



21 October 2021

Dear Shareholder

Talisman Mining Limited 2021 Annual General Meeting – Notice and Proxy Form

Talisman Mining Limited (**Company**) advises that its 2021 Annual General Meeting (**AGM**) will be held on Wednesday, 24 November 2021. (Meeting) at The Celtic Club, 48 Ord Street, West Perth, WA 6005.

The Board has made the decision that it will hold a physical Meeting with the appropriate social distancing measures in place to comply with the Federal and State Governments' current restrictions for physical gatherings. As the situation regarding COVID-19 continues to evolve, shareholders are encouraged to monitor the Company's website and ASX announcements platform for any further updates in relation to the arrangements for the Meeting.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth), the Company will not be dispatching physical copies of the Notice of Annual General Meeting ('**Notice**') to shareholders who have not previously opted in to receiving electronic copies. A copy of the Notice, which was released to the ASX on 21 October 2021, is available on Company's website to view and download at: <https://www.talismanmining.com.au/investor-centre/asx-announcements/>

A copy of our Proxy Form is enclosed for convenience. Proxy votes may be lodged by any of the below methods:

- by post to Talisman Mining Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- in person to 1A Homebush Bay Drive, Rhodes NSW 2138;
- by faxing a completed proxy form to +61 2 9287 0309; or
- online - www.linkmarketservices.com.au Select 'Investor Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Your proxy voting instructions for the Meeting must be received by 11.00 am (WST) on Monday, 21 November 2021, being not less than 48 hours before the commencement of the Meeting. Any proxy voting received after that time will not be valid for the Meeting.

Shareholders will be able to watch the Meeting via a live webinar with a synchronised video and slide presentation. Shareholders may submit questions to the Talisman Board to be answered at the AGM. Questions must be submitted via email to jen.cunningham@talismanmining.com.au and must be received by 5pm WST on 22 November 2021. Details of how to access the webinar will be published on the ASX closer to the date of the Meeting.

We look forward to and urge your participation at the Meeting in the manner outlined above and thank you for your continued support.

Yours faithfully

Talisman Mining Limited
Alex Neuling
Company Secretary



TALISMAN MINING LIMITED

ABN 71 079 536 495

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

TIME: 12:00 pm (WST)

DATE: Wednesday, 24 November 2021

PLACE: The Celtic Club
48 Ord Street,
West Perth,
WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9380 4230.

CONTENTS PAGE

Notice of Annual General Meeting	5
Explanatory Statement	8
Glossary	18

TIME AND PLACE OF MEETING AND HOW TO VOTE

Talisman Mining Limited (the “Company”, “Talisman”) advises that the Annual General Meeting (“AGM”) of the Company is scheduled to be held on Wednesday, 24 November 2020 at 12 midday (WST) at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

Whilst we would usually welcome all Shareholders who wish to attend the AGM in person, in light of the current COVID-19 pandemic, we do not encourage in person attendance this year.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 Shareholders will be able to watch the AGM via a live webinar with a synchronised video and slide presentation. Shareholders may submit questions to the Talisman Board to be answered at the AGM. Questions must be submitted via email to jen.cunningham@talismanmining.com.au and must be received by 5pm WST on 2 November 2021. Details of how to access the webinar will be published on the ASX closer to the date of the Meeting.

Shareholders will be able to listen to the proceedings at the AGM, and to view the slides presented during the meeting via an audio webcast facility. Arrangements for access to the broadcast, with the ability to ask questions, can be made by contacting the Company via email to jen.cunningham@talismanmining.com.au at least two business days before the AGM.

No arrangements will be made for direct voting via virtual attendance hence Shareholders are strongly encouraged to vote by lodging a proxy appointing the Chairman before 12:00 pm (WST) on 22 November 2021, using the instructions set out in the Notice of Meeting.

A representative of the Company’s auditor will be available at the meeting to answer questions relevant to the audit of the annual accounts for the

year ended 30 June 2021. In addition, the Company is happy to accept and answer questions submitted at least two business days prior to the AGM by email to jen.cunningham@talismanmining.com.

The health and safety of our Shareholders, personnel and other stakeholders is our highest priority. The Board has made the decision that it will hold a physical Meeting with the appropriate social distancing measures in place to comply with the Federal and State Governments’ current restrictions for physical gatherings. As the situation regarding COVID-19 continues to evolve, shareholders are encouraged to monitor the Company’s website and ASX announcements platform for any further updates in relation to the arrangements for the Meeting.

