



Talisman Commences 2013 Field Season with Major New Airborne VTEM Surveys

Designed to identify near-surface conductors at Springfield and Milgun

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Capital Structure

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

Options on Issue:
14,800,000 (Unlisted)

ASX: TLM

Key Points

- Two new high-priority targets, the Kink and the Wedge, identified within the Southern Volcanics at Springfield.
- These targets are proximate to the intersection of the Goodin Fault Zone and major cross-basin transfer fault structures.
- VTEM survey will also cover extensive tracts of prospective, and largely untested, Narracoota volcanic rocks at Milgun.

Talisman Mining Ltd (ASX: TLM) is pleased to advise that its 2013 exploration field season is underway with the commencement of an extensive detailed airborne Versatile Time Domain Electromagnetic (VTEM) survey over newly defined target areas within its **Springfield** and **Milgun** Projects in Western Australia's Bryah Basin (see **Figure 1**).

The VTEM survey is designed to test for near-surface conductors possibly associated with massive sulphide copper-gold mineralisation within the **Southern Volcanic** sequence at Springfield and within prospective Narracoota volcanic sequences at Milgun.

The survey will provide a review of these largely untested areas, enabling Talisman to confirm their prospectivity and potentially identify drill targets.

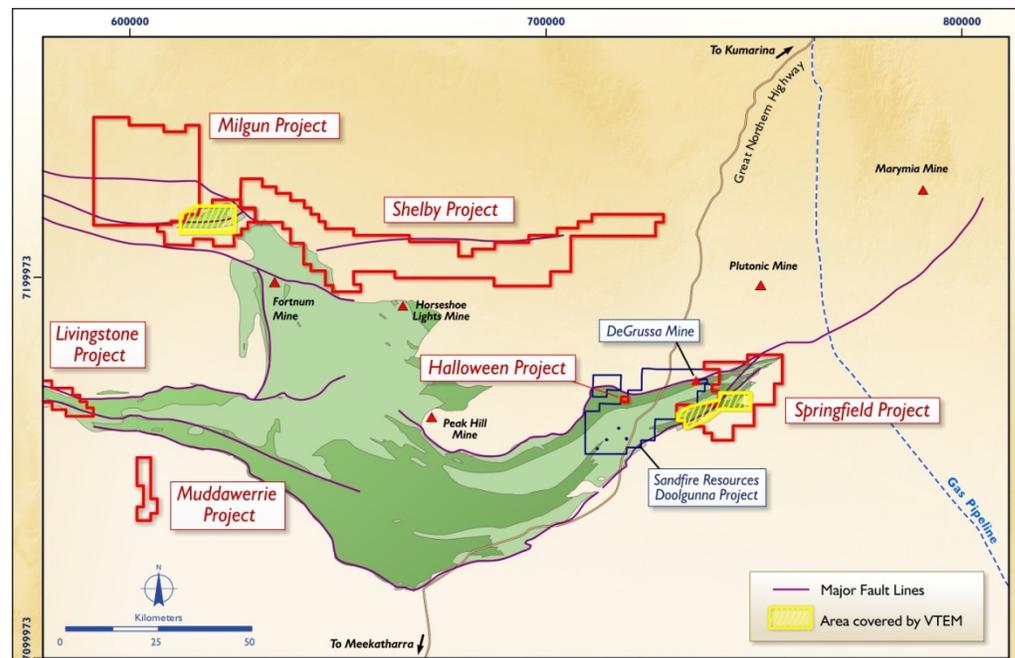


Figure 1 – Talisman Mining Project locations showing VTEM coverage at Springfield and Milgun Projects



Springfield Project – Southern Volcanics (TLM 100%)

Talisman has completed an extensive technical review of exploration data from the past three years of exploration activity at Springfield, enabling it to refine its geological model for the Project. This review, which included external expert involvement, has significantly elevated the potential for the Southern Volcanics to host massive sulphide copper-gold deposits.

Two new high priority prospects within the Southern Volcanics, the **Kink** and the **Wedge**, have been identified from this review process.

The Kink and the Wedge prospects are interpreted to comprise a thick sequence of prospective Narracoota basalts, volcanic sediments and dolerites in close proximity to the **Goodin Fault Zone** – a major basin boundary structure and possible focus for VMS and other copper (+/- gold) rich mineralising fluids (see **Figure 2**).

An extensive reconnaissance geochemical aircore and RAB drilling program was completed during the December 2012 Quarter over the eastern extension of the Southern Volcanics, which was designed to test for base metal and gold anomalism under extensive alluvial cover.

This 2012 reconnaissance geochemical drilling programme returned highly encouraging results at the Kink prospect. It defined a significant coherent zone of elevated copper and gold anomalism adjacent to the Gooden Fault and within a major NW-trending fault zone (see **Figure 2**).

