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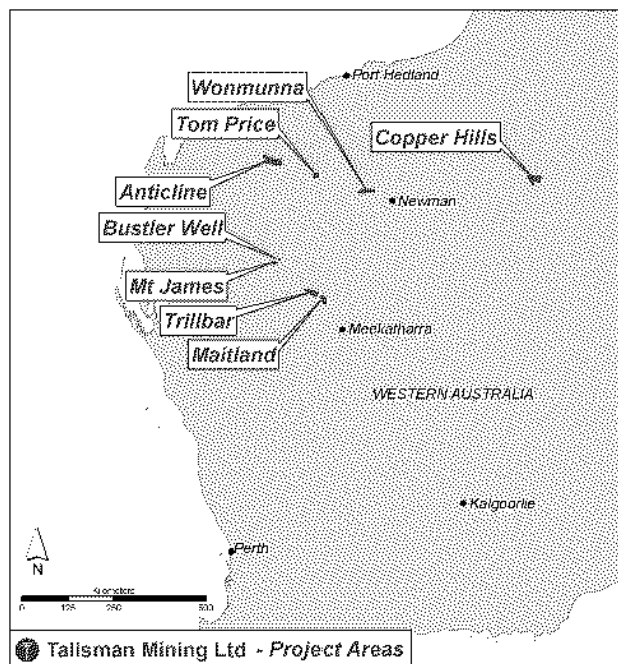
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The Manager
Company Announcements Office
Australian Stock Exchange

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EXPLORATION UPDATE

SIGNIFICANT COPPER-ZINC-GOLD-SILVER SOIL ANOMALIES AT WONMUNNA; DRILLING RECOMMENCES AT TRILLBAR GOLD PROJECT



WONMUNNA COPPER-ZINC-GOLD-SILVER PROJECT (100% Talisman)

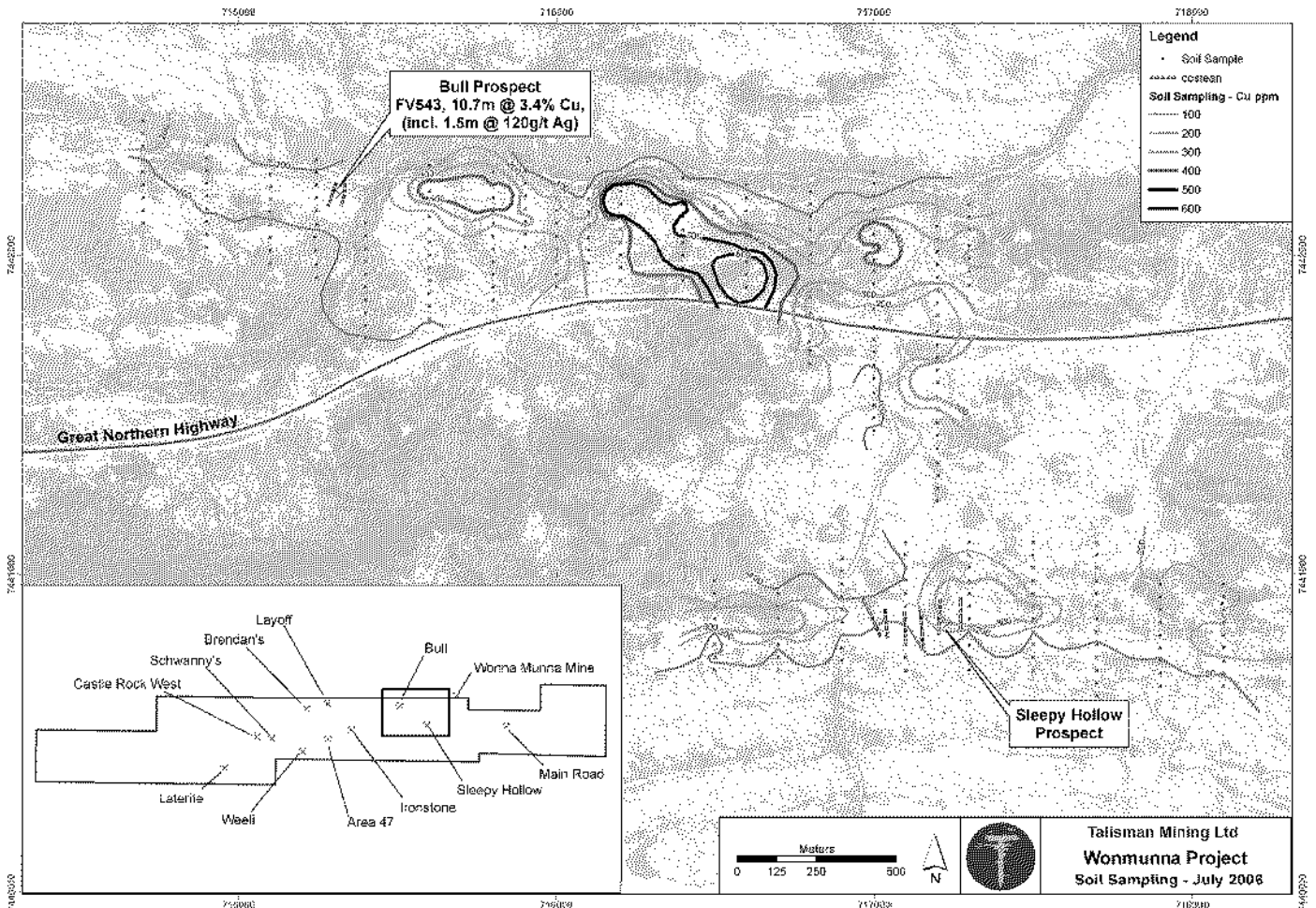
During the period April to July, 2006, Talisman has defined coherent copper-in-soil geochemical anomalies associated with known oxide copper mineralisation at the Bull and Sleepy Hollow prospects. Samples were collected of minus 2mm soils at intervals of 40 metres on 200 metre spaced traverses.

