

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Talisman Mining Limited

ABN

71 079 536 495

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(670)	(1,512)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(266)	(581)
	(e) administration and corporate costs	(72)	(349)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	65	100
1.5	Interest and other costs of finance paid	(3)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Wonmunna Iron Ore Royalties))	1,362	3,527
1.9	Net cash from / (used in) operating activities	416	1,179
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(87)	(257)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other - Tenement security deposit (payments) / refunds	(189)	(208)
2.6	Net cash from / (used in) investing activities	(276)	(465)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (ROU Lease Repayments)	(17)	(33)
3.10	Net cash from / (used in) financing activities	(17)	(33)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,466	8,908
4.2	Net cash from / (used in) operating activities (item 1.9 above)	416	1,179
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(276)	(465)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	(33)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	9,589	9,589

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,949	2,826
5.2	Call deposits	6,640	6,640
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,589	9,466

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	67
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
7.5	Unused financing facilities available at quarter end	
		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1	416
8.2	-
8.3	416
8.4	9,589
8.5	-
8.6	9,589
8.7	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A

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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:23 January 2023.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.



23 January 2023

December 2022 Quarterly Activities Report

Talisman gears up for pivotal 2023 drilling campaign in NSW, with initial drill targets confirmed from landmark regional geophysical surveys

Highlights:

Lachlan Copper-Gold Project, NSW

- Experienced local drilling contractor secured to progress drill testing on NSW exploration targets, with an extensive **drilling program planned to commence in January 2023**.
- Geophysical contractor appointed to undertake a program of ground electrical geophysical surveys to progress drill targets, commencing in Q4 2022 and continuing through to Q2 2023.
- Heavy rainfall and widespread flooding throughout the Central West prevented access to many of Talisman's field areas during the quarter.
- Geoscience team utilizing geophysical data acquired in Q2 2022 to assist drill targeting and further progress understanding of the controls on mineralisation in the Cobar Superbasin.

Lucknow Gold Project, NSW

- Planning continues for the next phase of field activity as the region recovers from unseasonably wet weather and further land access is possible.

Corporate

- **Royalty cash receipts** from the Wonmunna Iron Ore Project of **\$1.36 million received for the quarter** with a further **\$0.47 million received subsequent to quarter-end**¹.
- On-going review of metalliferous mineral growth opportunities throughout Australia.
- Talisman remains well-funded with cash on hand at 31 December of **\$9.6 million**.

¹ Refer Talisman ASX announcement dated 15 April 2021 for royalty details.





Delays to Exploration

During the December 2022 quarter, extreme weather events caused significant rainfall onto already saturated areas of the NSW Central West. This resulted in widespread flooding affecting Talisman's exploration areas of operation, which saw local government bodies repeatedly close all unsealed roads to prevent access. Additionally, sealed roads used for travel throughout the area were closed at times due to flooding and subsequent damage.

After consultation with key stakeholders including emergency response groups and local landholders, Talisman deferred on-ground exploration until conditions improved and work could be conducted safely and to reduce the risk of damage to pastoral infrastructure.

Geological and Geophysical Synthesis and Interpretation

At the Central Lachlan Project (*Appendix 2*), Talisman's extensive regional program of airborne (inclusive of both the VTEM Max Airborne Electro-magnetic (**AEM**) and FALCON Airborne Gravity Gradiometry (**AGG**)) geophysical surveys conducted during the first half of calendar 2022², combined with ongoing geochemical sampling programs, have identified more than 31 additional base and precious metals prospects of interest.³

These are being systematically investigated by Talisman's geological team, and additional exploration activities are being planned to refine and test these targets further.

During the quarter, Talisman's geological team have worked closely with well-known geophysical consultants, Southern Geoscience Consultants, to collaboratively interpret and model geophysical data from both the AEM and AGG surveys with geological interpretations. This has resulted in an increased understanding of sub-surface geology and prospect-scale structures across the Central Lachlan Project.

