

TALISMAN MINING LIMITED

ABN 71 079 536 495

ANNUAL REPORT

FOR THE YEAR ENDED

30 June 2023

Corporate Directory

DIRECTORS

Mr Kerry Harmanis	Non-Executive Chairman
Mr Andrew Munckton	Managing Director
Mr Jeremy Kirkwood	Non-Executive Director
Mr Brian Dawes	Non-Executive Director
Mr Peter Benjamin	Non-Executive Director

COMPANY SECRETARY

Mr Alex Neuling

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TABLE OF CONTENTS

Letter from the Chairman	4
Review of Operations	5
Directors' Report	19
Remuneration Report	24
Auditor's Independence Declaration	30
Independent Auditors' Report	31
Financial Statements	36
Notes to the Consolidated Financial Statements	40
Directors' Declaration	60
Additional Securities Exchange Information	61

LETTER FROM THE CHAIRMAN

Dear Talisman Shareholder,

I am pleased to present Talisman's 2023 Annual Report as we embark on a significantly expanded exploration push in the last few months of this year and moving into 2024.

The past year has seen Talisman take significant steps towards making a maiden discovery at the Lachlan Lead-Zinc-Silver and Copper-Gold Project in NSW while also expanding our portfolio with the acquisition of the highly prospective Mabel Creek Copper-Gold Project in South Australia's world-class Gawler Craton.

Our work in NSW has built on the significant investment we made in two regional-scale geophysical surveys last year – a 15,456-line-kilometre Airborne Gravity Gradiometric (AGG) survey and a 6,285-line-kilometre Airborne Electro-Magnetic (AEM) survey. These surveys revealed a multitude of strong geophysical targets that have been integrated with our ground-based geological and structural mapping programs and geochemical soil sampling.

While initial drill testing through the year focused mainly on geophysical targets, we have since refined our approach to focus on those targets that are also supported by strong geological and other evidence. This has allowed us to re-prioritise our exploration efforts, with a targeted new program of Reverse Circulation and diamond drilling kicking off in the September 2023 Quarter.

I am confident the Company is now well positioned to capitalise on this exceptional target pipeline, underpinned by a strong balance sheet, a consistent royalty stream and a refreshed exploration focus.

At Mabel Creek, the Company has acquired 100% ownership of a significant land package approximately 30km west of Coober Pedy. The land package covers around 1,000km² of tenure within the Gawler Craton – a region that is prospective for large-scale Iron Oxide Copper-Gold (IOCG) discoveries and hosts numerous world-class deposits such as Olympic Dam, Carrapateena and Prominent Hill as well as significant recent discoveries such as Oak Dam and Emmie Bluff. This region is fast becoming Australia's premier copper producing area.

The Mabel Creek Project spans several significant faults and structures that elsewhere host IOCG-style mineralisation. In recent decades the project has been held by resource majors Teck and Vale, who undertook limited, preliminary geological investigations. Importantly, the barren surface cover is generally 50-100m thick, significantly shallower than at other locations in the Gawler Craton where exploration under +300m of cover is not uncommon.

Our work at Mabel Creek to date has consisted of the acquisition of geological and geophysical datasets from the SA government database and initial discussions with Traditional Owners and pastoral leaseholders on access to the project. We expect to be on the ground drilling some exciting initial targets early next year.

Consistent with our strong exploration DNA, the Company's senior leadership has recently undergone significant renewal with the appointment of experienced geologists and mining executives Andrew Munckton and Tim Sharp, respectively as Managing Director and Exploration Manager. Both Andrew and Tim have hit the ground running to ensure that our best projects are drilled and that our discovery program is delivered. We are delighted to have them both on board.

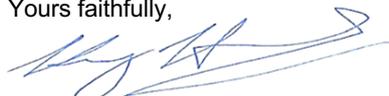
I would like to take this opportunity to extend my sincere thanks and acknowledgement to CEO Shaun Vokes and Exploration Manager Russell Gregory, who left the Company earlier in the year. Their contribution to Talisman is greatly appreciated.

During the 2023 financial year, we continued to receive monthly royalty payments from the operator of the Womunna iron Ore Project, Mineral Resources Ltd (MinRes). In the 12 months to June 2023, MinRes delivered 9.8Mt of iron ore sales for its Utah Hub operations in the Pilbara of Western Australia (of which Womunna was the larger portion). Talisman received \$7.6 million in royalty payments. Guidance for FY24 from MinRes is for 9.0 to 10.5 million tonnes of iron ore sales from their Utah Hub.

At year-end, we retained \$9.8 million in cash which, combined with a healthy ongoing royalty income stream, puts us in an enviable position as we ramp-up exploration in NSW and commence exploration in South Australia.

In conclusion, I would like to thank my fellow Directors and to extend a special vote of thanks to my fellow shareholders for your support. I am excited about what the next year will bring for Talisman.

Yours faithfully,



Kerry Harmanis, Chairman

REVIEW OF OPERATIONS

Overview

The last 12 months has seen Talisman Mining Limited (**Talisman** or the **Company**) continue to progress exploration activities in New South Wales at the Lachlan Lead-Zinc-Silver-Copper-Gold Project (**Lachlan**) and acquire the highly prospective Mabel Creek Copper-Gold project in South Australia (**Mabel Creek**). In addition, throughout the financial year Talisman has reviewed numerous new precious and base metals growth opportunities throughout Australia, focusing on value-accretive transactions with the potential to create long-term shareholder value.

The Company continued to receive monthly royalty payments throughout the financial year from Mineral Resources Ltd (**MinRes**), the operator of the Wonmunna Mine, which forms part of MinRes's Utah Hub Iron Ore operations in the Pilbara region of Western Australia. MinRes commenced production from Wonmunna in March 2021 and Talisman is entitled to an uncapped 1% gross revenue royalty on all metals produced and sold from the mine.

The Utah Hub delivered 9.8 million tonnes of iron ore sales for the 12-month period ended 30 June 2023, with Talisman receiving \$7.6 million in royalty payments from Wonmunna. The potential ongoing Wonmunna royalty revenue stream puts the Company in a unique funding position for a junior exploration company, allowing Talisman to pursue ongoing systematic exploration at its Lachlan and Mabel Creek Projects in combination with reviewing additional new metalliferous growth opportunities.

Talisman continued to expand its tenement position in the highly prospective Lachlan Fold Belt region of NSW during the year, increasing its total granted exploration licence area at the Lachlan Project to approximately 7,700km². This has consolidated the Company's strong tenure portfolio in this world-class mineral province.

During the financial year, Talisman completed two regional-scale geophysical surveys – a 15,456-line kilometre Airborne Gravity Gradiometric (**AGG**) survey and a 6,285-line kilometre Airborne Electro-Magnetic (**AEM**) survey using the VTEM™ Max helicopter-borne AEM system. These two large-scale geophysical surveys and their subsequent data processing and interpretation represent a significant investment in Talisman's highly prospective tenement portfolio.

