TALISMAN
MINING LIMITED

# VMS Target Drilling At Halloween

***Key program of diamond drilling commences to evaluate deep drill targets defined by 3D geological modelling***

**7th November 2012**

**Key Points:**

- ***DeGrussa-style VMS pathfinder elements confirmed in recent RC drilling***
- ***Gold mineralization and VMS target horizon extended***
- ***Broad zone of sulphide mineralization defined***
- ***Down-dip extensions of high-grade gold, copper and silver mineralization to be tested***

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that it has commenced a new program of diamond drilling to test key VMS copper-gold targets at its **Halloween Project**, located directly along strike 11.5km south-west of the DeGrussa Copper Mine in Western Australia (see ***Figure 1***).

The drilling will test down-dip extensions of an extensive zone of gold, copper and silver mineralisation intersected in recent drilling along a prospective 800m long VMS sequence. Strong VMS pathfinder elements have been returned in the recent drilling.

Drill targeting has also been assisted by new 3D geological and geochemical modelling of the Halloween drilling data which clearly shows a thickened volcano-sedimentary host unit with copper values increasing towards a cross-cutting fault zone that may have acted as a primary conduit for mineralising fluids.

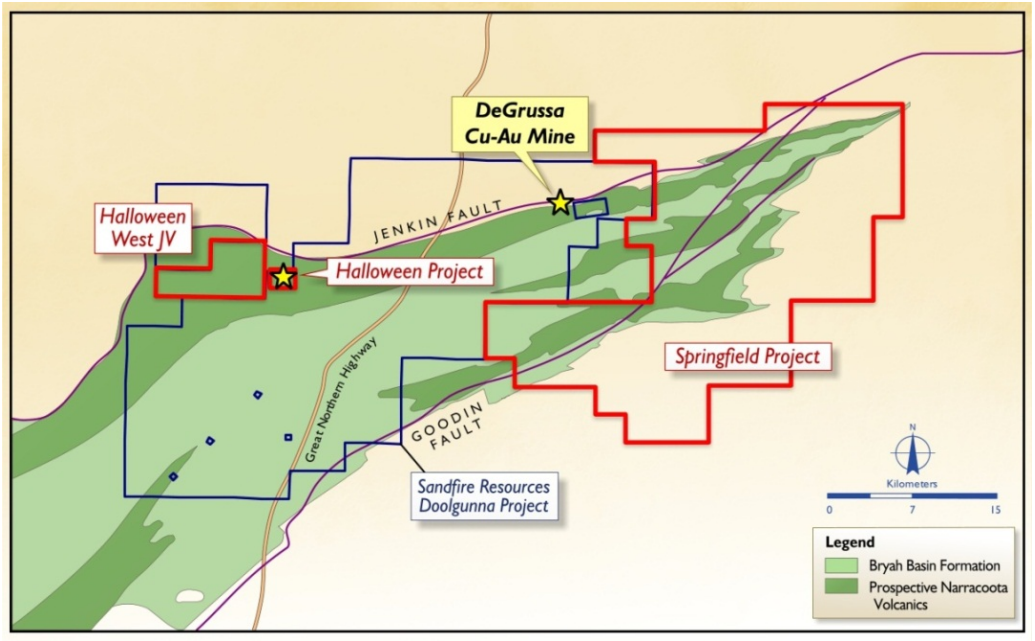


**Figure 1: Simplified Interpreted Geological Location Plan for Halloween Project**

## COMPANY SNAPSHOT

**Board of Directors**

**Alan Senior**
Non-Executive Chairman

**Gary Lethridge**
Managing Director

**Graeme Cameron**
Technical Director

**Brian Dawes**
Non-Executive Director

**Karen Gadsby**
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**Capital Structure**

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

**Options on Issue:**
14,950,000 (Unlisted)

**ASX: TLM**

## Recent Drilling

A total of 38 Reverse Circulation (RC) and three diamond drill holes along eight 200m spaced traverses have been completed this year at Halloween. Widespread, significant gold and silver assay results have been returned from several traverses; defining a prospective mineralised volcano-sedimentary zone over a continuous strike length of 800m *(see **Figure 2** and **Table 1** - assays pending for recently drilled RC holes HRC031-038).*

Importantly, diamond hole HWD002 intersected an intensely sheared, sulphide-bearing volcano-sedimentary sequence with discrete bands of chalcopyrite (copper)-bearing sediment associated with an electro-magnetic conductor located along the prospective VMS corridor (see ***Figure 2***).

