TALISMAN MINING LIMITED
ASX Code: TLM

15 May 2015

COMPANY SNAPSHOT

Strong Off-hole DHEM Conductor Identified at Monty Following Drilling

Interpreted exhalative lithologies & trace disseminated Cu mineralisation identified in drill-hole.
Follow up drilling planned by Sandfire

Highlights

- Sandfire has advised that it has completed reconnaissance diamond drill-hole TLDD0002A at the Monty Prospect within Talisman's Springfield Copper-Gold Project.
- TLDD0002A was drilled to test a subtle, but discrete, late-time EM target, at a vertical depth of approximately 400 metres, identified by both a high powered surface fixed loop electromagnetic (FLEM) survey and a high-powered down-hole electromagnetic (DHEM) survey undertaken by Sandfire on historical Talisman diamond drill-hole SPD021.
- Sandfire has also advised that, a high-powered DHEM survey undertaken on TLDD0002A **has identified a highly conductive late-time anomaly** approximately 15 metres off-hole centred at a down-hole depth of 410 metres.
- Logging of TLDD0002A by Sandfire identified a zone of haematitic siliceous jasper nodules with trace disseminated chalcopyrite and significant magnetite between 379.05 metres and 387.64 metres down-hole within a broader sedimentary package of approximately 38 metres.
- This zone resembles the exhalite seen adjacent to the massive sulphide mineralisation at DeGrussa and may correlate to the location of the newly identified conductor.
- Sandfire have advised that following the completion of TLDD0003, **they will undertake follow up drilling at Monty to target the newly identified DHEM conductor**.

Board of Directors

Alan Senior
Non-Executive Chairman

Gary Lethridge
Managing Director

Brian Dawes
Non-Executive Director

Karen Gadsby
Non-Executive Director

Contact Details

6 Centro Avenue
Subiaco, Western Australia, 6008

Telephone:
+61 8 9380 4230

Facsimile:
+61 8 9382 8200

Email:
info@talismanmining.com.au

Website:
www.talismanmining.com.au

Capital Structure

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

Options on Issue:
7,250,000 (Unlisted)

ASX: TLM



Overview

Talisman Mining Limited (ASX: **TLM** – "Talisman" or "the Company") is pleased to announce that its exploration farm-in joint venture partner, Sandfire Resources NL (ASX: **SFR**), has advised that it has completed reconnaissance diamond drill-hole TLDD0002A at the Monty Prospect within Talisman's Springfield Copper-Gold Project (*see **Figure 1** and Talisman ASX announcement dated 11 May 2015*).

TLDD0002A is part of a new exploration programme by Sandfire at the Monty and Homer Prospects, located within Talisman's **Springfield Project** in Western Australia (see ***Figure 1***) in accordance with the $15 million exploration farm-in joint venture entered into by Talisman and Sandfire in December 2013.

Sandfire have advised Talisman that a high-powered DHEM survey undertaken on TLDD0002A has identified a highly conductive late-time anomaly approximately 15 metres off-hole potentially indicative of an accumulation of mineralised massive sulphides.

Monty Prospect Update

TLDD0002A was drilled to test a subtle, discrete off-hole electromagnetic (EM) conductor identified from both a high-powered surface FLEM survey and a high powered DHEM survey completed on a historical Talisman drill-hole SPD021.

By way of background, Talisman notes that SPD021 was drilled by Talisman as part of a diamond drilling program conducted at the Monty Corridor during the June 2011 Quarter (*see TLM ASX Announcement 29 July 2011: June 2011 Quarterly Report*).

The drill-hole was drilled by Talisman as a follow up to diamond hole SPD020, which intersected a narrow zone of potentially remobilised copper, including an intersection of **0.3m @ 7.6% Cu (502.0m – 502.3m)*** *(see TLM ASX announcement 7 June 2011: Exploration Update –Springfield Project and **Table 1**).*

SPD021, which was drilled up dip of SPD020, also intersected a narrow zone of potentially remobilised copper, including an intersection of **0.5m @ 1.3% Cu and 1.0g/t Au (347.5m – 348m)*** (*see TLM ASX Announcement 29 July 2011: June 2011 Quarterly Report and **Table 1***).

***** *This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

Sandfire has advised that a high-powered DHEM survey undertaken on TLDD0002A has identified a highly conductive late-time anomaly of 50 metres by 50 metres, approximately 15 metres off-hole centred at a down-hole depth of 410 metres.

This highly conductive anomaly (5,590 siemens) has the potential to represent an accumulation of mineralised massive sulphides.

Logging of TLDD0002A by Sandfire identified a zone of haematitic siliceous jasper nodules with trace disseminated chalcopyrite and significant magnetite between 379.05 metres and 387.64 metres down-hole within a broader sedimentary package of approximately 38 metres.