In addition to the geophysical surveys, exploration activities continued at the Lachlan Project with ongoing soil sampling and mapping programs completed and several Reverse Circulation (**RC**) percussion drill programs undertaken targeting both geophysical and soil anomalies.

At the Company's Mabel Creek Project, land-access agreements with Traditional Owners and pastoral leaseholders were commenced to allow ground-based exploration activities in 2024. In addition, a significant data acquisition effort was undertaken with the South Australian Geological Survey to secure all the relevant historical information associated with the Mabel Creek and surrounding projects.

Talisman is currently planning to complete new geophysical programs and awaiting analysis of historical drilling information to inform the next phase of exploration work at Mabel Creek.

Lachlan Lead-Zinc-Silver-Copper-Gold Project, NSW

Talisman's Lachlan Project consists of four discrete project areas – the Central Lachlan Lead-Zinc-Silver, Dandaloo Copper, Hillston Copper-Gold and Elvis Porphyry Copper-Gold Projects, which cover a combined area of over 7,100km² of granted exploration tenure in the highly prospective Cobar Basin Rift and Junee-Narromine Volcanic mineral belts of NSW (Figure 1). These mineral belts are well-established mining districts with multiple operating long-life gold and base metal mines and several recent significant exploration discoveries including Aurelia Metal's Federation polymetallic deposit and Peel Mining's Mallee Bull, Wagga Tank and Southern Nights deposits.

Talisman's exploration strategy at the Lachlan Project is focused on the regional geological architecture, principally the north-northwest trending rift controlling structures. Proximity to the margins of major basin faults and deep-seated regional basement lineaments are important factors for mineral deposit formation and Talisman has a meaningful tenure position on the eastern side of the Cobar Basin Rift.

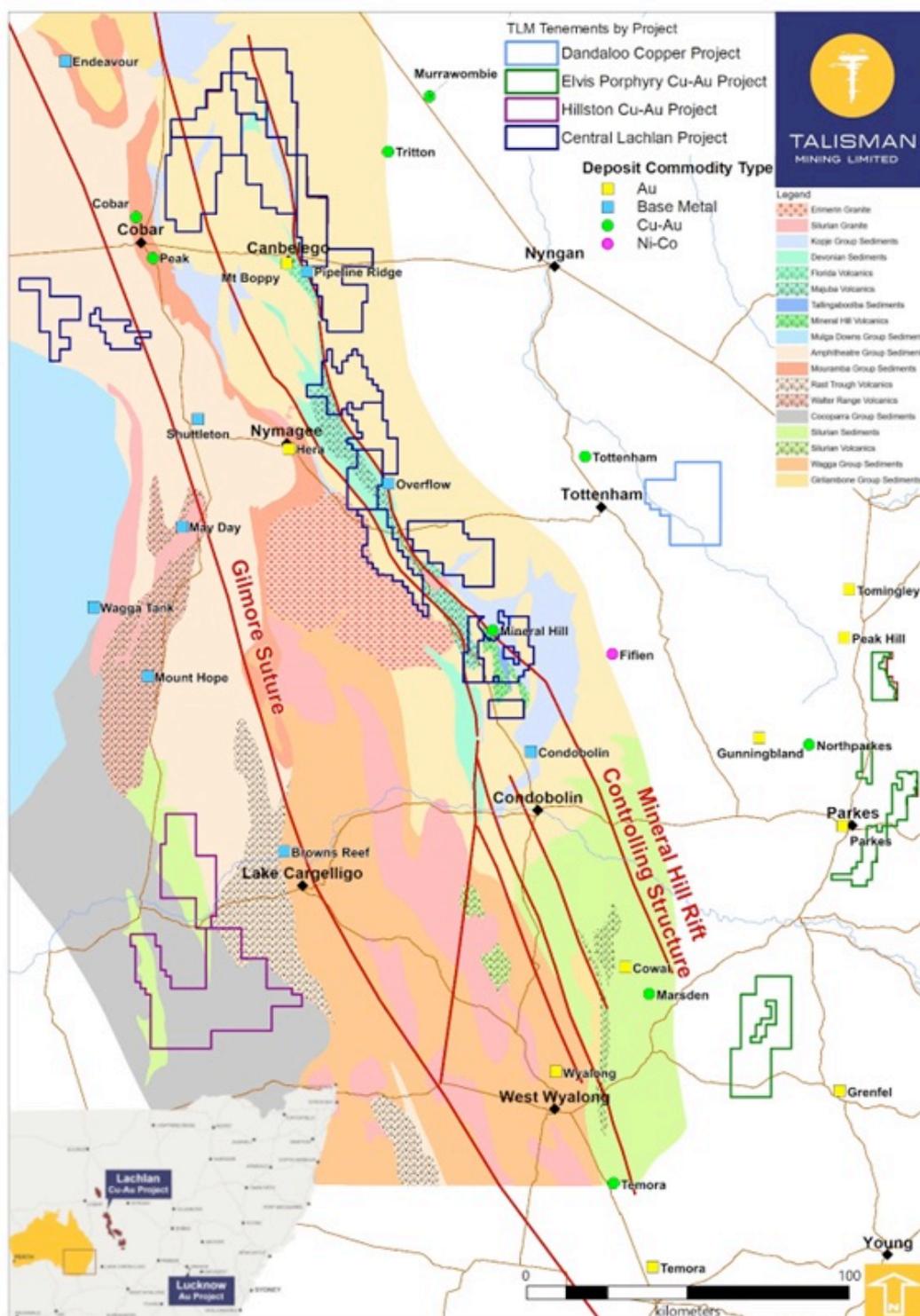


Figure 1: Talisman's Lachlan Pb-Zn-Ag-Cu-Au Project, showing key tenements, nearby mines and prospects and underlying geology.

The Company has identified multiple gold and base metal exploration targets at its Central Lachlan, Dandaloo, Hillston and Elvis Projects and systematic exploration activities including regional reconnaissance mapping, soil sampling, RC percussion drilling and geophysical surveys advanced during the financial year to inform target prioritisation and test high-priority targets.

Regional Geophysical Surveys

During 2022, Talisman undertook two large-scale regional geophysical surveys to provide an efficient and cost-effective screening mechanism for geophysical anomalism associated with Cobar and Mineral Hill-style mineralisation analogues over large portion of its Central Lachlan Project area (refer *Figure 2*).

Regional Airborne Gravity Gradiometric (AGG) Survey

Talisman flew an Airborne Gravity Gradiometric (AGG) survey using the proprietary FALCON® AGG system. FALCON is the world's most advanced airborne gravity gradiometer technology and provides high-quality gravity data to a resolution of 50m. The survey was flown at a 200m line spacing and covered 15,456 kilometres.

Data processing and interpretation was completed by Talisman's geophysical consultants with over 50 gravity anomalies identified.¹ Of these anomalies, 10 have been identified as high priority for follow-up.