At the **Bull** prospect, the defined copper-in-soil anomaly occurs along strike to the east from shallow oxide copper mineralisation previously located by Western Mining Corporation (WMC) (1969-1975) in costeans and shallow drillholes, and continues to the east for 1700 metres, remaining open in that direction, and over widths from 40 to 120 metres (Figure 1). Copper recorded results to 1186ppm, over a background of 150ppm, coincident with strongly anomalous zinc to 1798ppm, gold to 80ppb and silver to 1.8ppm.



Mineralisation is associated with weathered sulphidic black shale of the Jeerinah Formation with the soil anomaly being coincident with a regional west to west-northwest trending fault system interpreted from an aeromagnetic survey recently completed for the Company. Drilling by WMC at the original Bull prospect near the western termination of the soil anomaly reported results to 10.7 metres @ 3.4% copper (FV543; 3-10.7m), including 1.5 metres @ 120g/t silver (7.6-9.1m). Gold was not assayed.

Figure 1



It especially significant to note that the original WMC mineralisation at Bull is situated along strike from, but external to, the soil geochemical anomaly.

At the **Sleepy Hollow** prospect, the defined copper-in-soil anomaly is contiguous with, and defines strike extensions of, near surface oxide copper mineralisation previously located by WMC in costeans and shallow drillholes (Figure 1). The soil copper anomaly has been defined intermittently over a total strike in excess of 600 metres, remaining open to both the east and west, with copper reporting to 940ppm with coincident zinc to 3073ppm, gold to 20ppb and silver to 1.5ppm. The soil anomaly is associated with weathered sulphidic black shale of the Jeerinah Formation, probably a fold repetition of the Bull prospect shales, with Bull being situated on the north limb of the Parmelia Syncline, Sleepy Hollow on the south limb. The soil anomaly is also coincident with the Parmelia copper-zinc-gold-silver gossan previously discovered by Talisman and possibly indicative of massive sulphide mineralisation. Although insufficient information was provided to accurately plot the drillholes, WMC reported shallow drillholes in the general vicinity of Sleepy Hollow containing up to 15.2 metres @ 0.43% copper (FV506; 0-15.2m (end of hole)) and 30.5 metres @ 0.37% copper (FV528; 0-30.5m (end of hole)). Silver results were less than 10ppm and gold was not assayed.



A detailed, low-level aeromagnetic survey has also been completed for the Company. This data is proving invaluable in understanding the structural complexity of the project area.

In addition to the soil geochemistry and the aeromagnetic survey, Talisman has also completed stream sediment geochemistry over the majority of the project area defining a number of significant copper anomalies associated with known copper mineralisation or along strike from same. Significantly, many of the higher copper-in-stream sediment anomalies, to 3992ppm copper, do not coincide with known occurrences of copper mineralisation.

