

DIAMOND DRILLING COMMENCES AT HALLOWEEN COPPER – GOLD PROJECT

KEY POINTS:

- **Drilling designed to test for VMS copper-gold mineralisation:**
 - **beneath high-grade gold intercepts from the recent maiden RC drilling program – including 9m @ 3.8g/t Au incl. 4m @ 7.37g/t Au and 1m @ 14g/t Au#; and**
 - **to test an electromagnetic conductive anomaly located along the interpreted prospective volcano-sedimentary corridor**
- **Geochemical analysis identifies key mineral pathfinders that may indicate a VMS mineralising environment**

See ASX announcement dated 13/04/2012 for details

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that a follow-up diamond drilling program has commenced at its highly prospective **Halloween Project**, located 11.5km south-west of the high-grade DeGrussa volcanogenic massive sulphide (VMS) copper-gold Project in Western Australia (see **Figure 1**).

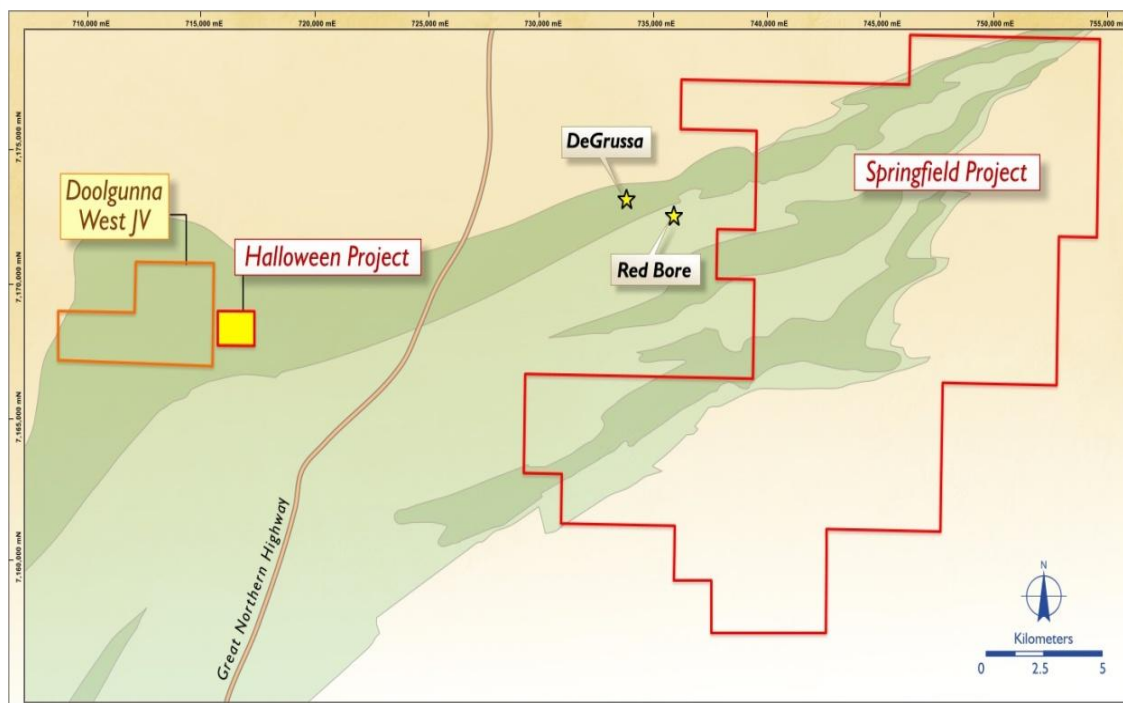


Figure 1 – Simplified interpreted Geological Location Plan for Halloween and Doolgunna West Projects

COMPANY SNAPSHOT

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Capital Structure

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

Options on Issue:
14,150,000 (Unlisted)

ASX: TLM



The drilling program (see **Figure 2**) is designed to test for VMS mineralisation associated with encouraging high-grade gold intercepts from a recently completed maiden Reverse Circulation (RC) drilling program at Halloween.

