

29 April 2009

The Manager
Company Announcements Office
Australian Securities Exchange

By Electronic Lodgment

REPORT FOR QUARTER ENDED 31 MARCH 2009 AND APPENDIX 5B

Please find attached Talisman Mining Limited's Report for the Quarter Ended 31 March 2009 and Appendix 5B.

Yours sincerely



Gary Lethridge
Managing Director

Encl

For personal use only

29 April 2009

The Manager
Company Announcements Office
Australian Securities Exchange

By Electronic Lodgment

REPORT FOR QUARTER ENDED 31 MARCH, 2009

HIGHLIGHTS

EXPLORATION

Wonmunna

- An 80% increase in the Wonmunna Iron Ore Project's Total Inferred Resource to 78.3Mt @ 56.0% Fe (50% Fe cut off) across three key deposits. The increase includes maiden resource estimates for the CMM and SMM deposits and an increase to the NMM resource estimate.
- The new Wonmunna Resource estimate includes a significant high-grade Direct Shipping Ore ("DSO") resource of 10.0Mt @ 61.3% Fe (60% Fe cut-off).
- Continuation of the Wonmunna Scoping Study. Study receipt deferred due to contractor delays.
- Initial metallurgical testing and ore characterisation studies completed for CMM and SMM deposits.

Wandanya

- Completion of SkyTEM survey interpretation at the Wandanya Manganese Project.

Uaroo

- Encouraging gold and base metals results returned from reconnaissance sampling at Uaroo Project.

Yilgalong

- Soil sampling defines coherent gold anomalism at the Yilgalong Project.

CORPORATE

- Experienced Australian mining executive Gary Lethridge (a former senior executive with Jubilee Mines NL) appointed as Managing Director, effective 2 February 2009.

