
TALISMAN MINING LIMITED
ACN 079 536 495
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 12.00 pm (WST)

DATE: 21 April 2022

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

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 12.00 pm (WST) on 19 April 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF OPTIONS TO RELATED PARTY - KERRY HARMANIS

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 600,000 Options to Kerry Harmanis (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – ISSUE OF OPTIONS TO RELATED PARTY - PETER BENJAMIN

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 222,600 Options to Peter Benjamin (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO RELATED PARTY - BRIAN DAWES

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 222,600 Options to Brian Dawes (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO RELATED PARTY - JEREMY KIRKWOOD

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 222,600 Options to Jeremy Kirkwood (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 22 March 2022

By order of the Board



**Alex Neuling
Company Secretary**

Voting Prohibition Statements

Resolution 1 – Issue of Options to Related Party - Kerry Harmanis

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 1 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 1 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, 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.

Provided the Chair is not a Resolution 1 Excluded Party, 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 though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 2 – Issue of Options to Related Party - Peter Benjamin

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 2 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 2 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, 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.

Provided the Chair is not a Resolution 2 Excluded Party, 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 though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 3 – Issue of
Options to Related Party -
Brian Dawes**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 3 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, 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.

Provided the Chair is not a Resolution 3 Excluded Party, 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 though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 4 – Issue of
Options to Related Party -
Jeremy Kirkwood**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, 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.

Provided the Chair is not a Resolution 4 Excluded Party, 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 though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Issue of Options to Related Party - Kerry Harmanis	Kerry Harmanis (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 2 – Issue of Options to Related Party - Peter Benjamin	Peter Benjamin (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 3 – Issue of Options to Related Party - Brian Dawes	Brian Dawes (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 4 – Issue of Options to Related Party - Jeremy Kirkwood	Jeremy Kirkwood (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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 by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 TO 4 – ISSUE OF OPTIONS TO RELATED PARTIES

1.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 1,267,800 Options (**Options**) to Messrs Kerry Harmanis, Peter Benjamin, Brian Dawes and Jeremy Kirkwood (or their nominee) (**Related Parties**) on the terms and conditions set out below.

Resolutions 1 to 4 seek Shareholder approval for the issue of the Options to the Related Parties.

1.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Options. Accordingly, Shareholder approval for the issue of Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

1.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 1 to 4 seek the required Shareholder approval for the issue of the Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

1.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 to 4 are passed, the Company will be able to proceed with the issue of the Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 1 to 4 are not passed, the Company will not be able to proceed with the issue of the Options and may have to consider alternative incentive and retention arrangements.

1.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 1 to 4:

- (a) the Options will be issued to the following persons:
- (i) Kerry Harmanis (or his nominee) pursuant to Resolution 1;
 - (ii) Peter Benjamin (or his nominee) pursuant to Resolution 2;
 - (iii) Brian Dawes (or his nominee) pursuant to Resolution 3; and
 - (iv) Jeremy Kirkwood (or his nominee) pursuant to Resolution 4,
- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 1,267,800 comprising:
- (i) 600,000 Options to Kerry Harmanis (or his nominee) pursuant to Resolution 1;

- (ii) 222,600 Options to Peter Benjamin (or his nominee) pursuant to Resolution 2;
 - (iii) 222,600 Options to Brian Dawes (or his nominee) pursuant to Resolution 3; and
 - (iv) 222,600 Options to Jeremy Kirkwood (or his nominee) pursuant to Resolution 4;
- (c) the terms and conditions of the Options are set out in Schedule 1 and Schedule 2;
- (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Options is to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost-effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (g) the Options are unquoted Options. The Company has agreed to issue the Options to the Related Parties subject to Shareholder for the following reasons:
- (i) the Options are unquoted; therefore, the issue of the Options has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options on the terms proposed;
- (h) the number of Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and

- (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;

- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Kerry Harmanis ¹	\$52,240	-
Peter Benjamin	\$58,057	78,950 ⁵
Brian Dawes	\$58,057	60,901 ⁶
Jeremy Kirkwood	\$58,057	66,273 ⁷

Notes:

1. Kerry Harmanis was appointed as non-executive Chairman on 15 July 2020. Under the terms of his appointment, Mr Harmanis elected not to receive a salary or be issued with any shares in his role for the initial period of his appointment. From 1 January 2022, Mr Harmanis will receive annual Directors fees of \$80,000 plus superannuation. Total remuneration for the current financial year comprises Directors fees of \$40,000, superannuation of \$4,000 and share based payments of \$8,240, being the value for accounting purposes of the Options apportioned pro-rata according to their vesting and service period.
2. Comprising Directors' fees of \$50,000, a superannuation payment of \$5,000 and share-based payments of \$3,057 being the value for accounting purposes of the Options apportioned pro-rata according to their vesting and service period..
3. Comprising Directors' fees of \$50,000, a superannuation payment of \$5,000 and share-based payments of \$3,057 being the value for accounting purposes of the Options apportioned pro-rata according to their vesting and service period..
4. Comprising Directors' fees of \$50,000, a superannuation payment of \$5,000 and share-based payments of \$3,057 being the value for accounting purposes of the Options apportioned pro-rata according to their vesting and service period.
5. Comprising Directors' fees and salary of \$50,000, a superannuation payment of \$4,750 and share-based payments of \$24,200.
6. Comprising Directors' fees and salary of \$36,950, a superannuation payment of \$17,800 and share-based payments of \$6,151.
7. Comprising Directors' fees and salary of \$52,500, a superannuation payment of \$4,987 and share-based payments of \$8,786.

