



TALISMAN
MINING LIMITED



8th October 2012

COMPANY SNAPSHOT

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Capital Structure

Shares on Issue:

131,538,627 (TLM)

Options on Issue:

14,950,000 (Unlisted)

ASX: TLM

Further Gold Mineralisation Intersected at Halloween Copper-Gold Project

Drilling identifies associated elevated pathfinder elements, extending the prospective VMS horizon

Highlights:

- **Significant gold intercept of 6m @ 2.67g/t Au, including 4m @ 3.68g/t Au from 58m returned from recent in-fill RC drilling at Halloween, 11.5km SW of DeGrussa Copper-Gold Mine.**
- **DeGrussa-style VMS pathfinder elements present within a broad zone of sulphide mineralization.**
- **Additional RC drilling planned within weeks and deeper diamond drilling to be undertaken before the end of the year.**

Talisman Mining Limited (ASX: TLM) is pleased to advise that recent in-fill drilling, designed to better define the VMS mineralised trend at its 100%-owned **Halloween Copper-Gold Project** in Western Australia (*Figure 1*), has returned a broad gold intersection with associated elevated VMS pathfinder elements consistent with the geochemical signature of the nearby DeGrussa copper-gold deposit.

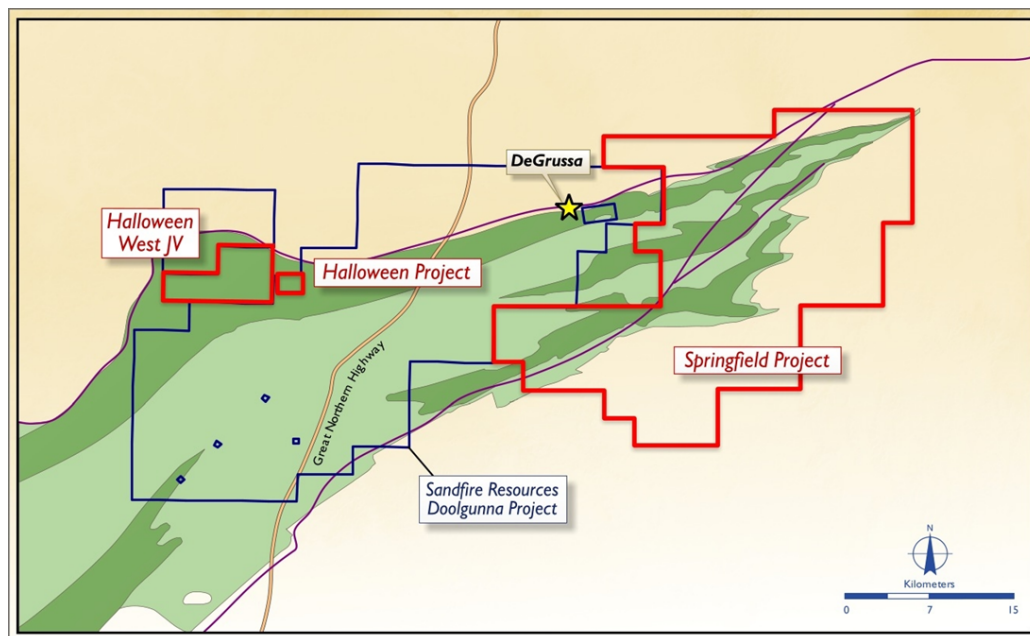


Figure 1: Simplified Interpreted Geological Location Plan for Halloween and Halloween West Projects



The recently completed phase of Reverse Circulation (RC) drilling has better defined and extended the gold mineralisation and associated VMS target horizon previously identified from RC and diamond drilling at Halloween, in preparation for follow-up RC and diamond drilling to be undertaken before the end of the year.

Halloween Drilling Update

In-fill and extensional RC drilling was recently undertaken within the Halloween Copper-Gold Project, located 11.5km south-west, and along strike of, the high-grade DeGrussa VMS Copper-Gold Mine in Western Australia.