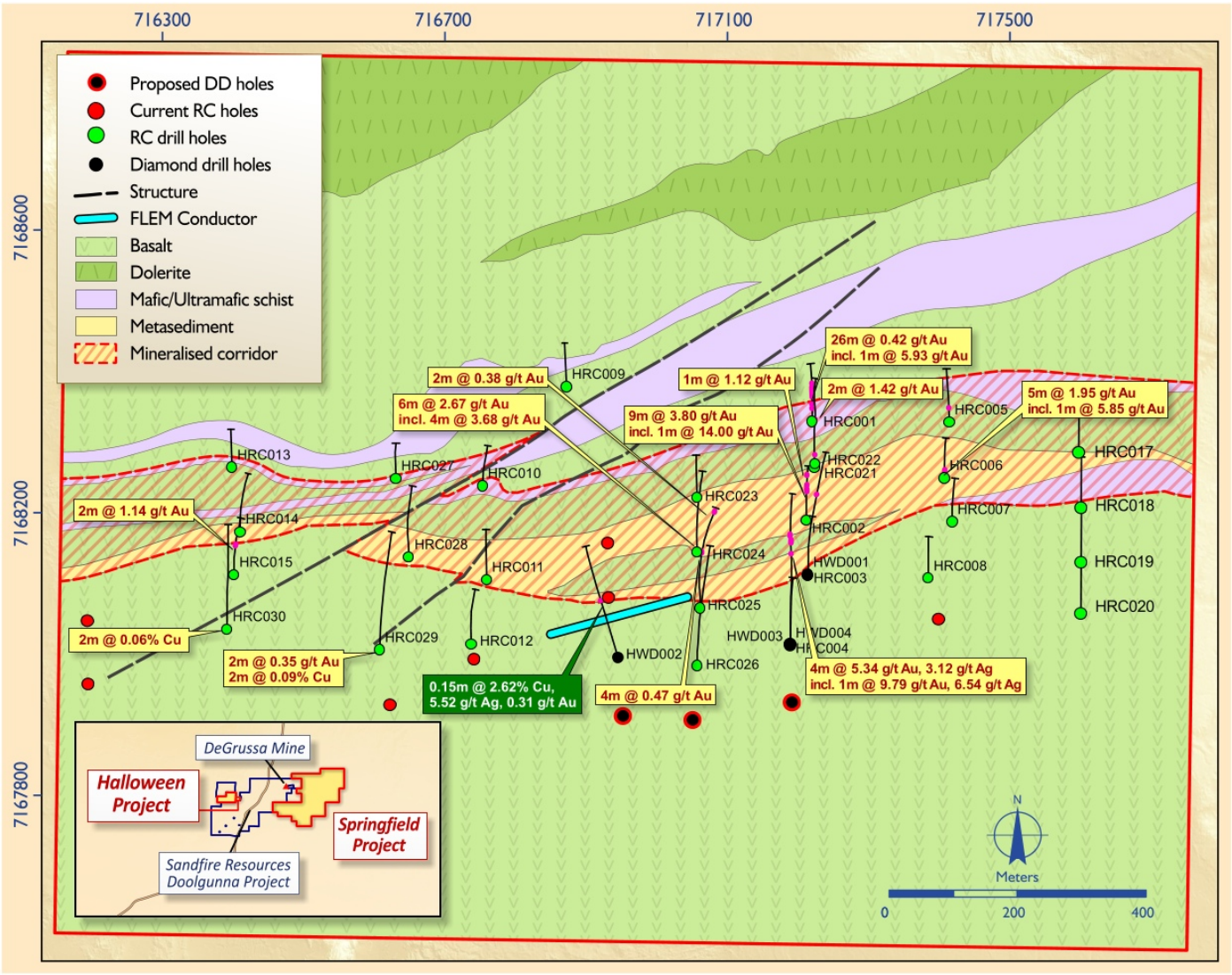


Figure 2 – Simplified geological plan showing significant mineralised intercepts and proposed drill hole locations

The best result from this interval was **0.15m @ 2.62% Cu, 5.52 g/t Ag and 0.31 g/t Au from 164.73m** (see ***Figure 2*** *and* ***Table 1***). Of particular note are the elevated pathfinder elements associated with the copper mineralised intervals in both HWD004 and HWD002.

In addition to copper, gold and silver, the zinc, selenium, tellurium, molybdenum and bismuth values are consistently elevated and are particularly encouraging as they are consistent with the geochemical signature associated with the nearby DeGrussa VMS high grade copper-gold deposit.

3D geological and geochemical modelling of the Halloween drilling data was recently completed in order to better visualise the geological controls on mineralisation and to evaluate the distribution of geochemical pathfinders along the target horizon (see ***Figure 3***).

