TALISMAN
MINING LIMITED
ASX Code: **TLM**

29th August 2013

COMPANY SNAPSHOT

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Capital Structure

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

Options on Issue:
8,800,000 (Unlisted)

Coincident FLEM and Geochemical anomalies identified over Nickel-Copper-PGE Target at Kerba

Approvals and planning process for follow-up drill testing underway

- **Two priority EM anomalies identified from recently completed detailed Fixed Loop Electromagnetic (FLEM) survey at Kerba Prospect.**
- **EM Anomalies are coincident in part with a coherent 1.8km long Ni-Cu-Pt-in-soil anomaly over an interpreted Proterozoic-aged mafic-ultramafic intrusion.**
- **Planning underway for follow-up RC drilling to test for the presence of nickel sulphide mineralization and to establish a platform for deeper down-hole electromagnetic (DHEM) surveying.**

Talisman Mining Ltd (ASX: TLM) is pleased to advise that it has identified two encouraging electro-magnetic (EM) responses from the recently completed ground-based Fixed Loop EM (FLEM) survey over a Voisey's Bay-style magmatic nickel-copper-PGE target at its 80%-owned **Livingstone Project** in WA.

The detailed FLEM survey was designed to test for anomalies associated with an interpreted ultramafic intrusive body at the **Kerba** Prospect (see ***Figure 1***) which could potentially reflect accumulations of conductive nickel-copper-PGE sulphides.

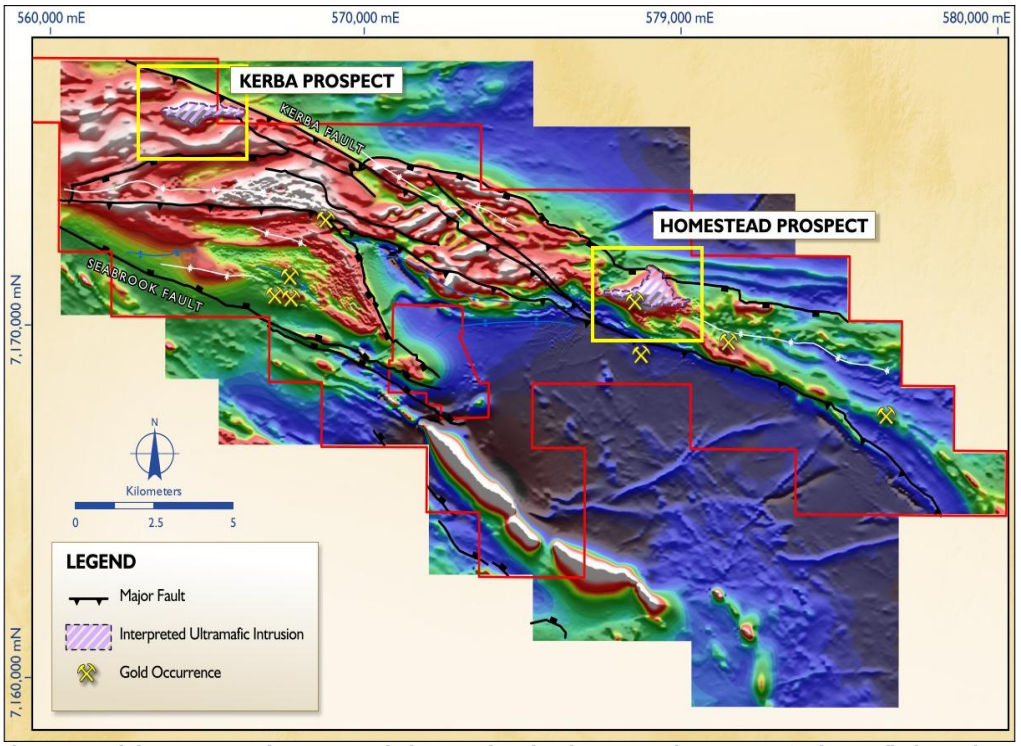

Figure 1 – Livingstone Project magnetic image showing interpreted structure & ultramafic intrusions at Kerba and Homestead Prospects

Livingstone Project Background

The Livingstone Project covers an area of 208km² over the western extension of the Proterozoic-aged Bryah Basin and is centred along a major crustal-scale shear zone at the northern margin of the Yilgarn Craton (see ***Appendix 1***).

Previous mapping and geochemistry completed by Talisman identified two large ovoid magnetic bodies at the **Kerba** and **Homestead** Prospects which are interpreted to represent Proterozoic-aged mafic-ultramafic intrusions localised along the major regional Kerba Fault Zone (see ***Figure 1*** and ***2***).