Talisman's geological team has progressed eight of the prospects to drill-ready targets through ground-truthing and further interpretative work which has confirmed their prospectivity.

These are predominantly cohesive conductivity anomalies detected as part of the AEM survey which have no obvious source from known geological interpretation, increasing the prospectivity of the targets as blind conductive sulphide bodies (*Figure 1*). These targets are located in structurally complex regions with known mineralisation and have not been previously tested.

As part of this work, refined Maxwell plate models were produced across priority conductive anomalies to assist with accurate drill targeting. These plate models represent the best fit for a theorised conductive body which would provide the anomaly identified from the AEM survey and are industry standard for generating drill targets from AEM datasets. Drill planning was conducted across eight compelling plate models and the planned drill-holes scheduled for Talisman's upcoming drilling campaign commencing in January 2023.

Planned Drilling Program

Talisman has scheduled these eight AEM anomalies as part of a comprehensive drill program designed to test the highest-priority targets identified across the Central Lachlan Project.

² Refer Talisman ASX announcements dated 17 January 2022, 30 March 2022, 26 July 2022 and 16 November 2022 for full details.

³ Refer Talisman ASX Announcement dated 16 November 2022 for full details.





Concurrently, two gravity anomalies identified during the AGG survey will also be drill tested, together with further drilling at the Kaolin Shaft Gold Prospect which returned promising Au-Cu-Zn-Pb-Ag assays from previous drilling undertaken in the first half of 2022⁴ (Figure 1). Additionally, a short diamond program will drill beneath historic underground workings at the Elaine Copper Prospect⁵, and assess size, geometry and structural controls on copper mineralisation historically mined at this prospect.

