TALISMAN
MINING LIMITED
ASX Code: **TLM**

29th April 2013

COMPANY SNAPSHOT

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Capital Structure

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

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

March 2013 Quarterly Activities Report

- *VTEM survey completed over the **Southern Volcanic Trend** at Springfield has identified multiple late-time EM anomalies at the **Kink** and the **Wedge Prospects.***
- *Several of the VTEM anomalies are coincident with anomalous copper-gold geochemistry defined by previous surface sampling and shallow drilling and in favourable structural settings.*
- *A detailed FLEM survey is underway and is designed to refine drill targets hosted within prospective Narracoota Volcanics at the Kink.*
- *Soil and LAG sampling at the Wedge prospect completed – assay results pending.*
- *Business development activities to identify new growth opportunities are ongoing.*

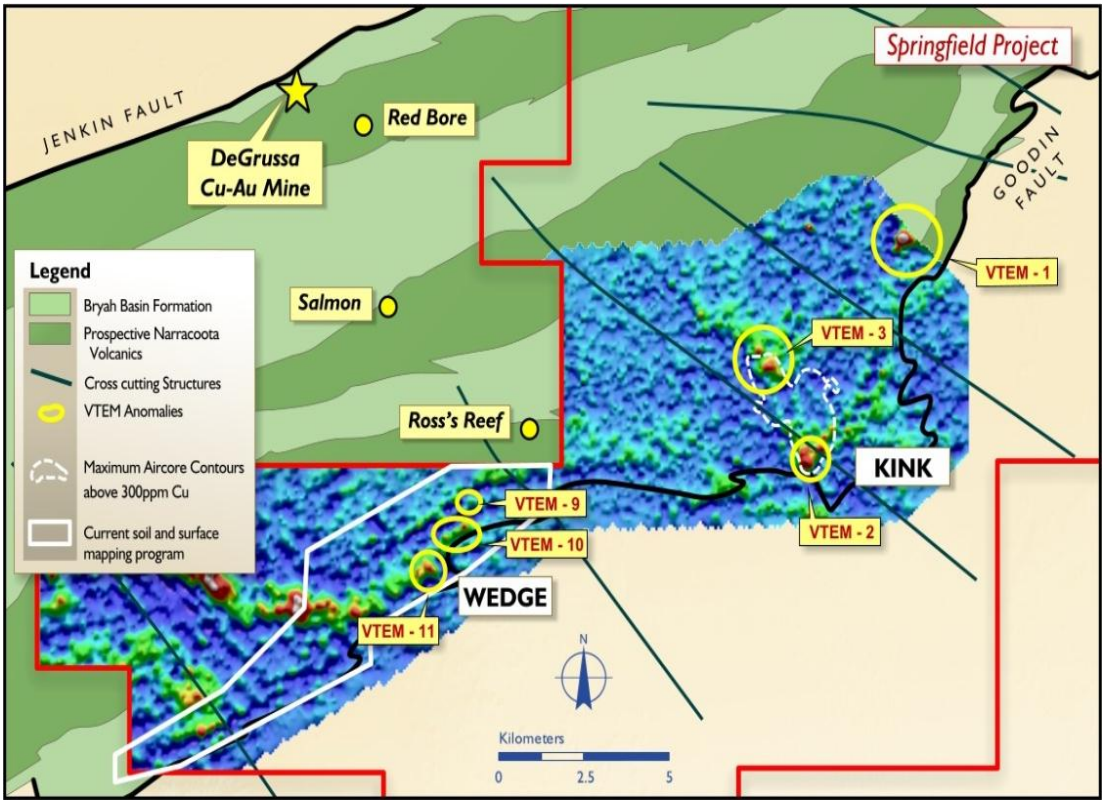

Figure 1 – Springfield Project showing geochemical contours and high priority VTEM anomalies at the Southern Volcanics

Doolgunna Copper-Gold Projects (WA)

Springfield (TLM 100%)

*The Springfield Project comprises a 303km² ground package located approximately 150km north-east of Meekatharra in the northern Murchison Goldfields region of Western Australia and 4km along strike from Sandfire Resources' DeGrussa VMS Copper-Gold Mine (see **Appendix 1**).*

During the March Quarter, exploration activities at Springfield were concentrated predominantly on the **Southern Volcanics** where three high priority electromagnetic target areas have been identified by a recently completed airborne Versatile Time Domain Electromagnetic (VTEM) survey.