The VTEM survey at Springfield has been designed to identify potential metallic conductors associated with geochemically anomalous areas and sequences of known, or interpreted, structural complexity.

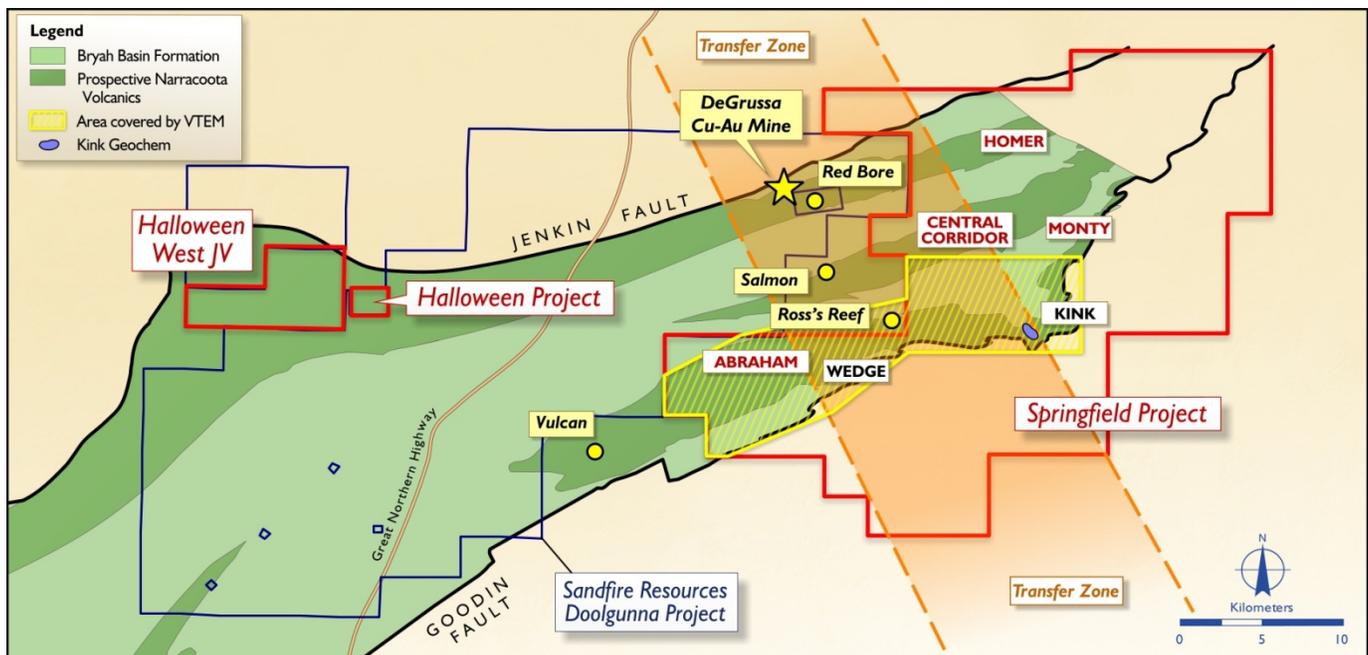


Figure 2 – Springfield Project showing the Southern Volcanics and area covered by VTEM survey

Milgun Project (TLM 100%)

The 766km² **Milgun Project**, which is located approximately 20km north-west of the Shelby Project, covers what Talisman has interpreted as a northern outlier of the Bryah Basin (see **Figure 1**). In 2011, Talisman conducted detailed airborne magnetic and ground gravity surveys together with detailed geological mapping and soil sampling across the main outcropping portion of the Milgun Project. Secondary copper enrichment (malachite) and gold workings were noted during this work.



A recent technical review of the Project has validated the interpretation that Milgun potentially represents a tectonically uplifted block of the Bryah basement with prospective Narracoota volcanic sequences. It is generally considered that basement uplift is an effective mechanism for focussing mineralising fluids critical for the formation of significant VMS and structurally controlled copper and gold deposits.

A VTEM survey will be flown at Milgun following the completion of the Springfield VTEM survey with the aim of identifying near-surface conductors that may possibly be associated with sulphide mineralisation within the Narracoota Volcanics. This survey may identify new targets for follow up exploration activities (see **Figure 3**).