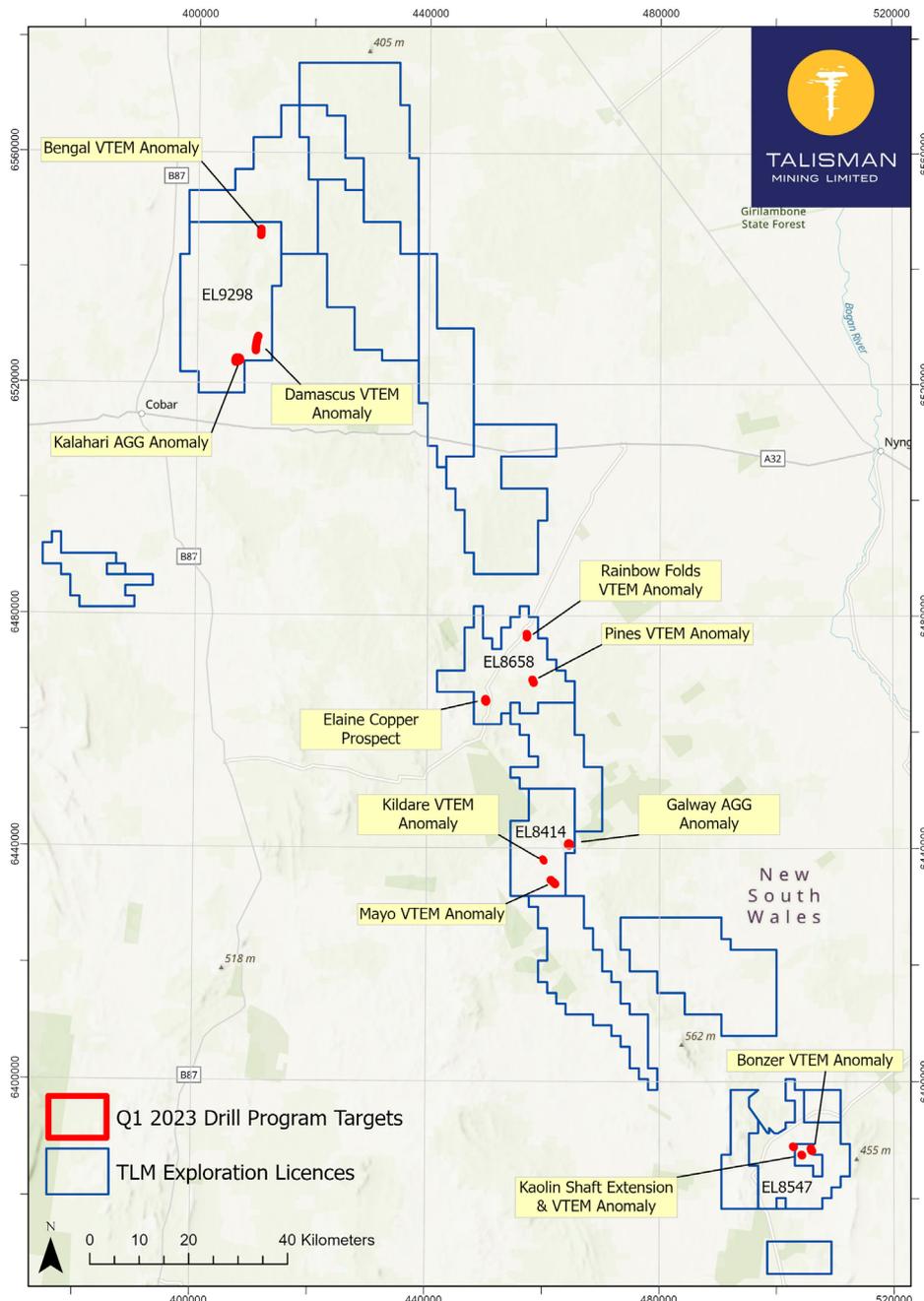


Figure 1 – Central Lachlan Project Quarter 1 2023 planned exploration drill targets.

⁴ Refer Talisman ASX Announcement dated 6 June 2022 for full details.

⁵ Refer Talisman ASX Announcement dated 16 November 2022 for full details.





With over 9,000m of Reverse Circulation and 600m of diamond drilling planned, this overall program is expected to be the largest single drilling program to be undertaken by Talisman on the Central Lachlan Project. Talisman has submitted and received approval for the majority of this program with remaining approvals anticipated to be received early in the first quarter of calendar 2023.

Talisman personnel conducted extensive stakeholder engagement with landholders affected by the planned program during the current quarter. Subject to weather conditions and farming activities, the drill program will commence during January 2023.

During the quarter Talisman also confirmed the appointment of Resolution Drilling Pty Ltd (**Resolution**) as the drilling services provider for this planned drill program. Resolution is a locally-owned exploration drilling services provider based in Parkes, NSW, with drill crews well experienced in ground conditions and operational matters throughout Talisman's tenure portfolio.

Ground Geophysical Programs

During the quarter, Talisman contracted and mobilised Fender Geophysics (**Fender**) to the Central Lachlan Project to commence a comprehensive program of electrical ground geophysical surveys.

Fender is a highly experienced NSW-based geophysical services provider with extensive experience in the Cobar Superbasin and Lachlan Orogen. The scope of these electrical ground geophysical surveys will include both moving loop electro-magnetic (**MLEM**) and pole-dipole induced polarization (**PDIP**) surveys, which are both proven effective as discovery techniques for orebodies in the Cobar Basin.

Geophysical surveys were commenced on Exploration Licence 8615 (**EL8615**) with initial MLEM surveys targeting a widespread base metal anomaly identified from previous soil geochemistry and auger drilling⁶. This geochemical anomaly is thought to be analogous to anomalies noted around the discovery of nearby orebodies such as Aurelia Metals Limited's Federation and Dominion deposits.

Due to heavy rainfall and ground saturation, the survey program was deferred shortly after commencement as the survey team were unable to effectively traverse the survey area without causing damage to access tracks and paddocks. Re-commencement is scheduled in mid-January 2023 when weather and ground conditions will allow access to survey areas.

