



GOLD INTERCEPTS RETURNED FROM MAIDEN RC DRILLING AT HALLOWEEN PROJECT

FOLLOW-UP DRILL TARGETS BEING DEFINED AT HALLOWEEN, WHICH LIES JUST 11KM FROM SANDFIRE'S DEGRUSSA PROJECT

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Capital Structure

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

Options on Issue:
15,150,000 (Unlisted)

ASX: TLM

KEY POINTS:

- ***Maiden 2,158m RC drilling program returns highly promising gold intercepts including:***
 - ***HRC002 - 10m @ 3.56g/t Au from 84m, including:***
 - ***2m @ 4.9g/t Au from 84m; and***
 - ***2m @ 10.40g/t Au from 86m***
 - ***HRC001 - 6m @ 1.52g/t Au from 18m, including:***
 - ***2m @ 3.26g/t Au from 20m***
 - ***HRC006 - 28m @ 0.53g/t Au from 70m, including:***
 - ***2m @ 1.90g/t Au from 70m; and***
 - ***2m @ 3.56g/t Au from 78m***
 - ***HRC015 – 2m @ 1.14gt from 62m***
- ***Importantly, geochemical analysis identifies key mineral pathfinder elements that may indicate a potential VMS mineralizing environment***
- ***Fixed-loop electromagnetic survey to be undertaken to further define follow-up VMS drill targets***

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that the maiden drilling program at its highly prospective Halloween Project in WA has delivered immediate exploration success with a series of encouraging gold intercepts.

The Halloween Project is located 11.5km south-west of the high-grade DeGrussa VMS Copper-Gold Project in Western Australia, currently being developed by Sandfire Resources (see **Appendix 1**).

The mafic volcanics and sediments at Halloween are interpreted to be part of the prospective Narracoota Volcanic Formation which hosts the DeGrussa VMS deposits to the east of Halloween.



The maiden Reverse Circulation (RC) drilling program at Halloween was designed to test a series of coincident geological and copper-gold soil geochemical anomalies which were identified through a detailed exploration program of geological mapping and in-fill soil sampling.

The RC program at Halloween concluded in March 2012 with 16 holes drilled for a total of 2,158m on four broadly-spaced fences and represents the first definitive test of the Halloween Project, which lies 16.5km west of Talisman's flagship Springfield VMS Copper-Gold Project.

Significant gold assay results (**Table 1**) have been returned from four holes (HRC001, HRC002, HRC006 and HRC015 - **Figure 1**) along two 200m-spaced drill traverses (**Figure 2**).

The gold mineralisation identified from the drilling program appears to be related to strong silica-carbonate-epidote-pyrite alteration along a volcanic sedimentary horizon and adjacent basalt with up to 25 per cent disseminated/stringer pyrite and trace chalcopyrite mineralisation.