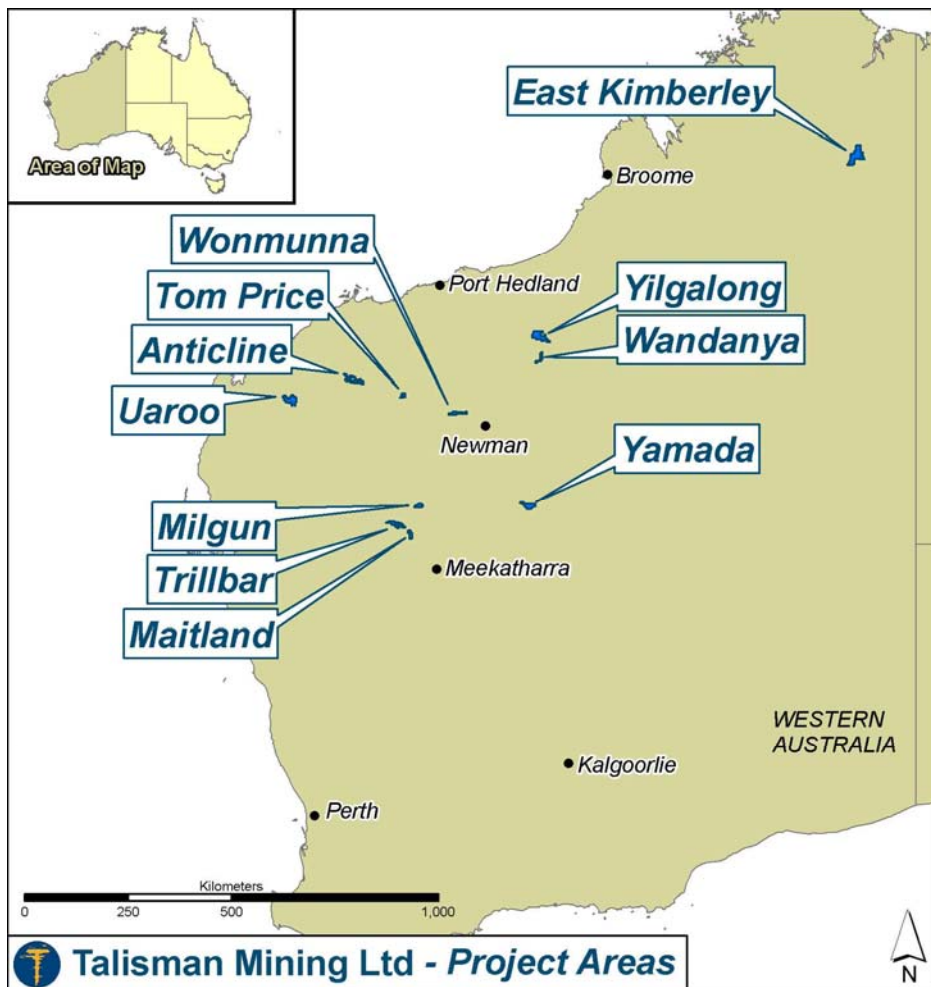
For personal use only

OVERVIEW

Exploration

Key activities undertaken during the March 2009 Quarter included the estimation and reporting of maiden JORC resources for the Central Marra Mamba (CMM) and South Marra Mamba (SMM) prospects at the Wonmunna Iron Ore Project which substantially increased the JORC resource inventory for the Wonmunna Project.

Via consultants the Company continued a desktop Scoping Study on the Wonmunna Project during the Quarter to identify potential development strategies and considerations. This Scoping Study was anticipated to be completed during the March Quarter; however contractor delays have resulted in the deferral of the completion of the Study report until the June Quarter.



In addition, the Company progressed preliminary exploration activities at the Wandanya Manganese Project, located in close proximity to the Woodie Woodie Manganese Mining Centre in the East Pilbara region, the Uaroo Project in the Gascoyne Region and the Yilgalong Gold Project in the East Pilbara.

Corporate

During the Quarter Gary Lethridge commenced as the Company's Managing Director following which Alan Senior, who had acted in the role of Executive Chairman, returned to the role of non-executive Chairman.

In addition Peter Langworthy and Brian Dawes, who respectively held the key roles of Executive General Manager – Exploration, and Executive General Manager – Operations and Projects with Jubilee Mines NL, have both been contracted to the Company as consultants and advisors considerably strengthening the Company's management team.

For personal use only

WONMUNNA IRON ORE PROJECT (100% Talisman)

The Wonmunna Iron Project is strategically located in the heartland of the East Pilbara iron ore mining industry, with three major operating iron ore mines (West Angelas, Area C and Hope Downs) located within 20km of the lease boundary. The Wonmunna Project comprises three primary iron deposits, (North Marra Mamba, Central Marra Mamba and South Marra Mamba) which are prospective for Marra Mamba iron mineralisation and numerous exploration targets prospective for both Marra Mamba and Channel Iron Deposit (CID) mineralisation. To date, JORC inferred resources totalling 78.3Mt @ 56.0% (50% Fe lower cut-off) have been estimated for the Project.

Following an intensive drilling program during the September & December 2008 quarters, on 21 January 2009 the Company announced a new mineral resource estimate for the Wonmunna iron ore project.

The new inferred mineral resource estimate has substantially increased the overall tonnage of Marra Mamba-hosted hematite-goethite mineralisation at the Wonmunna project to **78.3 million tonnes grading 56.0% Fe** using a 50% Fe cut-off (refer below for further details). This represents approximately an 80% increase over the previously announced maiden resource estimate (August 2008) of 44Mt @ 55.9% Fe (50% Fe cut-off).

The updated Inferred Mineral Resource also includes a significant component of high-grade Direct Shipping Ore (DSO), totalling **10.0 million tonnes @ 61.3% Fe** using a 60% Fe cut-off (see following section).

The substantial resource upgrade reflects the estimation of initial resources for the Central Marra Mamba (CMM) and South Marra Mamba (SMM) deposits, together with a small increase in the previous resource estimate for the North Marra Mamba (NMM) deposit (refer to Figure 1).