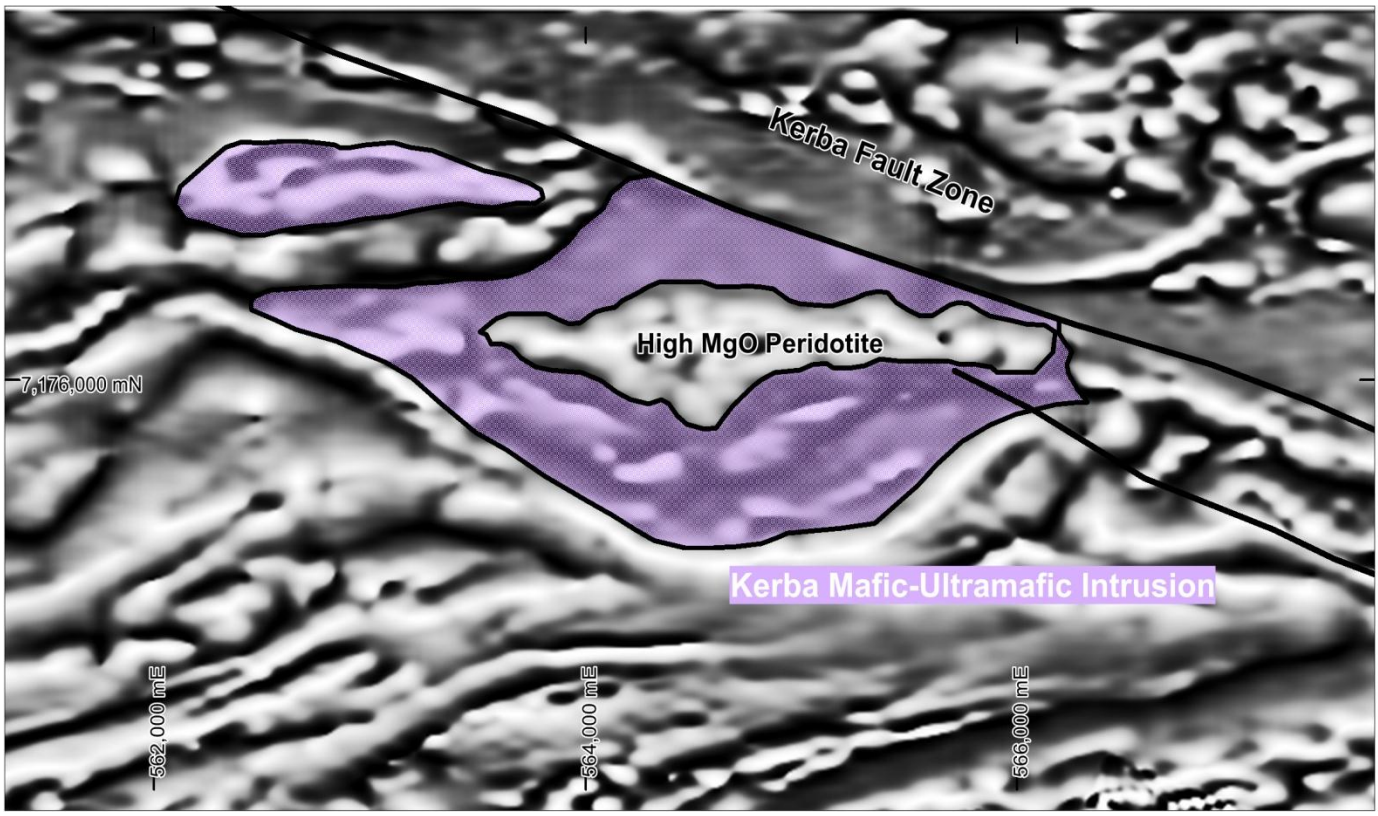

Figure 2 – Kerba Prospect magnetic image showing interpreted ovoid mafic-ultramafic intrusion and an internal high MgO peridotite zone

An in-fill soil programme over the Kerba Prospect in June 2013 clearly defined a coherent east-west trending zone of **anomalous nickel-in-soil averaging >1,000ppm Ni** (see ASX – Release 31st July 2013 for all results) over a strike length of at least 1.8 km. The Kerba zone also demonstrates coincident platinum anomalism as well as elevated copper values (greater than 60ppm) that may be indicative of sulphide mineralization processes (see ***Figure 3***).

The nickel-copper potential has been further supported by a recent review of historical data dating back to the early 1970's which highlighted that several shallow percussion holes were drilled which were reported to have intersected high-MgO serpentinized peridotite, pyroxenite and gabbro rocks, confirming the presence of prospective mafic-ultramafic rock types in the area (see ***Figure 2***).