Airborne Electromagnetic Survey (AEM) Survey

In parallel with the regional AGG survey, Talisman undertook an Airborne Electro-Magnetic (AEM) survey using the VTEM™ Max helicopter-borne system. Targeting for these survey areas was at a 200m line spacing and covered 6,285 kilometres (*Figure 2*).

Talisman's geophysical consultants completed data processing and interpretation and identified over 20 anomalies.² Talisman has prioritised three of these anomalies for immediate follow-up work due to their location near known mineral occurrences.

Baseline exploration work, including geological mapping, regolith sampling and structural mapping and analysis on priority anomalies is ongoing to assist in target prioritisation and preparation for drill testing during the FY24 year.

¹ Refer Talisman ASX announcement dated 26 July 2022 for full details.

² Refer Talisman ASX announcement dated 5 September 2022 for full details.

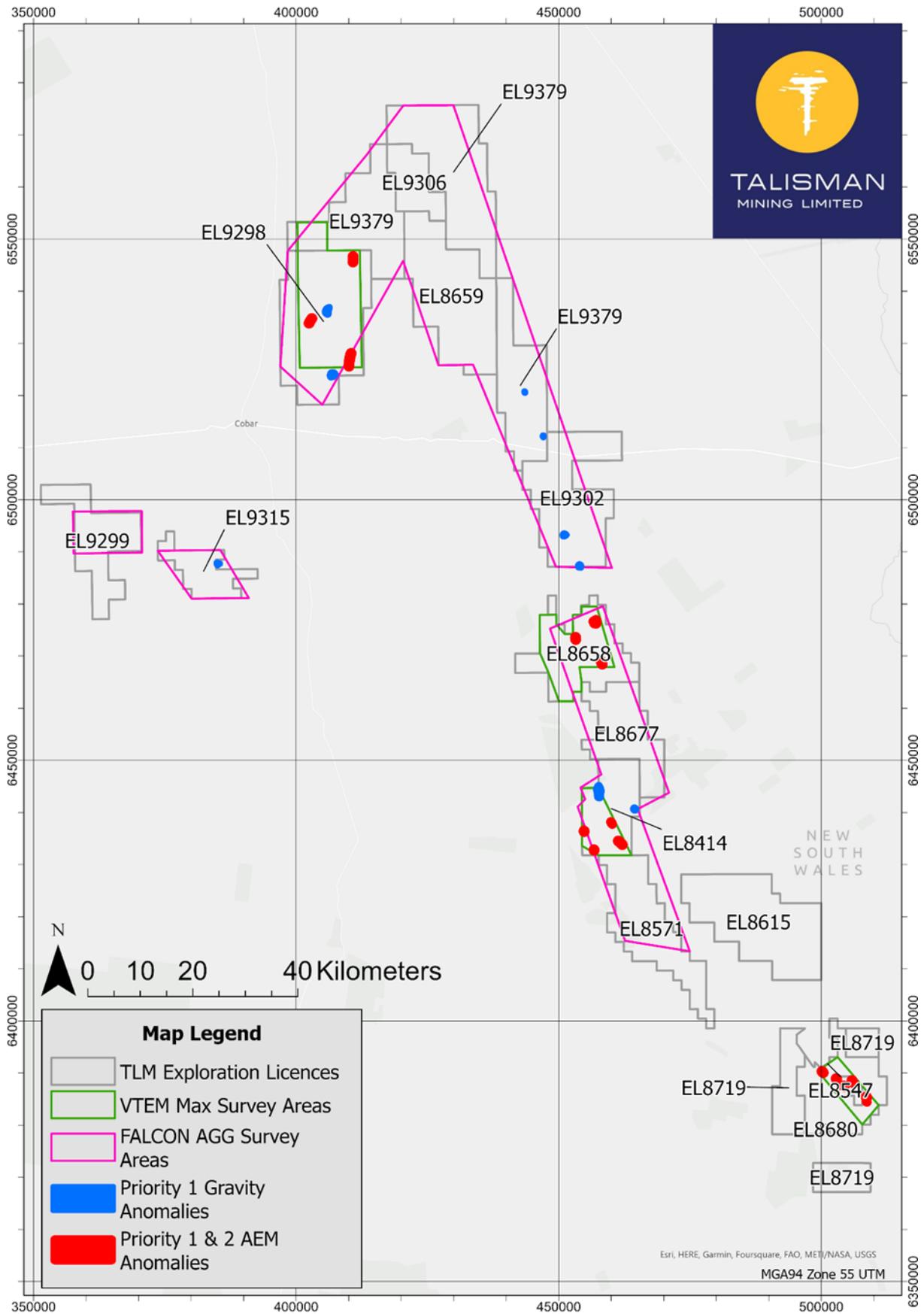


Figure 2: Talisman's FALCON® AGG and VTEM™ Max helicopter-borne AEM survey areas highlighting priority anomalies.

Priority Exploration Projects

Kaolin Shaft and Durnings (EL8547)

Analysis and 3D interpretation of AEM survey data illustrated in Figure 3 enabled the interpretation of structures associated with mineralisation at the Kaolin Shaft prospect, resulting in the interpretation of a second, concealed target area to the north-east of previous drilling.

Geological interpretation suggests that the polymetallic mineralisation at both the Kaolin Shaft (Zn-Pb-Cu-Ag-Au)³ and Durnings (Au-Cu) prospects may represent the up-dip expression of a larger mineralisation source – located at depth approximately 900m to the north-east. Best historical results at Durnings include:

- 34m @ 1.34g/t Au from 6m and 6m @ 2.1% Cu from 32m (DUR-1⁴); and
- 17m @ 3.7g/t Au from 16m including 8m @ 5.3g/t Au from 22m (MD8⁵).

The interpreted deeper target is situated at the intersection of the Bluff Fault Zone and Mineral Hill Structure (Figure 3). Both these structures have strong relationships to copper mineralisation and are interpreted to be associated with the Mineral Hill Mine and the nearby Wilmatha copper-gold porphyry prospect, located to the north and north-east respectively. The target area is concealed by shallow cover. No previous exploration is recorded over the area. Drill testing of the target is scheduled for the September Quarter 2023.

