



29 January 2021

December 2020 Quarterly Activities Report

Lachlan Copper-Gold Project, NSW

- Reconnaissance Reverse Circulation (RC) drilling program, comprising two holes for 488m, completed at the 1.1km by 600m Cumbine Gold Prospect, located within the Lachlan Copper-Gold Project in NSW.
- All assays received, with significant gold mineralisation encountered in hole CURC0006. Best intervals included:
 - **13m @ 1.11g/t Au from 234m; and**
 - **1m @ 1.29g/t Au from 258m¹**
- The mineralisation was intersected 500m along strike to the south-east of a previous intercept of 7m at 1.95g/t Au (CURC0003)² and 600m south of an intercept of 3m at 3.2g/t Au (TMW005)³, demonstrating the potential scale and prospectivity of the system at Cumbine.
- Further geochemical sampling and interpretation to be undertaken at Cumbine prior to planning possible further drilling.
- Samples from RC drilling targeting down-hole EM conductors⁴ at the Blind Calf Copper Prospect, comprising four holes for 652m, were submitted to ALS Global in Orange NSW for base metal and gold analysis, with results pending.

Lucknow Gold Project, NSW

- Planning activities continued for the next phase of exploration targeting the near-surface potential along strike and to the north-west of the historical mine.

Corporate

- Review of multiple potential precious and base metal growth opportunities ongoing.
- Cash on hand at 31 December 2020 of **\$10.1 million**.

¹ Refer Talisman ASX announcement dated 01 December 2020 for full details including JORC tables.

² Refer Talisman ASX announcement dated 30 November 2018 for full details including JORC tables.

³ Refer NSW DIGS report R00030150.

⁴ Refer Talisman ASX announcement dated 20 November 2020 for full details including JORC tables.





COVID-19

During the December 2020 quarter, the Company maintained measures across the corporate office and exploration sites to protect the safety and well-being of all our employees and contractors. The Company continues to monitor the global pandemic with respect to potential impacts on its current work activities.

Lachlan Copper-Gold Project, NSW

During the December 2020 quarter, Talisman undertook Reverse Circulation (**RC**) drilling programs at the Cumbine gold and Blind Calf copper prospects (*refer Appendix 2*). In addition, a ground electromagnetic (**EM**) survey at the Babinda copper prospect was also completed⁵.

Cumbine

A two-hole, 488m reconnaissance RC program was completed at Cumbine during the quarter, targeting an area 500-600m along strike to the south and south-west from ore-grade mineralisation intersected in previous and historical drilling.

The drilling returned encouraging results, intersecting fine-grained volcanoclastic and medium-grained felsic volcanic lithologies as well as significant gold mineralisation in hole CURC006¹. 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 (*refer Figure 1*).

Best intervals are listed below.

- CURC0006 – **13m at 1.11g/t Au from 234 metres**
- CURC0006 – **1m at 1.29g/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 0.12g/t Au from 81 metres¹.

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*).

Exploration at Cumbine over the coming quarter will focus on in-fill soil sampling and mapping, with the objective of better understanding the controls on gold mineralisation and providing targets for future drilling.

⁵ Refer Talisman ASX announcement dated 20 October 2020 for full details including JORC tables.