Kerba FLEM Survey

A detailed Fixed Loop Electromagnetic (FLEM) survey has now been completed over the **Kerba** Prospect at nominal 200m line spacing with detailed 100m in-fill lines over the geochemically anomalous zone (***Figure 3***).

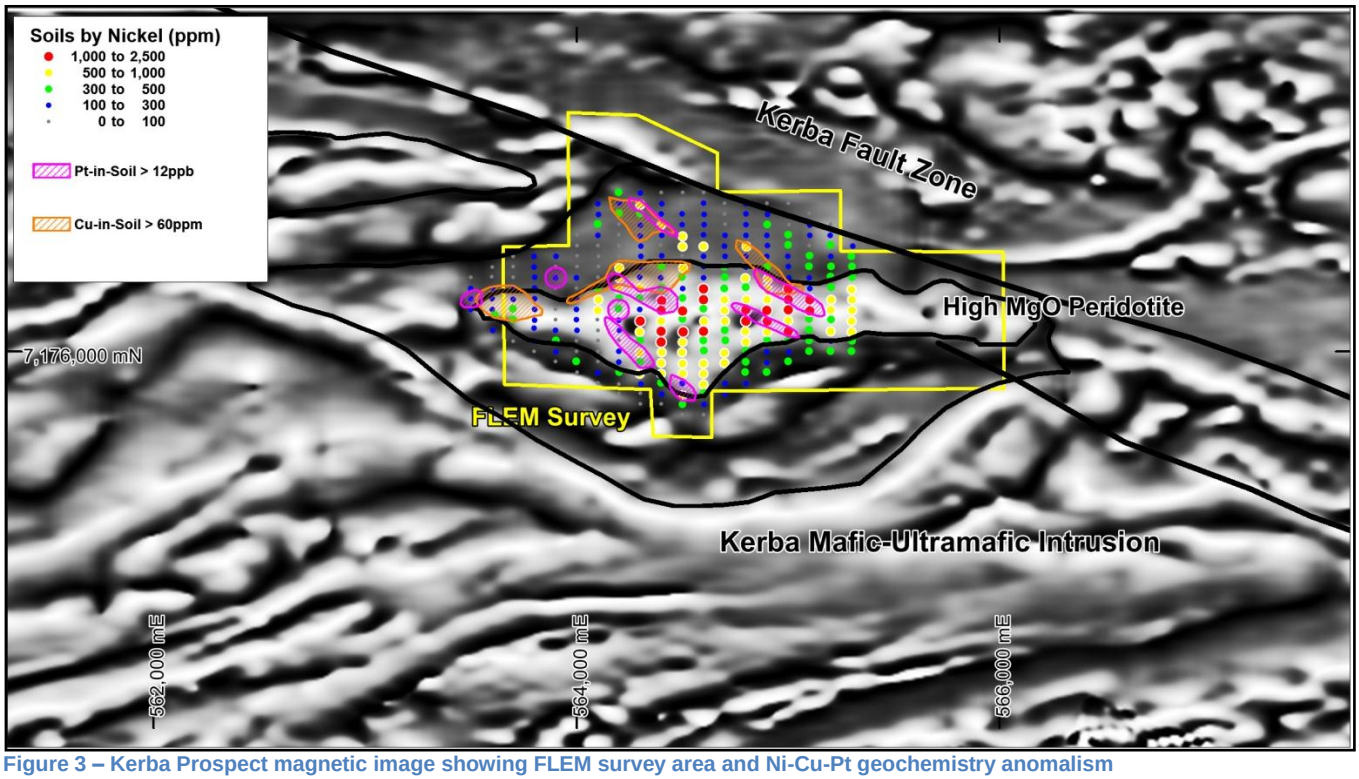

Figure 3 – Kerba Prospect magnetic image showing FLEM survey area and Ni-Cu-Pt geochemistry anomalism