Talisman considers the strong geochemical results returned to date indicate good potential for the discovery of both substantial, near surface oxide copper-gold-silver mineralisation and deeper massive copper-zinc-gold-silver massive sulphides. The potential for near surface oxide mineralisation remains the Company's exploration priority at this time.

The large soil geochemical anomalies delineated at Bull and Sleepy Hollow indicate good potential for the delineation of a substantial, near surface oxide copper-gold-silver resource. The proximity to a major transport route, the Newman – Port Hedland Highway passing through Bull and within 1 kilometre north of Sleepy Hollow, bodes well for rapid evaluation and exploitation of any resource that might be proved.

Untested (by soil geochemistry) oxide copper occurrences at Castle Rock West, Area 47, Laterite, Main Road, Schwanny's, Brendan's and Weeli, together with other occurrences indicated by stream sediment geochemistry, offer excellent potential for delineation of a large resource base over and above what may be defined at Bull and Sleepy Hollow.

Talisman considers Wonmunna, together with the Trillbar gold project, to be of high priority with first pass drill evaluation of the Bull and Sleepy Hollow copper-in-soil anomalies planned for completion by October, 2006. Soil geochemistry follow up of the other known copper occurrences and stream sediment geochemical anomalies is ongoing.

TOM PRICE COPPER-GOLD-SILVER PROJECT (100% Talisman)

Stream sediment geochemistry has been completed over the Tom Price project area with results indicating strong copper, zinc, gold and silver anomalism associated with sulphidic black shale of the Jeerinah Formation. This anomalism is concentrated over a strike length of at least 2500 metres along the northern limb of the Turner Syncline and includes an area previously the subject of shallow drilling by WMC which reported widespread ore-grade copper, gold and silver anomalism, including drillhole FV135; 0.3m (3-3.3m (end of hole)) @ 3.2g/t gold and 420g/t silver.

Results achieved to date indicate strong potential for both oxide and sulphide base and precious metals mineralisation, similar to that indicated at Wonmunna.

Follow up soil sampling is being completed preparatory to follow up drilling in the second half, 2006.

TRILLBAR GOLD PROJECT (80% Talisman)

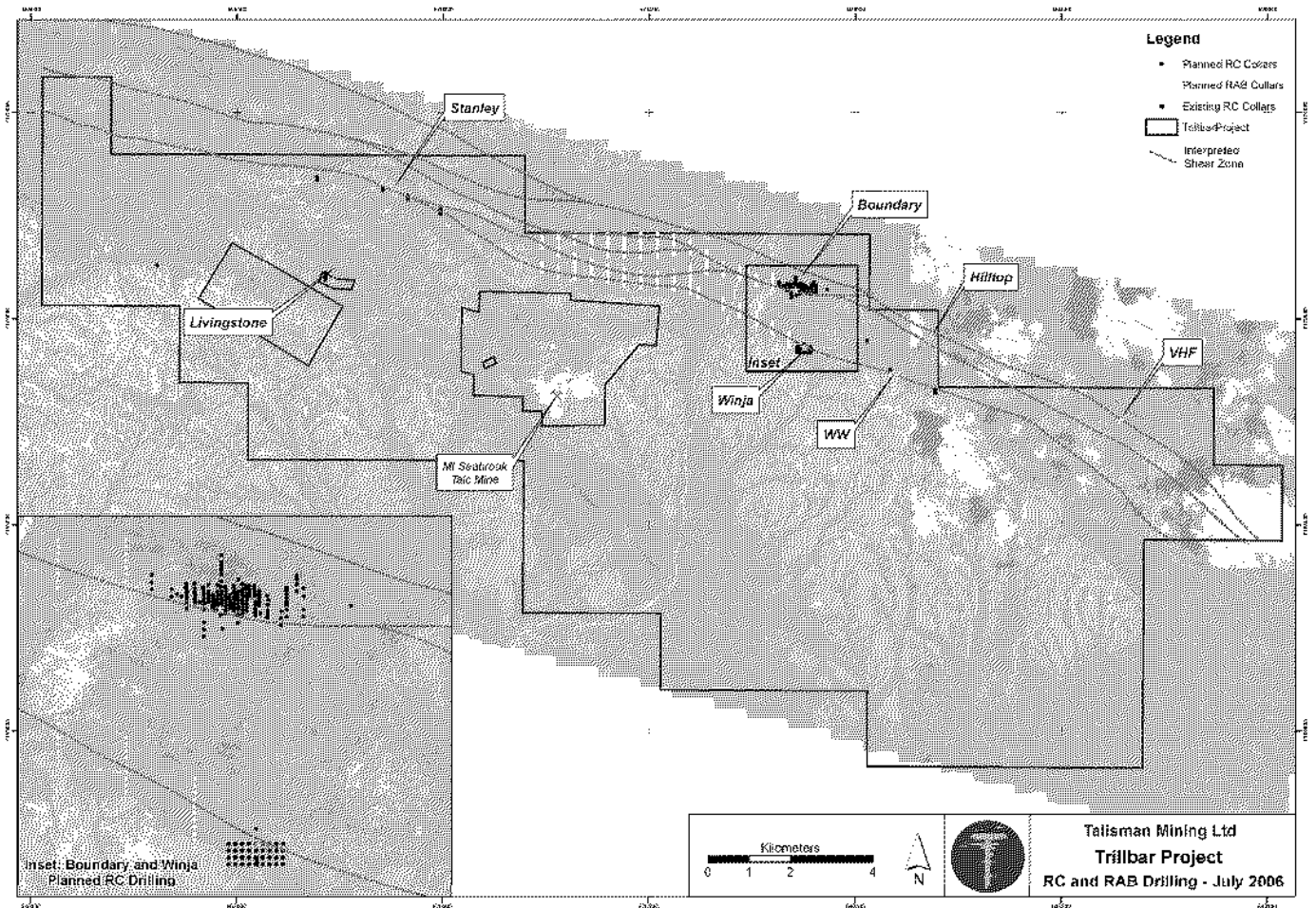
After considerable delays in acquiring a drilling rig and Aboriginal Heritage clearance, the Company has commenced a third drilling campaign at the Trillbar project.