We thank our Shareholders for their cooperation

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12.00 pm (WST) on Wednesday, 24 November 2021 at:

The Celtic Club
48 Ord Street
West Perth Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

Shareholders can vote by either:

- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, on-line, by post, or by facsimile; or

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote. Please note, however that in light of the current COVID-19 pandemic, the Company does not encourage in person attendance this year.

VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the share registry of the Company – www.linkmarketservices.com.au.

VOTING BY PROXY

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.

The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

A proxy need not be a shareholder and can be either an individual or a body corporate.

Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

To be effective, proxies must be lodged by **12 pm (WST) on Monday, 22 November 2021**. Proxies lodged after this time will be invalid.

Proxies may be lodged using any of the following methods:

- by post to Talisman Mining Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- in person to 1A Homebush Bay Drive, Rhodes NSW 2138;
- by faxing a completed proxy form to +61 2 9287 0309; or
- online - www.linkmarketservices.com.au Select 'Investor Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, by 12pm (WST) on Monday, 22 November 2021, being not later than 48 hours before the commencement of

the Meeting. If facsimile transmission is used, the power of attorney must be certified.

VOTING PROHIBITION BY PROXY HOLDERS

A vote on Resolution 1 must not be cast:

(a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or

(b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or

(b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00 pm (AEDT) (4.00pm WST) on 22 November 2021.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Shareholders will be held at 12.00 pm (WST) on Wednesday, 24 November 2021 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2021, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report as contained in the annual financial report for the financial year ended 30 June 2021"

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- (iii) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (A) – the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (B) – the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

RESOLUTION 2 – RE-ELECTION OF MR JEREMY KIRKWOOD

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 6.14 of the Constitution and for all other purposes, Mr Jeremy Kirkwood, Director, retires by rotation and being eligible, is re-elected as a Director."

RESOLUTION 3 – ADOPTION OF INCENTIVE AWARDS PLAN

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.2 (Exception 13(b)), sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the Company’s employee incentive scheme titled “Talisman Incentive Awards Plan” (Plan) for a period of three years from the date of this Meeting and for the issue of up to 9,373,086 Equity Securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the Plan or any Associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, under that appointment, as a proxy on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

DATED: 21 OCTOBER 2021
BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Alex Neuling". The signature is written in a cursive style with a long horizontal stroke at the end.

ALEX NEULING, COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 12.00 pm (WST) on Wednesday, 24 November 2021 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. ANNUAL REPORT

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company's 2021 Annual Report is available at www.talismanmining.com.au. Those holders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

2.1. General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2. Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the Company who were in office when the Directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

2.3. Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JEREMY KIRKWOOD

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Jeremy Kirkwood retires from office in accordance with these requirements and being eligible offers himself for re-election by Shareholders as a Director of the Company, with effect from the end of the Meeting.

Jeremy Kirkwood BCom ANU

Non-Executive Director (Independent) April 2016 - current

Jeremy Kirkwood joined Talisman in April 2016 and has extensive experience in corporate strategy, investment banking and global capital markets and provides invaluable strategic input and guidance to the Company's board and management team.

Jeremy is a principal of Pilot Advisory Group and was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock. He has primarily worked in public markets, undertaking merger and acquisitions and capital raisings for companies principally in the metal and mining, energy and infrastructure sectors.

In the 3 years immediately before the end of the financial year, Jeremy joined Joyce Corporation Ltd (ASX:JYC) as a Non-Executive Director on 14 January 2020 and was appointed Chairman on 1 December 2020. In February 2018 he was appointed as the Chairman of Kin Mining Ltd (ASX: KIN) where he remained until his resignation on 24 July 2019. Jeremy also served as a Director of ASX listed Zenitas Ltd (ASX: ZNT) from April 2016, resigning on 5 March 2018.

Jeremy is the Chair of the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience, Jeremy is considered qualified to hold these responsibilities.

If elected the Board considers Jeremy Kirkwood will be an independent director.

The Board supports the re-election of Jeremy Kirkwood and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ADOPTION OF INCENTIVE AWARDS PLAN

4.1. Background

The Company considers it is desirable to establish an employee incentive scheme called the "Talisman Incentive Awards Plan" (**Plan**) under which the Company can issue Equity Securities in the form of Shares, Options and Performance Rights (together, **Awards**).

The objective of the Plan is to attract, motivate and retain key officers, employees and consultants of the Company by providing them with the opportunity to acquire Equity Securities that allow them to participate in the future growth of the Company.

