



29 April 2021

March 2021 Quarterly Activities Report

Lachlan Copper-Gold Project, NSW

- Assay results received from a four-hole RC percussion drilling program completed in the previous quarter at the **Blind Calf Copper Prospect**, confirming the presence of significant copper-gold mineralisation below the historical Engine workings, ~100m south-east of the Blind Calf-Dunbars system. Best intervals from hole BRRC0035 in this new zone included:
 - **1m @ 1.03% Cu from 127m; and**
 - **2m @ 2.42g/t Au from 127m (incl. 1m @ 3.97g/t Au)¹**
- A priority, highly prospective mineralised corridor has now been defined over a strike extent of 800m, which is interpreted to represent a significantly larger copper mineralising system.
- Detailed soil sampling was completed subsequent to the end of the quarter at the **Cumbyne Gold Prospect** identifying a coherent and well-defined +20 ppb Au anomaly extending over a total strike length of 650 metres².
- An application has been submitted to the NSW Department of Planning, Industry & Environment seeking approval to drill 12 RC percussion holes at Cumbyne for a total of 2,160 metres to test this significant anomaly².

Lucknow Gold Project, NSW

- Land access negotiations and field planning continued for the next phase of exploration, targeting the near-surface potential along strike from the historical mine.

Corporate

- Subsequent to quarter end, the first royalty payment was received from the Wonmunna Iron Ore Project³.
- Review of multiple potential precious and base metal growth opportunities in WA and elsewhere ongoing.
- Cash on hand at 31 March 2021 of **\$9.6 million**.

¹ Refer Talisman ASX announcement dated 22 February 2021 for full details including JORC tables.

² Refer Talisman ASX announcement dated 19 April 2021 for full details including JORC tables.

³ Refer Talisman ASX announcement dated 15 April 2021 for full details.





COVID-19

During the March 2021 quarter, the Company's COVID-19 measures remained in place 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

Activity during the March 2021 quarter was focused on soil sampling and mapping activities across a number of regional prospects on Talisman's >2,500km² Lachlan Copper Gold Project. In addition, assay results were received from the reverse circulation (RC) drilling program undertaken during the previous quarter at the Blind Calf Copper Prospect.

Blind Calf Copper Prospect

As previously announced¹, Talisman undertook a four-hole 652-metre RC drilling program at the Blind Calf copper prospect during December 2020 to test four electromagnetic (EM) conductors identified from down-hole EM surveys completed by Talisman during 2019⁴. The assay results from this drilling were received during the quarter and confirmed the presence of mineralisation approximately 100 metres to the south-east of the Blind Calf/Dunbars copper lode system, below the historical Engine workings, which has previously returned significant intervals of high-grade copper mineralisation.

The drilling encountered low-level copper mineralisation as well as a high-grade copper and gold intersection in BCRC0035, with assays of:

- **1m at 1.03% Cu from 127m;** and
- **2m at 2.42g/t Au from 127m (incl. 1m at 3.97g/t Au)**¹.

These results, together with recent and historical mining and drilling results, indicate a highly prospective NW-SE trending corridor with extensive copper mineralisation extending from the Hilltop Shaft to the Windlass Shaft (*Figure 1*). This corridor encompasses a total strike extent of approximately 800 metres and is interpreted to represent a larger copper mineralising system which is rated as a high-priority target for follow-up exploration.

The copper mineralisation at the prospect is hosted within a deformed sequence of Ordovician sedimentary lithologies, including shale, siltstone, and wacke units. The mineralisation is structurally controlled and forms an en echelon array of roughly north-south trending lenses (*Figure 1*).

Ongoing exploration will include detailed soil sampling as well as geological and structural mapping with the objective of gaining a better understanding of the larger mineralising system. Additionally, a review of the broader area surrounding the new high-priority corridor is underway to identify additional strategic opportunities.

Down-hole EM surveys have been completed on holes BCDD0004, and BCRC0035 to BCRC0038 and interpretation of the results is in progress. Results of this analysis will be released as soon as they are available.