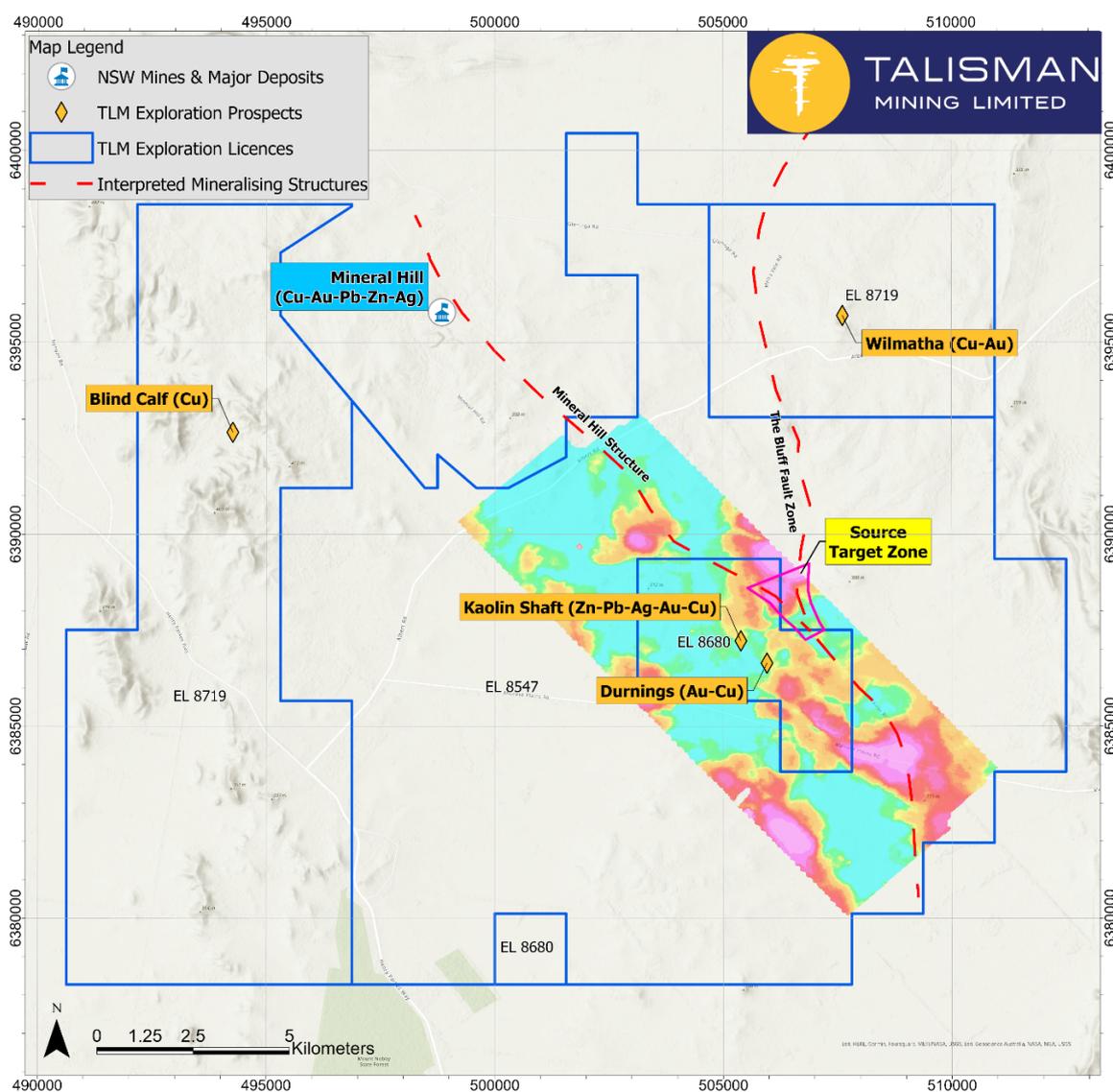


Figure 3: Kaolin Shaft and Durnings prospects over processed VTEM geophysical image.

³ Refer Talisman ASX announcements dated 22 July 2019 and 6 June 2022 for full details.

⁴ Refer to exploration reporting for historical tenement EL2305 and exploration by Kennecott Exploration (Aust) Ltd.

⁵ Refer R00000081, Ninth annual exploration report, EL 2727, Murda Creek, Boona area, 1996.

Carpina North Prospect (EL8414)

Four RC holes (CNRC0013-CNRC0016) for a total of 876 metres were drilled at the Carpina North Prospect⁶ during the year to follow up on the gold results returned in drill-hole CNRC0012, which was completed as part of the 2022 drill program and returned **40m @ 0.51g/t Au** from 24m down-hole⁷ (Figure 4). The recent drilling intersected other significant zones of mineralisation below the original discovery hole as illustrated in Figure 5.

