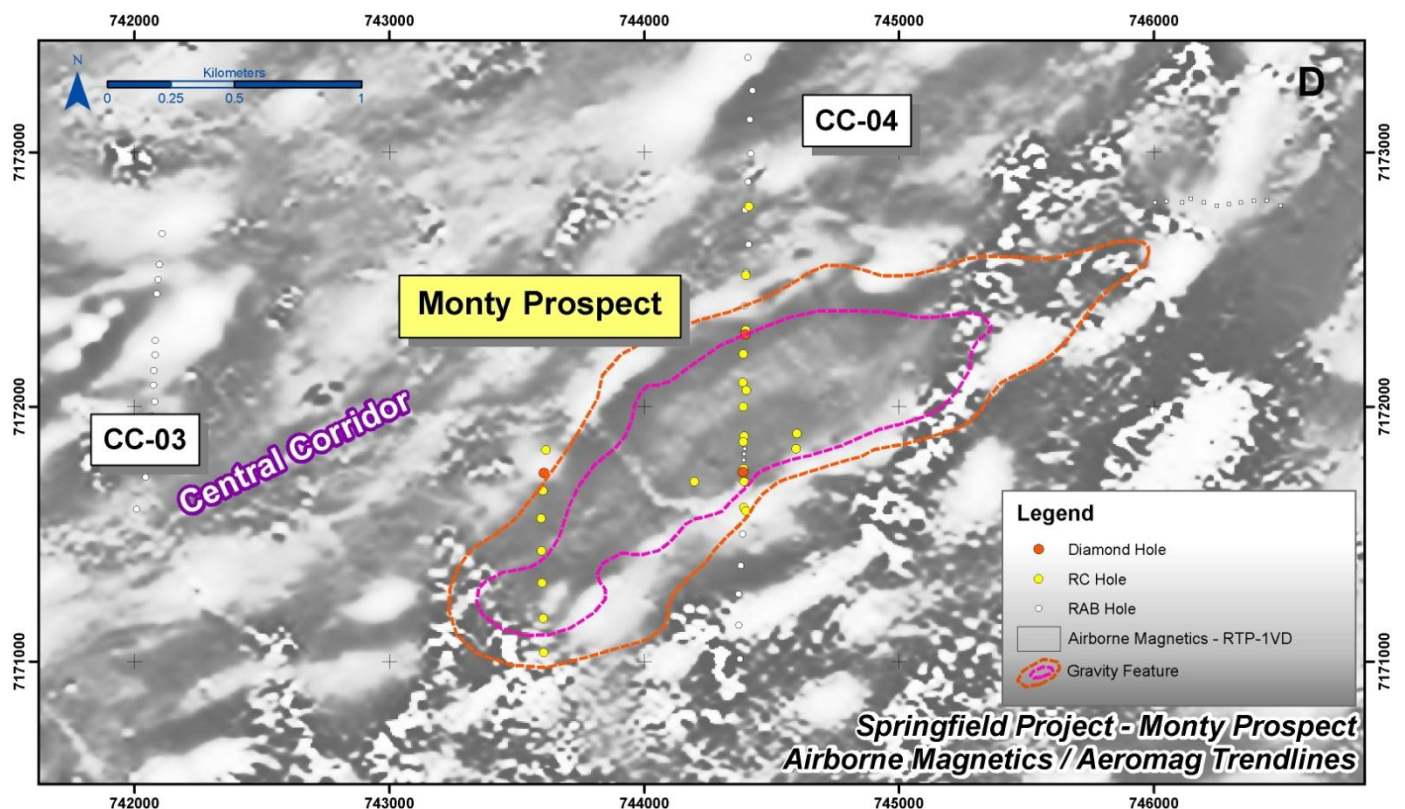
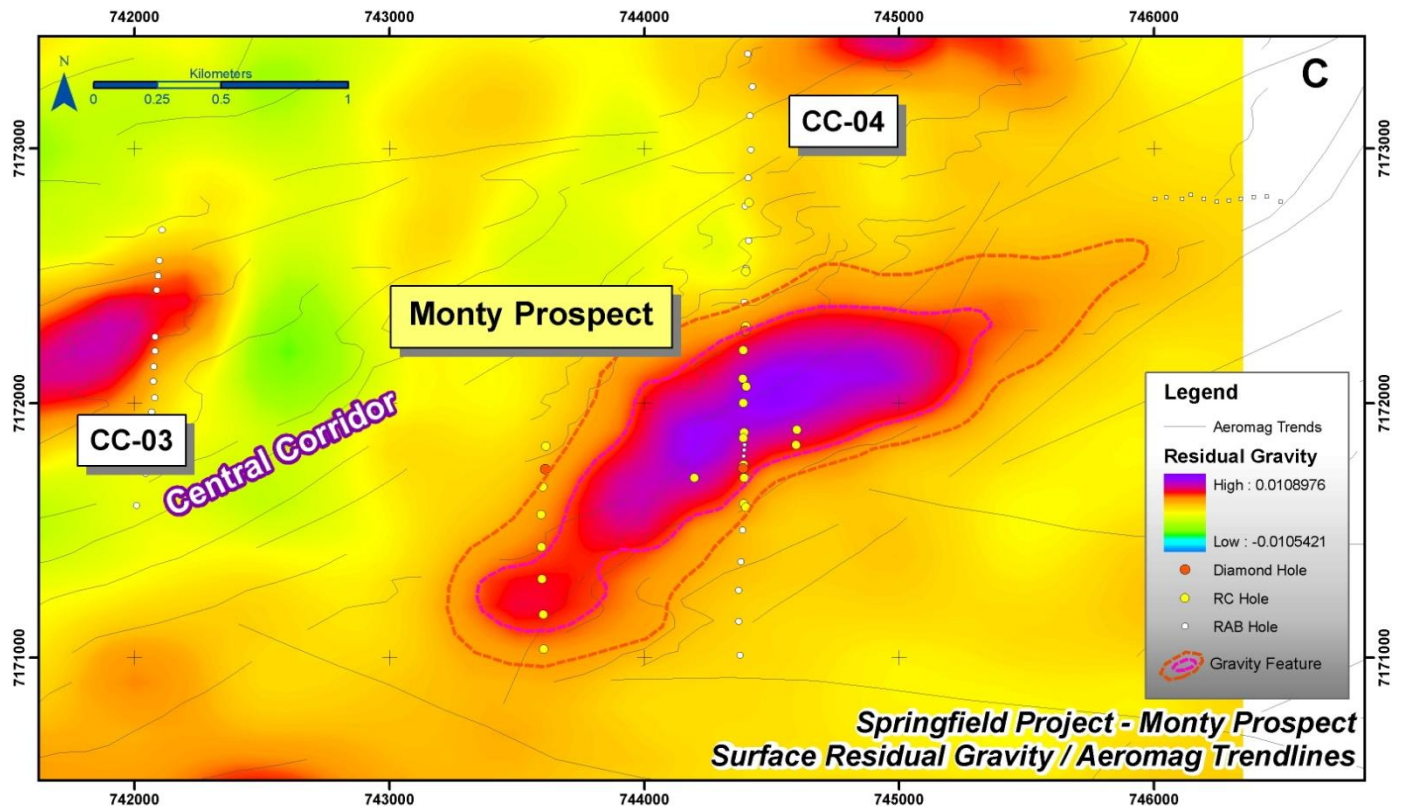


Figure 4C: Monty Prospect Surface Residual Gravity and Aeromagnetic Trendlines – Top of page

Figure 4D: Monty Prospect Aeromagnetics and Trendlines – Bottom of page