4.2. ASX Listing Rule 7.2 (Exception 13(b))

Resolution 3 seeks Shareholder approval for the adoption of the Plan and for the issue of Equity Securities under the Plan, as an exception in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

ASX Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 3 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years. The issue of any Equity Securities to eligible participants under the Plan (up to the maximum number of Securities stated in Section 4.3(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 3 is not passed, the Company will be able to proceed with the issue of Equity Securities under the Plan to eligible participants, but any issues of Equity Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Equity Securities .

4.3. Technical information required by ASX Listing Rule 7.2 (Exception 13)

In accordance with the requirements ASX Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 3:

- (a) a summary of the terms of the Plan is provided in Schedule A;
- (b) no Equity Securities have previously been issued under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan; and
- (c) the maximum number of Equity Securities proposed to be issued under the Plan following Shareholder approval is 9,373,086. This maximum is 5% of the Shares currently on issue. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

Any future grant issue of Awards under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

4.4. Corporations Act - Sections 200B and 200E

The Corporations Act restricts the benefits that can be given to persons who, on leaving their officer or employment with the Company or any of its related bodies corporate hold a "managerial or executive office" (as defined in the Corporations Act) (**Executive**) or held such an office in the previous three years.

Under Section 200B of the Corporations Act, a company may only give such a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders under Section 200E of the Corporations Act or an exemption applies. Sections 200F and 200G of the Corporations Act provide exemptions for certain benefits provided they fall below certain limits (**Benefit Caps**).

The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan. In particular, the Board possesses the discretion to determine, where an Executive ceases to be an officer or employee, that any vesting conditions applying to Awards held by the Executive or their nominee are waived, in whole or in part. This may provide the Executive with a benefit, being the ability for Awards held by them or their nominee to vest and be exercised into Shares when the Awards might otherwise lapse on office or employment ceasing.

The Company is therefore seeking Shareholder approval in advance for any benefits given under the Plan to Executives that are in connection with the Executive ceasing office or employment.

Provided Shareholder approval is obtained, the value of these benefits may be disregarded when determining if the Benefit Caps under Sections 200F and 200G of the Corporations Act.

The value of the termination benefits that the Board may give to Executives under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the

value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Awards that vest.

The following additional factors may also affect the benefit's value:

- (a) the Executive's length of service and the portion of vesting periods at the time they cease office or employment;
- (b) the status of the performance hurdles attaching to the securities at the time the Executive's employment or office ceases; and
- (c) the number of unvested Awards that the Executive or their nominee holds at the time the Executive ceases employment or office.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1. General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2. Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Period for which 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the acquisition of new resources, assets and investments (including expenses associated with such acquisitions), continued exploration on the Company's current projects, and / or for general working capital purposes.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate , the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 18 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate .

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
	Issue Price (per Share)	\$0.073 50% decrease in Share Price	\$0.155 Issue Price	\$0.218 50% increase in Issue Price
187,461,719 (Current Variable A)	Shares issued - 10% voting dilution	18,746,172	18,746,172	18,746,172
	Funds raised	\$1,359,097	\$2,718,195	\$4,077,292
281,192,579 (50% increase in Variable A)	Shares issued - 10% voting dilution	28,119,258	28,119,258	28,119,258
	Funds raised	\$2,038,646	\$4,077,292	\$6,115,939
374,923,438 (100% increase in Variable A)	Shares issued - 10% voting dilution	37,492,344	37,492,344	37,492,344
	Funds raised	\$2,718,195	\$5,436,390	\$8,154,585

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 187,461,719 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 18 October 2021.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
 - (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
- (e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 4 November 2020 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

5.3. Voting Exclusion

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

6.1. General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2017.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the constitution for Listing Rule requirements relating to restricted securities;
- providing Shareholders with the ability to exercise their voting rights through direct voting;
- dating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution].

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.talismanmining.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9380 4230). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2. Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Proposed Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Direct voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can

be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (clause 14)

The Proposed Constitution provides that, To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, a general meeting may be convened at two or more venues, provided that the form of technology used provides all shareholders entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting without being physically present in the same place.

Partial proportional) takeover provisions (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

7. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9380 4230 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Savings Time.

Annual General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Talisman Mining Limited (ABN 71 079 536 495).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the explanatory statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option, Director Option or Employee Option as the context requires.