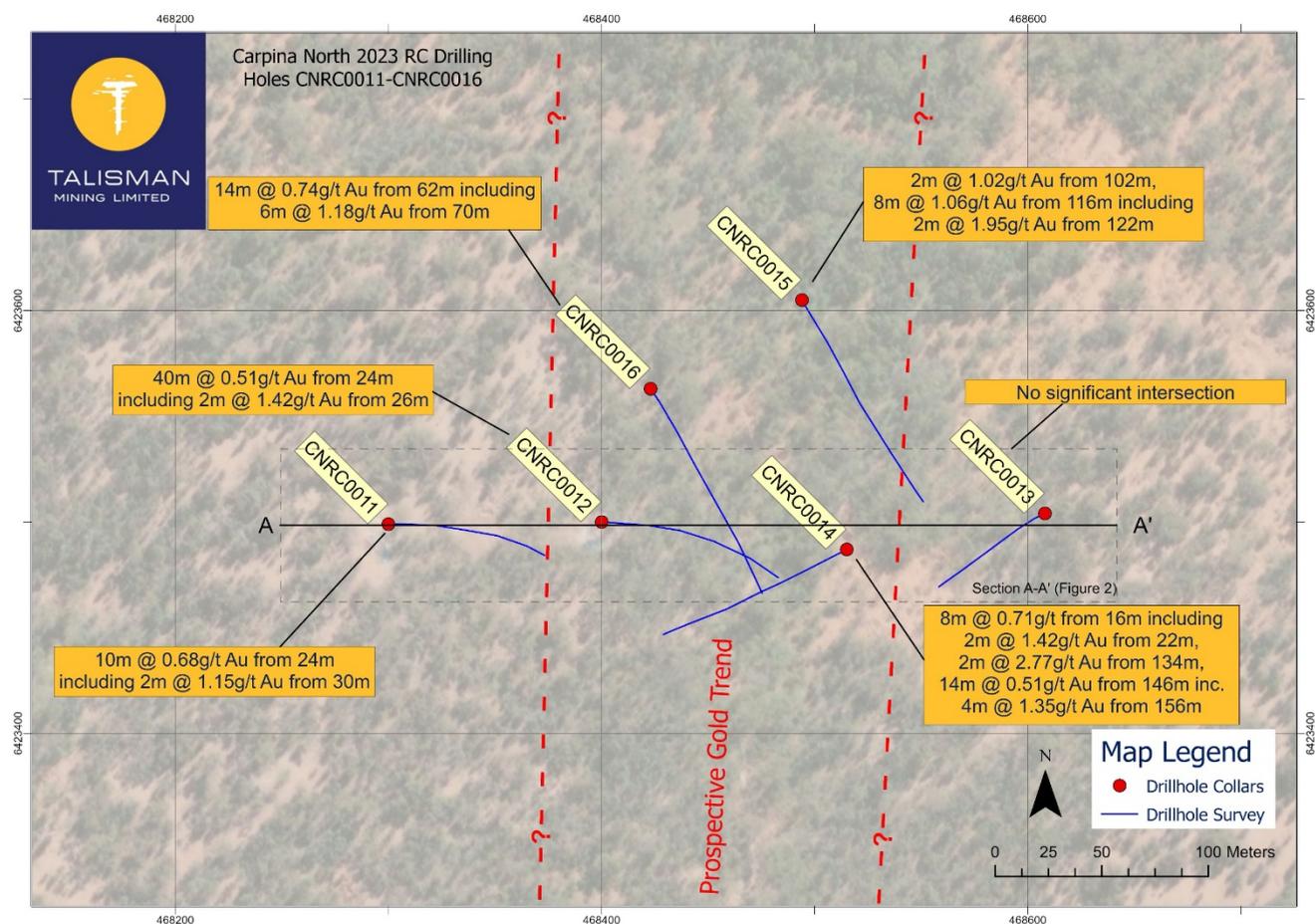


Figure 4: Carpina North 2023 RC drilling, holes CNRC0011 to CNRC0016. Significant intercepts are labelled.

Significant gold results were returned in drill-hole CNRC0014, with several mineralised zones above 1g/t Au encountered down the hole. Intercepts include:

- 8m @ 0.71g/t Au from 16m down-hole including **2m @ 1.42g/t Au** from 22m down-hole;
- **2m @ 2.77g/t Au** from 134m down-hole;
- 14m @ 0.51g/t Au from 146m down-hole including **4m @ 1.35g/t Au** from 156m down-hole; and
- **2m @ 1.04g/t Au** from 210m down-hole.

⁶ Refer Talisman ASX announcement dated 20 July 2023 for full details including JORC tables.

⁷ Refer Talisman ASX announcement dated 26 July 2022 for full details including JORC tables.

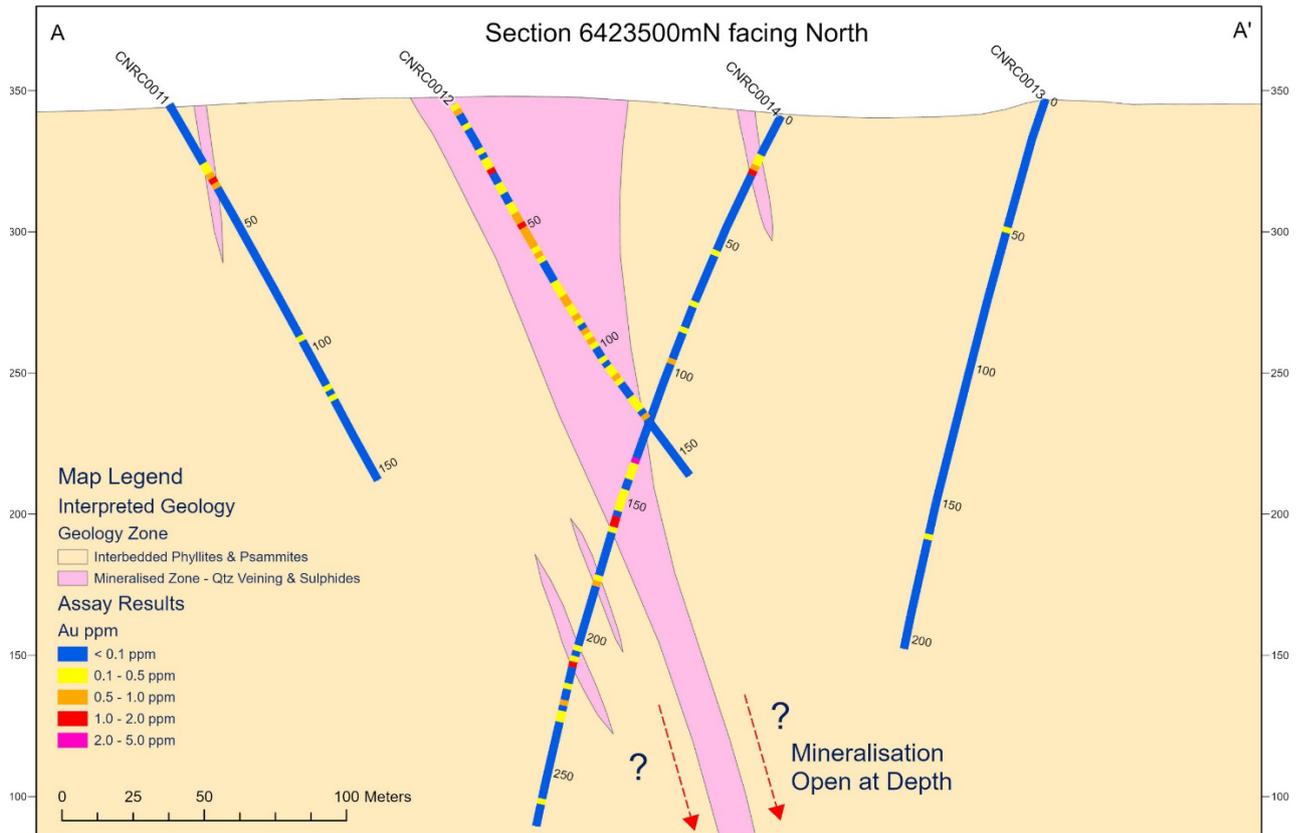


Figure 5: Interpreted Carpina North Section A-A', along 6423500mN. Holes oblique to section are not projected to section.

All of the drill-holes completed at Carpina North intersected a sequence of massive, fine-grained phyllites with occasional psammite interbeds, and the mineralisation appears to be visually associated with intermittent quartz veining hosting polymetallic (galena-chalcopyrite-arsenopyrite) sulphides and silica flooding (Figure 6).



Figure 6 – RC chip samples from CNRC0014, 206-212m down-hole, displaying quartz veining and silica flooding.

The gold mineralisation has geochemical associations with arsenic (As) and antimony (Sb). These element associations, together with the visual quartz textures, suggest that Talisman's drilling has intersected the "mixing" zones of a low-sulphidation epithermal gold mineral system.

Interpretation of the drill results is ongoing, with further drilling planned to be undertaken in the second half of 2023.

Rip & Tear (EL8615)

The Rip & Tear Prospect is located on a major north-east to south-west structural lineament. The area is dominated by sandstones and conglomerates of the Girilambone Group and shallow-water Kopyje Shelf and has seen previous shallow exploration focused on a historical working and three outcropping base metal gossans in the area.

Extensive historical surface geochemistry and auger drilling delineated strong lead anomalies⁸, similar to those associated with the Federation and Dominion discoveries. Despite significant surface work identifying these lead anomalies, limited historical drilling has been conducted with only three percussion holes drilled to 60 metres depth in the prospect area.

