01 December 2020

Encouraging results from reconnaissance RC drilling into large-scale Cumbine Gold Prospect, NSW

RC drilling into southern end of Cumbine gold anomaly intersects wide zone of mineralisation up to 500m from previous intercepts

Highlights:

- Second phase of Reverse Circulation drilling completed at the 1.1km by 600m ***Cumbine Gold Prospect,*** located within the ***Lachlan Copper-Gold Project*** in NSW.
- The limited reconnaissance program, comprising two holes for a total of 488m, was designed to target a magnetic anomaly and a north-west trending magnetic lineament.
- All assays have now been received with significant gold mineralisation encountered in hole CURC0006, best intervals include:
    - **13m @ 1.11 g/t Au from 234m**; and
    - **1m @ 1.29 g/t Au from 258**m
- The mineralisation has been intersected some 500m along strike to the south east of a previous intercept of 7m at 1.95g/t Au (CURC0003)[1] and some 600m south from an intercept of 3m at 3.2g/t Au (TMW005)[2], demonstrating the potential scale and fertility of the system at Cumbine.
- Further geochemical sampling and interpretation to be undertaken prior to planning possible further drilling.

Talisman Mining Ltd (ASX: TLM, **Talisman**) is pleased to advise it has received encouraging results from the second phase of Reverse Circulation (**RC**) drilling at the large-scale Cumbine gold prospect *(Table 1)*, located within Talisman's Lachlan Copper-Gold Project in NSW *(Appendix 1)*.

The limited reconnaissance program was designed to provide further information on this extensive gold target, which is defined by a large magnetic anomaly, extensive surface geochemical sampling and a north-west trending magnetic lineament.

The 2-hole RC program was targeted along strike to the south and south-west (500-600m) from ore grade mineralisation intersected in previous and historical drilling to provide further information on the potential scale of the exploration opportunity at Cumbine.

One metre sample intervals were submitted to ALS Global laboratories in Orange NSW for gold analysis using fire assay and all assays have now been received.

[1] Refer Talisman ASX announcement dated 30 November 2018 for full details including JORC tables.

[2] Refer NSW DIGS report R00030150.

The drilling intersected fine grained volcaniclastic and medium grained felsic volcanic lithologies as well as significant gold mineralisation in hole CURC006 *(Table 2).* The gold mineralisation is hosted predominantly within a medium grained felsic volcanic lithology and has a strong association with quartz veining, pyrite and sericite alteration *(Figure 1).*

Best intervals are listed below.

- CURC0006 – **13m at 1.11 g/t Au from 238 metres**
- CURC0006 – **1m at 1.29 g/t Au from 258 metres**

The drilling also intersected low-level gold mineralisation in hole CURC0005 which is interpreted to be the up-dip extension of the mineralisation intersected in hole CURC0006. The interval in CURC0005 assayed 6 metres at 0.12 g/t Au from 81 metres.