⁴ Refer Talisman ASX announcement dated 9 September 2019 for full details including JORC tables.



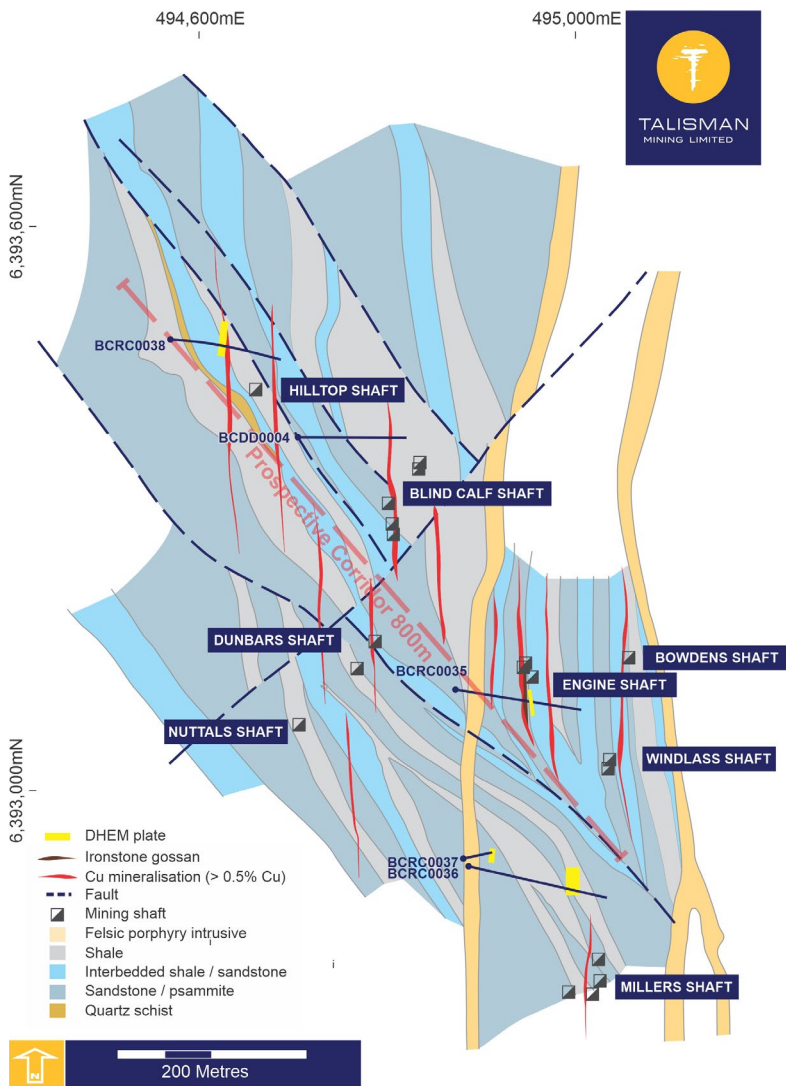


Figure 1: Blind Calf Prospect geological interpretation showing recent drilling, tested down-hole EM (DHEM) conductors and drill holes⁵ undergoing DHEM surveys.

Cumbyne

Subsequent to the end of the quarter, Talisman completed a mapping and soil sampling program at the Cumbyne Gold Prospect (**Cumbyne**). A total of 504 samples were collected using a 50m by 25m sample spacing, sieved, and the minus 177-micron fraction submitted for gold and multi-element analysis using an aqua regia digest and an ICP-MS finish.

The assay results delineated a coherent +20ppb gold anomaly covering a total strike extent of 650 metres (*Figure 2*)². The sampling also identified several smaller anomalies to the east and west of the main central anomaly.

⁵ Refer Talisman ASX announcements dated 26 March 2020 and 22 February 2021 for full details including JORC tables.