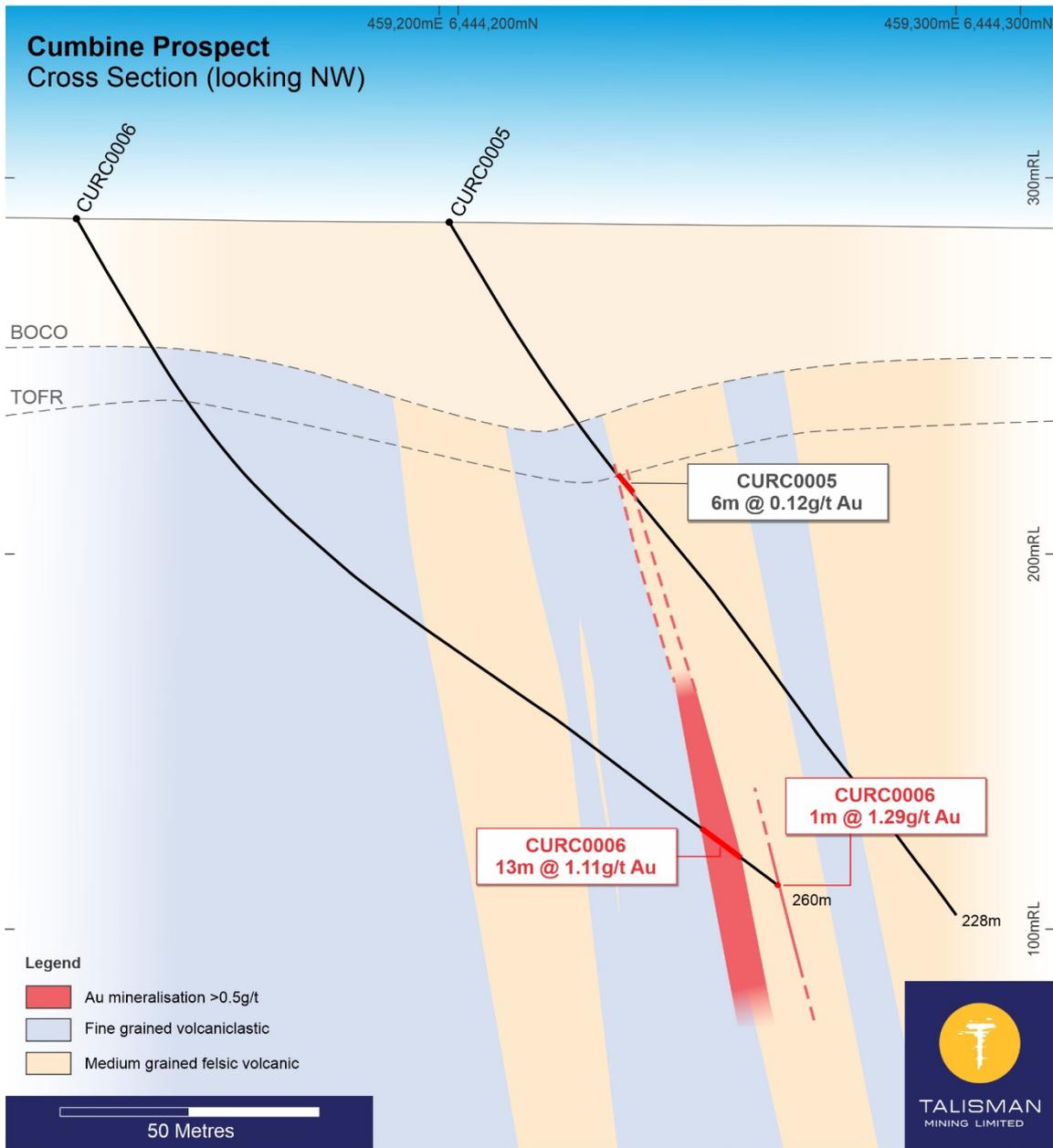


Figure 1: Cumbine Gold prospect cross-section (looking NW), showing holes CURC0005 and CURC0006.