Related Body Corporate has the meaning given in the Corporations Act.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE A – SUMMARY OF INCENTIVE AWARDS PLAN

(a) Eligibility

The Board may invite full or part time employees and directors of, and contractors to, the Company or an Associated Body Corporate of the Company (**Eligible Participants**) to apply for the issue of Shares, Options or Performance Rights (together, **Awards**) under the Plan.

Eligible Participants do not possess any right to participate in the Plan, as participation is solely determined by the Board.

(b) Invitation and Application Form

The Plan will be administered by the Board which may, in its absolute discretion, invite an Eligible Participant to apply for Awards from time to time as determined by the Board

At a minimum, the Invitation must include the following information:

- (i) the type of Award that the Eligible participant may apply for, being Shares, Options, and/or Performance Rights;
- (ii) the Acquisition Price of the Awards, if any;
- (iii) the maximum number of each type of Award that the Eligible Participant may apply for, or the formula for determining the number of each type of Award that may be applied for;
- (iv) where Options or Performance Rights are offered, the maximum number of Shares that the Participant is entitled to acquire on the exercise of each Option or Performance Right or the formula for determining the maximum number of Shares;
- (v) where Options are offered, the Option Exercise Price of any Options, or the formula for determining the Option Exercise Price;
- (vi) where Options or Performance Rights are offered, any Vesting Conditions;
- (vii) any Restriction Condition the Board has resolved to apply to Shares acquired in accordance with this Plan;
- (viii) any Restriction Period the Board has resolved to apply to Shares acquired in accordance with this Plan;
- (ix) the Expiry Date of any Options or Performance Rights;
- (x) any other terms and conditions applicable to the Awards;
- (xi) the date by which an Invitation must be accepted (**Closing Date**); and
- (xii) any other information required by law or, where the Company is listed on a stock exchange, the stock exchange rules, or considered by the Board to be relevant to the Awards or Shares to be acquired on the exercise of Options or Performance Rights.

An Eligible Participant (or permitted Nominee) may apply for the Awards by signing and returning an Application Form to the Company no later than the Closing Date. The Board may accept or reject any Application Form in its absolute discretion.

(c) ASIC Class Order cap on Awards

Where the Company needs to rely on ASIC Class Order relief in respect of an Invitation, the Company must have reasonable grounds to believe, when making an Invitation, that the number of Shares to be

offered under an Invitation, or received on exercise of Options or Performance Rights offered under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Invitation.

(d) Conditions to issue or transfer of Awards

The Company's obligation to issue or transfer Awards is conditional on:

- (i) the issue or transfer of the Award complying with all applicable legislation, applicable stock exchange rules and the Constitution; and
- (ii) all necessary approvals required under any applicable legislation and applicable stock exchange rules being obtained prior to the issue or transfer of the Awards.

(e) Terms of the Awards

- (i) Each Option or Performance Right will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Invitation otherwise provides.
- (ii) There are no participating rights or entitlements inherent in Options or Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Options or Performance Rights.
- (iii) There is no right to a change in the exercise price or in number of underlying Shares over which an Option or Performance Right can be exercised, except:
 - (A) in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) after the date of issue of the Options, the exercise price of the Options will be reduced in accordance with the formula in respect of Options set out in ASX Listing Rules;
 - (B) in the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option or Performance Right will include the number of bonus Shares that would have been issued if the Option or Performance Right had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of an Option.
- (iv) All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (v) In the event of a reorganisation of the capital of the Company, all rights of the holder of an Award to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to reorganisations at the time of the reorganisation.
- (vi) A Performance Right or Option does not entitle a participant to vote except as otherwise required by law.
- (vii) A Performance Right or Option does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.