At the **Boundary** prospect a total of 23 reverse circulation (RC) drillholes for 2500 metres will be completed as infill to previous drilling and to test for depth extensions to the mineralisation to a maximum of 150 metres (Figure 2). It is anticipated that this program will be completed by August 1, 2006, with results available by the end of that month. This data, together with that derived from previous drilling, will then be used in a resource recalculation for the Boundary gold deposit.



At the **Winja** prospect a total of 24 RC drillholes for 2500 metres will be completed as east and west extensional drilling to the single drill traverse completed previously (Figure 2). This initial drill traverse previously reported results to 12m (24-36m) @ 1.72g/t gold. This mineralisation is situated on a parallel shear system to the Boundary shear, 1 kilometre to the north, and is considered to have good potential for a similar sized mineralised system to Boundary. It is anticipated that this program will be completed by August 1, 2006, with results available by the end of that month.

Figure 2



Having completed a detailed low-level aeromagnetic survey the Company is now in a position to define potentially mineralised structural targets elsewhere in the project area. This survey has confirmed the company's previous model for multiple semi-parallel faults or shears, of which the Boundary and Winja structures are two, extending for over 25 kilometres in a west to west-northwest direction through the project area. These structures are the priority targets for extensions and repetitions of gold mineralisation in the project area with all known prospects (Boundary, Winja, Hilltop, VHF, WW, Stanley), and with the possible exception of the historic Livingstones Find workings, being intimately associated with same.

Accordingly, Talisman has scheduled a campaign of rotary air blast (RAB) drilling to test these structures, beneath cover, over a 7 kilometre strike length to the west of Boundary and Winja. This program, to commence in early August, 2006, will involve the completion of approximately 350 drillholes for 3500 metres.



MAITLAND GOLD PROJECT (80% Talisman)

A detailed, low-level aeromagnetic survey has been completed defining the banded iron formation (BIF) sequence, host to the gold-mineralised Mudawerrie BIF, over a strike extent of 19 kilometres. Gridded soil geochemistry of this sequence has commenced with the objective of defining geochemical anomalies for follow up drilling in the second half, 2006.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. J. Elliott'.

S. J. Elliott
Managing Director

Information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Steven Elliott who is a member of the Australasian Institute of Mining and Metallurgy. Mr Steven Elliott is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Steven Elliott consents to the inclusion in this report of the matters based on information in the form and context in which it appears.