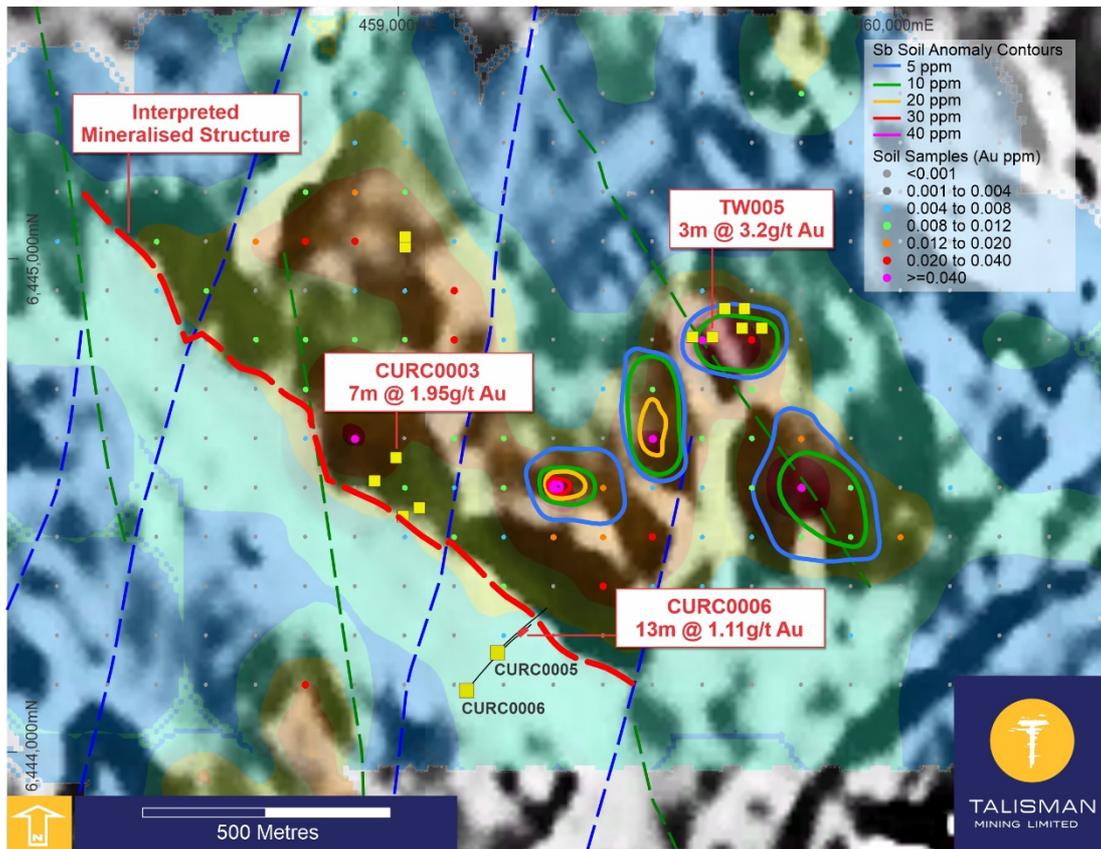


Figure 2: Cumbine Gold Prospect showing previous drilling^{6,7}, soil geochemistry and recent RC drilling.

Blind Calf-Dunbars Copper Lode System – Down-hole EM Anomalies

Four RC drill holes were completed for a total of 652m. As previously announced, the holes were targeting down-hole electromagnetic conductors identified from previous Talisman drilling (Figure 3)⁴. The holes varied in depth from 92 to 200m.

Selected samples were submitted to ALS Global in Orange NSW for base metal and gold analysis. Results are pending due to processing delays being experience at the laboratory.

Down-hole EM will be completed on these four holes during the coming quarter.

⁶ Refer NSW DIGS report R00030150.

⁷ Refer Talisman ASX announcement dated 30 November 2018 for full details including JORC tables.