Following completion of MLEM surveys over EL8615, the program scope aims to conduct a series MLEM and PDIP surveys across prospective areas identified from geological interpretation of Talisman's airborne surveys on Exploration Licences 8414, 8571, 8658 and 8659. (*Figure 2*) The objective of the survey program is to define drill-ready targets from wider prospective areas to support Talisman's exploration drive in the Central Lachlan Project.

⁶ Refer Talisman ASX Announcement dated 19 July 2018 for full details.



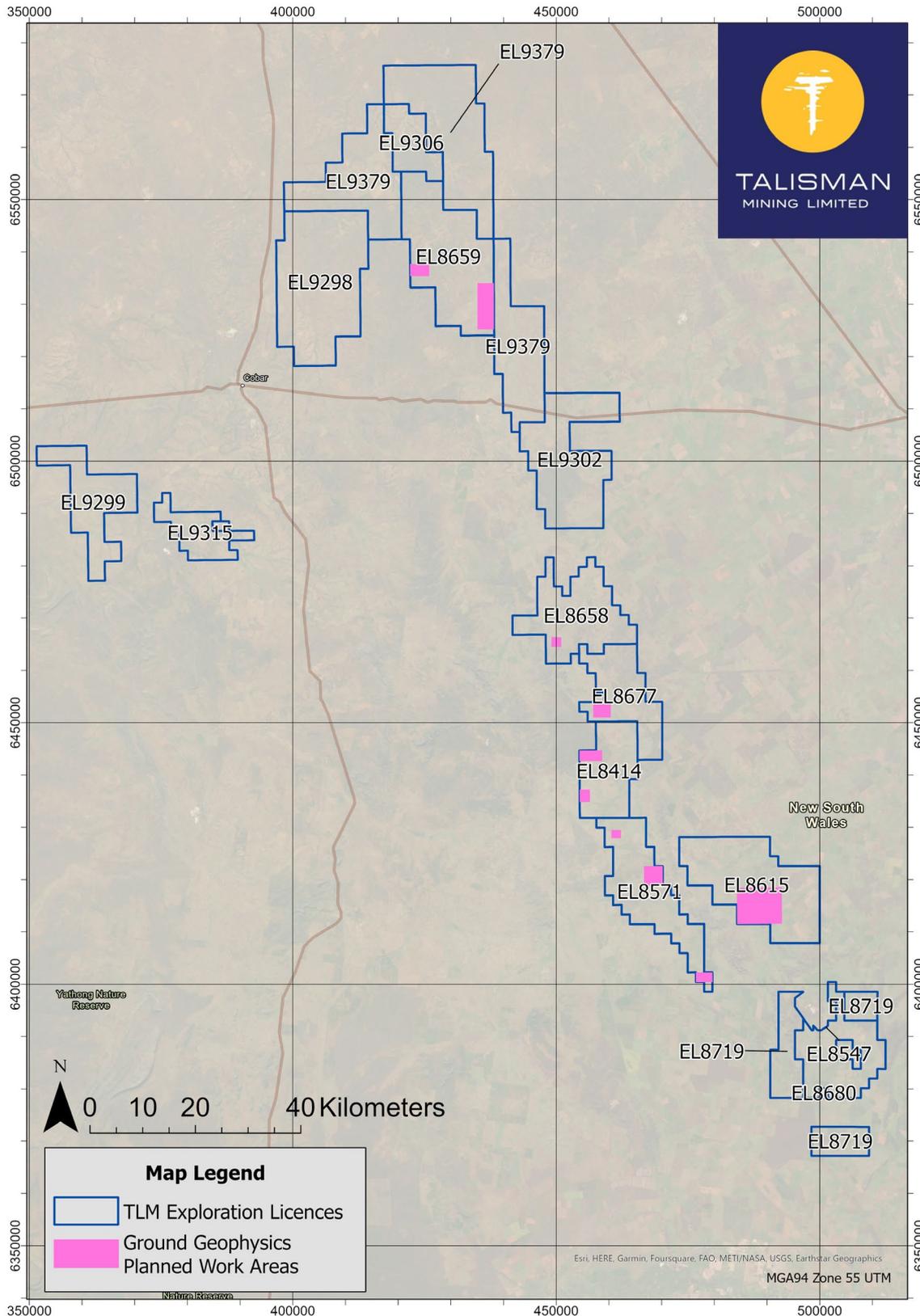


Figure 2 – Central Lachlan Project planned ground geophysics work areas, H1 2023.





Tenure Rationalisation

As Talisman’s geological team continues to assess prospectivity across the tenement portfolio, a rationalisation over the area of Exploration Licence 8907 (**EL8907**) was conducted during the quarter. Talisman’s geological team reviewed publicly available information and conducted independent geological interpretation to better determine regional prospectivity. The strategic rationalisation of EL8907 resulted in a reduction of 671km² to the licence area considered to be unprospective ground (*Figure 3*).