The drill program, which consisted of 14 RC holes (*Table 1*) along three 200m-spaced traverses, was designed to better define the prospective mineralised volcano-sedimentary zone in preparation for subsequent deeper diamond drilling.

Significant gold assay results were returned in two holes (HRC022 & HRC024) (see *Table 1*). The better results are shown in Figure 2, and included:

- HRC024: **6m @ 2.67g/t Au from 58m**, including:
4m @ 3.68g/t Au from 60m; and
2m @ 0.62g/t Au from 28m
- HRC022: 2m @ 1.42g/t Au from 128m

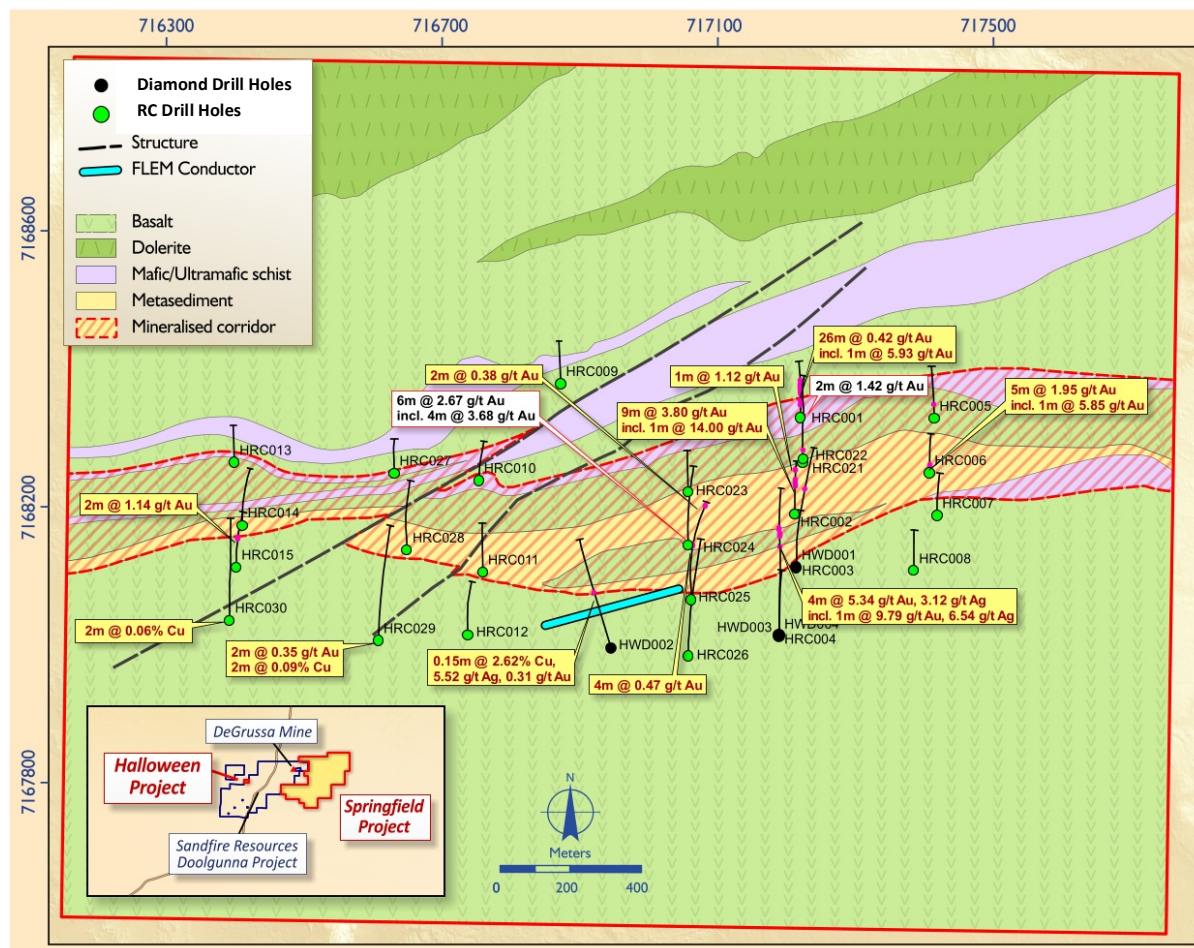


Figure 2: Simplified geological plan with drillhole locations showing significant mineralised intercepts