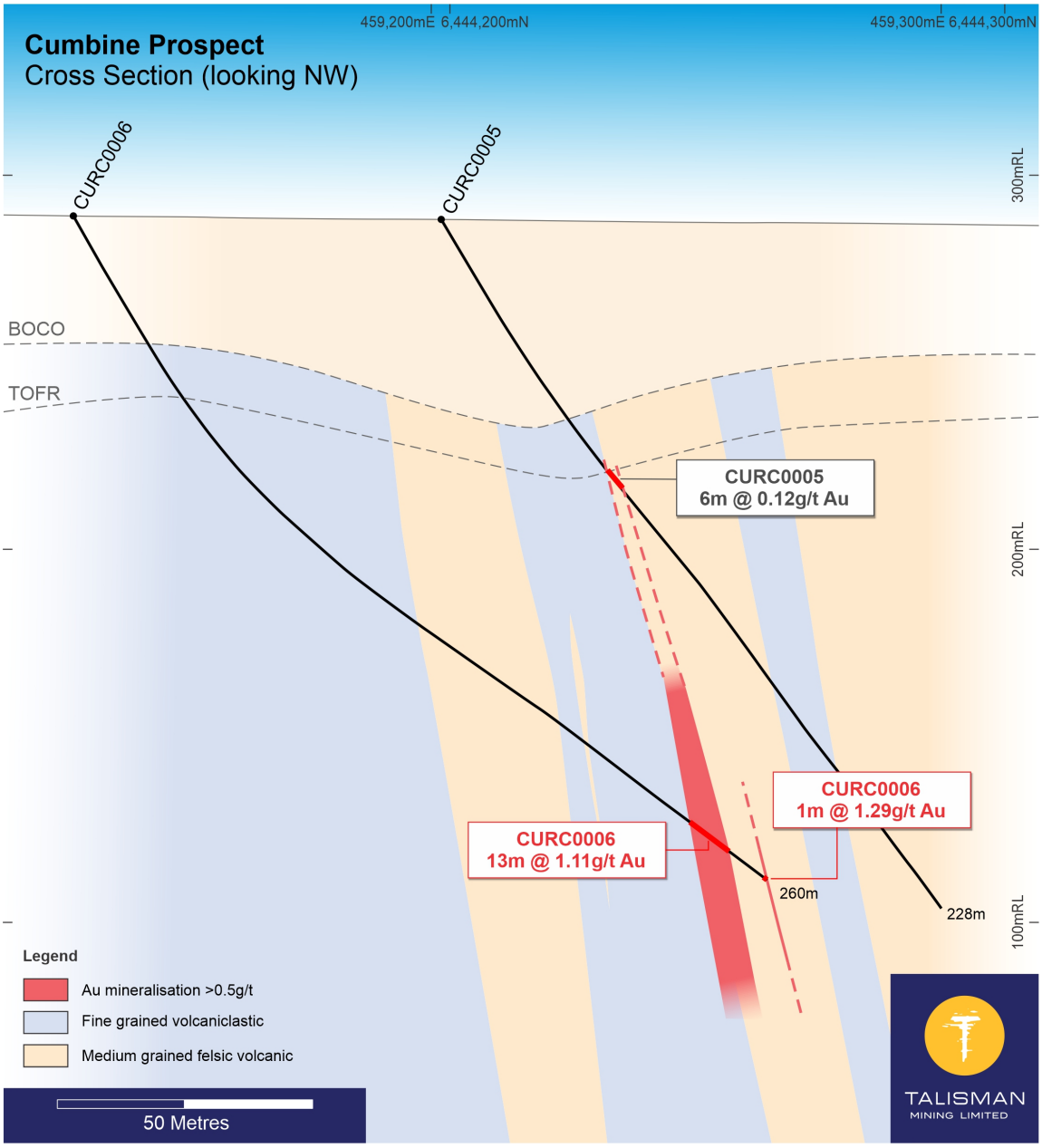

Figure 1: Cumbine Gold prospect cross-section (looking NW), showing holes CURC0005 and CURC0006.

These results are highly encouraging and have extended the footprint of known gold mineralisation in the area.

The results also support the interpretation of a north-west trending structure that has the potential to host additional gold mineralisation *(Figure 2).*

Ongoing exploration within the prospect area will focus on in-fill soil sampling and mapping over the coming months with the objective of better understanding the controls on gold mineralisation and providing targets for future drilling.