The results have opened up a promising new front for exploration at Springfield within a volcanic sequence located to the south of the DeGrussa Copper-Gold Mine and based on a fresh geological interpretation of major regional and cross-basin transfer fault structures. Drill targets across these anomalies are being refined ahead of drill testing.

Springfield Project – Southern Volcanic Sequence

A recent extensive technical review of Springfield, drawing on external expert involvement, has significantly elevated the potential for the relatively unexplored Southern Volcanics to host massive sulphide-style copper-gold deposits. In particular, two new high priority prospects within the Southern Volcanics – the **Kink** and the **Wedge** – were identified from this review process.

These prospects are hosted within a thick sequence of prospective Narracoota basalts, volcanic sediments and dolerites in close proximity to the **Goodin Fault Zone (GFZ)** – a major basin boundary structure and possible focus for VHMS and other copper (+/- gold) rich mineralising fluids (see ***Figure 1***).

VTEM Survey Results

A recent VTEM survey across the Southern Volcanics was designed to identify potential metallic conductors associated with sulphide mineralization in mafic volcanic rocks adjacent to the Goodin Fault Zone, and across areas of interpreted structural complexity (with supporting Cu-Au geochemical anomalism).

This VTEM survey has defined several electromagnetic anomalies with signals that persist through to the later time receiver channels (Ch40-Ch43). Late time channels are those typically assessed for massive-sulphide style mineralization and reflect features with stronger conductive characteristics.

"The Kink" Prospect

At the **Kink** Prospect, three anomalies have been identified that warrant follow up. These priority targets (**VTEM-1**, **VTEM 2** and **VTEM-3**), are summarised below:

- **VTEM-1** is a clear late time anomaly persisting to channel 43 on several lines, but with a relatively discrete core (200-300m) which may indicate the presence of multiple layered conductors (see ***Figure 2***). A direct RC drilling programme is currently being planned to test this anomaly;

- **VTEM-2** is a strong, but broad cluster of late-time anomalies apparently associated with paleo-drainage, but with a discrete "hot-spot" over a strike length of 500-600m. Recent geochemical drilling returned maximum bedrock copper values to 1,140ppm Cu in the vicinity of VTEM-2 (see ***Figure 2***);

- **VTEM-3** is another strong, but broad cluster of late-time anomalies located immediately north of VTEM-2 along an interpreted NNW trending fault structure which also has elevated bedrock copper geochemistry in nearby shallow drilling (to a maximum of 1,700ppm Cu; see ***Figure 2***).

