

## SPRINGFIELD EXPLORATION UPDATE

*Five VMS-prospective horizons now identified  
Reconnaissance and target drilling gathering momentum*

### COMPANY SNAPSHOT

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#### Capital Structure

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

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

ASX: TLM

- **Five specific stratigraphic horizons identified which are prospective for the development of VMS mineral systems within the Springfield Project.**
- **Several new conductive anomalies identified from a recent comprehensive MLEM survey in the northern and central corridors.**
- **Targeted and reconnaissance drill programs ongoing – diamond and RC drilling currently in progress with a major 10,000m, 150-hole RAB program scheduled to commence in late September.**

#### Monty

- *New intersection of 0.25m @ 1.13% Cu (SPD023) confirms initial prospectivity of the Monty VMS horizon.*
- *New VMS horizon identified which is interpreted to be the equivalent eastern position of RNI's Cow Hole Bore Prospect.*

#### Homer

- *3D geological model of Homer developed, confirming the VMS prospectivity and analogous geological setting to Sandfire's DeGrussa deposits and Thunderlarra's Red Bore Prospect across two potential VMS horizons.*

#### Abraham

- *New potential for prospective VMS horizon interpreted at the Abraham Prospect.*





Talisman Mining Ltd (ASX: **TLM**) is pleased to provide an update on ongoing exploration activities at the Company's flagship **Springfield Copper-Gold Project**, where five specific horizons have now been identified which are prospective for VMS-style mineralisation.

The Springfield Project comprises a 303km<sup>2</sup> ground package located approximately 150km north-east of Meekatharra in the northern Murchison Goldfields region of Western Australia (**Figure 1**). The project is located immediately along strike to the east of Sandfire Resources' DeGrussa Project, where mineral resources now stand at 14.33Mt @ 4.6% Cu and 1.6g/t Au contained in four deposits and mine development is underway.

The strength, size and grade of the DeGrussa Volcanogenic Massive Sulphide (VMS) system support Talisman's view that the exploration potential in this region and more importantly, immediately within the Company's Springfield Project – located just 4km to the east of the DeGrussa Deposits – is very high.

## **OVERVIEW**

Talisman has been aggressively exploring the Springfield Project since the grant of the first two project tenements in November 2009, with systematic exploration activities focused initially on the generation of high quality data sets capable of targeting VMS mineral systems.

This data is being used to develop a fully-integrated 3D geological model for the Springfield area with emphasis on identifying stratigraphic, structural and geochemical controls on VMS mineralization and to generate robust targets for drill testing.

Importantly, this systematic and fundamental approach to exploration has now **identified** what are interpreted to be **five specific stratigraphic horizons prospective for the development of VMS mineral systems (Figure 2)**.

The target horizons are typically identified by highly-anomalous copper-gold-zinc geochemistry and associated with extensive epidote-magnetite-hematite alteration.

At a number of prospects (e.g. Homer and Monty) significant copper-iron sulphides (i.e. chalcopyrite-pyrite) have been intersected in drilling, both as widespread disseminations and localised breccia-stringer mineralisation.

This style and strength of alteration and the widespread presence of copper-iron sulphides suggests that very active VMS mineralising processes have been in place at the Springfield Project.

Work to date has delineated these target horizons over a combined strike length of approximately 35 to 40km.

Exploration activities at Springfield are presently focussed on diamond and reverse circulation drilling, supported by down hole electromagnetic (DHEM) surveys, of specific, discrete targets along these target horizons.



## MONTY PROSPECT

Diamond drilling at the Monty Prospect has now defined a prospective VMS stratigraphic horizon over a strike length of at least 1.6 kilometres and potentially up to 3 kilometres based on the interpretation of geophysical and geochemical data in the southern portion of the Prospect (**Figure 3**).

Recent assay results from drill hole SPD023 have confirmed that the horizon remains open to the east with the intersection of a narrow zone (~0.25m) of quartz-sulphide (chalcopyrite-pyrite) mineralisation in this targeted position.