- (viii) A Performance Right or Option does not confer an entitlement to participate in or receive any dividend (whether fixed or at the discretion of the Board) until the Performance Right or Option has vested and been exercised and Shares have been allocated as a result of the exercise of the Performance Right or Option.
 - (ix) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Invitation provides otherwise.
- (f) **Vesting and Exercise of Options and Performance Rights**
- (i) **Vesting Conditions:** Subject to clause f(ii) below, an Option or Performance Right acquired under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Option or Performance Right have been satisfied (as determined by the Board acting reasonably) and the Board has notified the Eligible Participant of that fact within 10 Business Days of becoming aware that any Vesting Condition has been satisfied.
 - (ii) **Waiver of Vesting Conditions:** Notwithstanding clause f(i) above, the Board may in its discretion (except to the extent otherwise provided by an Invitation), by written notice to an Eligible Participant, resolve to waive any of the Vesting Conditions applying to an Option or Performance Right. For clarity, the Board may in its discretion waive or reduce any Vesting Conditions after the time specified for satisfaction of those Vesting Conditions has passed.
 - (iii) **Exercise on Vesting:** A Participant (or their personal legal representative where applicable) may, subject to the terms of any Invitation, exercise any vested Option or Performance Right at any time after the Board notifies that the Option or Performance Right has vested and before it lapses.
- (g) **Cashless Exercise Facility**
- (i) Except as otherwise provided for by an Invitation if, at the time of exercise of vested Options, subject to Board approval at that time and clause (d)(ii), the Participant may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share) (**Cashless Exercise Facility**).
 - (ii) If the Option Exercise Price otherwise payable in respect of the Options being exercised is the same or higher than the Market Value of Shares at the time of exercise, then a Participant will not be entitled to use the Cashless Exercise Facility.
- (h) **Cash Payment**
- Subject to the Corporations Act, the ASX Listing Rules, the Plan and the terms of any Invitation, where an Invitation so provides, when all Vesting Conditions in respect of an Option or Performance Right have been satisfied or waived, the Board may, in its discretion, within 10 Business Days of receipt of a valid notice of exercise for the vested Option or Performance Right, in lieu of issuing or transferring a Share to the Participant on exercise of the Option or Performance Right, pay the Participant or his or her personal representative (as the case may be) a cash payment for the Option or Performance Right exercised equal to the Market Value of a Share up to and including the date the Option or Performance Right was exercised, less, in respect of an Option, any Option Exercise Price. A vested Option or Performance Right automatically lapses upon payment of a Cash Payment in respect of the vested Option or Performance Right.
- (i) **Lapsing of Options and Performance Rights**

An Option or Performance Right will lapse upon the earlier of:

- (i) the Board, in its discretion, resolving an Option or Performance Right lapses as a result of an unauthorised disposal of, or hedging of, the Option or Performance Right;
 - (ii) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
 - (iii) in respect of an unvested Option or Performance Right, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Option or Performance Right or allow it to remain unvested;
 - (iv) in respect of a vested Option or Performance Right, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Option or Performance Right must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Option or Performance Right is not exercised within that period and the Board resolves, at its discretion, that the Option or Performance Right lapses as a result;
 - (v) upon payment of a Cash Payment in respect of the vested Option or Performance Right;
 - (vi) the Board deems that an Option or Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
 - (vii) in respect of an unvested Option or Performance Right, a winding up resolution or order is made, and the Option or Performance Right does not vest in accordance with rules of the Incentive Plan; and
 - (viii) the Expiry Date of the Option or Performance Right.
- (j) **Disposal Restrictions**
- (i) Shares can be made subject to a Restriction Condition and/or a Restriction Period, either of which prohibit disposal until satisfied or waived at the Board's discretion (unless an Invitation otherwise provides).
 - (ii) If a Restriction Condition is not met (and is not waived), the Company may, amongst other remedies, buyback and cancel the Shares for nil consideration, sell the Shares for at least 80% of Market Value and retain the sale proceeds, or declare the Shares to be forfeited and, where held by a trustee, for the Shares to return to the unallocated pool or to be allocated to a different Participant.
 - (iii) A Share that is subject to a Restriction Period is not at risk of buyback/forfeiture, it is just unable to be disposed during the Restriction Period.
 - (iv) An Option or Performance Right is non-transferable other than in Special Circumstances with the consent of the Board (which may be withheld in its discretion) or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
 - (v) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
 - (vi) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.
 - (vii) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.

- (viii) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.



Talisman Mining Limited
 ABN 71 079 536 495

LODGE YOUR VOTE

-  **ONLINE**
www.linkmarketservices.com.au
-  **BY MAIL**
 Talisman Mining Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia
-  **BY FAX**
 +61 2 9287 0309
-  **BY HAND**
 Link Market Services Limited
 Level 12, 680 George Street, Sydney NSW 2000
-  **ALL ENQUIRIES TO**
 Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Talisman Mining Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (WST) on Wednesday, 24 November 2021 at The Celtic Club, 48 Ord Street, West Perth, WA 6005** (the Meeting) and at any postponement or adjournment of the Meeting.


Important for Resolutions 1 & 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Jeremy Kirkwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Incentive Awards Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input style="width: 200px; height: 30px;" type="text"/>	<input style="width: 200px; height: 30px;" type="text"/>	<input style="width: 200px; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

TLM PRX2101C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (WST) on Monday, 22 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Talisman Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

Deliver it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR PARTICIPATION.**