- (j) the value of the Options and the pricing methodology is set out in Schedule 2;
- (k) the Options are not being issued under an agreement;

- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Kerry Harmanis	33,859,138	-	-
Peter Benjamin	170,058	583,336 ²	-
Brian Dawes	353,333	583,333 ³	-
Jeremy Kirkwood	419,000	833,333 ⁴	-

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: TLM).
2. Comprising unlisted Options with the following exercise price and expiry dates:
 - a. 194,444 unquoted Options exercisable at \$0.143 each on or before 31/10/2022;
 - b. 194,444 unquoted Options exercisable at \$0.161 each on or before 31/10/2022; and
 - c. 194,448 unquoted Options exercisable at \$0.179 each on or before 31/10/2022.
3. Comprising unlisted Options with the following exercise price and expiry dates:
 - a. 194,445 unquoted Options exercisable at \$0.141 each on or before 31/10/2022;
 - b. 194,444 unquoted Options exercisable at \$0.158 each on or before 31/10/2022; and
 - c. 194,444 unquoted Options exercisable at \$0.176 each on or before 31/10/2022.
4. Comprising unlisted Options with the following exercise price and expiry dates:
 - a. 277,778 unquoted Options exercisable at \$0.141 each on or before 31/10/2022;
 - b. 277,778 unquoted Options exercisable at \$0.158 each on or before 31/10/2022; and
 - c. 277,777 unquoted Options exercisable at \$0.176 each on or before 31/10/2022.

- (m) if the Options issued to the Related Parties are exercised, a total of 1,267,800 Shares would be issued. This will increase the number of Shares on issue from 187,739,497 (being the total number of Shares on issue as at the date of this Notice) to 189,007,297 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.67%, comprising 0.317% by Kerry Harmanis, 0.117% by Peter Benjamin, 0.117% by Brian Dawes and 0.117% by Jeremy Kirkwood.

The market price for Shares during the term of the Options would normally determine whether the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.26	18 May 2021 and 19 May 2021
Lowest	\$0.088	18 March 2021
Last	\$0.18	21 March 2022

- (o) each Director has a material personal interest in the outcome of Resolutions 1 to 4 on the basis that all of the Directors (or their nominees) are to be issued Options should Resolutions 1 to 4 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 1 to 4 of this Notice; and
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 1 to 4.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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.

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (r) a child of the member's spouse;
- (s) a dependent of the member or the member's spouse;
- (t) 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;
- (u) a company the member controls; or
- (v) 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 (ACN 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.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Incentive Awards Plan means the Company's incentive awards plan approved by Shareholders on 24 November 2021.

Key Management Personnel has the same 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.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Subject to paragraph **Error! Reference source not found.**, each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Subject to paragraphs (i) and (k), the amount payable upon exercise of each Option will be \$0.252 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 4 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on and from the date which is 3 years from the date of grant until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Adjustments**

There is no right to a change in the exercise price or in number of underlying Shares over which an Option can be exercised, except:

- (i) 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;
- (ii) 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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Incentive Awards Plan**

The Options are otherwise governed by the terms of the Incentive Awards Plan (summarised in Schedule 2).

SCHEDULE 2 – 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.

SCHEDULE 2 – VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 1 to 4 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions:	
Valuation date	3 March 2022
Market price of Shares	17.0 cents
Exercise price	0.252 cents
Expiry date (length of time from issue)	4 years
Risk free interest rate	0.10%
Volatility (discount)	100%
Indicative value per Related Party Option	10.51 cents
Total Value of Options	\$133,246
- Kerry Harmanis (Resolution 1)	\$63,060
- Peter Benjamin (Resolution 2)	\$23,395
- Brian Dawes (Resolution 3)	\$23,395
- Jeremy Kirkwood (Resolution 4)	\$23,395

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.



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
 Parramatta Square, Level 22, Tower 6,
 10 Darcy Street, Parramatta NSW 2150

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 General Meeting of the Company to be held at **12:00pm (WST) on Thursday, 21 April 2022 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 - 4: 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 - 4, 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*
1 Issue of Options to Related Party - Kerry Harmanis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Options to Related Party - Peter Benjamin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Options to Related Party - Brian Dawes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options to Related Party - Jeremy Kirkwood	<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)

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).



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 Tuesday, 19 April 2022**, 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*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*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 GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR PARTICIPATION.**