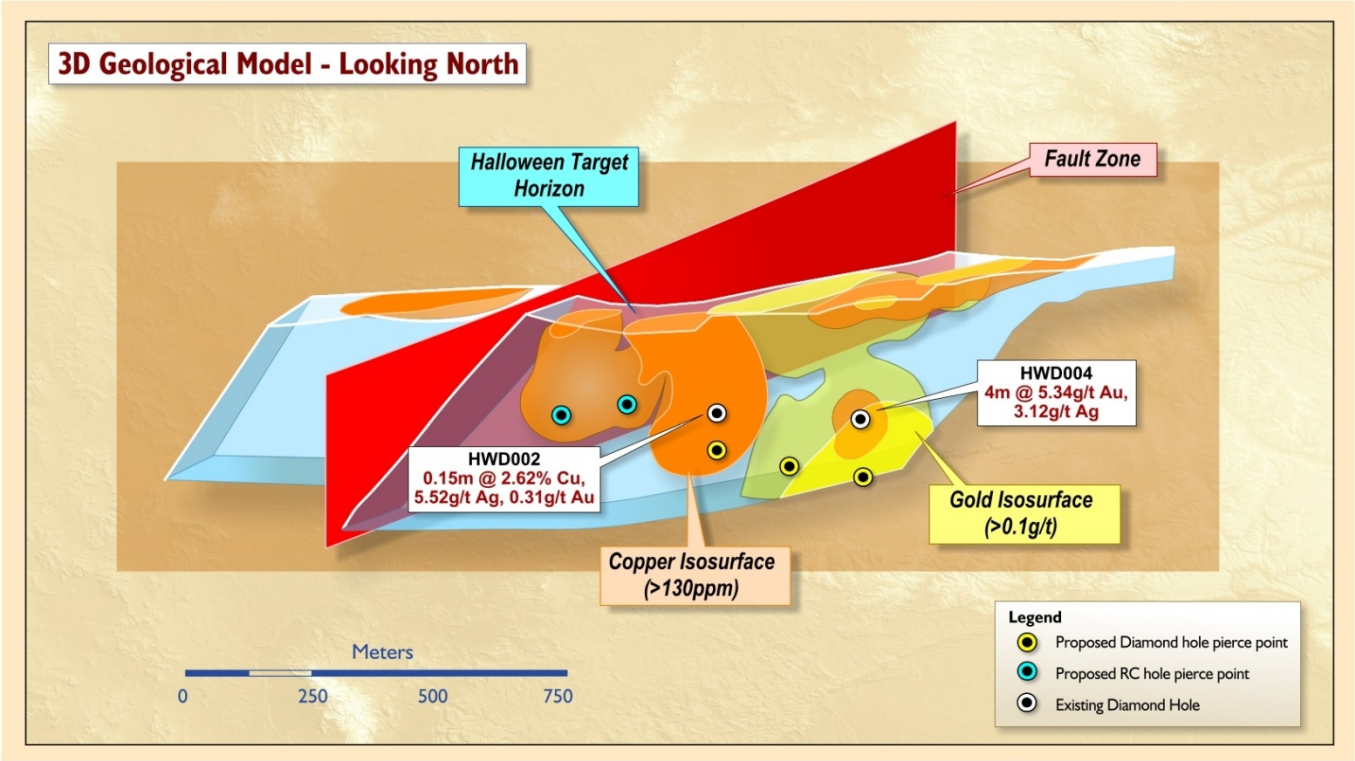


Figure 3 – 3D Geological Model showing copper and gold iso-surfaces (3D projected contours) and proposed diamond and RC target areas

This work clearly shows a thickened volcano-sedimentary host unit with copper values increasing towards a cross-cutting ENE-trending fault zone that may have acted as a primary conduit for mineralising fluids.

Three deep diamond holes, HWD005, HWD006 and HWD007, and two deep RC holes are currently being drilled to test the down-plunge and western extents of the defined copper-gold mineralised zone within the thickest portion of the host package (see ***Figures 2*** and ***3***).

Down-hole electromagnetic surveys will be conducted on all holes to test for massive sulphide mineralisation associated with the down-dip and off-hole extensions of the target horizon.

Drilling is expected to take approximately three weeks with assay results expected before the end of December 2012.

***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 and Diamond drilling intercepts from Halloween Project

| Hole ID | East | North | Dip/Azimuth | From | To | Width | INTERCEPT |
|---|---|---|---|---|---|---|---|
| HRC001 | 717220 | 7168324 | -60/360 | 37 | 39 | 2 | 2m @ 0.44g/t Au |
| HRC001 | 717220 | 7168324 | -60/360 | 50 | 53 | 3 | 3m @ 0.18g/t Au |
| HRC001 | 717220 | 7168324 | -60/360 | 71 | 75 | 4 | 4m @ 1.79g/t Au |
| | | | (including) | 71 | 73 | 2 | 2m @ 3.35g/t Au |
| HRC001 | 717220 | 7168324 | -60/360 | 79 | 83 | 4 | 4m @ 0.25g/t Au |
| HRC001 | 717220 | 7168324 | -60/360 | 86 | 88 | 2 | 2m @ 0.34g/t Au |
| HRC001 | 717220 | 7168324 | -60/360 | 91 | 100 | 9 | 9m @ 0.23g/t Au |