Two grids of Moving Loop Transient Electro-Magnetic (**MLTEM**) surveying covering the anomalous soil geochemistry, followed by a single 3.3km long line of Induced Polarisation (IP) survey. The exploration model used a Dominion/Federation analogue which has similar conductive anomalies to investigate disseminated base metal sulphide potential.

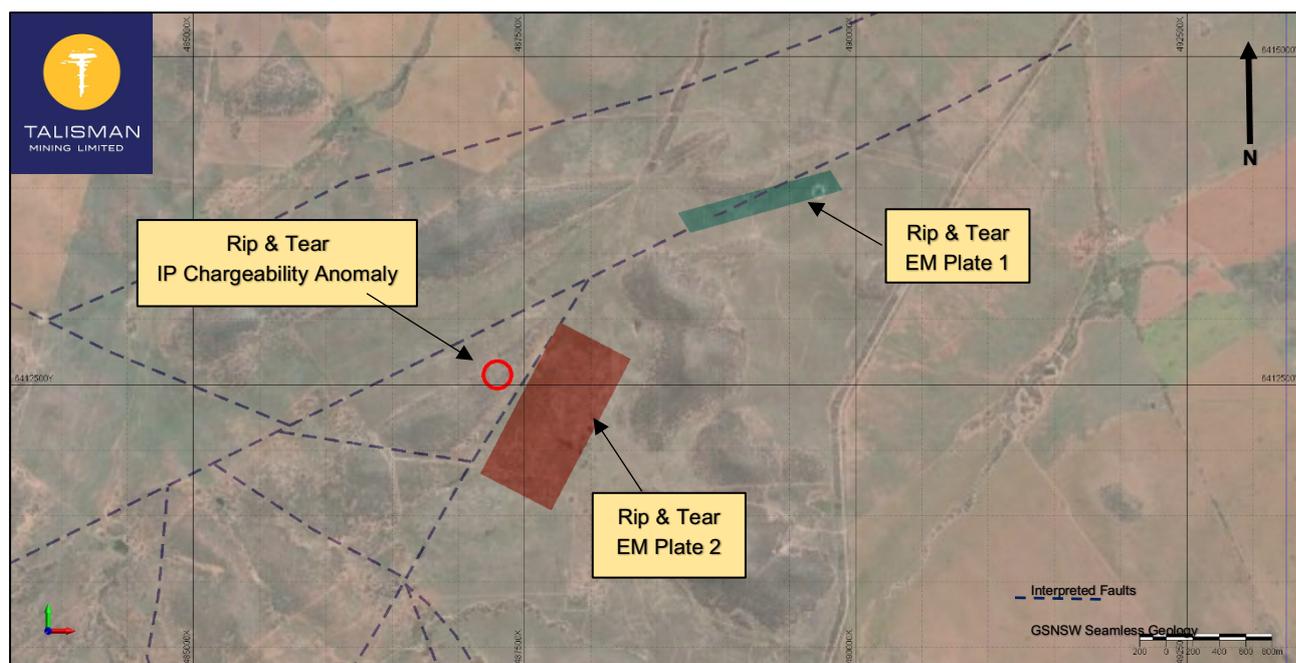


Figure 7: Rip & Tear Anomaly Area (EL8615) with interpreted faults (GSNSW Seamless Geology) and geophysical anomaly locations.

The MLTEM surveys identified two discrete conductive anomalies which were modelled into plates as the best fit for a conductive source. Both plates appear to be associated with mapped structures, suggesting that the conductive anomalies are linked to structurally controlled mineralisation using these structures as conduits and depositional sites for sulphides.

Plate 1 is a steeply-dipping, 1,200m long plate model with a moderate conductive value of 50 Siemens (**S**) oriented along the ENE-WSW major structure running through the prospect area (*Figure 7*). As a second order structure to the regionally significant Mineral Hill Fault, this structure may be associated with localised base metal mineralisation. The conductivity value may be indicative of net-textured or brecciated sulphides lacking complete connectivity.

Plate 2 is a NE-SW striking, moderately SE dipping plate model extending over a length of 1,300m with a moderate conductance value of 50S, aligned with a third order structure which also intersects the Mineral Hill Fault (*Figure 7*). This structure also trends towards the Yellow Mountain workings, where historical Au-Cu-Pb-Zn-Ag mineralisation has been encountered⁹.

Additionally, the IP line surveyed across the Plate 2 MLTEM area identified a discrete moderately chargeable anomaly at shallow depth. This anomaly is immediately adjacent to EM Plate 2, coincident with a topographic high, suggesting an area of basement with silicification possibly related to hydrothermal fluids and sulphide deposition (*Figure 7*)¹⁰.

⁸ Refer NSW DIGS Report R00022366, Exploration Report, Mineral Hill-Bobadah area.

⁹ Refer to NSW DIGS Open file reports R0009421, RE0003757, R00024525 and R00024537.

Talisman will drill test both chargeable anomalies and the conductive anomaly to determine the potential source of each. Further ground geophysics will be conducted across the prospect to acquire magnetic and gravity data to aid drill-hole targeting. Drilling is expected to commence in Q3 2023.

Acquisition – Mabel Creek IOCG Project, South Australia

During the March 2023 Quarter, Talisman entered into a Sale and Purchase Agreement (**SPA**) with First Au Limited (ASX: **FAU**) for the purchase of the Mabel Creek IOCG Project in the Gawler Craton of South Australia¹⁰. Under the SPA, Talisman has acquired a 100% interest in Exploration Licence EL6619, EL6620 and EL6627, covering a combined contiguous area of 1,048km² in the under-explored northern Gawler Craton (Figure 8).

