



Drilling at the Shelby Project confirms the presence of Iron-Copper-Gold (IOCG) style alteration

COMPANY SNAPSHOT

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Capital Structure

Shares on Issue:
131,538,627 (TLM)

Options on Issue:
11,175,000 (Unlisted)

ASX: TLM

Follow-up programme about to commence to test highly promising gravity survey results and strong EM conductor

KEY POINTS:

- ***Recent ground-based gravity survey has identified several gravity anomalies along a major structure at the Shelby Project in WA***
- ***Strong electromagnetic conductor also identified at Shelby***
- ***Diamond drilling program about to commence to test these targets***
- ***New targets identified as potentially being associated alteration systems related to a major IOCG mineralising event***
- ***Ultra-detailed gravity survey also planned to define 3D targets for further drill testing.***

Talisman Mining Limited (ASX: **TLM**) is pleased to advise that a second phase of deep diamond drilling is about to commence at its 100 per cent-owned **Shelby Project** in the Gascoyne region of Western Australia (see **Figure 1**).

The program will test several highly promising targets which have been identified by a ground-based gravity survey and a strong electromagnetic conductor which was identified following a review of historic datasets based on previous exploration in the area by BHP.

The EM target is west of the 1452 metre-deep diamond hole (SHD001A) drilled by Talisman in May 2011. This hole was co-funded as part of the WA State Government Exploration Incentive Scheme (EIS). This initial drilling programme was designed to test a large magnetic body identified by a detailed airborne magnetic survey (see **Figure 2**).

The new drilling program incorporates three diamond drill holes for a total of 1,250m to test for additional iron-oxide-copper-gold-related alteration and sulphide mineralisation associated with these targets.



Talisman Managing Director Gary Lethridge said the results from the first phase of drilling at Shelby were highly encouraging and demonstrated Talisman's capacity to develop large-scale, grassroots exploration targets at a relatively low cost using sophisticated modern day exploration techniques.

Shelby Project

The Shelby Project covers approximately 1050sqkm and is located on the northern margin of the Bryah Basin, approximately 30km north of the Horseshoe Lights Copper-Gold Mine in the Gascoyne region of Western Australia. On the basis of its geological setting, the Shelby project was originally identified by Talisman as having potential to host large Iron Oxide Copper Gold (IOCG) deposits (e.g. Olympic Dam (BHP) and/or a Voisey's Bay-style mafic-ultramafic intrusive hosted nickel-copper-PGE sulphide deposit.

In May 2011, Talisman completed an initial 1,452 metre deep diamond hole (SHD001A) co-funded as part of the WA State Government Exploration Incentive Scheme (EIS) and designed to test a large magnetic body identified by a detailed airborne magnetic survey.

The mafic-ultramafic rocks identified in the diamond core demonstrated encouraging evidence that Shelby could host a large iron oxide-copper-gold mineralising system. Metal deposition is also evident with chalcopyrite mineralisation (to a maximum of 468ppm or 0.0468% Cu) and elevated gold to 84ppb in zones of stronger alteration (see **Figures 3** and **Figure 4**).

A string of discrete gravity anomalies have also been identified along a major structure immediately to the north of an interpreted magmatic body and may represent dense alteration zones associated with stronger hematite and/or sulphide deposition in basement volcanic rocks. Talisman is currently preparing to undertake an additional ultra-detailed gravity survey over these anomalies to assess their potential to host significant mineralisation and to better define 3D targets for further drill testing.

ENDS

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Competent Persons' Statement

Information in this ASX release that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Graeme Cameron, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cameron 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 Cameron consents to the inclusion in this report of the matters based on information in the form and context in which it appears.