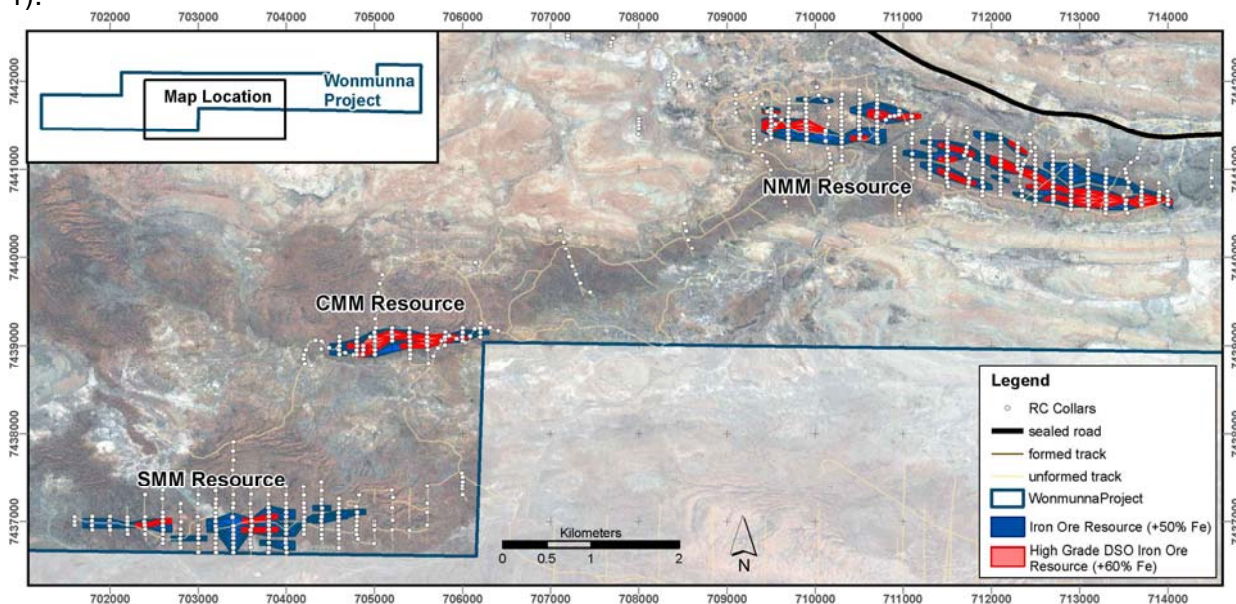


Figure 1: Location of Wonmunna Iron Ore Resources.

These three deposits underpin the current desktop Scoping Study being undertaken by AMC Consultants Pty Ltd, which continued during the Quarter. This study was anticipated to have been completed within the March 2009 Quarter, however contractor delays in completing the study have resulted in the expected delivery of the final report being deferred into the June 2009 quarter. The desktop Scoping Study is considering a suite of potential mine development scenarios for the Wonmunna project.

Metallurgical testwork and ore characterisation studies for the scoping study were completed during the Quarter for the NMM, CMM & SMM Mineral Resources by Mets Pty Ltd. The metallurgical testwork showed that the ore included within the 60% Fe cut off grade mineral resource estimate produces a saleable grade DSO product in both the lump and fines fractions. Results also indicate generally 'soft' ore, potentially amenable to continuous free-digging mining, with high lump: fines ratios in excess of 60:40.

Ongoing fieldwork by Talisman personnel comprising geological mapping and mineralogical investigations have also taken place within the project during the quarter.

Subsequent to the Quarter the Company commenced further assessment of the development potential of the Channel Iron Deposits in the Wonmuna project area.

Wonmuna Iron Ore Resource

The updated Mineral Resource estimate was prepared by Bosta Pratama, who is a full time employee of Quantitative Group (QG). QG is an independent group specialising in resource evaluation. This estimate was prepared under the supervision of, and with technical review by, Chris De-Vitry, who is a full time employee of QG. Chris De-Vitry acts as the Competent Person for the resource estimate, with Talisman's Exploration Manager, Harry Cornelius, acting as the Competent Person for the geological interpretation and data QA/QC that forms the foundation for this estimate.

The Mineral Resource estimate has been classified and reported in accordance with the 2004 JORC Code.

The updated Wonmuna Iron Ore Mineral Resource is presented in **Table 1** below:

Table 1: Wonmuna Iron Ore Project – Inferred Mineral Resources.