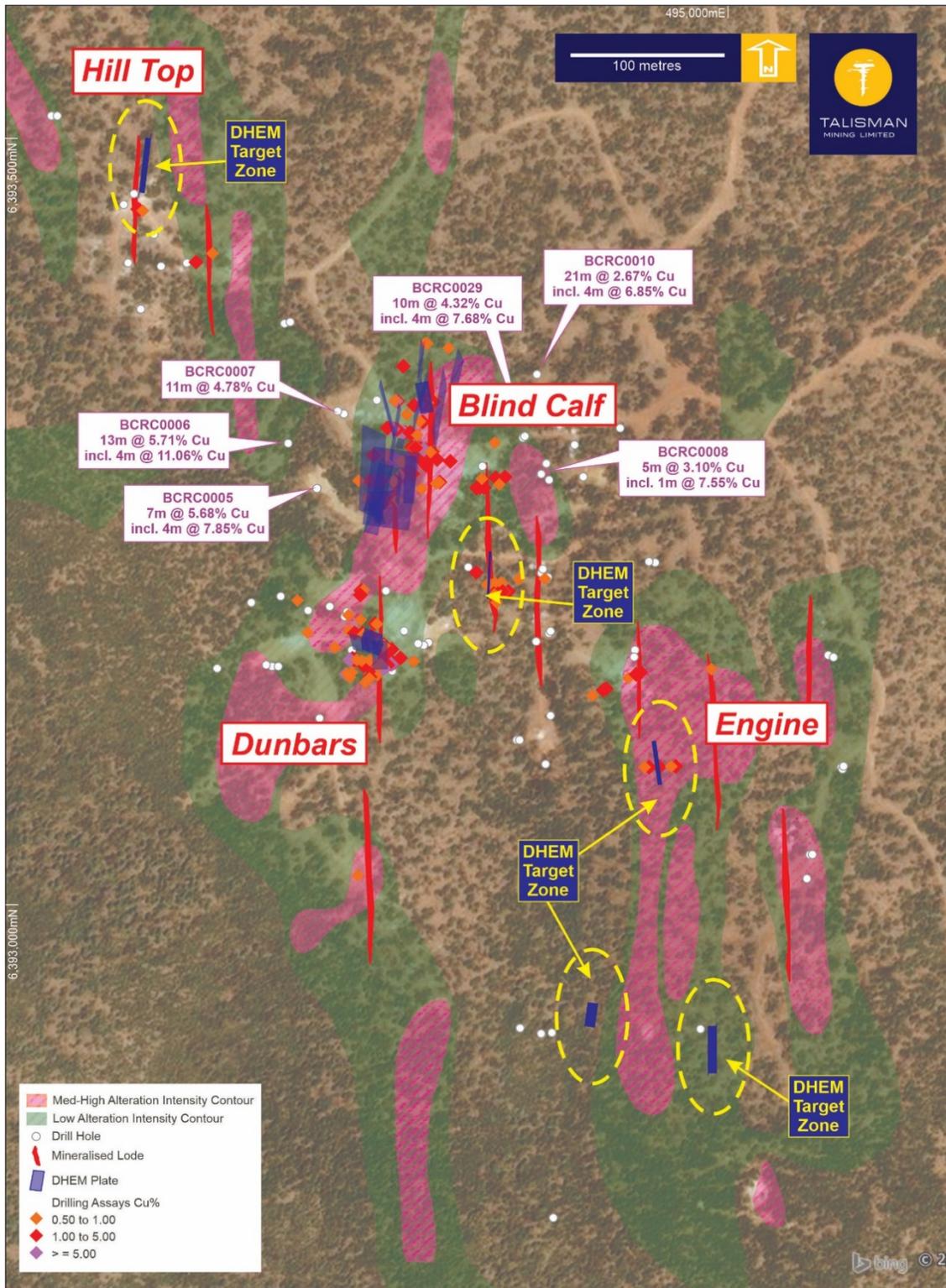


Figure 3: Blind Calf prospect showing mineralised lenses, historical drilling and downhole EM targets⁸.

⁸ Refer ASX announcements dated 5 July 2018, 30 November 2018 and 9 September 2019 for full details of drill hole intersections including JORC tables.





Babinda

During the quarter, Talisman completed a ground EM survey over the Babinda copper prospect⁹, with the data 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 interpretation and review will be undertaken to assess future exploration activities in the short term.

Lucknow Gold Project, NSW

No ground-based exploration was completed during the December 2020 quarter. Talisman, in conjunction with its Joint Venture partner, is in the process of planning the next phase of exploration.

Future Targets

The Lucknow Project (refer Appendix 3) remains prospective for the discovery of additional gold mineralisation, with the current geological interpretation suggesting that the prospective contact has been offset to the north-west by a sinistral fault which is trending north-west and dipping moderately to the north-east.

This newly interpreted target corridor to the north-west along the Lucknow Fault shows evidence of gold mineralisation in areas of minimal previous exploration (Figure 4) and will be a focus of further geological interpretation and review to inform potential future drilling.

