



DRILLING COMMENCES AT MUDDAWERRIE GOLD PROJECT, WA

DRILLING TO TEST RECENTLY IDENTIFIED HIGH PRIORITY TARGETS

COMPANY SNAPSHOT

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Capital Structure

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

Options on Issue:
11,175,000 (Unlisted)

ASX: TLM

KEY POINTS:

- **2,000m, 18-hole RC drill program underway at newly acquired Muddawerrie Gold Project, Murchison Goldfields**
- **Muddawerrie is highly prospective for banded iron formation (BIF) and mafic hosted shear zone gold deposits similar to those at Mt Magnet and Meekatharra**
- **Drilling targeting demonstrably mineralised shear zones and historic workings covering approximately 16km of strike along the Muddawerrie Trend and 6km of strike along the Mt Maitland Trend**

Talisman Mining Ltd (ASX: **TLM**) is pleased to advise that it has commenced a drilling program at its newly acquired **Muddawerrie Gold Project**, located approximately 120km west of its flagship Springfield VMS Copper-Gold Project in Western Australia.

An initial 2,000m, 18-hole Reverse Circulation (RC) drilling program is underway to test a series of priority prospects within two demonstrably mineralised shear zones with historic drill intercepts from shallow drilling.

The program forms part of Talisman's strategy of expanding and diversifying its exploration portfolio outside of its core VMS copper-gold project portfolio, the centrepiece of which is the Springfield Project located adjacent to Sandfire Resources' DeGrussa Project.

Talisman acquired an 80 per cent interest in the Muddawerrie and Livingstone Projects, both of which are located in WA's prolific Murchison gold belt, in June.

The Company is targeting new growth opportunities in copper-gold, gold and nickel, with the current drilling program representing the first time it has broadened its active exploration focus outside of copper-gold in the Bryah Basin region.

Muddawerrie Project

The Muddawerrie Project is located approximately 100km north west of Meekatharra in the Murchison Region of Western Australia (see **Figure 1**). The granted Exploration Licence covers an area of approximately 52km² and encompasses the entire 16km strike length of an Archaean greenstone belt that is highly prospective for banded iron formation (BIF) and mafic hosted shear zone gold deposits, similar to those at Mt Magnet and Meekatharra.



The exploration opportunity presented at the Muddawerrie Project is based on two demonstrably mineralised shear zones covering at least 16km of strike that have only received cursory amounts of historic exploration (see **Figure 2**).

Limited historic shallow drilling of the **Lenanphyl Prospect** on the Muddawerrie Trend has returned highly anomalous results associated with banded iron formations including (see **Table 1** for details):

- **MTC007** **2m @ 1.54g/t Au**
- **MTC011** **1m @ 1.18g/t Au**

At least six RC holes are planned to test the continuity, geological controls and the tenor of the mineralisation in the Lenanphyl area.

The Mount Maitland Trend extends for 5km along the western side of the project (see **Figure 2**). The trend is characterised by highly anomalous gold-copper geochemistry in highly sheared mafic volcanic rocks coincident with a number of old gold workings.

Historic drilling has been limited to one area of old workings along the Mount Maitland trend and the results returned clearly demonstrate that the shear zone has the potential to be strongly mineralised. Results from the only drilling along this trend include (see **Table 2** for details):

- **MTC003** **10m @ 2.10g/t Au**
- **MTC005** **2m @ 1.01g/t Au**

At least 12 RC holes are planned to test the potential of the Mt Maitland prospect to host a significant gold deposit.

Talisman's Managing Director, Mr Gary Lethridge, said the start of drilling at Muddawerrie opened up an exciting new exploration front for the Company alongside the ongoing high quality work which is continuing at Springfield.

"We reported on the excellent progress being made at Springfield last week, and it is now very pleasing to see our strategy of growing a diversified exploration portfolio beginning to take shape with the commencement of a gold drilling program at Muddawerrie – just three months after acquiring the project.

"Talisman has structured a capable and adequately sized exploration team, enabling us to actively explore and evaluate additional quality projects such as Muddawerrie and Livingstone while retaining a strong focus and commitment to our exploration activities at Springfield," he added.