	Fe cut-off	Million Tonnes*	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
NMM Resource	50%	47.2	55.9	6.9	3.7	0.07	8.9
NMM DSO Resource	60%	6.2	61.4	3.0	1.8	0.07	7.2
CMM Resource	50%	15.2	56.8	5.7	3.3	0.10	9.5
CMM DSO Resource	60%	2.4	61.2	3.3	1.7	0.10	7.4
SMM Resource	50%	15.9	55.3	6.7	3.8	0.07	9.7
SMM DSO Resource	60%	1.4	61.2	2.9	1.6	0.06	7.6
Total Resources	50%	78.3	56.0	6.6	3.6	0.08	9.2
Total DSO Resources	60%	10.0	61.3	3.1	1.7	0.08	7.3

* In accordance with Clause 24 of the JORC Code, tonnages have been rounded to the nearest 0.1Mt.

For personal use only

WANDANYA MANGANESE PROJECT (100% Talisman)

The Wandanya Project is located in the East Pilbara manganese field, approximately 50km south west of the Woodie Woodie Manganese Operations (operated by Consolidated Minerals Limited, a subsidiary of Palmary Enterprises). Initial reconnaissance exploration at Wandanya has indicated the potential for high-grade manganese mineralisation, including several small, scattered outcrops of manganese mineralisation grading up to 65% Mn.

During the Quarter, work completed at Wandanya included initial interpretation of an airborne electromagnetic (SkyTEM) survey undertaken during the previous quarter, following up rock chip sampling of limited outcrop (which had previously returned assay results up to **64.96% Mn**) at the **Jarrow Prospect**.

The results of this work show a direct correlation with areas of structural complexity (with N-S running en-echelon fault swarms) hosting defined manganese mineralisation, as shown in **Figure 2**.