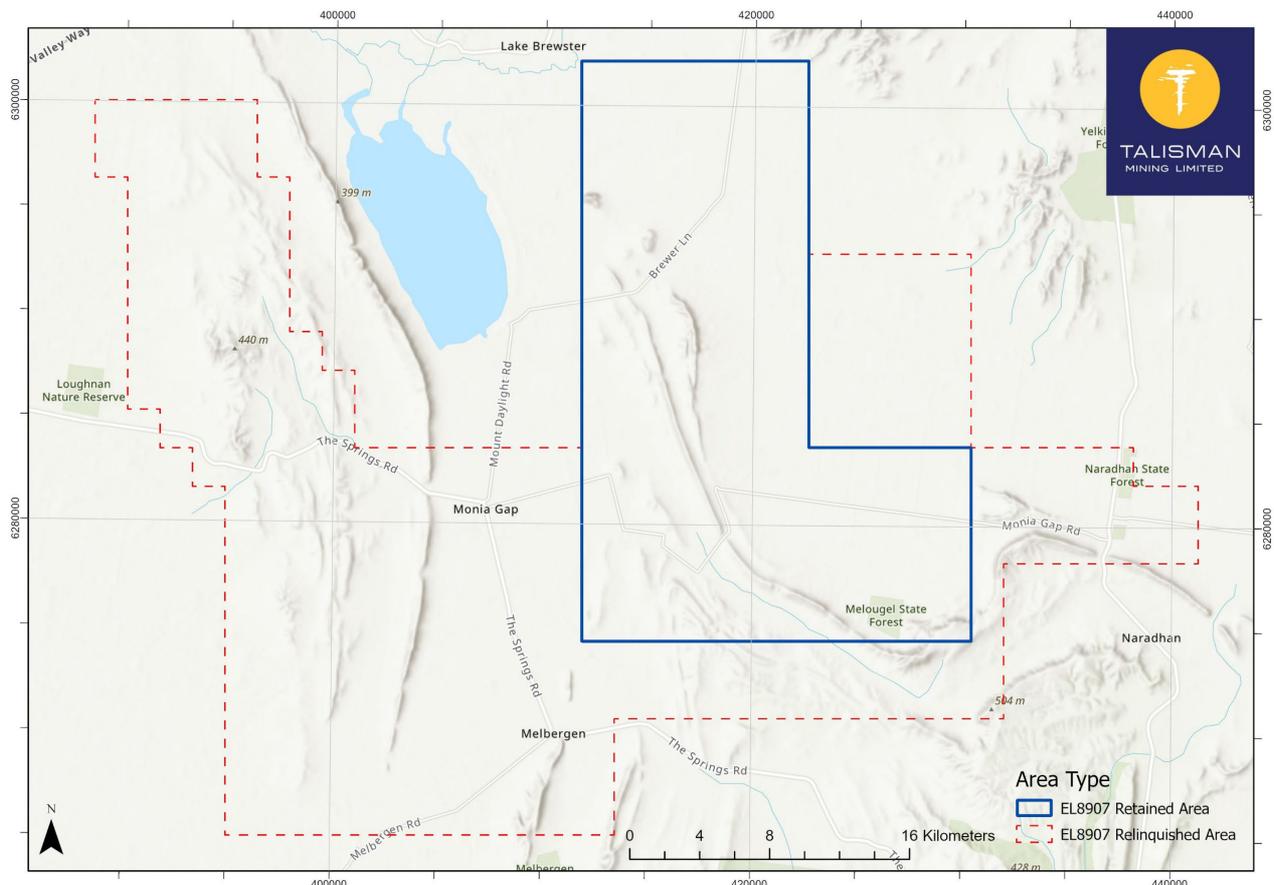


Figure 3 – Retained and relinquished areas of Exploration Licence 8907.

Lucknow Gold Project, NSW

Due to the heavy rainfall preventing travel in the Central West of NSW and waterlogging properties, no land access was possible to complete planned soil sampling activities during the December Quarter at the Lucknow Gold Project (*Appendix 3*).

Analysis and interpretation continued during the quarter on samples collected to date, however a final decision on further work is dependent on the completion of the planned sampling programs.

Exploration activities are due to resume in the first quarter of calendar 2023 once weather conditions permit and land access can be re-established.





Corporate

Iron Ore Royalty

During the December 2022 quarter, Talisman received \$1.36 million in royalty payments from iron ore sales that occurred between 1 September 2022 and 30 November 2022 from Wonmunna Iron Ore Pty Ltd (**Wonmunna**), a wholly-owned subsidiary of Mineral Resources Limited (ASX: MIN, **MRL**), the owner and operator of the Wonmunna Iron Ore Mine (**WIOM**) in the Pilbara region of Western Australia¹.

An additional royalty payment of \$0.47 million was received subsequent to quarter-end for iron ore sales from WIOM that occurred during the month of December 2022.

The reduction in iron ore royalty receipts from the previous quarter reflects lower tonnes shipped in combination with lower realised provisional iron ore pricing received on WIOM sales made during the quarter and unfavourable final price adjustments on iron ore sales made in the previous quarter, in accordance with Wonmunna sales contracts.

Since the commencement of iron ore production at the WIOM in March 2021, total royalty payments of \$10.9 million have been received by Talisman as at the date of this announcement.

New Project Opportunities