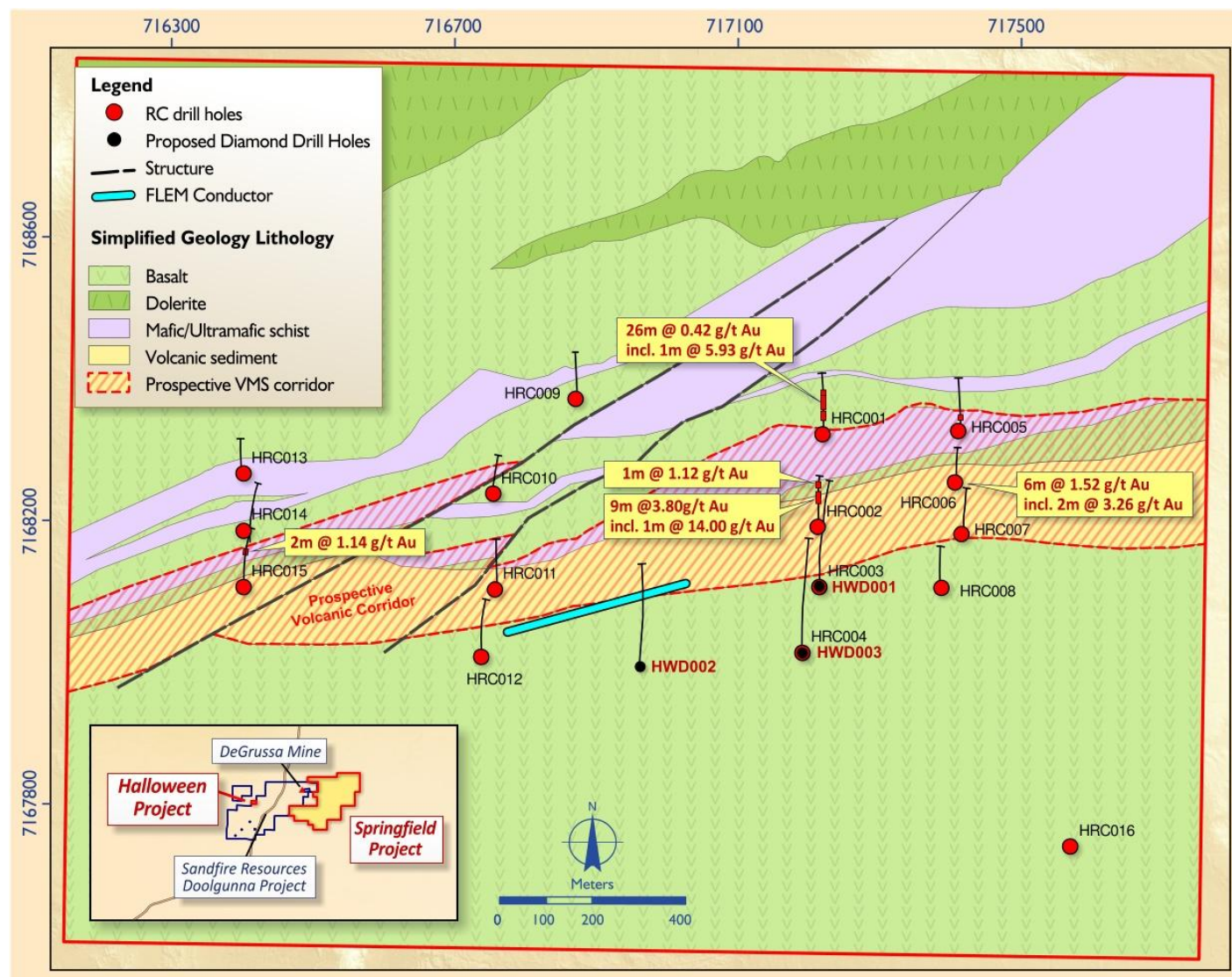


Figure 2 – Simplified geological plan with drill hole locations showing significant gold intercepts

The recent RC drill program – which was completed in March with 16 holes drilled for a total of 2,158m on four broadly-spaced traverses – was the first definitive test of the Halloween Project. Importantly, significant gold assay results were returned from four holes (HRC001, HRC002, HRC006 and HRC015 (see **Figure 2**) along three out of the four wide-spaced drill traverses.

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

The gold intersections in three of the four drill traverses, along with the important geochemical support, are very encouraging and demonstrate the excellent VMS exploration potential at Halloween.



Two diamond drill holes (HWD001 and HWD003) are designed to test the prospective mineralised horizon for VMS copper-gold mineralisation immediately down-dip from the peak gold results in HRC002 (**9m @ 3.80g/t Au from 84m (including 4m @ 7.37g/t Au from 84m and 1m @ 14g/t Au from 86m)**), and to set up a platform for further down-hole electromagnetic surveying in order to detect any potential conductive bodies beneath the current drilling (see **Figure 3**).