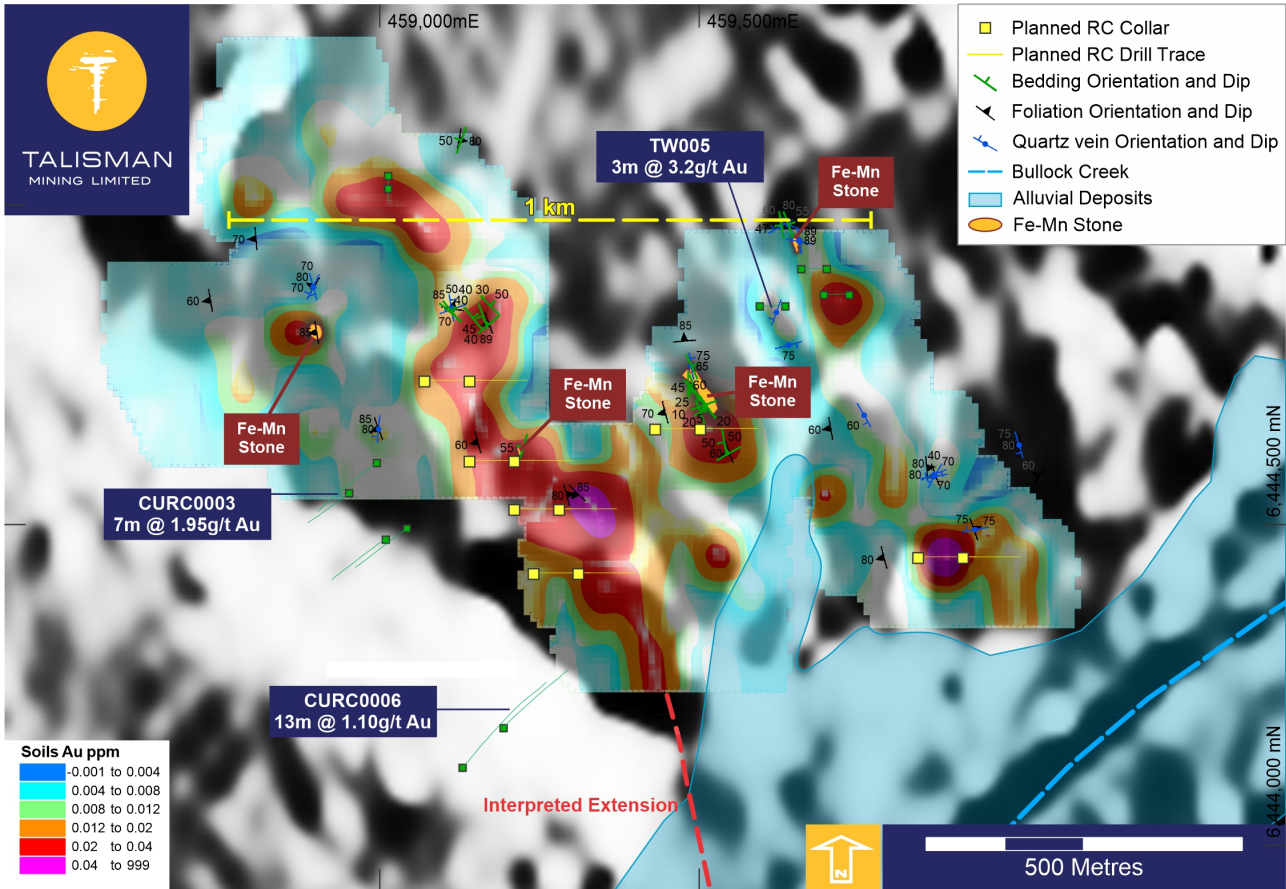


Figure 2: Cumbine Gold Prospect showing gold-in-soil anomaly over 1VD magnetic image, historical drilling and planned RC drilling^{6,7}.

The main central anomaly has not been drilled to date and a drilling approval application for a total of 12 reverse circulation (RC) percussion holes, comprising ~2,160 metres of drilling, has been submitted to the NSW Department of Planning, Industry & Environment (DPIE)². Subject to receiving DPIE approval, drilling is anticipated to commence prior to the end of the June quarter.