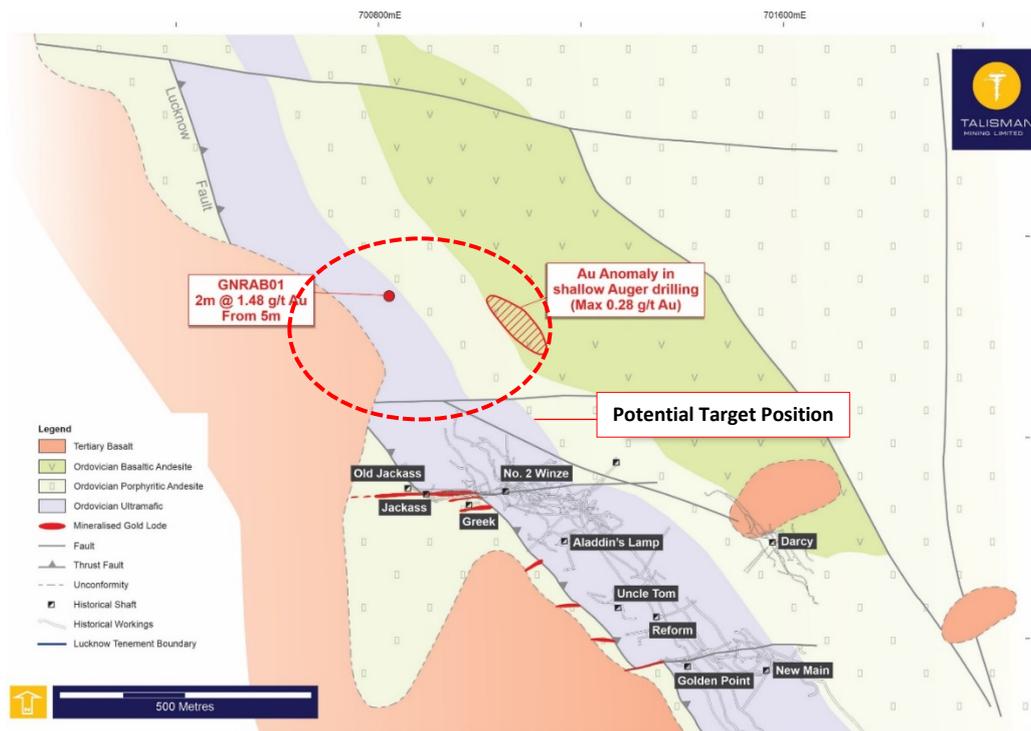


Figure 4: Lucknow Project mine shaft locations and simplified geology.

⁹ Refer Talisman ASX announcement dated 20 October 2020 for full details.





Corporate

New Project Opportunities

Talisman's business development team is continuing to review potential precious and base metal growth opportunities in Australia that complement its existing asset portfolio.

A range of opportunities including projects at the exploration stage and more advanced assets with near-term development and production potential, as well as value-accretive corporate transactions, have been, and continue to be, assessed to make sure Talisman finds the best assets with the potential to create long-term shareholder value.

Cash Balance

As at 31 December 2020, Talisman had \$10.1 million cash available for its operating and investing activities.

Payments to related parties of the entity and their associates

In accordance with Section 6.1 of the December 2020 quarter Appendix 5B, Talisman provides the following in relation to payments made during the quarter to related parties:

<u>Description</u>	<u>\$A'000</u>	<u>Explanation</u>
Directors Fees	47	Short term and post-employment benefits paid to non-executive directors.

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 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 farm-in 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 gold¹⁰. 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 compiled 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.

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.