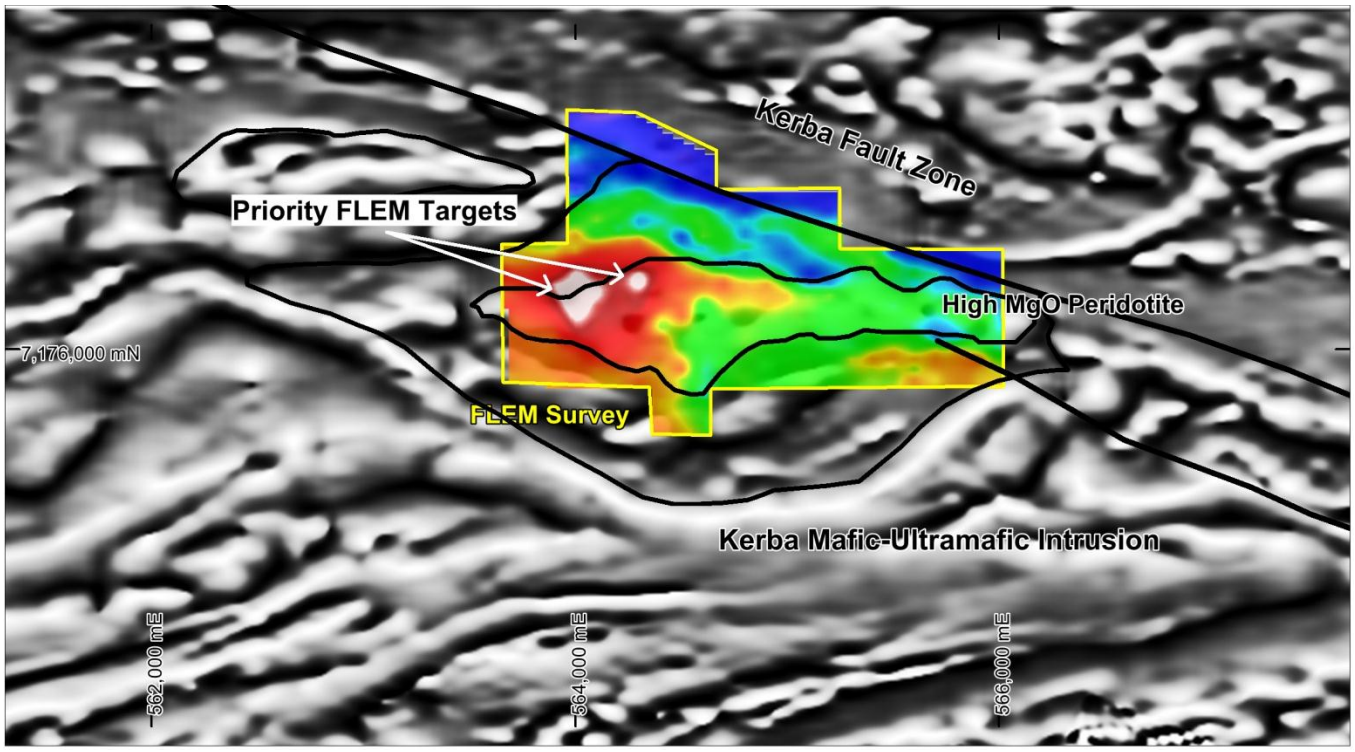

Figure 4 – Kerba Prospect magnetic image showing FLEM survey gridded conductance image (Ch 25) with priority targets highlighted

The FLEM survey has identified **two well-defined, but subdued conductive zones** over a strike length of at least 600m, directly over the western end of the Kerba mafic-ultramafic intrusion and coincident with the anomalous Ni-Cu-PGE soil geochemistry (see ***Figure 4***). The coincidence of these geophysical and geochemical signatures is considered to be encouraging.

It is important to note that the two Kerba EM targets clearly persist into the mid to late time channels of the EM receiver, but succumb to Induced Polarization (masking) effects in the later time channels, making it difficult to detect any deeper conductive bodies.

It is interpreted that these EM responses may be indicative of disseminated sulphides at a depth of around 100m and, consequently, may provide an important vector towards the presence of massive nickel-copper-PGE sulphide mineralisation at depths beyond the resolution of the current FLEM survey.

Given its prospective geological setting, elevated Ni-Cu-PGE surface geochemistry and coherent localized nature, Talisman considers the Kerba EM targets worthy of follow-up drill testing. The Company is currently preparing a Reverse Circulation (RC) drill programme comprising several drill holes to test for the presence of nickel sulphide mineralization, and to set-up a "platform" for deeper DHEM surveying in order to detect possible massive sulphide accumulations beneath the FLEM anomalies.

In addition to testing the FLEM anomalies over the Kerba intrusive, several linear EM anomalies have also been identified that coincide with the northern margin of the interpreted mafic-ultramafic body. While these anomalies appear stratigraphic in nature, the planned drilling programme will also aim to test for potential accumulations of sulphides co-incident with the ultramafic contact position.

Prior to undertaking the planned drilling program, Talisman is required to work through statutory clearances and permitting processes. This process has now commenced and the Company anticipates that drilling will commence during the December 2013 Quarter.

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.

Appendix 1 – Talisman Mining Ltd Project locations