The mineralised zone returned final assay results of (see **Table 1** for details):

- **SPD023**                      **0.25 metres @ 1.13% Cu**                      **(146.33m – 146.58m)**

Previously released results from drilling along this horizon include (see **Table 1** for details):

- **SPD020**                      **0.3 metres @ 7.6% Cu**                      **(502.0m – 502.3m)**
- **SPD021**                      **0.5 metres @ 1.3% Cu and 1.0g/t Au**                      **(347.5m – 348m)**

Talisman believes that these drilling results are highly encouraging and have defined an extensive stratigraphic horizon prospective for VMS deposits (**Figure 4**).

Recent diamond drilling in the north of the Monty Prospect has targeted a series of discrete geophysical anomalies along the geochemically fertile northern margin of the Prospect at a contact between mafic volcanic rocks and an underlying dolerite-sediment package.

Drilling at this position has intersected widespread zones of strong hematite-magnetite alteration with minor disseminated chalcopyrite.

This contact, which has an interpreted strike length up to 10 kilometres, is likely to be the equivalent position to the Cow Bore Prospect, held by Resource and Investment NL (ASX: RNI), where significant gold-copper results have been announced by that Company.

Programs of diamond and RC drilling, supported by DHEM, across the two Monty VMS horizons are in progress.

## HOMER PROSPECT

The systematic exploration approach undertaken by Talisman in obtaining detailed geological data at the Homer Prospect has enabled the Company to compile a 3D geological model of that Prospect.

This 3D geological model has confirmed an analogous setting to Sandfire's DeGrussa deposits, with highly sheared mafic volcanics, dolerites and sedimentary horizons hosting copper-iron sulphides along an interpreted paleo-seafloor position that is interpreted to extend for at least 7km within Talisman's project area.

In addition, geochemically anomalous zones associated with jasperoidal chert horizons have been identified.



### **HOMER PROSPECT (Continued)**

This work confirms that Homer represents a highly prospective VMS horizon warranting further exploration.

The next phase of exploration at Homer, which is currently underway, is planned to test a series of structural targets and associated copper anomalies with RC drilling along this prospective northern VMS horizon.

Additionally, recent drilling and interpretation has confirmed that the southern portion of the Homer prospect, with an interpreted strike length at least 4 kms, is likely to be the equivalent position to the Red Bore Prospect held by Thundelarra Exploration Limited (ASX:THX), where significant gold-copper results have previously been announced.

This confirms an additional prospective VMS horizon for future targeting.

Follow-up diamond drilling and associated DHEM surveys will be planned in the future at Homer as required.

Additionally, a third phase of RAB drilling (150 holes for 10,000m) is scheduled to commence in late September to test the northern portion of the Springfield Project (**Figure 3**). These RAB drill holes, which will be drilled along eight 500m spaced traverses, are designed to test for prospective VMS stratigraphy and mineralization in interpreted structurally repeated positions to the north of Homer.

### **ABRAHAM PROSPECT**

Recent geological interpretation of the Abraham Prospect in the southern portion of the Springfield Project (**Figure 2**) has potentially identified an additional prospective stratigraphic position for VMS mineralisation.

Follow up assessment of this Prospect is planned for 2012.

### **GEOPHYSICS**

A comprehensive Moving Loop Electro-Magnetic (MLEM) survey has recently been completed with data gathered along 200m spaced lines over most of the Northern and Central Corridors.

Results from this survey are currently being assessed, but it is likely that a number of conductive anomalies identified to date will justify drill testing in the future once data is fully assessed and regulatory approvals achieved.