Sandfire note that the zone closely resembles that of the exhalite adjacent to the massive sulphide mineralisation at DeGrussa and may correlate to the location of the newly identified conductor.

Sandfire have relocated the diamond drill rig to the Homer Prospect to drill TLDD0003 and drilling has commenced. **When TLDD0003 has been completed, Sandfire intend to relocate the diamond drill rig back to the Monty Prospect to drill a hole (TLDD0004) targeting the newly identified DHEM conductor**.



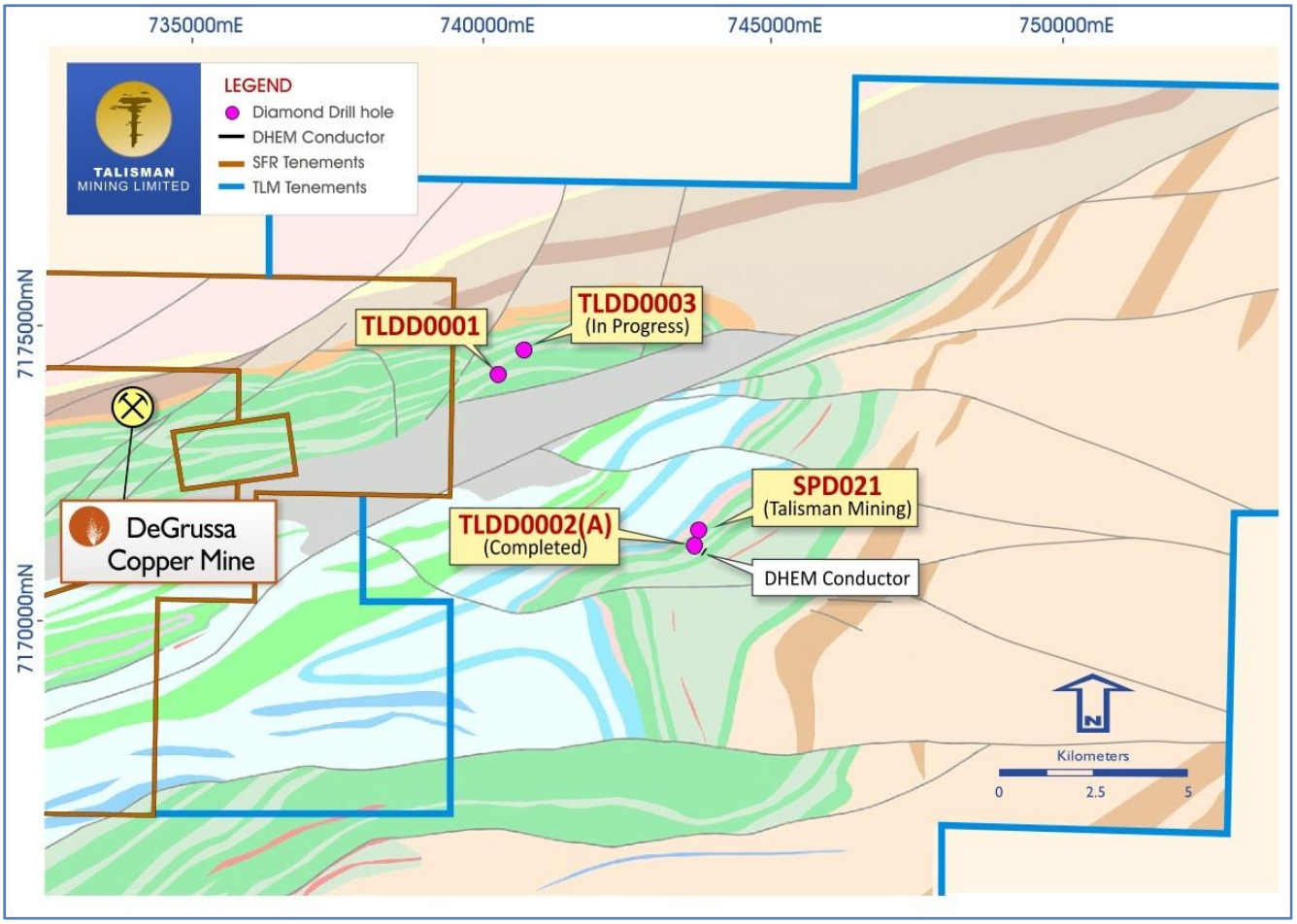

Figure 1: Plan showing interpreted geology and the approximate locations of TLDD0002A and TLDD0003 reconnaissance diamond drill-holes at the Springfield Project, historic diamond drill-holes SPD021 and TLDD0001, and the approximate location of the off-hole DHEM conductor at Monty

This announcement is intended to lift the Trading halt requested by Talisman on 14 May 2015.

