



19 January 2018

Commencement of On-Ground Activities in NSW

Reconnaissance mapping and prospecting underway.

Preparations for initial geochemical drilling campaign commenced.

Highlights

- Talisman has commenced reconnaissance **field mapping and rock-chip sampling** over prospective areas identified from desk-top studies.
- Preparation work for the commencement of a **geochemical drill campaign** across **multiple targets** is underway.
- Detailed **regional structural review** of controls to mineralisation is in final stages, with **specific targeting** exercise to follow.
- Additional meetings held with landholders and further land access agreements successfully negotiated.



Figure 1: Historic Blind Calf Cu-Au Mine located in the NSW Lachlan Cu-Au Project area.





Talisman Mining Ltd (ASX: **TLM**; “**Talisman**”) is pleased to advise that it has commenced on-ground exploration activities on the Lachlan Copper-Gold Project in New South Wales which comprises Talisman’s own tenure, and the tenure associated with the recently announced¹ Peel Mining Limited (ASX: **PEX**) Joint Venture, Bacchus Resources Pty Ltd Joint Venture and purchase agreement with Kidman Resources Ltd (ASX: **KDR**) (Appendix 1).

The Lachlan Copper-Gold Project represents a new strategic exploration focus for Talisman in the underexplored, highly mineralised, central and eastern Lachlan Orogen. Talisman’s combined tenement package of 2,808km² represents a significant strategic landholding covering a strike length of approximately 160km along the Gilmore Suture (Appendix 1) which hosts the high-grade Mt Boppy, Bobadah and Mineral Hill gold, copper and base metal mines. Through building this landholding, Talisman has established itself as a major player in this highly prospective region.

Exploration efforts will be focused on the identification of copper-gold and base metal mineralisation, targeting sulphide-rich deposits associated with major structures (“Cobar-style”); Volcanic Associated Massive Sulphide (“VAMS”) base metal deposits; and high and intermediate sulphidation epithermal gold deposits.

Talisman geologists are currently completing initial reconnaissance geological mapping and rock chip sampling to verify copper, gold and base metal anomalies identified in historic data. (Figure 2).



Figure 2: Outcrop sampling on NSW Lachlan Cu-Au Project.

In parallel with this field work, a number of meetings have been held with landholders and access agreements have been successfully negotiated which provide Talisman with the ability to access tenure for planned on-ground exploration activities.

Talisman intends to quickly follow-up this initial reconnaissance work with systematic shallow auger drilling to collect samples for geochemical analysis. Small, light-vehicle mounted drilling rigs will be utilised as an efficient and cost-effective method of enabling the rapid collection of geochemical

¹ Refer to the TLM ASX announcement “AGM Presentation” dated 23 November 2017 for details of the PEX Joint Venture and TLM ASX announcement: “Further NSW Gold and Base Metals Tenure Secured” dated 9 January 2018 for details of the Bacchus farm-in and KDR purchase agreements.





samples over large areas with minimal environmental impact. Discussions are currently underway with various companies to assess the availability of suitable drilling rigs.

Following receipt of the necessary regulatory approvals, RC drilling will follow to test anomalies identified from the geochemical sampling programme, together with testing drill-ready targets highlighted in historical data.

Further information on the areas to be targeted with the auger geochemical drilling will be provided once plans have been finalised.

Ends

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About Talisman Mining

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman holds a 30% interest in the Springfield Joint Venture with Sandfire Resources NL (70% and JV manager). Springfield is located in a proven VMS province in Western Australia's Bryah Basin and contains multiple prospective corridors and active exploration activities. Springfield hosts the high-grade Monty copper-gold deposit which is located 10 kilometres from Sandfire's DeGrussa operations. Monty is one of the highest-grade copper-gold discoveries made globally in recent decades and a Feasibility Study on its development was completed in March 2017. The Feasibility Study highlighted the strong technical and financial viability of Monty. The Monty deposit is currently under development and Talisman has secured project debt financing for 100% of its share of pre-production capital costs.

Talisman also holds 100% of the Sinclair Nickel Project located in the world-class Agnew-Wiluna greenstone belt in WA's north-eastern Goldfields. The Sinclair nickel deposit, developed and commissioned in 2008 and operated successfully before being placed on care and maintenance in August 2013, produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% nickel. Sinclair has extensive infrastructure and includes a substantial 290km² tenement package covering more than 80km of strike in prospective ultramafic contact within a 35km radius of existing processing plant and infrastructure.