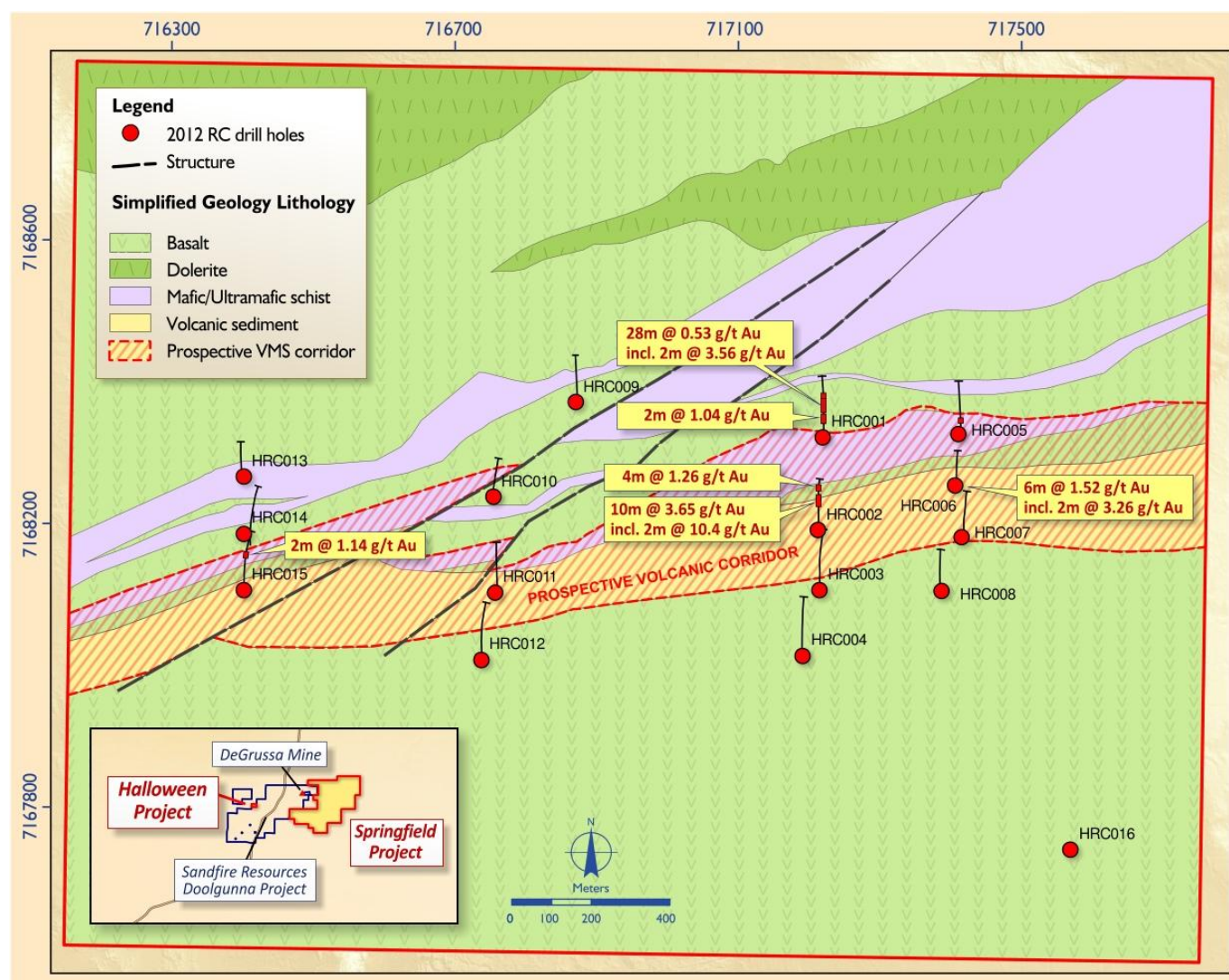


Figure 1 – Simplified Geological Plan with Drill Hole Locations Showing Significant Gold Intercepts

The host volcanics intersected in the drill holes also show pervasive magnetite development and strong manganese enrichment with elevated zinc-lead geochemistry. These are key pathfinders which are potentially indicative of a VMS-related exhalative mineralising system.