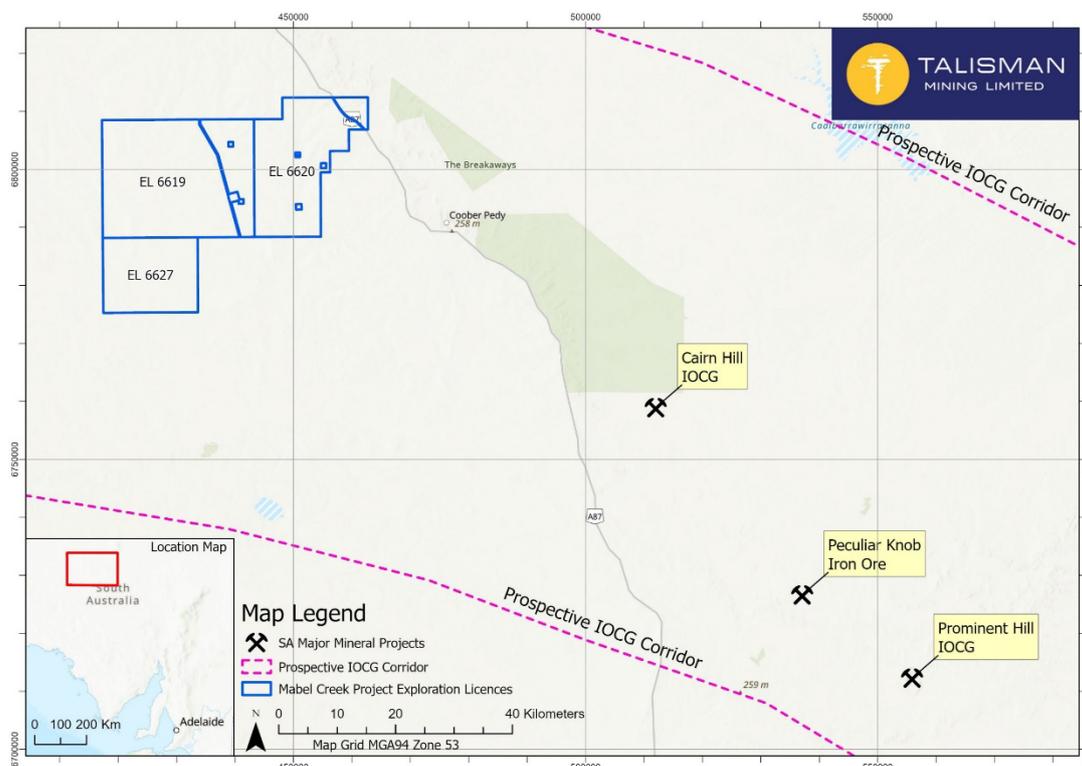


Figure 8: Location map of Mabel Creek Project, South Australia.

The Mabel Creek Project is located 130km to the north-west of the Prominent Hill Mine operated by BHP (ASX: BHP) and 40km west of Coober Pedy, making this a straightforward area to explore using existing infrastructure at Coober Pedy as a base.

The project area was initially identified as part of the South Australian Government's "Gawler Challenge" in 2020 and was identified by both the winner and runner-up of the competition as one of the most significantly prospective yet under-explored areas in South Australia for IOCG and Gawler Craton-style gold mineralisation.

No on-ground exploration activities have been undertaken on the area since 2014, with only desktop studies undertaken by FAU since the Mabel Creek Project tenements were granted in mid-2021.

The Project tenements span a major deep-seated, east-west trending fault system which is interpreted to host multiple intrusive bodies, including the Hiltaba Granite Suite, which is instrumental in the genesis of mineralisation at Olympic Dam (Figure 9).

Demagnetised areas evident on recently acquired aeromagnetic data from the Geological Survey of South Australia suggest the presence of extensive alteration associated with the fault system, indicating that it has been a fluid conduit potentially hosting mineralisation.

Post-mineral cover is relatively shallow across the Mabel Creek Project compared to other areas of the Gawler Craton, with the cover sequence varying from 30m to 150m. This is expected to make exploration using geophysics and drill testing far more cost-effective than most Gawler Craton exploration.

¹⁰ Refer Talisman ASX announcement dated 30 January 2023 for full details.

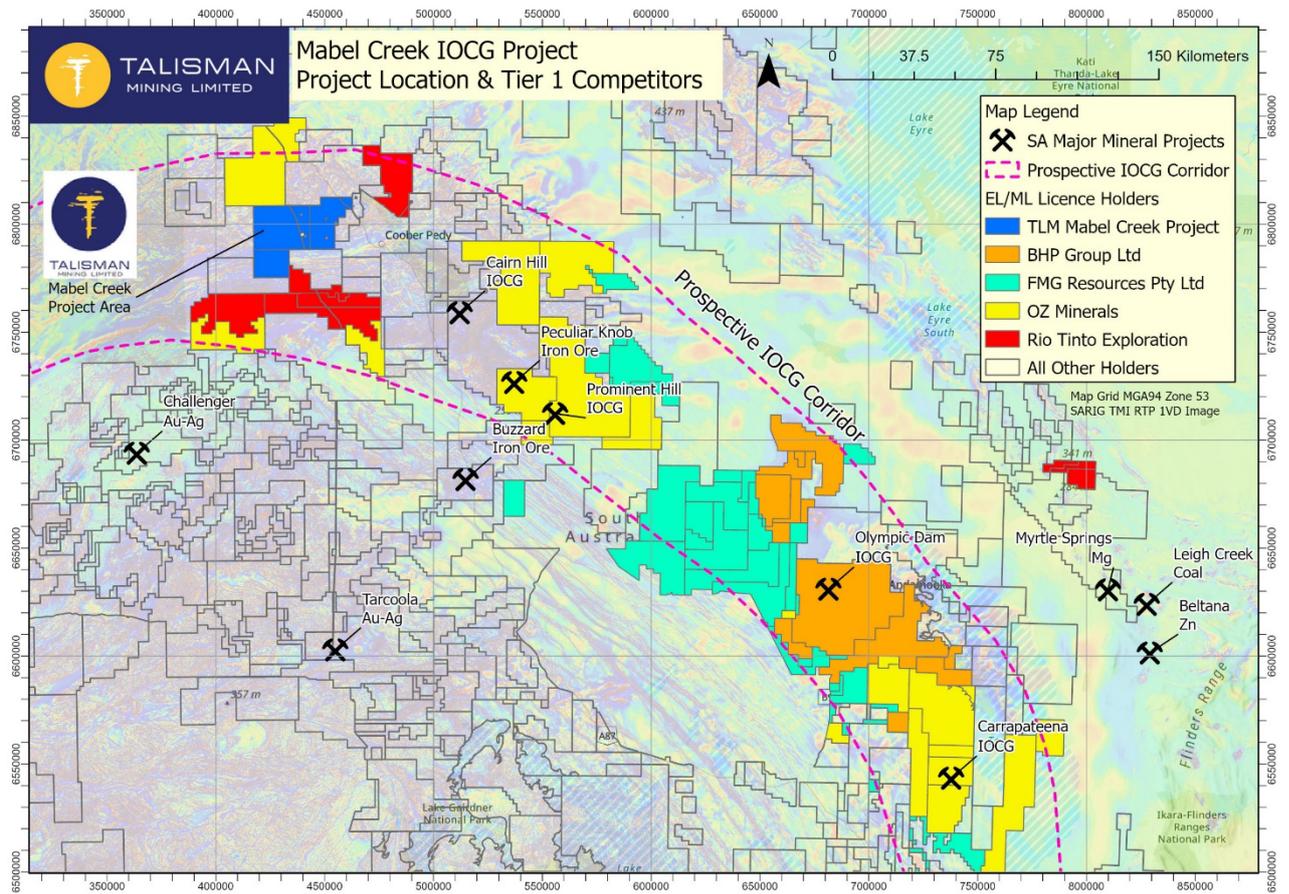


Figure 9: Talisman’s Mabel Creek Project Area, SA Major Mineral Projects and nearby major mining company mineral licences.