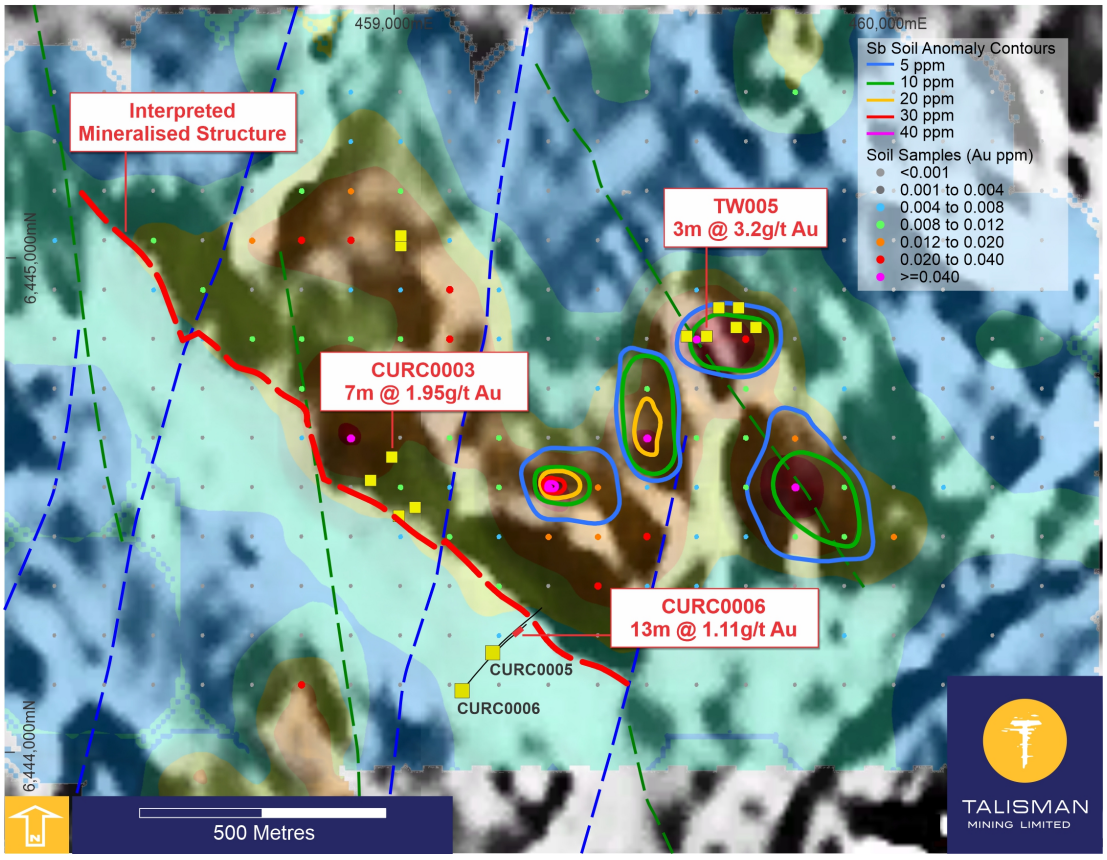

Figure 2: Cumbine Gold Prospect showing previous drilling[3,4], soil geochemistry and recent RC drilling.

Babinda Copper Prospect (EL8658 – TLM 51%)

As previously announced to the ASX[5], Talisman conducted a ground electromagnetic (**EM**) survey over the Babinda copper prospect. This EM survey has now been completed and the data has been processed and interpreted by Southern Geoscience Consultants Pty Ltd. The survey included 104 stations and 4.95 line kilometres.

The survey did not detect any conductors that could be attributed to a massive sulphide body. The prospect is considered to have the potential to host copper mineralisation however further geological

[3] Refer NSW DIGS report R00030150.

[4] Refer Talisman ASX announcement dated 30 November 2018 for full details including JORC tables.

[5] Refer Talisman ASX announcement dated 20 October 2020 for full details.

interpretation and review will be undertaken to assess future exploration activities for the prospect in the short term.

Blind Calf Copper Prospect

RC drilling at the Blind Calf Copper Prospect is well advanced and expected to be completed within the next week. An update on this drilling and expected timeframe for assay results will be provided in due course.

Ends

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This release has been authorised by the Board of Talisman Mining Limited.

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 has secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of its own Exploration Licenses and through separate farm-in and joint venture 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 Lachlan Cu-Au Project 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 and is undertaking active exploration to test a number of these targets.