Talisman has also secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of 100% owned Exploration Licenses and through separate earn-in Joint Venture and tenement purchase agreements. The Cobar/Mineral Hill region is a richly mineralised district that hosts several base and precious metal mines including the CSA, Tritton, and Hera/Nymagee mines. This region contains highly prospective geology that has produced many long-life, high-grade mineral discoveries. Talisman has identified a number of areas within its own and Joint Venture tenements that show evidence of base and precious metals endowment which have had very little modern systematic exploration completed to date. Talisman believes there is significant potential for the discovery of substantial base metals and gold mineralisation within this land package.





Competent Person's Statement

Information in this ASX release that relates to Exploration Results and Exploration Targets is based on information completed by Mr Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is a full-time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposits 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 Greenaway consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

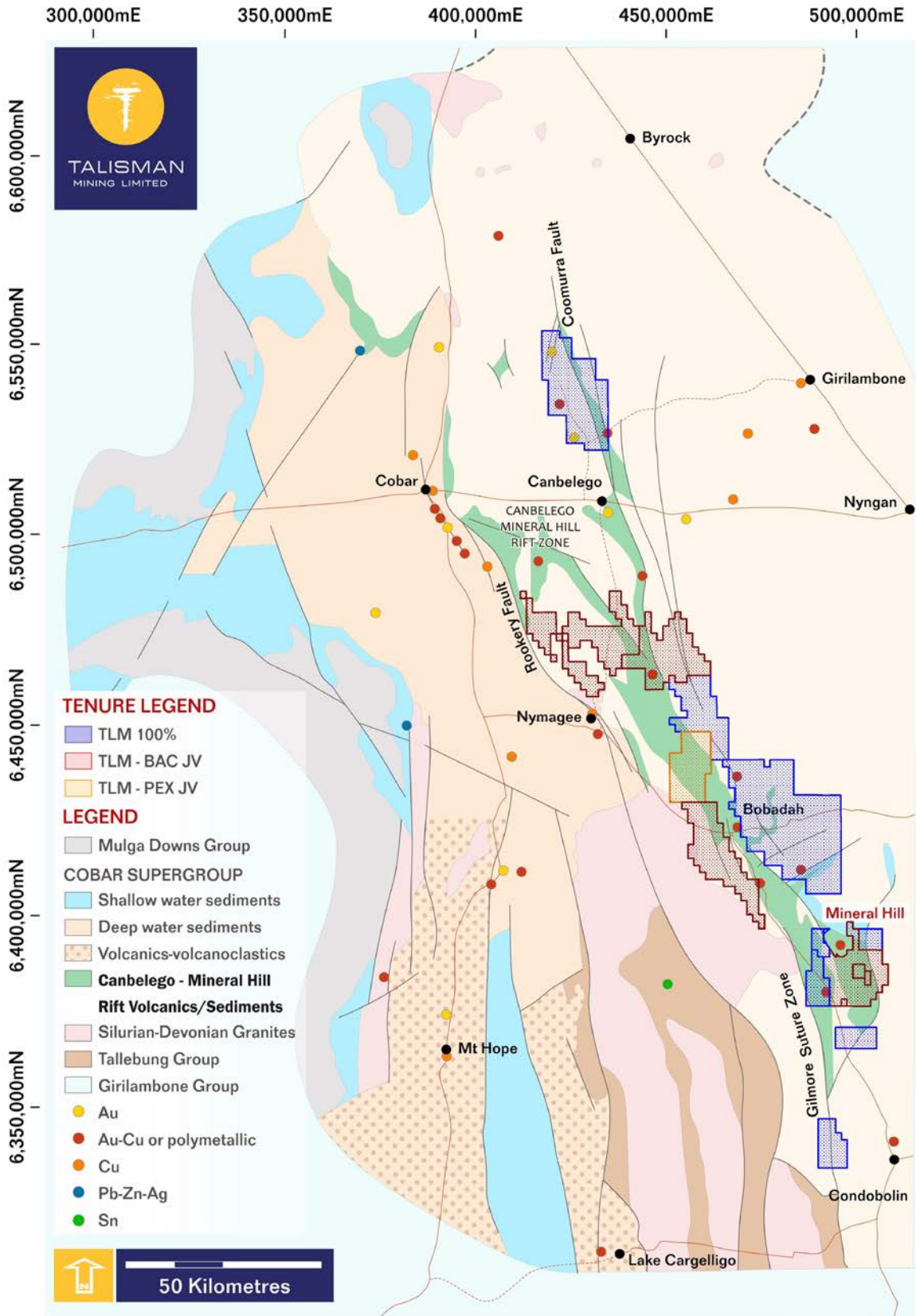
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APPENDIX 1

NSW Lachlan Project Tenure simplified regional geology and structure



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