**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 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

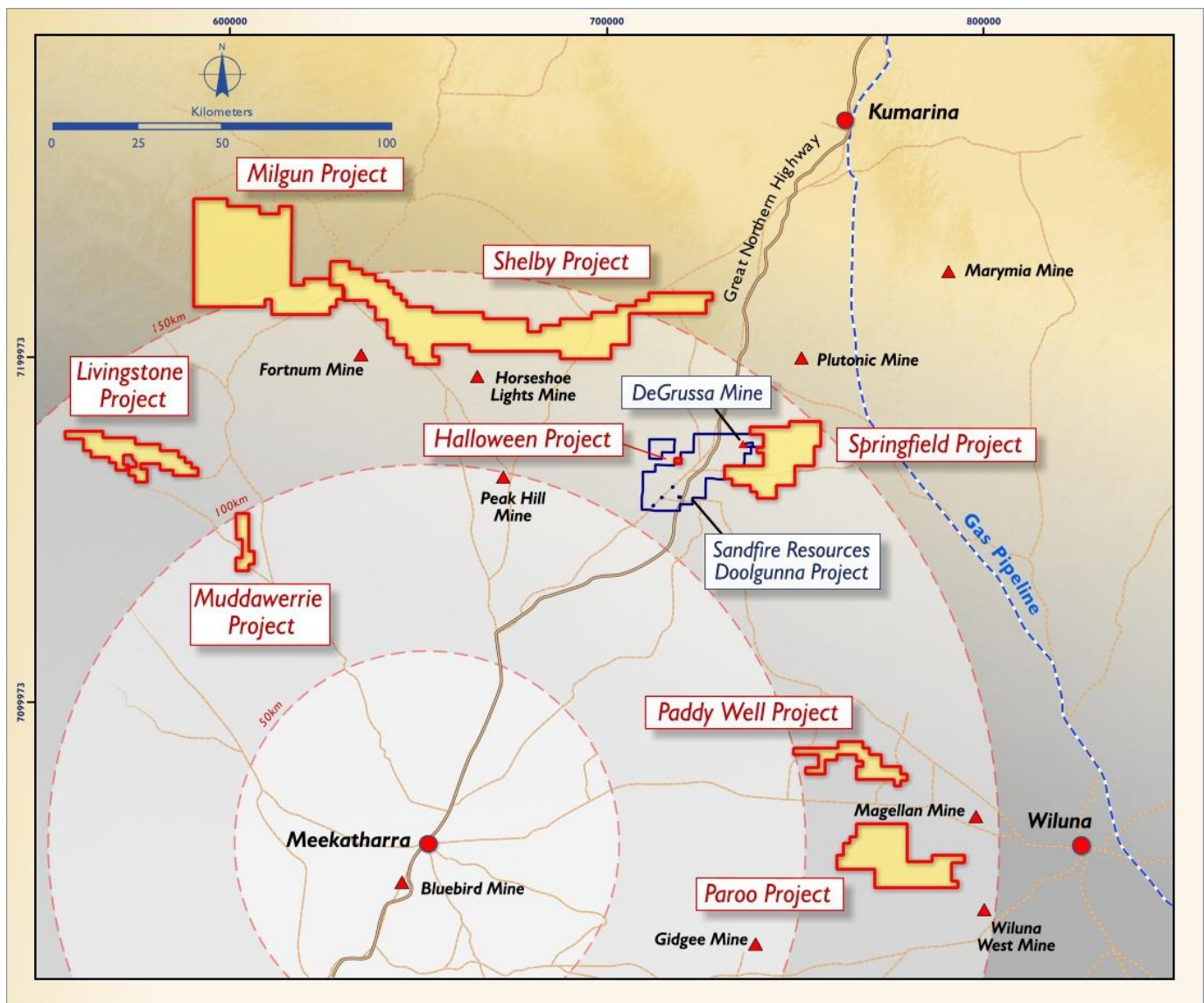




Figure 2 – Springfield Project

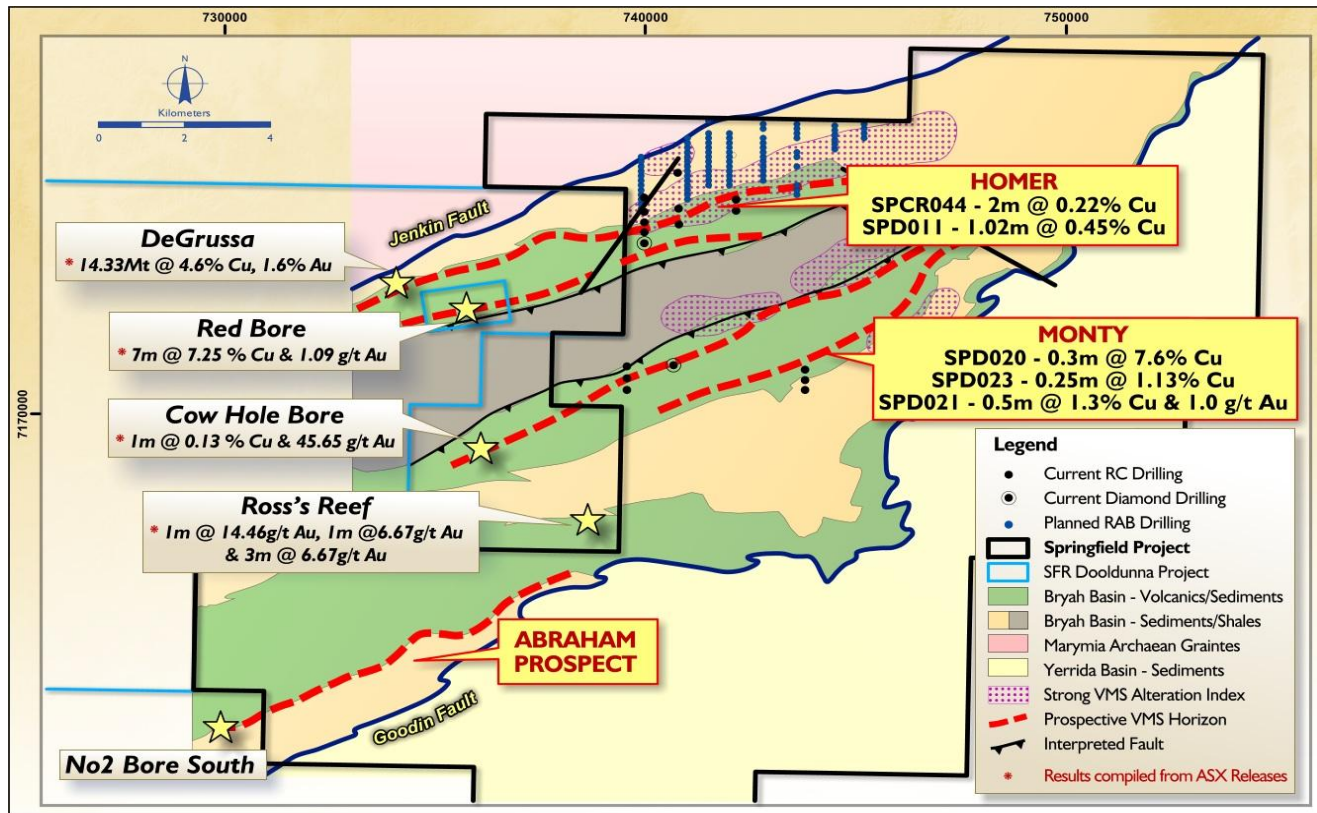


Figure 3 – Monty Prospect Interpreted Geology

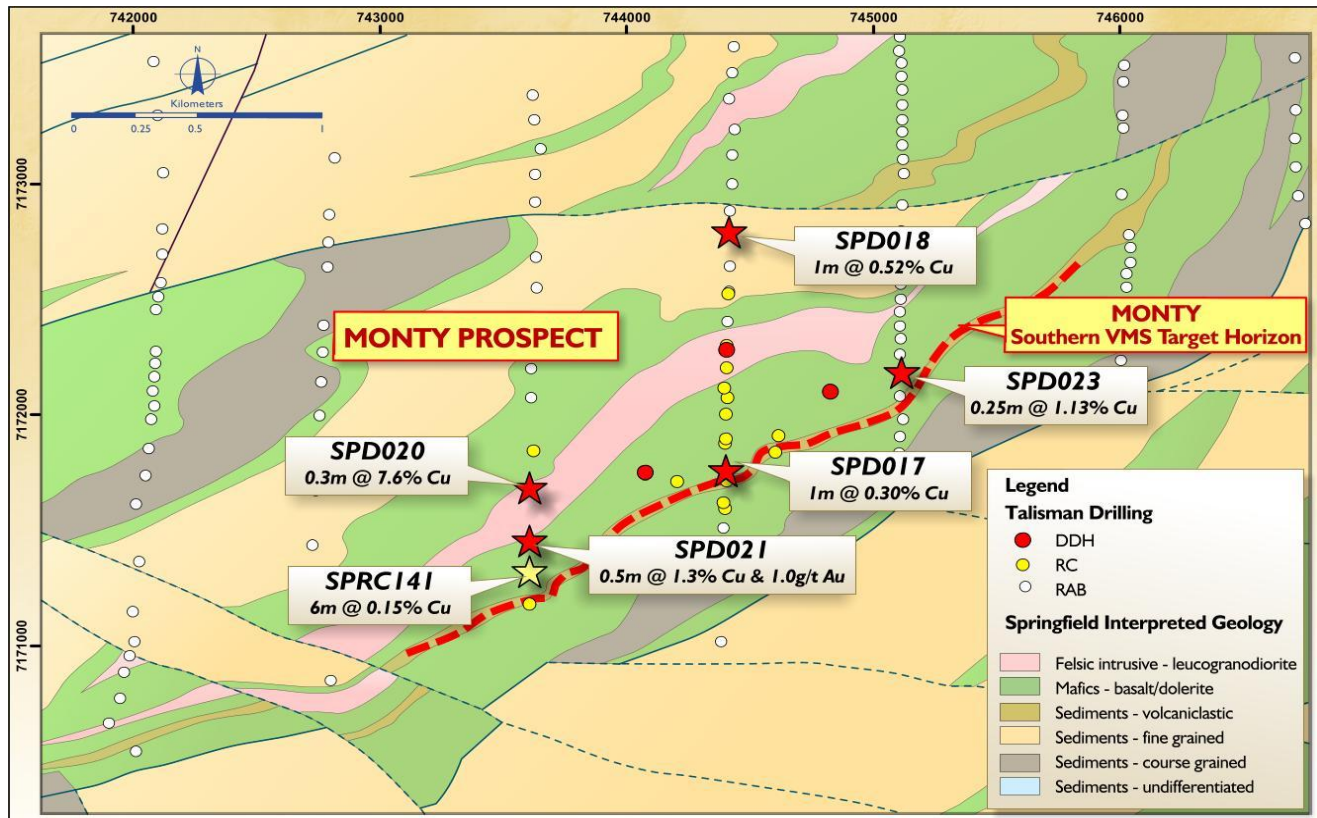




Figure 4 – Monty South Interpreted Section 743600mE