During the quarter, Talisman continued to review potential base and precious metals growth opportunities in Australia and elsewhere with the aim of identifying quality assets with the capacity to create long-term shareholder value.

Available growth opportunities (regardless of stage of development) in most commodities continue to remain fully valued, and Talisman is adopting a judicious approach to the review of opportunities to ensure only value accretive transactions that have the potential to create long-term shareholder value are pursued.

Cash Balance

As at 31 December 2022, Talisman had \$9.6 million cash available for its operating and investing activities.

Expenditure on mining exploration activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the December 2022 quarter totalled \$670,000. This amount is included at Item 1.2(a) of the Appendix 5B and relates to activities undertaken on the Company's Lachlan Copper-Gold and Lucknow Gold Projects. Expenditure during the quarter included review and interpretation of regional geophysical survey data, assaying, geochemical soil sampling and mapping activities, ground geophysics, community consultation, tenement management (inclusive of tenement rent and rates) and exploration activity planning.

Payments to related parties of the entity and their associates

In accordance with Section 6.1 of the December 2022 quarter Appendix 5B, Talisman provides the following in relation to payments made during the quarter to related parties:

<u>Description</u>	<u>\$A'000</u>	<u>Explanation</u>
Directors Fees	67	Short term and post-employment benefits paid to non-executive directors.





COVID-19 Management

All exploration activities continue to be conducted under, and closely managed in accordance with, Talisman's COVID-19 policies and procedures and NSW COVID-19 regulatory requirements, to ensure the safety of Talisman employees, contractors and local communities.