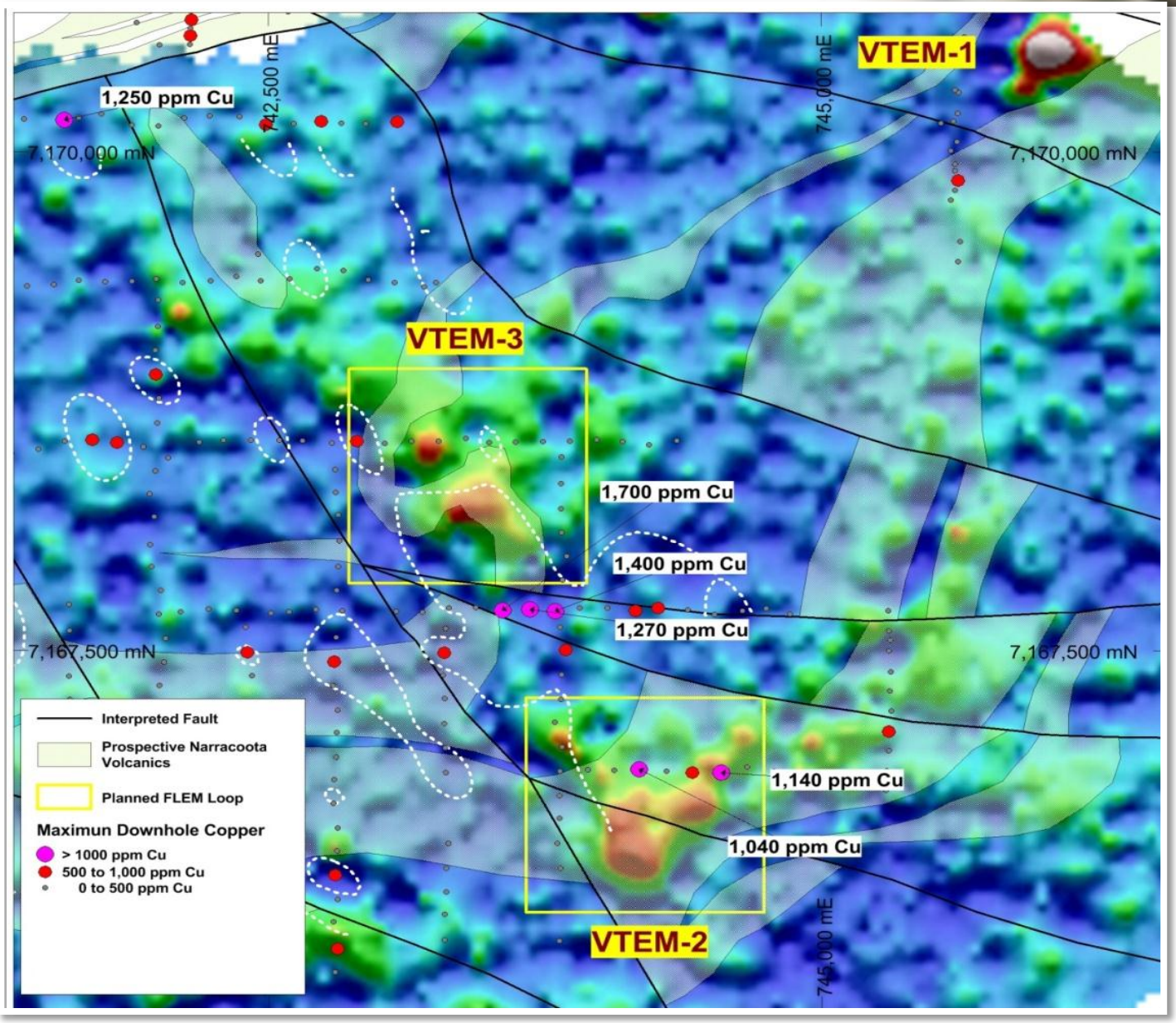

Figure 2 – Springfield Project showing high priority VTEM anomalies and area to be covered by planned FLEM surveys at The Kink

The Wedge Prospect

Several mid-to late-time VTEM anomalies have been also identified at the **Wedge** Prospect, which is coincident with several coherent zones of elevated copper mineralization along the Goodin Fault zone with copper values up to 1,240ppm Cu in surface soil and lag samples (*see ASX Announcement – 25 March 2013*).

Anomalies VTEM-9 to 11 at the **Wedge** are discrete, linear mid-late time features associated with the Goodin Fault and appear to cluster near the confluence of the Goodin Fault within a prospective mafic-sediment volcanic sequence (see ***Figure 1***).

Detailed mapping and soil sampling (1,600 samples) has been recently completed at the Wedge to test for surface indications of copper-gold mineralization over these anomalies and along the length of the Wedge volcanic sequence to further refine possible future drill targets (see ***Figure 1***). Final assay results are awaited.

Halloween Copper-Gold Project (TLM 100%)

*The Halloween Project is located 11.5km south-west of the DeGrussa VMS Copper-Gold Mine and 16.5km west of Talisman's Springfield VMS Copper-Gold Project (see **Appendix 1**).*

RC and diamond drilling on 150-200m traverses to date has intersected structurally-controlled high grade gold, silver and copper intercepts associated with a thickened volcano-sedimentary host unit over a strike length of over 800m.

Further structural analysis is ongoing to determine the controls on gold mineralisation and to delineate possible high-grade gold shoots.