| | | | (including) | 96 | 97 | 1 | 1m @ 0.97g/t Au |
| HRC001 | 717220 | 7168324 | -60/360 | 109 | 111 | 2 | 2m @ 0.07% Cu |
| HRC001 | 717220 | 7168324 | -60/360 | 111 | 113 | 2 | 2m @ 0.41g/t Au |
| HRC002 | 717212 | 7168184 | -60/360 | 0 | 8 | 8 | 8m @ 0.21g/t Au |
| HRC002 | 717212 | 7168184 | -60/360 | 78 | 79 | 1 | 1m @ 0.13g/t Au |
| HRC002 | 717212 | 7168184 | -60/360 | 84 | 93 | 9 | 9m @ 3.80g/t Au |
| | | | (including) | 86 | 87 | 1 | 1m @ 14.00g/t Au |
| HRC002 | 717212 | 7168184 | -60/360 | 102 | 105 | 3 | 3m @ 0.17g/t Au |
| HRC002 | 717212 | 7168184 | -60/360 | 129 | 130 | 1 | 1m @ 0.07 % Cu |
| HRC002 | 717212 | 7168184 | -60/360 | 134 | 136 | 2 | 2m @ 0.67g/t Au |
| | | | (including) | 134 | 135 | 1 | 1m @ 1.12g/t Au |
| HRC005 | 717414 | 7168323 | -60/360 | 40 | 42 | 2 | 2m @ 0.10g/t Au |
| HRC006 | 717407 | 7168244 | -60/360 | 19 | 24 | 5 | 5m @ 1.95g/t Au |
| | | | (including) | 19 | 21 | 2 | 2m @ 4.64g/t Au |
| HRC015 | 716401 | 7168107 | -60/360 | 80 | 84 | 4 | 4m @ 0.62g/t Au |
| | | | (including) | 82 | 84 | 2 | 2m @ 1.14g/t Au |
| HRC016 | 717572 | 7167735 | -60/180 | 44 | 46 | 2 | 2m @ 0.17 & Cu |
| HRC016 | 717572 | 7167735 | -60/180 | 68 | 70 | 2 | 2m @ 0.33g/t Au |
| HRC022 | 717224 | 7168264 | -60/360 | 26 | 28 | 2 | 2m @ 0.18g/t Au |
| HRC022 | 717224 | 7168264 | -60/360 | 128 | 130 | 2 | 2m @ 1.42g/t Au |
| HRC024 | 717057 | 7168139 | -60/360 | 28 | 30 | 2 | 2m @ 1.05g/t Au |
| | 717057 | 7168139 | -60/360 | 48 | 66 | 18 | 18m @ 1.07g/t Au |
| | | | (including) | 58 | 64 | 6 | 6m @ 2.67g/t Au* |
| | | | (also including) | 60 | 64 | 4 | 4m @ 3.68g/t Au* |