Talisman has also entered into a joint venture with privately-owned Lucknow Gold Limited in relation to the Lucknow Gold Project (EL6455) in New South Wales. The Lucknow Goldfield was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. Historic production records at the Project are incomplete, however in excess of 400,000 ounces of gold has reportedly been produced at grades of 100 to 200 g/t gold[6].Very little modern exploration has been completed outside of the existing mine workings and Talisman intends to undertake a program of geochemical surface sampling and mapping at the Project ahead of a drilling program to test for potential down plunge extensions of the high-grade gold ore shoots and repeat structures throughout the Project area.

Competent Person's Statement

Information in this announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation complied by Mr Donald Huntly, who is a member of the Australasian Institute of Geoscientists. Mr Huntly 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Huntly has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

[6] NSW DIGS report, First Annual Exploration Report EL5770, 2001 -R00030162

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.

Table 1: Drill-hole information summary

Details and co-ordinates of Cumbine Gold Prospect RC drill-hole collars completed during the period October to November 2020.

Hole ID	Grid ID	Dip	Azimuth (True)	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Comment
CURC0005	MGA94_Z55	-60^0	040^0	*459,200*	*6,444,201*	*288*	*RC*	*228*	Complete
CURC0006	MGA94_Z55	-60^0	040^0	*459,138*	*6,444,124*	*288*	*RC*	*260*	Complete

Table 2: RC drill-hole assay intersections

Details of Cumbine Gold Prospect RC drilling intersections received to date by Talisman are provided below.

Calculation of intersections for inclusion into this table are based at 0.5g/t Au cut-off, no more than 3m of internal dilution and a minimum composite grade of 0.5g/t Au

The listed intersections relating to the Lachlan Project, Cumbine Gold Prospect, are reported as down hole intersections. True widths of the reported mineralisation are not known at this time.

Hole ID	Depth From (m)	Depth To (m)	Interval (down-Hole) (m)	Au (g/t)	Comments
CURC0005	No significant results				6m at 0.12 g/t Au from 81m
CURC0006	234	247	13	1.11	Felsic and volcaniclastic unit contact
	258	259	1	1.29	Felsic volcanic host