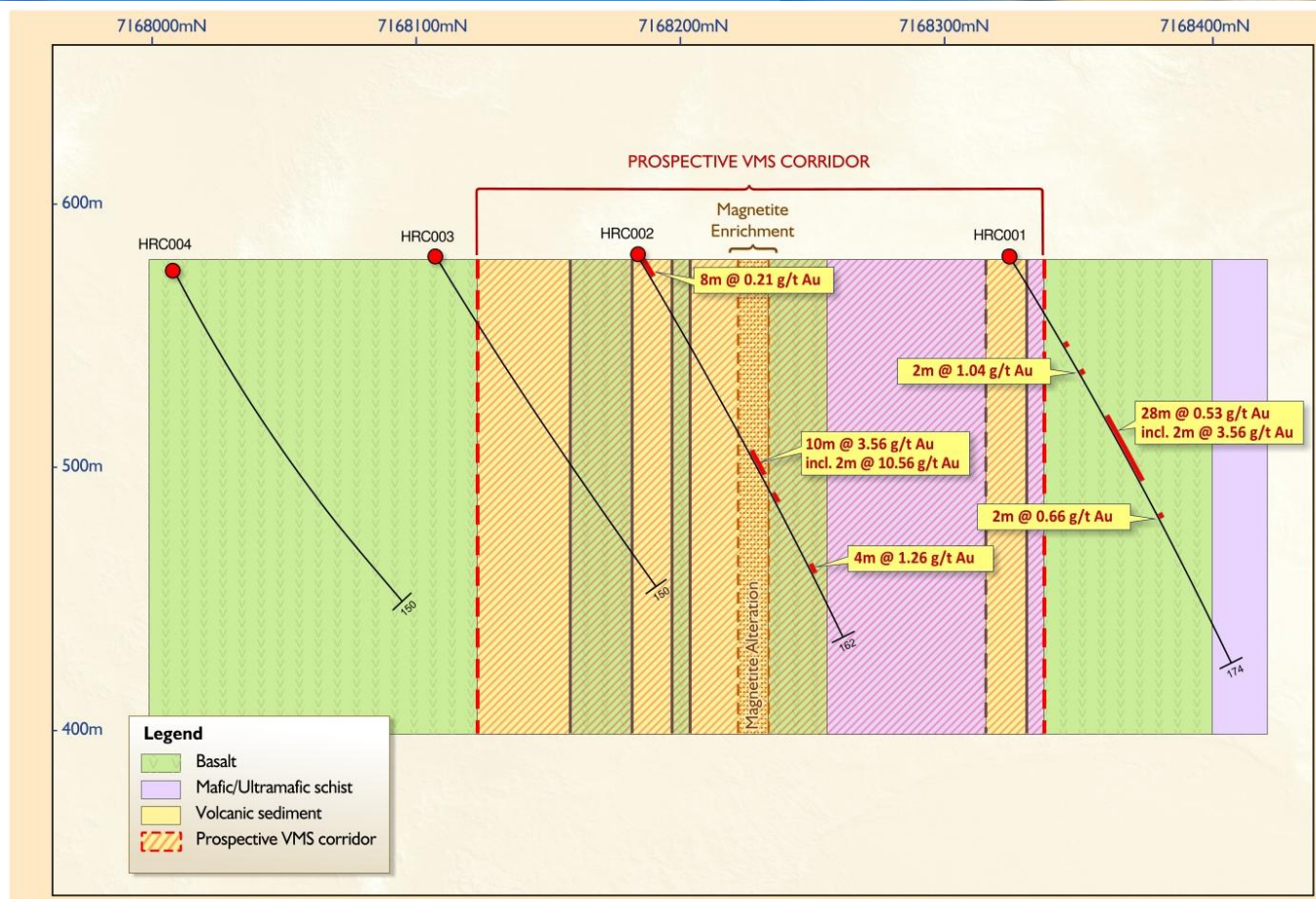


Figure 2 – Drill Section 712000 Looking West Showing Significant Down Hole Gold Intercepts

The gold drilling intersections, along with the important geochemical support, are very encouraging and demonstrate the VMS exploration potential at Halloween.

Forward Plan

Talisman's advanced exploration experience in the Doolgunna region has indicated that detailed Fixed Loop Electromagnetic (FLEM) surveys over key exploration target areas may provide useful exploration targeting information.

Talisman will shortly commence a detailed FLEM survey over the Halloween prospective volcanic corridor with the aim of defining follow-up conductive drill targets that might be related to massive copper-gold sulphides along strike and down dip from the better RC gold drill results.

The FLEM survey will be completed in April and it is likely that further RC, and potentially diamond drilling, will be undertaken later in the June Quarter.

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 Graeme 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 Graeme Cameron consents to the inclusion in this report of the matters based on information in the form and context in which it appear.



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Gold Intercepts Returned From Maiden Halloween Drilling Program