ENDS

For further information, please contact:
Gary Lethridge – Managing Director
on +61 8 9380 4230

For media inquiries, please contact:
Nicholas Read – Read Corporate
on +61 419 929 046

Competent Persons' Statement

Information in this ASX release that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Graham Leaver, who is a member of the Australian Institute of Geoscientists. Mr Leaver 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 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Leaver consents to the inclusion in this report of the matters based on information in the form and context in which it appear.



Table 1 – Historic Talisman Monty Prospect Drilling Results, Springfield Project

Hole ID	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Intercept (m)	Cu (%)	Au (g/t)
SPD020	743603	7171666	-60°	180°	502.0	502.3	0.3	7.6%	NSA
SPD021	743598	7171437	-60°	180°	347.5	348	0.5	1.3%	1.0

Information in table 1 was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

NSA -No significant assay

Table 2 – Drill-hole Information Summary, Springfield Project

Details and coordinates of the historical drill-hole SPD021, the completed drill-hole from last year, TLDD0001, and drill-holes, TLDD0002A, TLDD0003 and TLD0004, are provided below:

Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Hole Status
SPD021	552.80	-60°	180°	MGA94_50	743598	7171437	598	E52/2282	Complete
TLDD0001	1099.1	-60°	360°	MGA94_50	740146	7174149	588	E52/2313	Complete
TLDD0002A	500	-60°	112°	MGA94_50	743540	7171212	602	E52/2282	Complete
TLDD0003	*600*	*-60°*	*360°*	*MGA94_50*	*740600*	*7174550*	*594*	*E52/2313*	*Underway*
TLDD0004	*500*	*-60°*	*140°*	*MGA94_50*	*743585*	*7171286*	*605*	*E52/2282*	*Proposed*



Appendix 1 - JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Sampling methods employed by Sandfire include half-core sampling of NQ2 core from diamond drilling (DD). • Sampling is guided by Sandfire DeGrussa protocols and QAQC procedures as per industry standard. • DD sample size reduction is completed through a Jaques jaw crusher to -10mm and all samples Boyd crushed to -4mm and pulverised via LM2 to nominal 90% passing -75µm. Pulp size checks are completed. • Sandfire core samples are routinely sampled for SG determination.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Sandfire diamond drilling is completed by DD rig with a core size of NQ2. • All surface drill collars are surveyed using RTK GPS. • Holes are inclined at varying angles for optimal ore zone intersection from the drilling position. • All core where possible is oriented using a Reflex ACT II RD orientation tool with stated accuracy of +/-1% in the range 0 to 88°.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Sandfire core is meter marked and orientated to check against the driller's blocks, ensuring that all core loss is taken into account. • Diamond core recovery is logged and captured into the database with weighted average core recoveries of approximately 99%. Sample quality is routinely captured in the database. • Samples are routinely weighed and captured into a central secured database. • No sample recovery issues have impacted on potential sample bias.



Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Sandfire geological logging is completed for all holes and representative across the ore body. The lithology, alteration, and structural characteristics of drill samples are logged directly to a digital format following standard procedures and using Sandfire DeGrussa geological codes. Data is imported into the central database after validation in LogChief™. • Logging is both qualitative and quantitative depending on field being logged. • All diamond drill core is digitally photographed and stored.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Sandfire diamond core orientation is completed where possible and all core is marked prior to sampling. Half core samples are produced using Almonte Core Saw. Samples are weighed and recorded. • Sandfire sample preparation at UltraTrace in Perth involves the original samples being dried at 80° for up to 24 hours and weighed. DD Samples are then crushed through Jaques crusher to nominal -10mm. Second stage crushing uses Boyd crusher to nominal -4mm. Pulverising is completed using LM5 mill to 90% passing 75%µm. • Sandfire has protocols that cover auditing of sample preparation at the laboratories and the collection and assessment of data to ensure accurate steps in producing representative samples for the analytical process. Key performance indices include contamination index of 90% (that is 90% blanks pass); Crush Size index of P95-10mm; Grind Size index of P90-75µm and Check Samples returning at worse 20% precision at 95% confidence interval and bias of 5% or better. • Duplicate analysis is routinely completed. • The sample size is appropriate for the VHMS and Gold mineralisation styles.



Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.
	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.
	• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.
		• Sandfire samples submitted to Ultra Trace in Perth are assayed using Mixed 4 Acid Digest (MAD) 0.3g charge and MAD Hotbox 0.15g charge methods with ICPOES or ICPMS. The samples are digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric acids and conducted for multi elements including Cu, Pb, Zn, Ag, As, Fe, S, Sb, Bi, Mo, Re, Mn, Co, Cd, Cr, Ni, Se, Te, Ti, Zr, V, Sn, W and Ba. The MAD Hotbox method is an extended digest method that approaches a total digest for many elements however some refractory minerals are not completely attacked. The elements S, Cu, Zn, Co, Fe, Ca, Mg, Mn, Ni, Cr, Ti, K, Na, V are determined by ICPOES, and Ag, Pb, As, Sb, Bi, Cd, Se, Te, Mo, Re, Zr, Ba, Sn, W are determined by ICPMS. Samples are analysed for Au, Pd and Pt by firing a 40g of sample with ICP AES/MS finish. Lower sample weights are employed where samples have very high S contents. This is a classical FA process and results in total separation of Au, Pt and Pd in the samples.
		• Sandfire DeGrussa QAQC protocol is considered industry standard with standard reference material (SRM) submitted on regular basis with routine samples.
		• Sandfire insert SRMs and blanks at a minimum of 5% frequency rate. A minimum of 2% of assays are routinely re-submitted as Check Assays and Check Samples through blind submittals to external and primary laboratories respectively. Adhoc umpire checks are completed annually.
		• Surface Fixed Loop Electromagnetic (FLEM) geophysical surveys have been conducted by Sandfire . Survey parameters include:
		  ○ Vortex VTX – 100 transmitter, SMART fluxgate sensor and SMARTem receiver
		  ○ 1000m x 1000m single turn loop
		• Downhole Electromagnetic (DHEM) Geophysical Surveys have been completed by Sandfire. Geophysical survey parameters include:
		  ○ Vortex VTX-100 transmitter, DigiAtlantis probe and SMARTem24 receiver
		  ○ 200m x 200m single turn loop

Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• No new significant drilling intersections are included in this report. • No twinned holes are being drilled as part of this programme. • Primary data is captured on field tough book laptops using Logchief™ Software. The software has validation routines and data is then imported into a secure central database. • The primary data is always kept and is never replaced by adjusted or interpreted data.
Location of data points	• Accuracy and quality of surveys used to locate drill-holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Sandfire DeGrussa Survey team undertakes survey works under the guidelines of best industry practice. • Downhole survey are completed by electronic multishot systems. • MGA94 Zone 50 grid coordinate system is used.



Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• This programme represents reconnaissance exploration drilling.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Sandfire exploration holes are oriented to achieve high angles of intersection. Diamond drilling is used as required to determine structural orientations in regional programs.
Sample security	• The measures taken to ensure sample security.	• All samples are prepared onsite under the supervision of Sandfire Geological staff. • Sandfire samples are transported to the Perth Ultra Trace laboratory by Toll IPEC or Nexus transport companies in sealed bulka bags, or to the onsite laboratory by company personnel. • The laboratories receipt received samples against the sample dispatch documents and issues a reconciliation report for every sample batch.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The Sandfire sampling techniques and data collection processes are of industry standard and have been subjected to multiple internal and external reviews.



Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Diamond drilling by Farm-in Partner Sandfire is on tenements E52/2313 and E52/2282. These tenements are part of Talisman's 100% owned Springfield Project, 150km north-east of Meekatharra, WA. These tenements fall within the Department of Conservation-managed Doolgunna pastoral lease. • All Springfield tenements are current and in good standing.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Exploration work at Springfield completed prior to Talisman's tenure included geochemical soil and rock chip sampling combined with geological mapping. Some targeted RC drilling was completed over gold and diamond targets.
Geology	• Deposit type, geological setting and style of mineralisation.	• Talisman's Doolgunna Project lies within the Proterozoic-aged Bryah rift basin enclosed between the Archaean Marymia Inlier to the north and the Proterozoic Yerrida basin to the south. • The principal exploration targets at the Doolgunna Projects are Volcanogenic Massive Sulphide (VMS) deposits located with the Proterozoic Bryah Basin of Western Australia.

Drill-hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill-holes:
	  ◦ easting and northing of the drill-hole collar
	  ◦ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill-hole collar
	  ◦ dip and azimuth of the hole
	  ◦ down hole length and interception depth
	  ◦ hole length.
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.
		• Refer to Table 2 -Drill-hole information summary , Springfield Project.



Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No new drilling intersections reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported. • If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• No new drilling intersections reported.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill-hole collar locations and appropriate sectional views.	• Appropriate maps with scale are included within the body of the accompanying document. • No new drilling intersections reported.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The accompanying document is considered to represent a balanced report.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Down Hole Electromagnetic (DHEM) Geophysical survey results are discussed in the body of the document.



Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Sandfire has indicated to Talisman that a follow-up drill-hole will be completed to target the geophysical anomaly identified in drill-hole TLDD0002A. Drill-hole details are included in Table 2 –Drill-hole Information Summary, Springfield Project