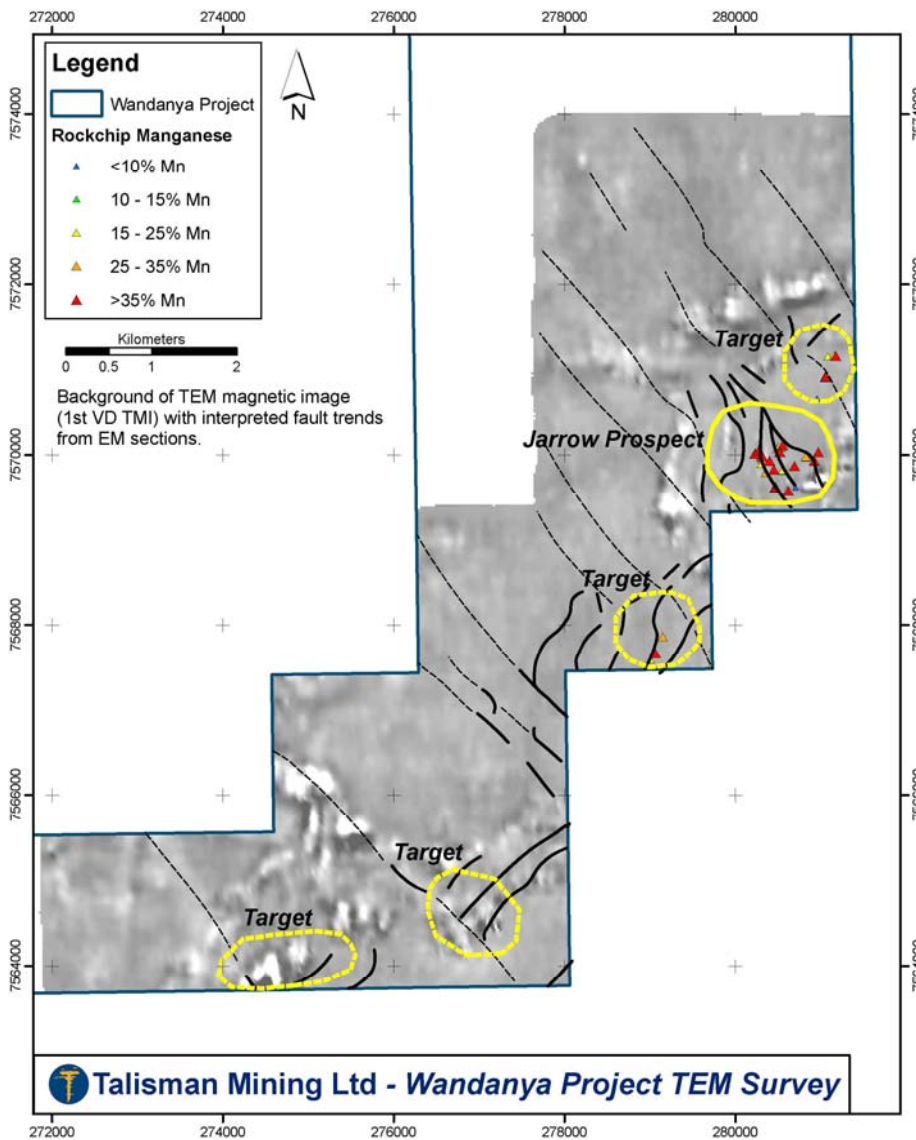


Figure 2: TEM Survey Anomalies at Wandanya

Further evaluation of the significance of this identified association will be undertaken in due course, with ongoing work including detailed interpretation of the SkyTEM and magnetic surveys, and further field mapping and sampling.

For personal use only

UAROO POLYMETALLIC PROJECT (100% Talisman)

The newly acquired Uaroo Project lies within the Ashburton Mineral Field approximately 370km northeast of Carnarvon along the Northwest Coastal Highway near the Uaroo Homestead in Western Australia. The Project covers a prospective suite of rocks that have had little effective historic exploration for their gold and base metals potential.

To date work completed at Uaroo by Talisman has included drainage and rock chip sampling which has produced very encouraging initial exploration results.

Results received from this preliminary exploration activity has highlighted a substantial Gold stream sediment anomaly, up to 3km wide and 8.5km long located within the central portion of the project. Peak rock chip sample results of **1.13g/t Au**, **0.84g/t Au** and **0.43g/t Au** (see **Figure 3**) were returned. Associated Silver/Copper/Lead/Zinc anomalism was also identified within this anomaly. Stream sampling in the west of the project also identified another large stream Nickel/Cobalt/Copper anomaly located over a mafic/ultramafic intrusion. This anomaly is approximately 1.5km wide by 8km long (see **Figure 3**).

In addition to the prospective gold and base metals results a series of linear Copper/Zinc/Lead cross-cutting (NE-trending) anomalies up to 22km long, that are host to significant historical workings, were identified, and rock chip results of up to **51.04% Fe**, **50.47% Fe** and **47.92% Mn** from banded iron formation within the centre of the project area were also returned.

The scale of these anomalies is considered to be encouraging and further work, including mapping, intensive rock chip sampling and soil sampling, is being planned in order to delineate the distribution, extent and potential of the mineralisation discovered with this early reconnaissance sampling.