Appendix 1 – Talisman Mining Ltd Project locations

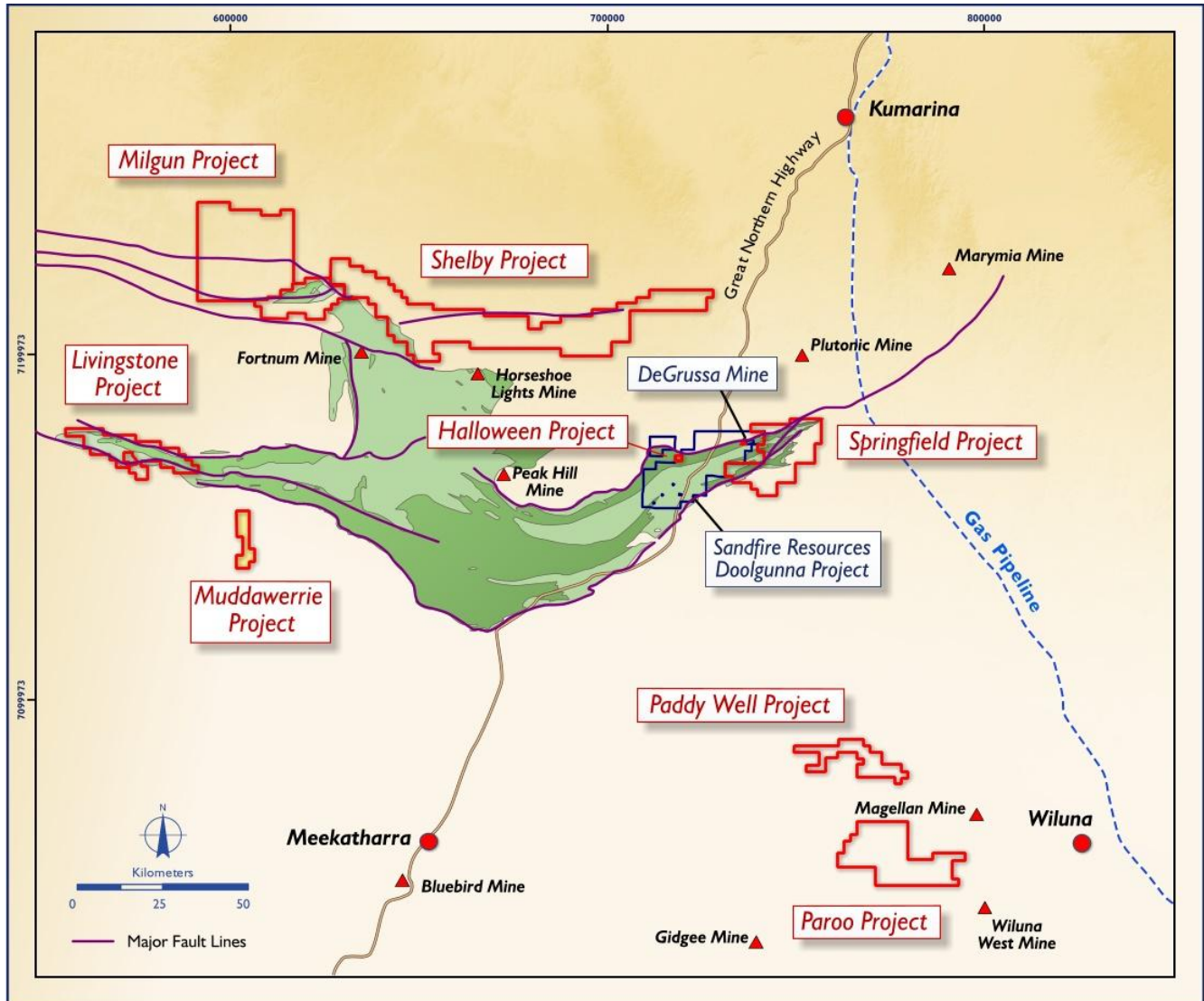



Table 1 – Significant Gold Intercepts From Maiden RC Drilling Program

Hole ID	East	North	From (m)	To (m)	Down hole Width (m)	Au (ppm)	Intercept Description	
HRC001	717220	7168324	38	40	2	0.36	2m@0.36 g/t Au	
			50	52	2	1.04	2m@1.04 g/t Au	
			70	98	28	0.53	28m@0.53 g/t Au	
			<i>Including:</i>	70	72	2	1.9	2m@1.9 g/t Au
			<i>Also including:</i>	78	80	2	3.56	2m@3.56 g/t Au
			112	114	2	0.66	2m@0.66 g/t Au	
HRC002	717212	7168184	0	8	8	0.21	8m@0.21 g/t Au	
			84	94	10	3.56	10m@3.56 g/t Au	
			<i>Including:</i>	84	86	2	4.9	2m@4.9 g/t Au
			<i>Also including:</i>	86	88	2	10.4	2m@10.4 g/t Au
			102	106	4	0.18	4m@0.18 g/t Au	
			132	136	4	1.26	4m@1.26 g/t Au	
HRC006	717407	7168244	18	24	6	1.52	6m@1.52 g/t Au	
			<i>Including</i>	20	22	2	3.26	2m@3.26 g/t Au
HRC015	716401	7168107	82	84	2	1.14	2m@1.14 g/t Au	