Mapping has also been completed over the prospect area which has identified a folded sequence of Devonian volcanic and sedimentary lithologies. The folded sequence has a shallow plunge to the NNW and has an upright axial planar cleave, also trending in a NNW orientation.

The mapping has also identified several iron and manganese rich rock units or gossanous outcrops which have a strong spatial correlation to the gold anomalism identified from soil sampling (Figure 2).

The gold-in-soil anomaly and potential gold mineralisation are interpreted to be hosted within the felsic volcanic units and close to the contact between the volcanic and sedimentary units. The strong linear NNW orientation of the anomaly is interpreted to be a result of structural control.

The controlling structure is interpreted to extend further south below the Bullock Creek drainage system and requires further exploration in the form of shallow regolith drilling.

⁶ Refer NSW DIGS report R00030150.

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





Lucknow Gold Project, NSW

No ground-based exploration was completed during the March 2021 quarter. Talisman, in conjunction with its Joint Venture partner, continued to progress land access negotiations and field planning for the next phase of exploration.

Corporate

Iron Ore Royalty

As previously announced³, subsequent to the end of the quarter, Talisman received its first royalty payment from Wonmunna Iron Ore Pty Ltd (**Wonmunna**), a wholly owned subsidiary of Mineral Resources Limited (ASX: MIN, **MRL**), the owner and operator of the Wonmunna Iron Ore Mine in the Pilbara region of Western Australia.

Although nominal in value, this first payment signals the commencement of sales from the Wonmunna Iron Ore Mine to third parties. The payment covers iron ore sales that took place during the month of March 2021.

Talisman is entitled to an uncapped 1% gross royalty on all metals produced and sold from the Wonmunna Iron Ore Mine (**Royalty**), which includes mining leases M47/1423, M47/1424 and M47/1425 (**Wonmunna Mining Leases**). The Royalty is payable to Talisman on a monthly basis⁸.

The Wonmunna Iron Ore Mine produced first ore in March 2021 and is expected to ramp up to a 5 million tonnes per annum (**Mtpa**) production level in the June Quarter 2021⁹. Additionally, MRL believes there is potential to expand the mine's output to 10Mtpa upon the successful grant of additional approvals⁹.

As Talisman has previously announced¹⁰, Fortescue Metals Group Limited has commenced proceedings against MRL in relation to the validity of the Wonmunna Mining Leases. Talisman's right to receive the Royalty may be adversely impacted depending on the outcome of those proceedings.

New Project Opportunities

During the quarter, Talisman's business development team continued to review new potential precious and base metals growth opportunities in Western Australia and elsewhere that complement its existing asset portfolio.

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 March 2021, Talisman had \$9.6 million cash available for its operating and investing activities.

⁸ Refer Talisman ASX announcement dated 17 February 2011.

⁹ Refer MRL ASX announcement dated 22 March 2021.

¹⁰ Refer Talisman ASX announcement dated 30 October 2020.





Expenditure on mining exploration activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the March 2021 quarter totalled \$125,000. This amount is included at Item 1.2(a) of the Appendix 5B and relates to activities undertaken on the Company's Lachlan Copper-Gold and Lucknow Gold Projects. Expenditure during the quarter was limited to geochemical soil sampling and mapping activities and planning for the next phase of exploration.

Payments to related parties of the entity and their associates

In accordance with Section 6.1 of the March 2021 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	44	Short term and post-employment benefits paid to non-executive directors.

Ends

For further information, please contact:

Shaun Vokes – Interim CEO
on +61 8 93804230

Nicholas Read (Media inquiries)
on +61 419 929 046

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/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 also has a majority participating interest in 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 gold¹¹. 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.

¹¹ 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%	-	-	
EL8719	(191km ²)	100%	100%	-	-	N/A
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. Talisman's Lachlan Cu-Au Project, showing key tenements, nearby mines and prospects and underlying geology¹².

¹² Refer Talisman ASX announcements dated 26 March 2020 and 5 May 2020 for full details of Bacchus Farm-in Agreement.





Appendix 3 Lucknow Gold Project tenure