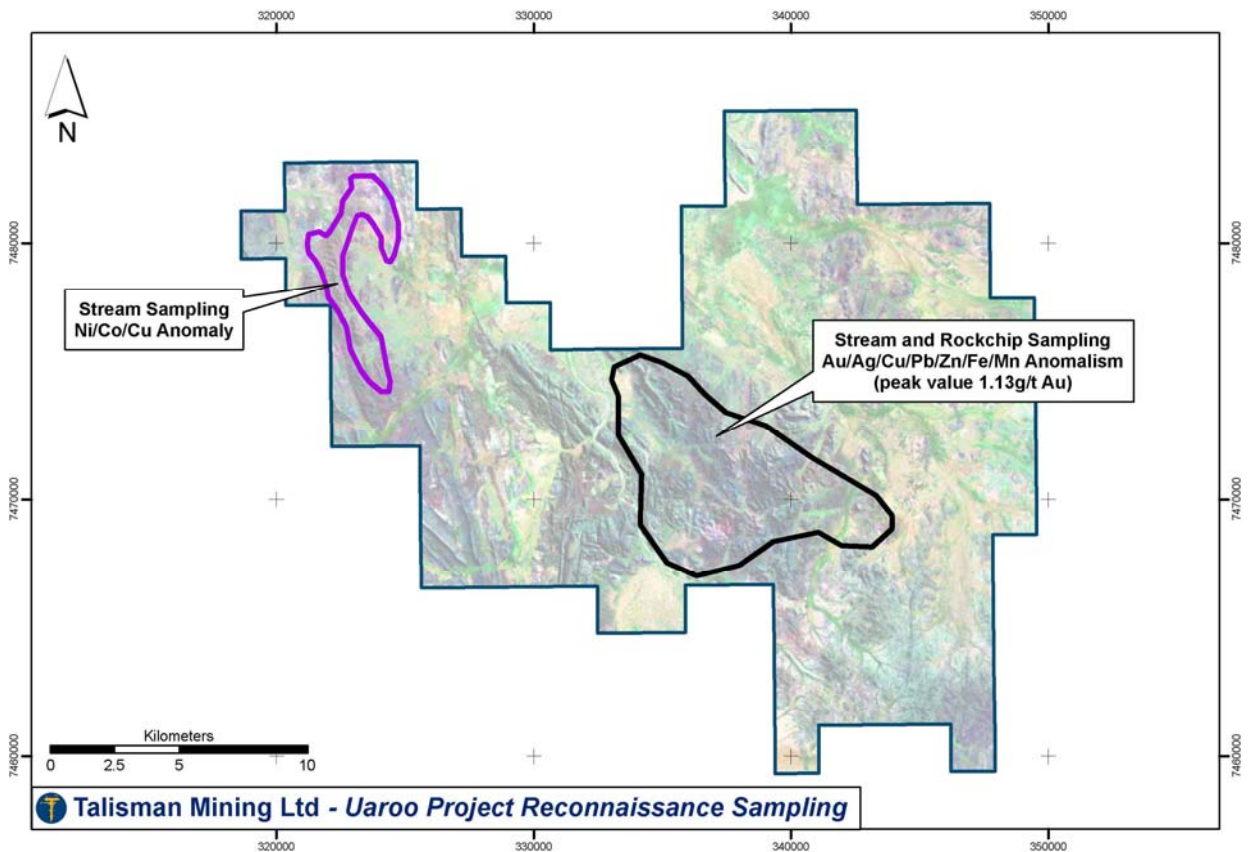


Figure 3: Uaroo Stream Sample Anomalies

YILGALONG GOLD PROJECT (100% Talisman)

The Yilgalong Project lies approximately 80km northeast of the township of Nullagine in Western Australia. The project covers a suite of rocks that have been under evaluated for their gold potential.

Talisman considers this largely unexplored project to have potential for the discovery of significant gold mineralisation hosted within extensions to known gold mineralisation trends due to the previously unrecognised existence of prospective Archaean terrane into this area.

Results received from the latest soil sampling program included gold-in-soil anomalism up to **106 ppb Au**, complementing previous soil sampling results by Talisman of up to **270ppb Au**.

These results define a coherent anomaly 3.7km long, representing a previously undefined eastern extension of historic workings on the Yilgalong lease, where earlier historic rock chipping results returned highly anomalous values of up to **68.0g/t Au, 1030.0g/t Ag**.

These results will be evaluated with further infill soil sampling, rock chip sampling and mapping in due course, in order to define future drill targets at the project.

YAMADA IRON ORE PROJECT (100% Talisman,)

No exploration activities were completed during the Quarter.

ANTICLINE POLYMETALLIC PROJECT (100% Talisman, Iron Ore rights held by FMG Ltd)

No exploration activities were completed during the Quarter.

TOM PRICE POLYMETALLIC PROJECT (100% Talisman, Iron Ore rights held by FMG Ltd)

No exploration activities were completed during the Quarter.

EAST KIMBERLEY POLYMETALLIC PROJECT (100% Talisman)

No exploration activities were completed during the Quarter.

MILGUN GOLD PROJECT (100% Talisman)

No exploration activities were completed during the Quarter.

TRILLBAR GOLD PROJECT (80% Talisman)

No exploration activities were completed during the Quarter.

MAITLAND GOLD PROJECT (80% Talisman)

No exploration activities were completed during the Quarter.