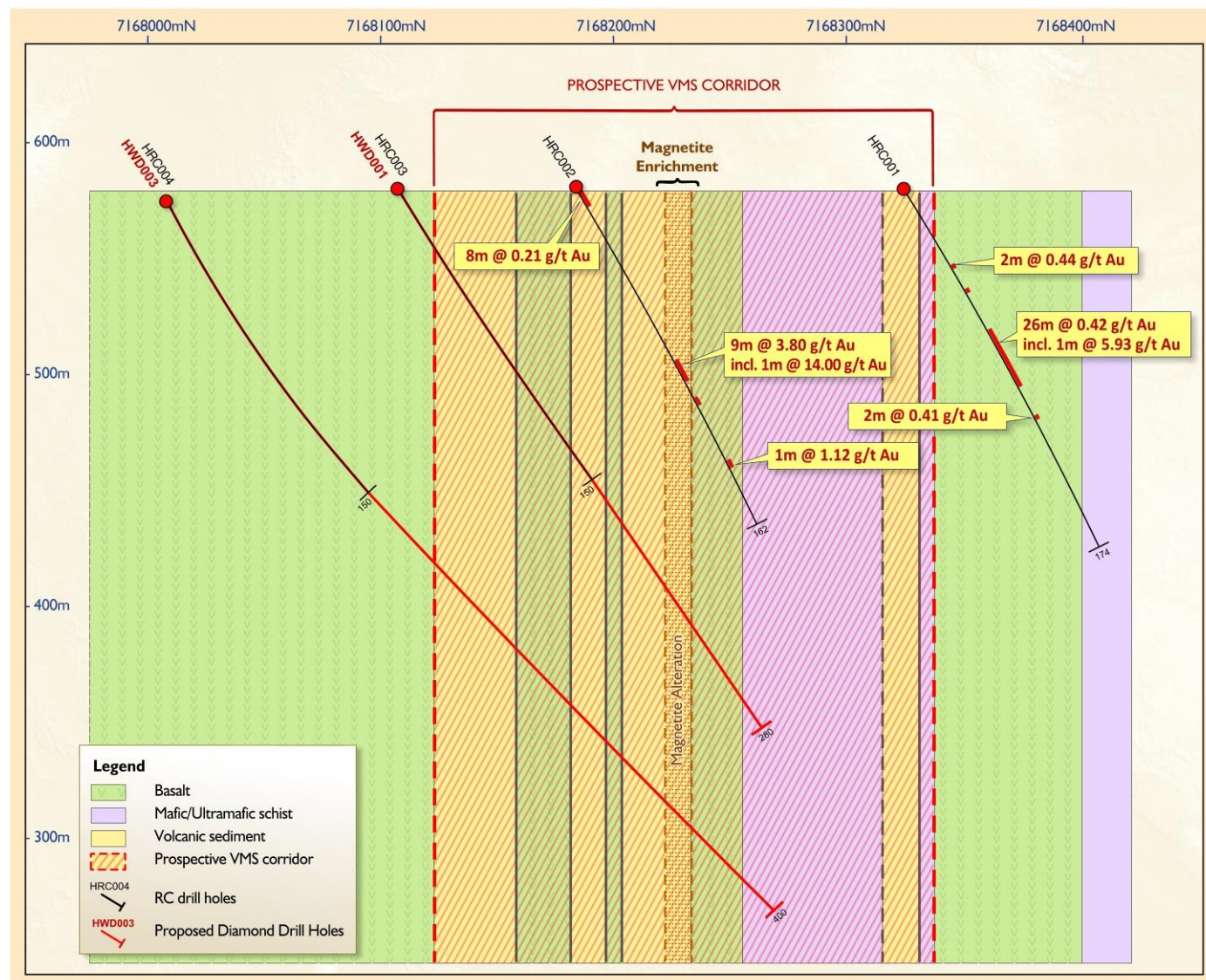


Figure 3 – Interpreted Drill section 717200E looking west showing interpreted geology, significant down hole gold intersections and planned diamond drilling

Following the successful initial RC drill program, Talisman has recently completed a detailed Fixed Loop Electro-Magnetic (FLEM) survey over the prospective volcanic corridor at Halloween with the aim of defining conductors that might be associated with massive sulphides along strike and down-dip from the better RC gold drill results.

This FLEM survey has identified a late-time electro-magnetic conductor sitting along the prospective volcano-sedimentary corridor in the centre of the project (see **Figure 2**) and will also be drill tested (HWD002) as part of this current diamond drilling campaign.



In conjunction with the current diamond drilling campaign at Halloween, Talisman will soon commence exploration activities at the **Doolgunna West Copper-Gold Project**, which lies immediately adjacent to the Halloween Project. Talisman recently completed a Joint Venture Farm-in agreement with Chrysalis Resources (ASX:CYS) on the Doolgunna West Project (see **Figure 1**).

The Doolgunna West Copper Gold Project comprises an area of approximately 18.5km² and covers part of the prospective Narracoota Volcanic Formation which hosts the DeGrussa Deposits.

Talisman plans to conduct geological mapping and detailed soil sampling at Doolgunna West in order to better define prospective stratigraphic horizons across the project. Historical geophysical data will be re-processed and Fixed Loop Electro-Magnetic surveys will be conducted to test for conductors along the interpreted target volcanic horizons to define potential drill targets.

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.