Talisman's COVID-19 procedures include regular COVID-19 rapid antigen testing prior to and during field work in project areas, the availability and use of appropriate COVID-19 personal protective equipment and maintaining social distancing protocols wherever practical.

Ends

For further information, please contact:

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

About Talisman Mining

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman has secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of its own Exploration Licenses and through a joint venture agreement. The Cobar/Mineral Hill region is a richly mineralised district that hosts several base and precious metal mines including the CSA, Tritton, and Hera/ Nymagee mines. This region contains highly prospective geology that has produced many long-life, high-grade mineral discoveries. Talisman has identified a number of areas within its Lachlan Cu-Au Project tenements that show evidence of base and precious metals endowment which have had very little modern systematic exploration completed to date. Talisman believes there is significant potential for the discovery of substantial base metals and gold mineralisation within this land package and is undertaking active exploration to test a number of these targets.

Talisman also has a majority participating interest in a joint venture with privately-owned Lucknow Gold Limited in relation to the Lucknow Gold Project (EL6455) in New South Wales. The Lucknow Goldfield was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. Historic production records at the Project are incomplete, however in excess of 400,000 ounces of gold has reportedly been produced at grades of 100 to 200 g/t gold⁷. Very little modern exploration has been completed outside of the existing mine workings and Talisman intends to undertake a program of geochemical surface sampling and mapping at the Project ahead of a drilling program to test for potential down plunge extensions of the high-grade gold ore shoots and repeat structures throughout the Project area.

Competent Person's Statement

Information in this announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation compiled by Mr Russ Gregory, who is a member of the Australasian Institute of Geoscientists. Mr Gregory is a full-time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gregory has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

⁷ NSW DIGS report, First Annual Exploration Report EL5770, 2001 -R00030162





Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.