CORPORATE

Management Changes

During the quarter Talisman significantly strengthened its senior management capabilities and depth of experience by contracting all of the members of the executive management team (excluding Kerry Harmanis, who remains a substantial shareholder of Talisman) of the highly successful Australian nickel producer Jubilee Mines NL.

On 2 February, Gary Lethridge commenced as the Company's Managing Director, whilst on 19 February, Talisman secured the services as consultants and advisers of Peter Langworthy and Brian Dawes.

At Jubilee Mines Mr Lethridge held the position of Executive General Manager-Corporate / Chief Financial Officer, Mr Langworthy, Executive General Manager – Exploration, and Mr Dawes, Executive General Manager – Operations and Projects.

As consultants Mr Langworthy will provide his considerable expertise in exploration, geology and project assessment while Mr Dawes will contribute his extensive expertise in project assessment, feasibility studies, development and operations.

Option Issue

At an EGM held on March 17, shareholders voted to approve the issue of options to Mr Lethridge in accordance with his employment agreement. These options were issued on 18 March.

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 report that relates to the Wonmunna Mineral Resources is based on information compiled by Mr Chris De-Vitry, who is a member and registered practicing geologist of the Australian Institute of Geoscientists (AIG). Mr Chris De-Vitry is a full time employee of Quantitative Group (QG) and has sufficient experience in iron ore to act as competent person for this estimate as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Chris De-Vitry consents to the inclusion in this report of the Wonmunna Mineral Resource estimate.

Information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Harry Cornelius, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Harry Cornelius 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 Harry Cornelius consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

TALISMAN MINING LIMITED

ABN

71 079 536 495

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(315)	(3,173)
(b) development	-	-
(c) production	-	-
(d) administration	(268)	(803)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	76	181
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Other (Research and Development Tax Rebate)	-	147
Net Operating Cash Flows	(509)	(3,650)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(30)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(30)
1.13 Total operating and investing cash flows (carried forward)	(509)	(3,680)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(509)	(3,680)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	35
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(4)	(20)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		(4)	15
Net increase (decrease) in cash held		(513)	(3,665)
1.20	Cash at beginning of quarter/year to date	4,236	7,388
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,723	3,723

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration to director's and their associates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

For personal use only

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	180
4.2 Development	-
Total	180

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,223	236
5.2 Deposits at call	2,500	4,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,723	4,236

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	ELA04/1874	Application relinquished	100%	0%
	ELA08/1937	Application relinquished	100%	0%
	ELA51/1283	Application relinquished	100%	0%
	ELA51/1293	Application relinquished	100%	0%
	ELA52/2292	Application relinquished	100%	0%
	ELA52/2298	Application relinquished	100%	0%
	ELA27064	Application relinquished	100%	0%
	ELA27065	Application relinquished	100%	0%
	ELA27066	Application relinquished	100%	0%
6.2 Interests in mining tenements acquired or increased	ELA27067	Application relinquished	100%	0%

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	75,463,047	75,463,047		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	24,652,257	24,652,257	<i>Exercise price</i>	<i>Expiry date</i>
	2,222,000	-	20 cents	31 Dec 2010
	1,400,000	-	25 cents	31 Dec 2010
	1,500,000	-	\$1.20	31 Dec 2010
	1,500,000	-	\$1.00	30 Nov 2010
	1,500,000	-	\$1.20	30 Nov 2010
	1,500,000	-	\$1.60	30 Nov 2010
	1,500,000	-	\$2.20	30 Nov 2010
	500,000	-	\$1.00	31 May 2011
	500,000	-	\$1.20	31 May 2011
	500,000	-	\$1.60	31 May 2011
	500,000	-	\$2.20	31 May 2011
	4,000,000	-	22 cents	31 Aug 2011
7.8 Issued during quarter	4,000,000	-	22 cents	31 Aug 2011
7.9 Exercised during quarter				

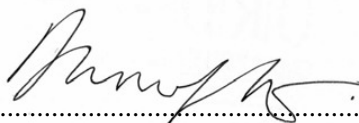
+ See chapter 19 for defined terms.

For personal use only

7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29 April 2009
(Company Secretary)

Print name: Darren Crawte

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

=====

+ See chapter 19 for defined terms.

For personal use only