As with previous encouraging drilling at Halloween, the recent RC drilling intersected a broad, intensely sheared, sulphide-bearing sedimentary package, within a mafic volcanic and associated volcanoclastic sequence.

The high-grade gold intercept in HRC024 is located 150m directly along strike to the west of the previous intersection of **9m @ 3.8g/t Au** including **1m @ 14.0g/t Au** in hole HRC002, extending the prospective mineralised zone to the west towards the best previously recorded copper intersection at the Project (**0.15m @ 2.62% Cu, 5.52g/t Ag and 0.31g/t Au** in hole HWD002).

Encouragingly, the high-grade gold intersection in HRC024 is contained within a much broader zone of lower grade mineralisation, as reflected in the intersection of 18m @ 1.07g/t gold from 48m (at a 0.1g/t lower cut-off).

Importantly, both of these recent mineralised RC drill intersections also contain anomalous VMS pathfinder elements (including copper, silver, zinc, selenium, tellurium, molybdenum and bismuth), similar to earlier drill intersections, and continue to confirm the presence of a VMS mineralising environment at Halloween.

This suite of pathfinder elements is also consistent with the geochemical signature of the nearby DeGrussa VMS Copper-Gold Deposit.

A further RC drill traverse of approximately five holes, targeting the western extension of the mineralised zone in the vicinity of the copper-mineralised horizon intersected by HWD002, is planned to commence within the next few weeks.

Additionally, deep diamond drilling is planned to be undertaken prior to the end of the year to follow-up the down-plunge extent of the defined copper-gold mineralisation.

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.



Table 1: Significant Copper-Gold RC drilling intercepts

Hole_ID	East	North	Dip/Azimuth	From	To	Width	Intercept
HRC017	717600	7168278	-60/360				NSR
HRC018	717600	7168201	-60/360				NSR
HRC019	717601	7168122	-60/360				NSR
HRC020	717601	7168046	-60/360				NSR
HRC021	717223	7168258	-60/360				NSR
HRC022	717223	7168264	-60/360	26 128	28 130	2 2	2m @ 0.18g/t Au 2m @ 1.42g/t Au
HRC023	717056	7168216	-60/360				NSR
HRC024	717056	7168139	-60/360 <i>(incl. also incl.</i>	28 48 58 60	30 66 64 64	2 18 6 4	2m @ 0.62g/t Au 18m @ 1.07g/t Au 6m @ 2.67g/t Au)* 4m @ 3.68g/t Au)
HRC025	717061	7168060	-60/360	164 266	168 268	4 2	4m @ 0.47g/t Au 2m @ 0.38g/t Au
HRC026	717057	7167978	-60/360				NSR
HRC027	716630	7168243	-60/360				NSR
HRC028	716648	7168132	-60/360				NSR
HRC029	716607	7168000	-60/360	0 148	2 150	2 2	2m @ 0.35g/t Au 2m @ 0.09% Cu
HRC030	716391	7168030	-60/360	164	166	2	2m @ 0.06% Cu

Note: Gold intercepts stated using a 0.1g/t Au lower assay cut-off. No significant results stated as 'NSR'.
*Intercept stated using a 0.5g/t Au lower cut-off.

Results for holes HRC01-HRC016 have been previously reported to ASX on 13 April 2012: *Halloween Project Drilling Results*. (Results shown on Figure 2 for these holes are final fire assay results)