

Halloween West Drilling Commences

Three rigs currently active across three key Talisman project areas

Key Points:

- **First-pass RC drilling program commenced at Halloween West to test multiple geochemical and geophysical targets along the extension of the prospective Halloween VMS horizon.**
- **Key VMS pathfinder elements identified by detailed soil sampling and geological mapping.**
- **Two discrete conductive targets identified by a Fixed Loop Electromagnetic (FLEM) survey.**

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that it has commenced its maiden drilling program at the highly prospective **Halloween West JV Project**.

Three rigs – two Reverse Circulation (RC) and one diamond – are now operating at the Halloween, Halloween West and Springfield Projects.

Halloween West is located just 12km south-west of Sandfire Resources' high-grade DeGrussa VMS Copper-Gold Project in Western Australia (see **Figure 1**) and immediately next door to the Halloween Project.

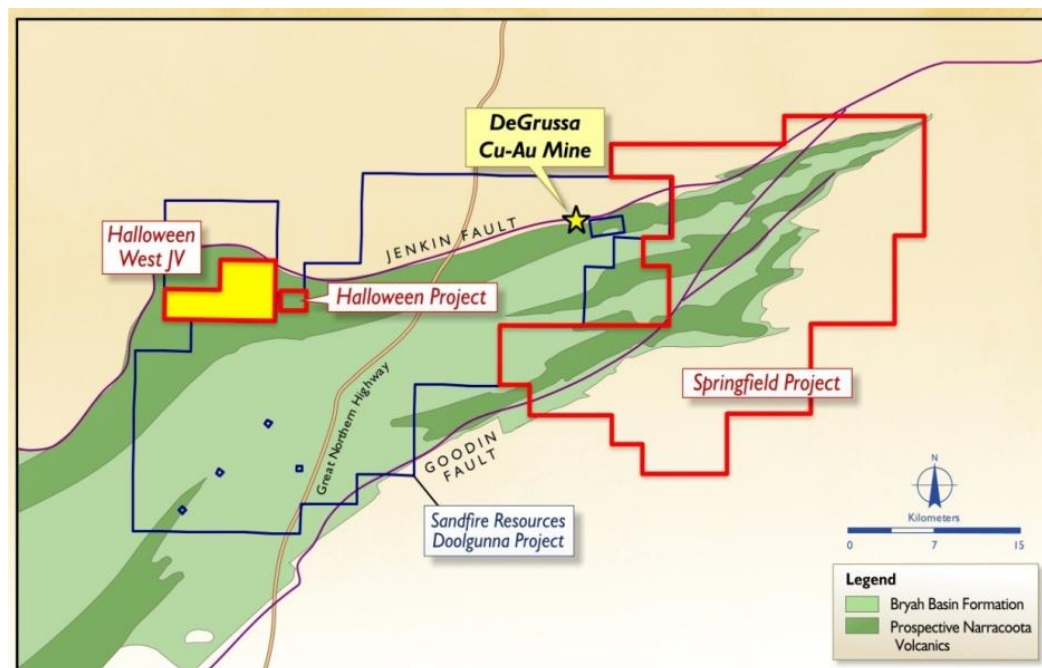


Figure 1: Simplified Interpreted Geological Location Plan for Halloween West JV Project

20th November 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



The RC drilling program will provide the first definitive test of the prospective horizon at the **Halloween West Project**, in which Talisman is earning a 60% joint venture interest.

Summary

The Halloween West JV Project is underlain by the prospective Narracoota Volcanic Formation which hosts the DeGrussa copper-gold deposits and is located immediately along strike and to the west of the 100%-owned Halloween Project (see **Figure 1**).

The Halloween West JV Project is interpreted to host the western extension of the Halloween VMS horizon where Talisman recently commenced a program of diamond and RC drilling to test key VMS copper-gold targets and to follow up encouraging high-grade gold and copper intercepts (see TLM ASX Release – 7th November 2012).

Talisman is farming into the Halloween West Project. Talisman has the right to earn a 60% joint venture interest by spending \$500,000 on exploration within three years. The Farm-In agreement with partner Chrysalis Resources Limited (ASX:CYS) commenced in May 2012.

A 1,750 metre, 13 drill hole reverse circulation (RC) drilling program has now commenced at Halloween West to test newly defined geophysical and copper-gold soil geochemical anomalies along the Halloween horizon (see **Figure 2**).

Target Areas

A recent detailed 100m x 25m soil geochemical program (totalling 1,455 samples) has identified a zone of strong Cu-Au-Zn-Mn-Bi anomalism at the western end of the Halloween horizon and is associated with strongly sheared volcanic sediments with possible iron oxide development that may potentially reflect sulphide mineralisation at depth. A traverse of four RC holes is planned to be drilled to test this geochemical anomaly (see **Figure 2**).