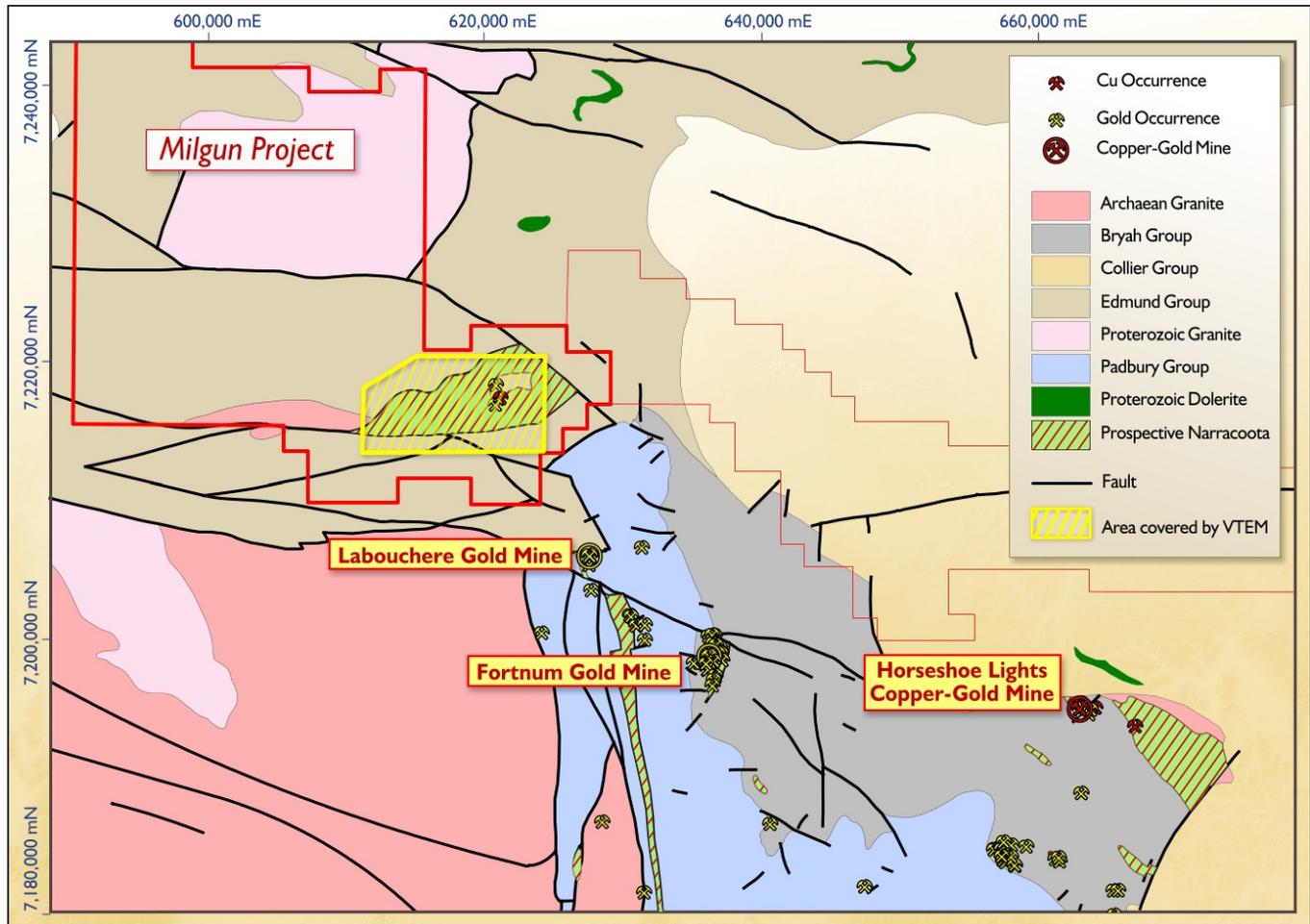


Figure 3 – Milgun Project geology showing copper/gold occurrences, distribution of prospective Narracoota Formation and area covered by VTEM survey

Talisman’s Managing Director, Mr Gary Lethridge, said the Company was pleased that its 2013 exploration field season was underway following an extensive review of the Company’s Bryah Basin exploration projects, including input from independent technical experts.

“Talisman is in a strong position with over \$20 million in cash, however we intend to preserve this cash as far as possible while continuing to progress exploration of our projects in a judicious and focused manner,” he said.

“We have therefore put considerable effort into de-risking our exploration approach, as far as possible, by reviewing our exploration models and prioritising our exploration targets. To assist us in this process we have, and will continue to, utilise the services of independent experts to assess and validate both our exploration approach and targets,” Mr Lethridge said.



“Importantly this key initiative has resulted in the identification of the new Kink and Wedge prospects as high priority targets at the Springfield Project. It has also elevated the Milgun Project in priority given the interpretation that it is located in a favourable tectonic setting with potential for both VMS copper-gold and orogenic gold deposits.

“The VTEM surveys should enable us to narrow our prospect search radii before moving to the next stage of detailed ground-based assessment at these prospects,” Mr Lethridge added.

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.