Halloween West JV (TLM 60%)

*Talisman holds a 60% joint venture interest in the Halloween West Project under a Farm-in Agreement with Chrysalis Resources Limited (ASX: CYS). The Project is located immediately along strike and to the west of the 100%-owned Halloween Project and is interpreted to host the western extension of the Halloween mineralized trend (see **Appendix 1**).*

As at 31 December 2012, Talisman had fulfilled its minimum expenditure commitment in accordance with the Farm-in Agreement. Consequently, during the quarter Talisman took steps to obtain the transfer of a 60% interest in the Halloween West Project tenement.

Final discussions are in progress on entering into a formal Joint Venture Agreement.

During the quarter, a desktop study of the results from the maiden drilling program undertaken in the December quarter took place to determine the significance of the first-pass results and to assess the prospectivity of the broader project area.

Milgun Project (TLM 100%)

*The 766km² Milgun Project is located approximately 20km north west of the Shelby Project and covers what Talisman has identified as a northern outlier of the Bryah Basin (see **Appendix 1**).*

An internal technical review during the previous Quarter highlighted the potential prospectivity of the Milgun Project area, which is interpreted to be located within a tectonically uplifted block of Bryah basement rocks containing highly prospective Narracoota volcanic and sedimentary rocks.

It is interpreted that basement uplift is an effective mechanism for focused fluid flow and possible copper-gold mineralisation.

A Versatile Time Domain Electromagnetic Survey (VTEM) covering the interpreted Narracoota Volcanics at Milgun was completed during the Quarter to identify near-surface conductors possibly associated with sulphide mineralisation.

No significant near-surface late-time conductive targets were identified by this survey.

Shelby Project (TLM 100%)

*The 1,816 km² Shelby Project is located along the northern margin of the Bryah Basin approximately 30km north of the Horseshoe Lights Copper-Gold Mine (see **Appendix 1**). On the basis of its geological setting, Talisman has identified the Shelby Project as having the potential to host large Iron Oxide-Copper-Gold (IOCG) deposits (e.g. Olympic Dam, Prominent Hill) and/or a Voisey's Bay-style mafic-ultramafic intrusive hosted nickel-copper-PGE sulphide deposit.*

Previous drilling at the Shelby Project by Talisman has identified strong IOCG-style magnetite alteration (and minor chalcopyrite) associated with ultra-mafic intrusions beneath younger cover.

Detailed magnetic data collected by Talisman was reviewed during the Quarter and several magnetic anomalies being identified along a major regional structure that may be associated with similar intrusive bodies.

These anomalies were subsequently modelled to determine their attitude, depth and significance with respect to hosting possible IOCG-style mineralisation. Assessment of these anomalies is ongoing.

Murchison Gold Projects

Livingstone Gold Project (TLM 80%)

*The Livingstone Gold Project is located approximately 130km to the north-west of Meekatharra (see **Appendix 1**) and consists of three Exploration Licences covering an area of 208 km².*

The Project straddles the western extension of the highly prospective Bryah Basin at the northern margin of the Yilgarn Craton. A major shear zone traverses the entire project with widespread gold intercepts returned by historic percussion drilling programs over a strike length of more than 31km.

A systematic review of historical data for the Livingstone Project is ongoing with a view to evaluating potential exploration activities later in 2013.

Muddawerrie Gold Project (TLM 80%)

*The Muddawerrie Project is located approximately 100km north-west of Meekatharra in the Murchison Region of Western Australia (see **Appendix 1**). The granted Exploration Licence covers an area of approximately 52 km² and comprises a prospective Archaean greenstone belt with significant potential to host high-grade, banded iron formation (BIF) and mafic-hosted shear zone gold deposits, similar to those at Mt Magnet and Meekatharra.*

The Muddawerrie Project comprises two mineralised trends, Mt Maitland and Muddawerrie, which extend for 6km along the western and eastern sides of the project area respectively. Both trends are characterised by highly anomalous gold geochemistry associated with highly sheared mafic/ultramafic volcanic rocks and BIF coincident with a number of old gold workings along each trend.

No ground-based exploration activities were undertaken during the Quarter; however a systematic review of existing data is underway.

CORPORATE

At the end of the quarter, Talisman maintained a cash position of **$20.3M**.

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.

Appendix 1 – Talisman Mining Ltd Project locations