| Hole ID | East | North | Dip/Azimuth | From | To | Width | INTERCEPT |
|---|---|---|---|---|---|---|---|
| HRC025 | 717062 | 7168060 | -60/360 | 164 | 168 | 4 | 4m @ 0.47g/t Au |
| HRC025 | 717062 | 7168060 | -60/360 | 266 | 268 | 2 | 2m @ 0.38g/t Au |
| HRC029 | 716607 | 7168001 | -60/360 | 0 | 2 | 2 | 2m @ 0.35g/t Au |
| HRC029 | 716607 | 7168001 | -60/360 | 148 | 150 | 2 | 2m @ 0.09% Cu |
| HRC030 | 716391 | 7168030 | -60/360 | 164 | 166 | 2 | 2m @ 0.06 %Cu |
| HWD001 | 717214 | 7168107 | -60/360 | 202 | 203 | 1 | 1m @ 0.06 % Cu |
| HWD002 | 716945 | 7167990 | -60/345 | 164.73 | 164.88 | 0.15 | 0.15m @ 2.62% Cu |
| HWD002 | 716945 | 7167990 | -60/345 | 164.73 | 164.88 | 0.15 | 0.15m @ 0.31g/t Au |
| HWD004 | 717189 | 7168007 | -60/360 | 253 | 255 | 2 | 2m @ 0.99g/t Au |
| HWD004 | 717189 | 7168007 | -60/360 | 281 | 289 | 8 | 8m @ 0.44g/t Au |
| | | | (including) | 281 | 282 | 1 | 1m @ 1.11g/t Au |
| HWD004 | 717189 | 7168007 | -60/360 | 288 | 289 | 1 | 1m @ 2.04g/t Au |
| HWD004 | 717189 | 7168007 | -60/360 | 297 | 303 | 6 | 6m @ 3.66g/t Au |
| | | | (including) | 297 | 301 | 4 | 4m @ 5.34g/t Au |
| | | | (also including) | 299 | 300 | 1 | 1m @ 9.79g/t Au |

**Note:** Gold intercepts stated using a 0.1g/t Au lower assay cut-off.
**Intercept stated using a 0.5g/t Au lower cut-off*
(Results shown on Figure 2 are final fire assay results)