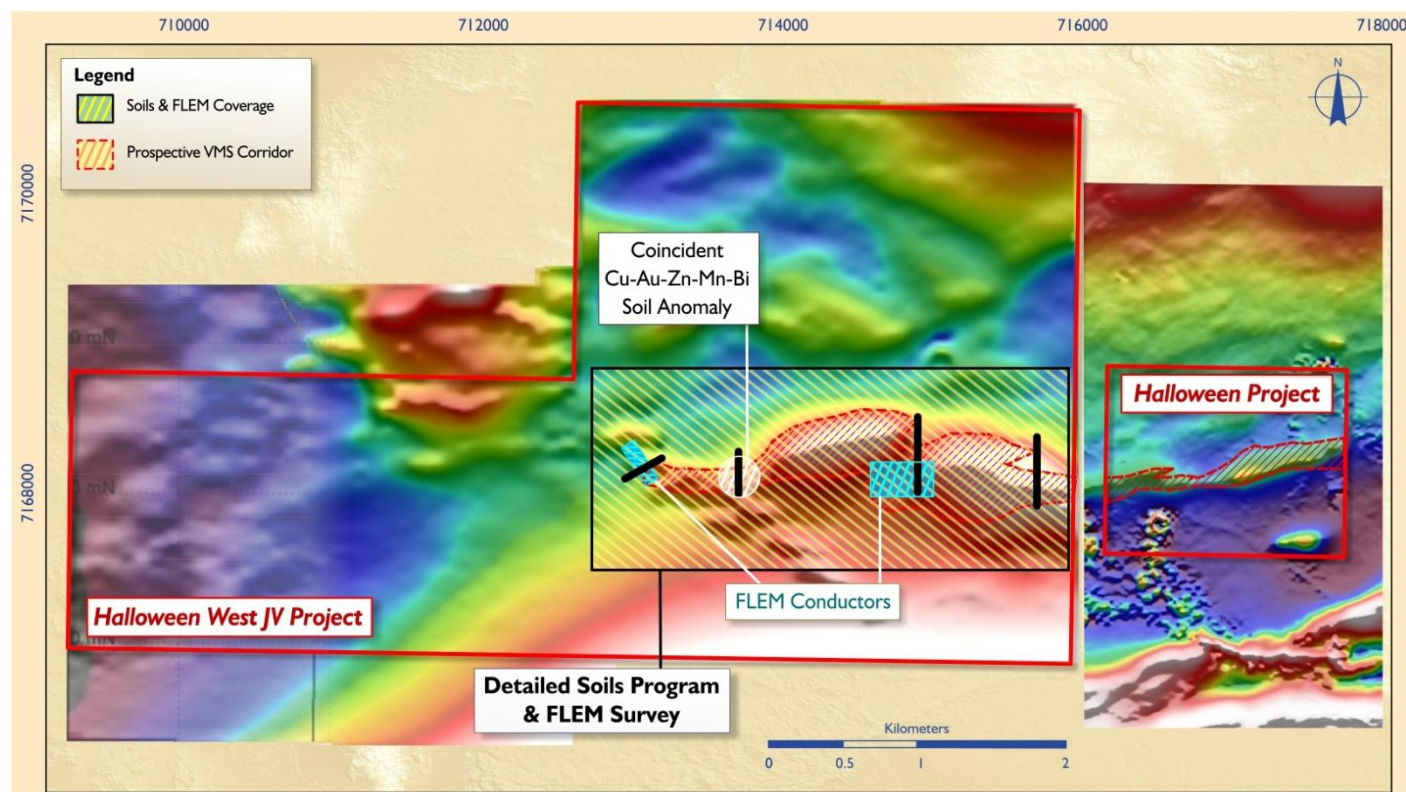


Figure 2 – Halloween West JV Project showing geochemical and electromagnetic targets and proposed drill traverses along the prospective Halloween VMS Horizon



A ground fixed-loop EM survey has also been completed over the prospective corridor and this work has defined two conductive zones that may be associated with sulphide mineralisation within areas of structural complexity. Two traverses of RC drilling are planned to test these EM targets (see **Figure 2**).

A fourth traverse of RC drilling is also planned to test a prominent magnetic anomaly interpreted to reflect strong hydrothermal alteration at the eastern end of the Halloween West JV tenement area which may be related to mineralising processes along the Halloween horizon (see **Figure 2**).

This drilling programme represents the first phase of drilling to be conducted by Talisman at this project targeting the western extension of the highly prospective Halloween VMS horizon.

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.