Appendix 1
Lachlan Copper- Gold Project tenure

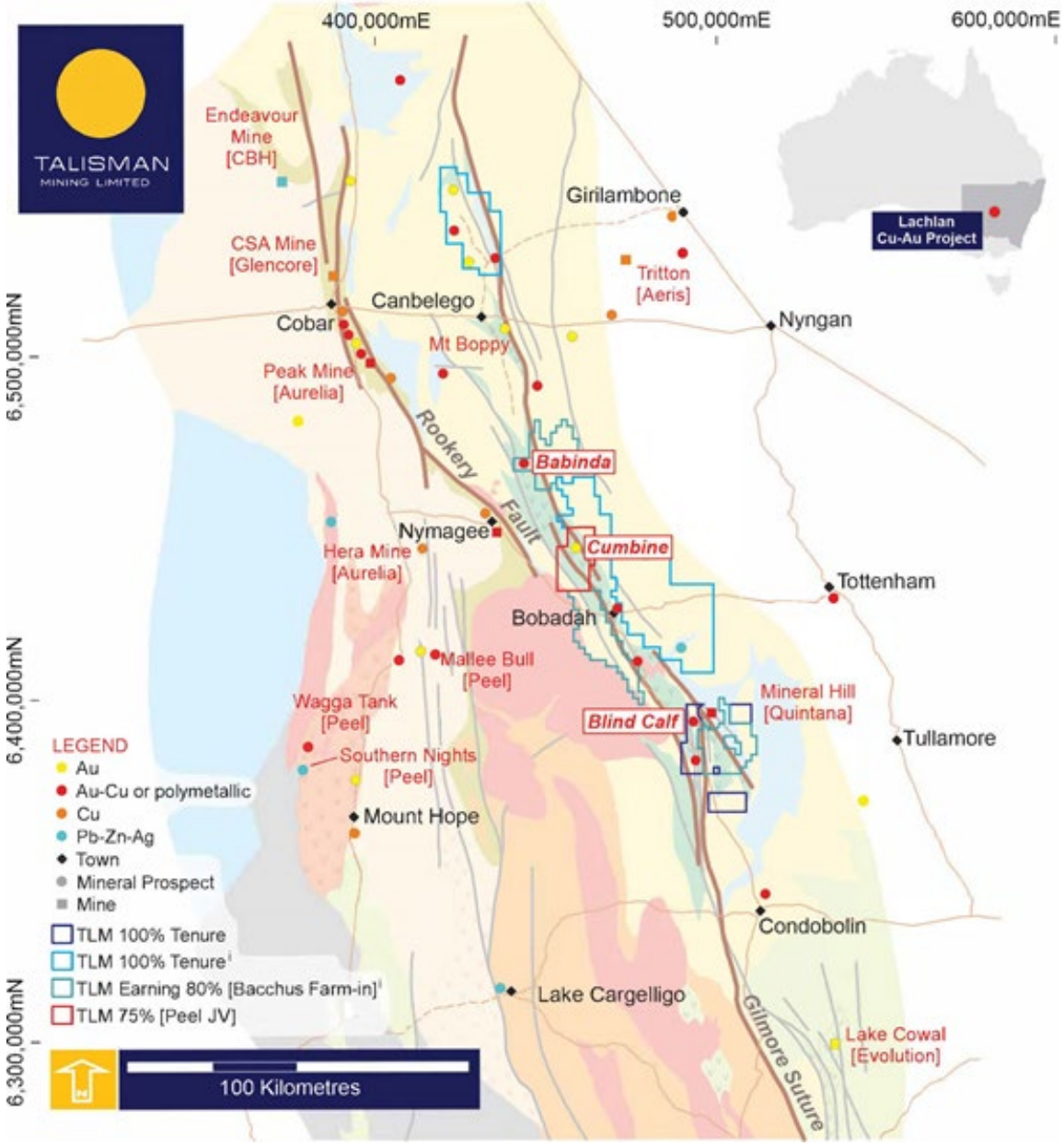

Figure 3: Talisman's Lachlan Cu-Au Project, showing key tenements, nearby mines and prospects and underlying geology[7].

[7] Refer Talisman ASX announcements dated 26 March 2020 and 5 May 2020 for full details of Bacchus Farm-in Agreement.

Appendix 2
JORC Tables Section 1 & 2

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 3kg 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.*	• Drilling cited in this report was completed by Haverford Holdings Pty Ltd, a wholly owned subsidiary of Talisman Mining Limited. • Sampling techniques employed at the Lachlan Copper-Gold Project include ○ Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling scoop for composite samples • Sampling is controlled by Talisman protocols and QAQC procedures as per industry standard • RC samples were dried, crushed (where required), split and pulverised (total prep) to produce a sub sample for base metal analysis by four acid digest with an ICP/AES and a 50g sub sample for gold analysis by fire assay
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).*	• RC drilling is completed with a face sampling hammer of nominal 140mm size
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.*	• RC drill sample recovery is generally high with sample recoveries and quality recorded in the database. • No known relationship exists between recovery and grade and no known bias exists.
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.*	• RC logging records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples and is considered to be representative across the intercepted geological units. • RC logging is both qualitative and quantitative depending on the field being logged. • All RC drill-holes are logged in full to end of hole.