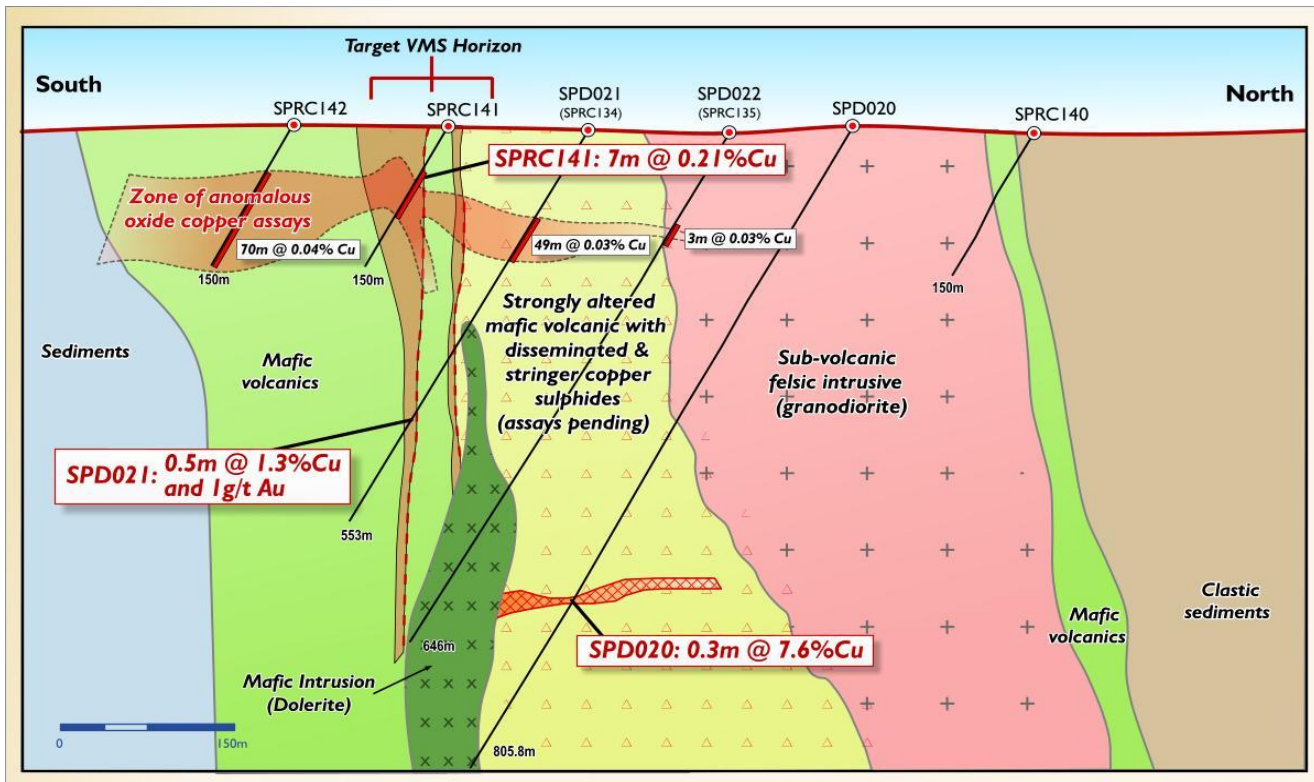




Table 1 – Significant Intercepts

Hole ID	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Intercept (m)	Cu (%)	Au (g/t)
SPD011	739902	7173823	-60	0	390	392.02	1.02	0.45	NSA
SPD017	744387	7171739	-60	180	261	262	1.0	0.30	0.02
SPD020	743603	7171669	-60	180	502.0	502.3	0.3	7.6	NSA
SPD021 (SPRC134)	743598	7171434	-60	180	347.5 (87)	348 (136)	0.5 (49)	1.3 (0.03)	1.0 (NSA)
SPD023	745100	7172175	-60	180	146.33	146.58	0.25	1.13	0.03
SPRC044	741989	7175494	-90	0	118	120	2.0	0.22	NSA
SPRC135	743596	7171560	-60	180	105	108	3.0	0.03*	NSA
SPRC141	743600	7171307	-60	180	65	72	7.0	0.21*	NSA
SPRC142	743604	7171169	-60	180	49	119	70	0.04*	NSA

NSA -No significant assay

N.B: SPRC134 used as pre-collar for SPD021

\*Note: Hand-held XRF Analyser - The estimates of Cu for RC samples referred to in this release are based on readings on pulverized drill-spoil samples using an InnovX portable XRF analyser. Whilst Talisman believes that these readings are indicative of grade, the Company wishes to make clear that the InnovX results are not formal assays and are an estimate of Cu grades only.