¹⁰ NSW DIGS report, First Annual Exploration Report EL5770, 2001 -R00030162





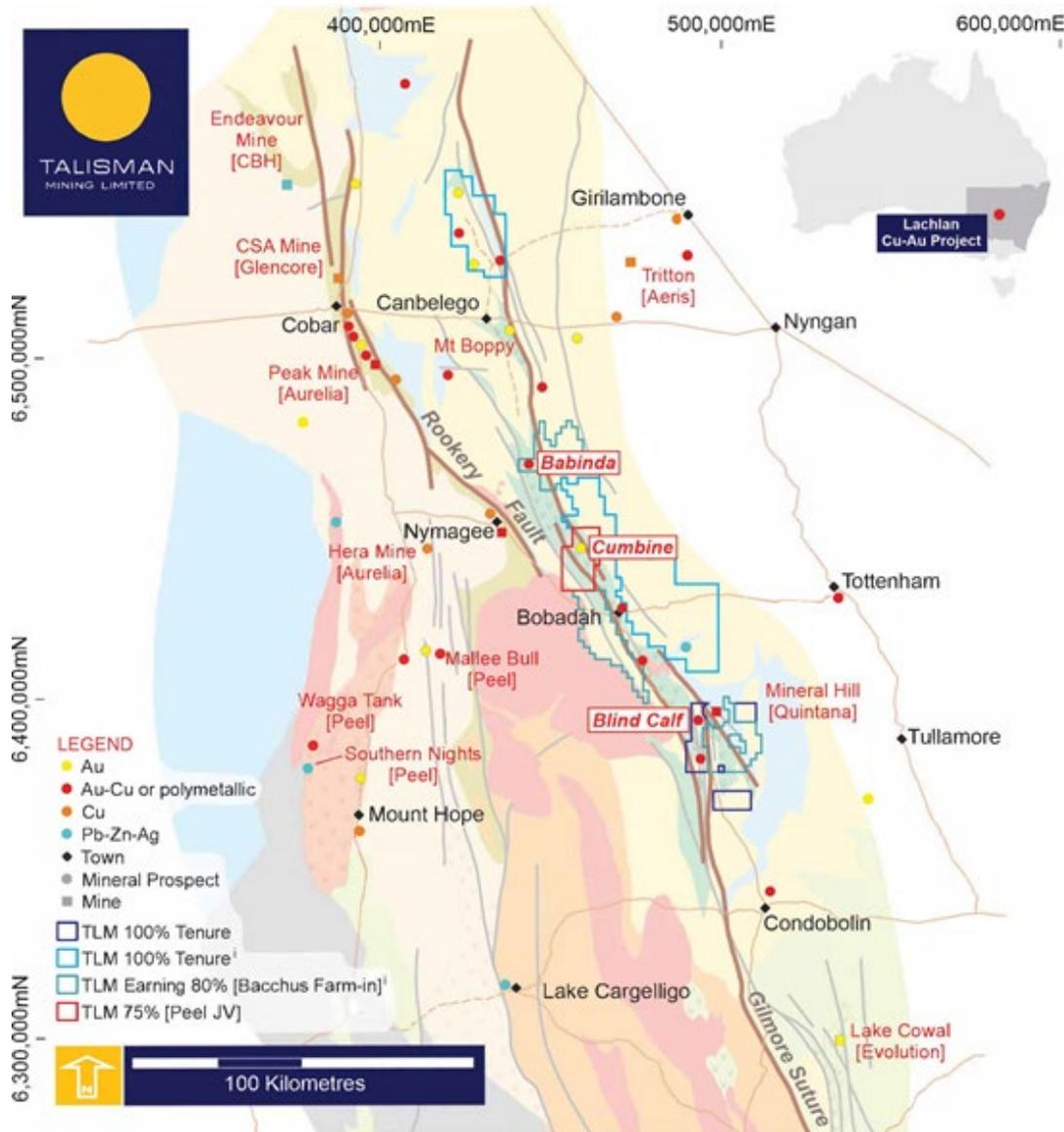
Appendix 1 Talisman Tenement Holdings

Project / Tenement	Location and Blocks (Area)	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
LACHLAN PROJECT	New South Wales					
EL8615	(726km ²)	100%	100%	-	-	Bacchus Resources Pty Ltd (right to 20% interest)
EL8659	(373km ²)	100%	100%	-	-	
EL8677	(193km ²)	100%	100%	-	-	
EL8414	(174km ²)	0%	75%	-	-	Peel Mining Ltd
EL8547	(205km ²)	51%	51%	-	-	Bacchus Resources Pty Ltd (TLM earning up to 80%)
EL8571	(258km ²)	51%	51%	-	-	
EL8658	(256km ²)	51%	51%	-	-	
EL8680	(20km ²)	51%	51%	-	-	
EL8718	(86km ²)	100%	-	-	100%	N/A
EL8719	(191km ²)	100%	100%	-	-	
OTHER	New South Wales					
EL8451	(276km ²)	0%	75%	-	-	Peel Mining Ltd
EL8977	(463km ²)	100%	100%	-	-	N/A
LUCKNOW PROJECT	New South Wales					
EL6455	(29km ²)	0%	51%	-	-	Lucknow Gold Ltd





Appendix 2 Lachlan Copper- Gold Project tenure



i. As previously announced to the ASX¹¹, Haverford Holdings Ltd (Haverford), a 100% owned subsidiary of Talisman, has entered into a Farm-In Agreement with Bacchus Resources Pty Ltd (Bacchus) over certain Lachlan Cu-Au Project tenements (FIA). The terms of the FIA were amended by the parties on 18 February 2020 to include a number of clarifications.

In accordance with the terms of the FIA (as amended):

- Haverford was deemed to have earned a 51% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding \$1.3M of on-ground exploration expenditure within the required three-year period; and
- Haverford could earn a further 29% interest in the Bacchus Tenements (being 80% in aggregate) by incurring a further \$0.6M of third-party exploration expenditure between 18 February 2020 and 17 August 2021 (Second Earn-In Period) on the Bacchus Tenements.
- Bacchus is entitled to receive a 20% interest in the Haverford Tenements (EL8615, EL8659 and EL8677) at the end of the Second Earn-in Period; and
- at the end of the Second Earn-In Period, a formal joint venture will be entered into in respect of both the Bacchus Tenements and the Haverford Tenements which provides that Bacchus will be free carried for 10% of its joint venture interest until a decision to mine. Post a decision to mine, Bacchus can then elect whether to contribute or not, if Bacchus elects not to contribute, Haverford shall acquire Bacchus' interest in the joint venture for 95% of fair value as agreed by the joint venture participants or determined by an expert.

Following a tenement review Haverford relinquished EL8638 (Rosevale) and EL8657 (Rookery).

¹¹ Refer Talisman ASX announcement "Further NSW Gold and Base Metals Tenure Secured" 09 January 2018.





Appendix 3 Lucknow Gold Project tenure