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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 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 Cameron consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Figure 1 – Talisman Mining Ltd Project locations

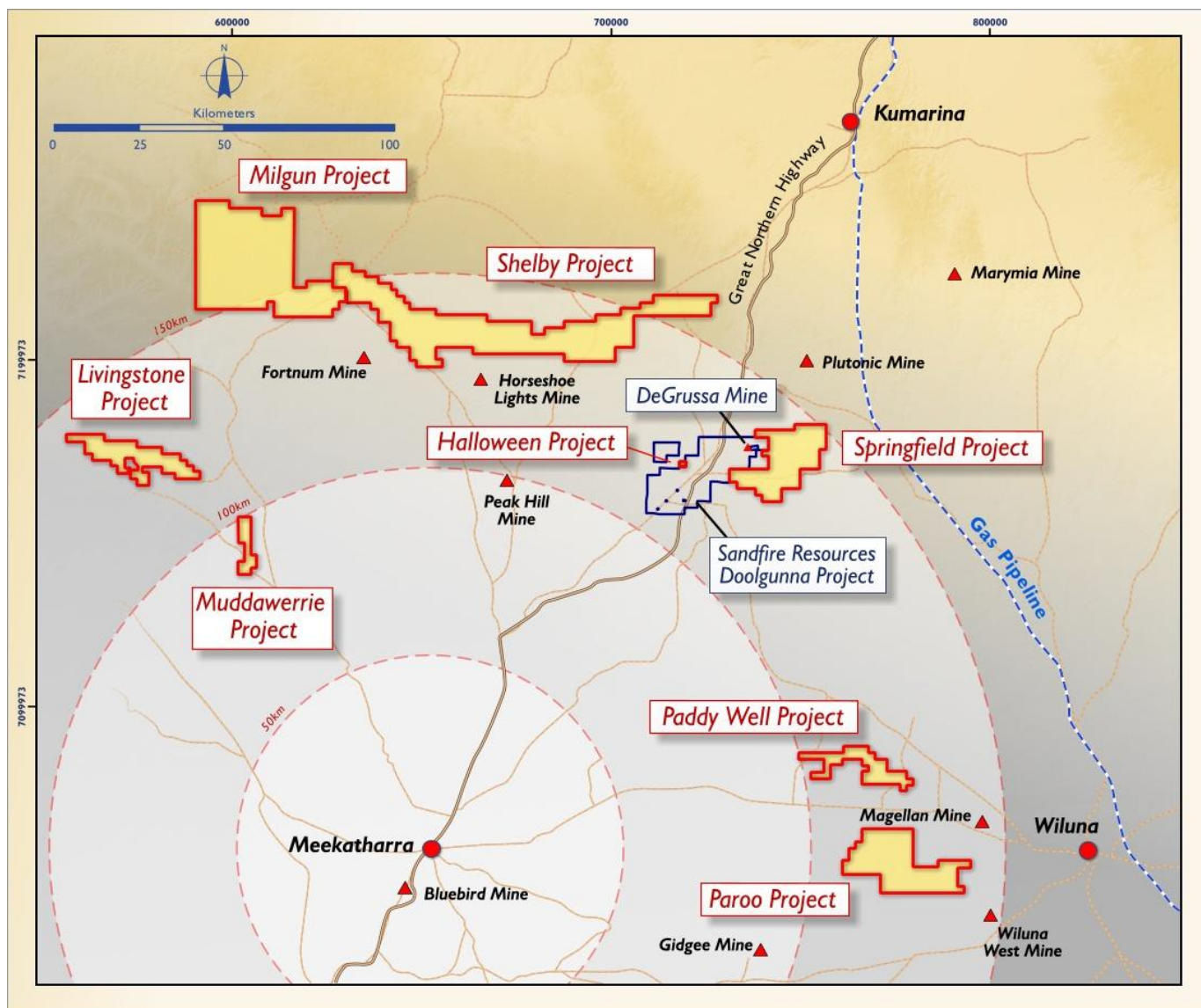




Figure 2 – Muddawerrie Project

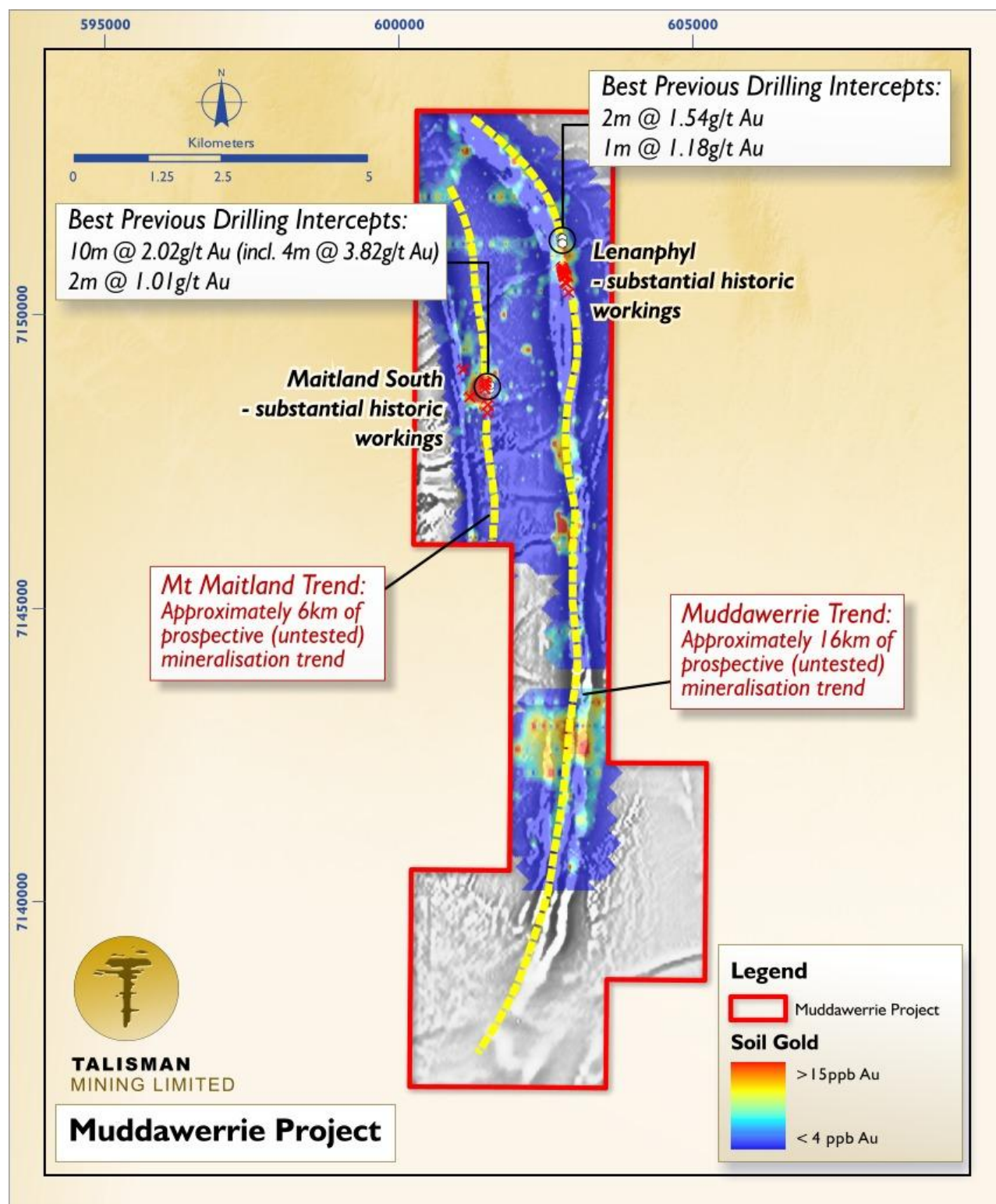




Table 1 – Mt Maitland Trend Drilling Results

Hole ID	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Intercept (m)	Gold (g/t)
MTC007	602742	7151290	-60	270	13	15	2	1.54
MTC011	602774	7151209	-60	270	33	34	1	1.18

Table 2 – Muddawerrie Trend Drilling Results

Hole ID	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Intercept (m)	Gold (g/t)
MTC002	601504	7148717	-60	270	0	4	4	1.17*
MTC003	601538	7148721	-60	270 <i>(incl.</i>	66 67	76 71	10 4	2.02 3.82)
MTC005	601505	7148791	-60	270	18	20	2	1.01