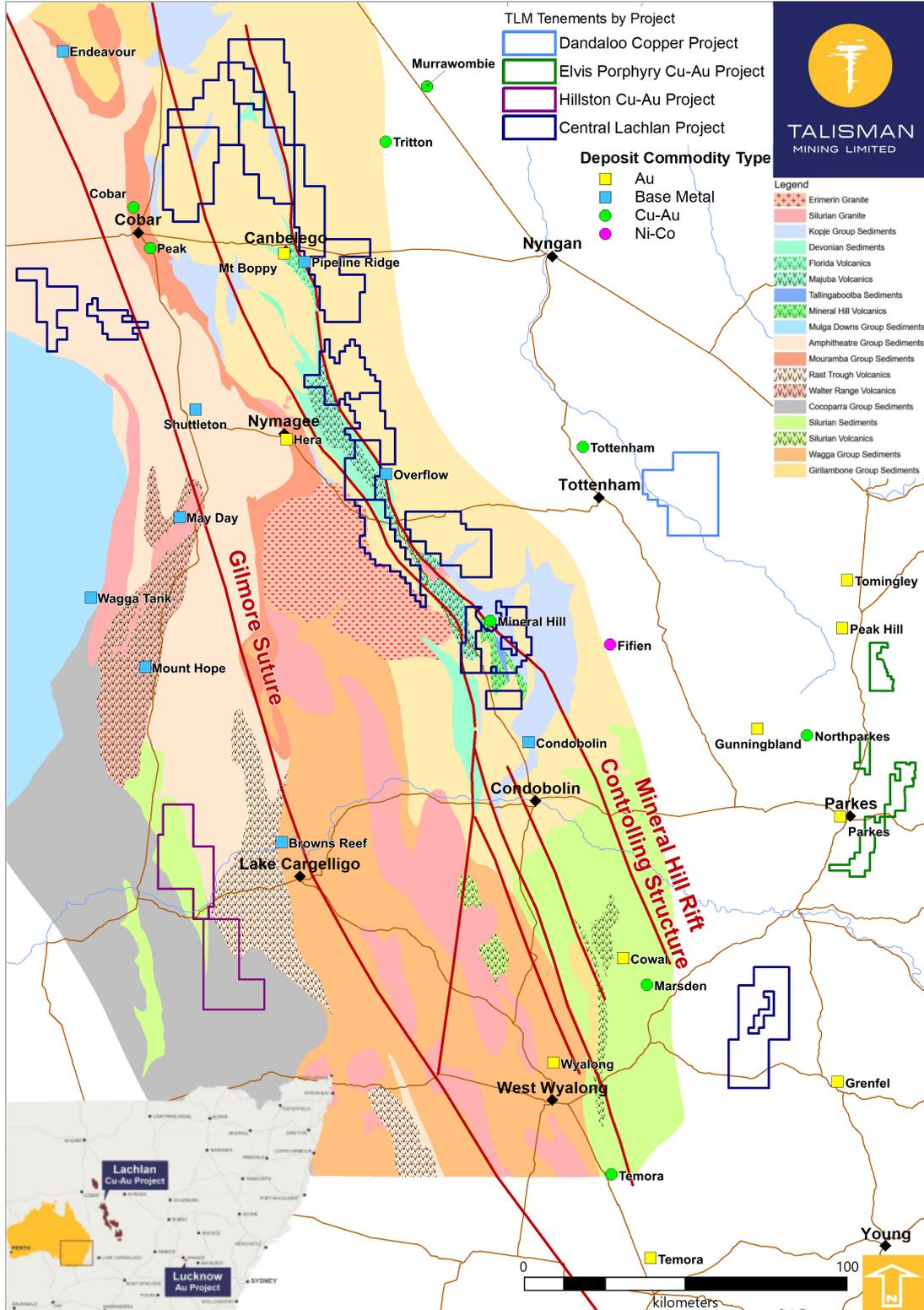
Appendix 1 Talisman Tenement Holdings

Project / Tenement	Location and Blocks (Area)	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner
CENTRAL LACHLAN PROJECT	New South Wales					
EL8615	(726km ²)	100%	100%	-	-	N/A
EL8659	(373km ²)	100%	100%	-	-	
EL8677	(193km ²)	100%	100%	-	-	
EL8414	(174km ²)	87%	87%	-	-	Peel Mining Ltd
EL8547	(205km ²)	100%	100%	-	-	N/A
EL8571	(258km ²)	100%	100%	-	-	
EL8658	(256km ²)	100%	100%	-	-	
EL8680	(20km ²)	100%	100%	-	-	
EL8719	(191km ²)	100%	100%	-	-	
EL9298	(440km ²)	100%	100%	-	-	
EL9299	(199km ²)	100%	100%	-	-	
EL9302	(108km ²)	100%	100%	-	-	
EL9306	(327km ²)	100%	100%	-	-	
EL9315	(103km ²)	100%	100%	-	-	
EL9379	(878km ²)	100%	100%	-	-	
EL9462	(8km ²)	100%	100%	-	-	
ELVIS PROJECT	New South Wales					
EL8977	(463km ²)	100%	100%	-	-	N/A
EL9395	(75km ²)	100%	100%	-	-	
EL9396	(229km ²)	100%	100%	-	-	
HILLSTON PROJECT	New South Wales					
EL8907	(372km ²)	100%	100%	-	-	N/A
EL9394	(399km ²)	100%	100%	-	-	
DANDALOO PROJECT	New South Wales					
EL9324	(474km ²)	100%	100%	-	-	N/A
LUCKNOW PROJECT	New South Wales					
EL6455	(29km ²)	51%	51%	-	-	Lucknow Gold Ltd
OTHER	New South Wales					
EL8451	(276km ²)	87%	87%	-	-	Peel Mining Ltd





Appendix 2 Lachlan Copper- Gold Project tenure





Appendix 3 Lucknow Gold Project tenure