Figure 1 – Talisman Mining Ltd Project locations

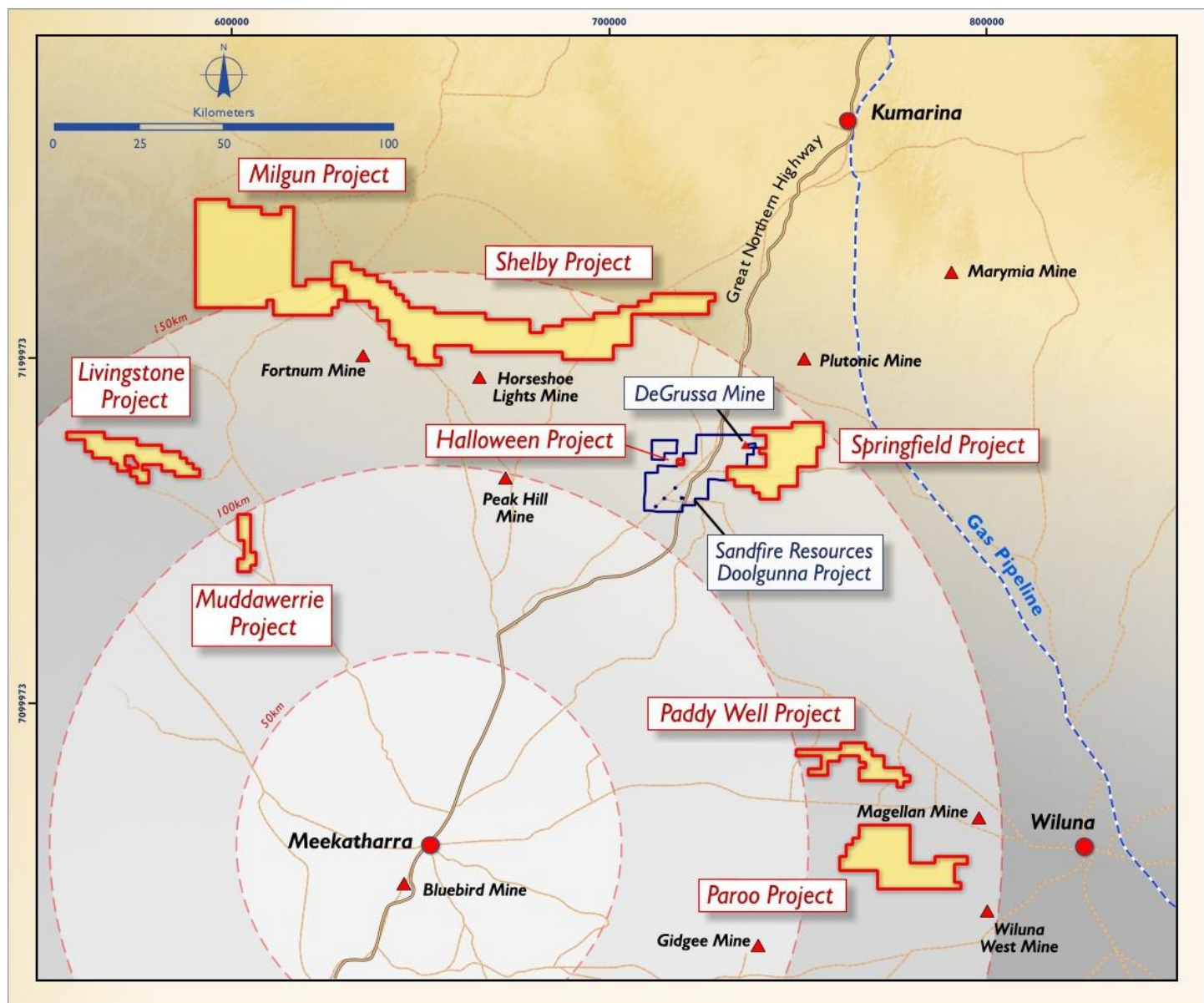




Figure 2 – Shelby Project EIS Drill Hole Location

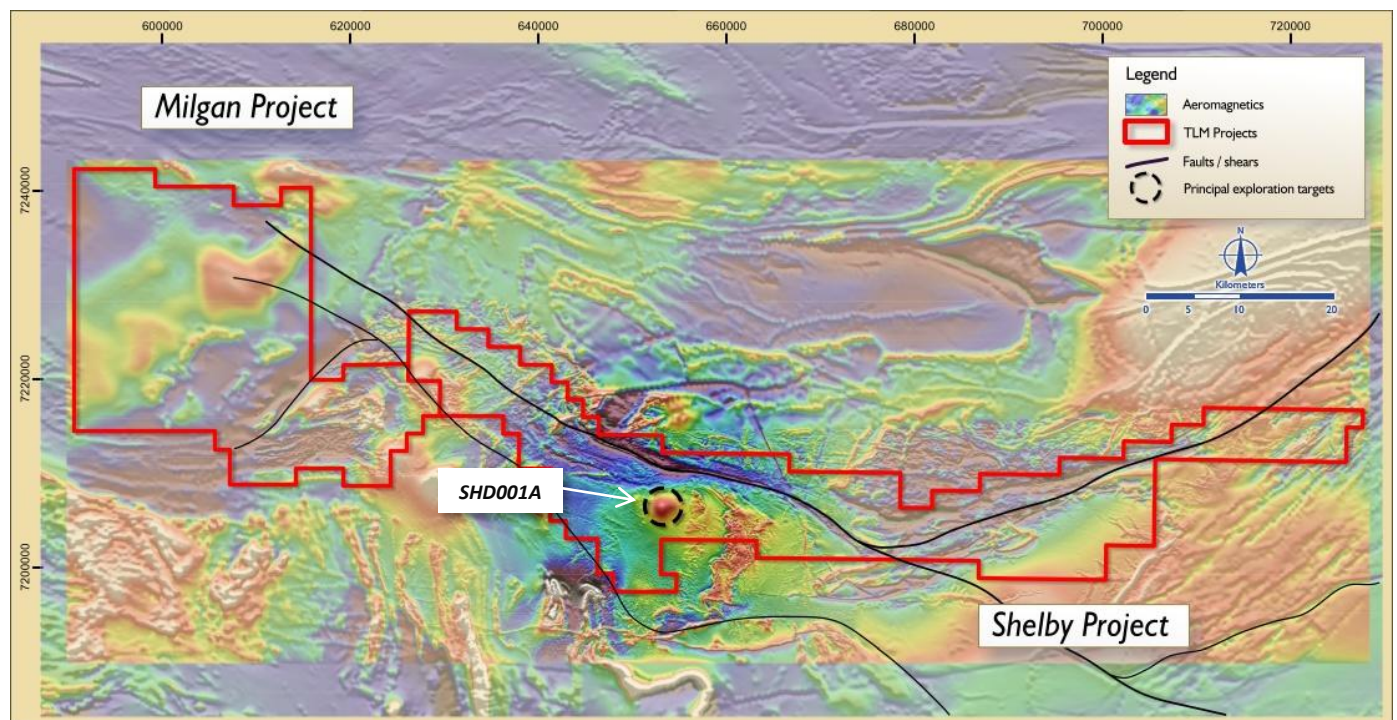


Figure 3 – Magnetite-amphibole-chlorite-chalcopyrite alteration in altered mafic schist.



Figure 4 – Strong Hematite-K Feldspar-Silica-sulphide alteration/vein zone