Criteria	JORC Code explanation	Commentary
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.*	• RC chip samples are analyses using a portable XRF machine to help identify base metal mineralisation • RC samples were dried, crushed (where required), split and pulverised (total prep) to produce a sub sample for base metal analysis by using a 50g sub sample for gold analysis by fire assay • QAQC protocols for all auger sampling involved the use of Certified Reference Material (CRM) as assay standards. • All QAQC controls and measures were routinely reviewed. • Sample size is considered appropriate for low-level geochemical sample for base-metal and gold mineralisation.
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, spectrometres, handheld XRF instruments, etc, the parametres 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.*	• QAQC protocols for all auger sampling involved the use of CRM as assay standards. • All assays are required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines. • All QAQC controls and measures were routinely reviewed. • Laboratory checks (repeats) occurred at a frequency of 1 in 25. • Portable XRF instrument Innovex Delta Gold is used for qualitative and semi-quantitative field analysis of base-metals in RC chip samples. The PXRF instrument is routinely calibrated using a calibration standard. CRM samples are included at a frequency of 1:50 and field duplicate samples are included at a frequency of 1:50. No PXRF results are reported
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.*	• Significant intercepts have been verified by alternate company personnel. • Logging and sampling data is captured and imported using Ocris software. • Assay data is downloaded directly from the PXRF machine, or uploaded directly from the CSV filed provided by the laboratory. • Primary laboratory assay data is always kept and is not replaced by any 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.*	• Talisman RC drill collar locations are pegged using a hand-held GPS. With final collar location surveys with sub-meter DGPS • The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 55 (MGA).

Criteria	JORC Code explanation	Commentary
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.*	• Drill spacing at the Lachlan Copper-Gold Project varies depending on requirements • No mineral resource is being reported for the Lachlan Copper-Gold Project. • No sample compositing has been applied.
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.*	• Samples were taken according to observations at the time in the field.
Sample security	• *The measures taken to ensure sample security.*	• RC samples were stored on site at the Lachlan Copper-Gold Project prior to submission under the supervision of the Senior Project Geologist. Samples were transported to ALS Chemex Laboratories Orange by an accredited courier service.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews of the sampling techniques and data have been completed.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section)

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.*
		• The Lachlan Copper Gold Project currently comprises 9 granted exploration licences:
		  ○ EL8547, EL8571, EL8658 and EL8680 held by Bacchus Resources P/L ("Bacchus") with Haverford Holdings Pty Ltd ("Haverford"), a wholly owned subsidiary of Talisman Mining Limited ("Talisman"), earning up to a 80% interest (Refer Talisman ASX announcements 09 January 2018, 26 March 2020 and 5 May 2020 for full details);
		  ○ EL8615, EL8659 and EL8677 held by Haverford with Bacchus entitled to receive a 20% interest (Refer Talisman ASX announcements 09 January 2018, 26 March 2020 and 5 May 2020 for full details);
		  ○ EL8414 held by Peel Mining Limited with Haverford earning up to a 75% interest (Refer Talisman ASX announcement "AGM Presentation" 23 November 2017); and
		  ○ EL8719 held 100% by Haverford.
		• There are no known Native Title Claims over the Lachlan Copper-Gold Project.
		• All tenements are in good standing and there are no existing known impediments to exploration or mining.

Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Lachlan Copper-Gold Project has been subject to exploration by numerous previous explorers. • Exploration work on has included diamond, RC and Air Core drilling, ground and down-hole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Lachlan Copper-Gold Project lies within the Central Lachlan Fold belt in NSW. • The Lachlan Copper-Gold Project is considered prospective for epithermal style base-metal and precious metal mineralisation, orogenic mineralisation, and Cobar style base-metal mineralisation.

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.*
		• Historical drilling intercepts have been appropriately referenced to source information.

Criteria	JORC Code explanation	Commentary
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.*	• Significant intersections reported from the Lachlan Copper-Gold Project are based on greater than 0.5% Cu and/or 0.5g/t Au and may include up to 3m of internal dilution, with a minimum composite grade of 0.5% Cu and or 0.5g/t Au. • Cu and Au grades used for calculating significant intersections are uncut. • All results reported in this document have been derived from 1m split samples. • Length weighted intercepts are reported for mineralised intersections.
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').*	• Drill-holes relating to the Lachlan Copper-Gold Project are reported as down hole intersections. True widths of reported mineralisation are not known at this time.
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.
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.*	• Contouring of geochemical PXRF data provides an appropriate representation of the 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.*	• All meaningful and material information is reported.
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.*	• Planned future work at the Lachlan Copper-Gold Project includes auger sampling, RC/ diamond drilling and geophysical surveys.