The Project is surrounded by exploration licences held by other major mineral companies, including recent tenements granted to FMG and Rio Tinto Exploration, as well as the exploration ground held by Oz Minerals (now BHP Group) and their existing Tier-1 mining and development projects (*Figure 9*).

The regional presence of these major mining companies highlights the exploration opportunity for additional significant copper-gold discoveries in the Gawler Craton.

Copper-gold bearing IOCG deposits and recent exploration discoveries by major mining houses are located along an arcuate “Prospective IOCG Corridor”. Talisman’s Mabel Creek Project is located centrally within an under-explored area of this corridor, making it highly prospective for a new IOCG discovery.

Competent Persons' Statement

Information in this report that relates to Exploration Results and Exploration Targets is based on information completed by Mr Alex Mangl, who is a member of the Australasian Institute of Geoscientists. Mr Mangl is a full-time employee of Talisman Mining Limited 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 Mangl consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

Forward-Looking Statements

This report may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Limited's current expectations, estimates and assumptions about the industry in which Talisman Mining Limited operates, and beliefs and assumptions regarding Talisman Mining Limited'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 Limited. 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 report speak only at the date of issue of this report. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Limited does not undertake any obligation to update or revise any information or any of the forward looking statements in this report or any changes in events, conditions or circumstances on which any such forward looking statement is based.

TENEMENT SCHEDULE

As at date of report

Project / Tenement	Location and Blocks (Area)	Tenement Status	Talisman Equity (%)	Expiry Date	Joint Venture Partner
CENTRAL LACHLAN PROJECT	<i>New South Wales</i>				
EL8615	(726km ²)	Granted	100%	07-07-23	N/A
EL8659	(373km ²)	Granted	100%	18-10-23	
EL8677	(193km ²)	Granted	100%	08-12-23	
EL8414	(174km ²)	Granted	89%	02-12-24	Peel Mining Ltd
EL8547	(205km ²)	Granted	100%	03-04-28	N/A
EL8571	(258km ²)	Granted	100%	23-05-25	
EL8658	(256km ²)	Granted	100%	13-10-22	
EL8680	(20km ²)	Granted	100%	08-12-22	
EL8719	(191km ²)	Granted	100%	27-03-24	
EL9298	(440km ²)	Granted	100%	30-09-27	
EL9299	(199km ²)	Granted	100%	30-09-27	
EL9302	(108km ²)	Granted	100%	13-10-27	
EL9306	(327km ²)	Granted	100%	30-09-27	
EL9315	(103km ²)	Granted	100%	27-10-27	
EL9379	(878km ²)	Granted	100%	28-03-28	
EL9462	(6km ²)	Granted	100%	14-09-28	
EL9585	(990 km ²)	Granted	100%	19-07-25	
ELVIS PROJECT	<i>New South Wales</i>				
EL8977	(463km ²)	Granted	100%	11-05-23	N/A
EL9395	(75km ²)	Granted	100%	21-04-25	
EL9396	(229km ²)	Granted	100%	21-04-25	

Project / Tenement	Location and Blocks (Area)	Tenement Status	Talisman Equity (%)	Expiry Date	Joint Venture Partner
CENTRAL LACHLAN PROJECT	<i>New South Wales</i>				
HILLSTON PROJECT	<i>New South Wales</i>				
EL8907	(1,043km ²)	Granted	100%	31-10-22	N/A
EL9394	(399km ²)	Granted	100%	21-04-28	
DANDALOO PROJECT	<i>New South Wales</i>				
EL9324	(474km ²)	Granted	100%	12-11-27	N/A
LUCKNOW PROJECT	<i>New South Wales</i>				
EL6455	(29km ²)	Granted	51%	10-08-26	Lucknow Gold Ltd
OTHER	<i>New South Wales</i>				
EL8451	(276km ²)	Granted	89%	16-07-25	N/A
MABEL CREEK PROJECT	<i>South Australia</i>				
EL6619	(519 km ²)	Granted	100%	18-07-27	N/A
EL6620	(319 km ²)	Granted	100%	18-07-27	
EL6627	(210 km ²)	Granted	100%	13-08-27	

OPERATING AND FINANCIAL RISK

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of activities, or that any or all of the activities will be achieved. Material business risks that could influence the Group's future activities and prospects and how the Group manages these risks, are detailed below

Operational risks

The Company may be affected by various operational factors. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company.

There can be no assurance that exploration of the Tenements, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates, and conceptual project developments discussed in this Prospectus are able to be achieved. In the event the Company successfully delineates economic deposits on any Tenement, it will need to apply for a mining lease to undertake development and mining on the relevant Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for and if a mining lease is granted, it will also be subject to conditions which must be met.

Further capital requirements

The Company's projects may require additional funding in order to progress activities. There can be no assurance that additional capital or other types of financing will be available if needed to further exploration or possible development activities and operations or that, if available, the terms of such financing will be favourable to the Company.

Native title and Aboriginal Heritage

There are areas of the Company's projects over which legitimate common law and/or statutory Native Title rights of Aboriginal Australians exist. Where Native Title rights do exist, the Company must obtain consent of the relevant landowner to progress the exploration, development and mining phases of operations. Where there is an Aboriginal Site for the purposes of the Aboriginal Heritage legislation, the Company must obtain consents in accordance with the legislation.

The Company's activities are subject to Government regulations and approvals

The Company is subject to certain Government regulations and approvals. Any material adverse change in government policies or legislation in Western Australian and Australia that affect mining, processing, development and mineral exploration activities, export activities, income tax laws, royalty regulations, government subsidiaries and environmental issues may affect the viability and profitability of any planned exploration or possible development of the Company's portfolio of projects.

Global conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement can be found on the Company's website at www.talismanmining.com.au/about-us/corporate-governance.html under the heading marked "Corporate Governance Statement".

The following governance-related documents can also be found on the Company's website:

Company Purpose & Values

Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Committee

Constitution

- Constitution of Talisman Mining Limited

Board

- Code of Conduct
- Policy and Procedure for the Selection and (Re)Appointment of Directors
- Process for Performance Evaluation

Compliance, Controls and Policies

- Risk Management Policy
- Continuous Disclosure Policy
- Securities Trading Policy
- Diversity Policy
- Remuneration Policy
- Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy

Shareholder Communication

- Shareholder Communication and Investor Relations Policy

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group consisting of Talisman Mining Limited and the entities it controlled for the financial year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
<p>Kerry Harmanis</p> <p>Non-Executive Chairman 15 July 2020 - current</p>	<p>Chairman (Non-Executive/Non-Independent)</p> <p>Kerry Harmanis joined the Talisman board on 15 July 2020 and is one of Western Australia's most successful mining executives and investors. Kerry has been a major shareholder and strong supporter of Talisman since 2007 and currently holds an 18% stake in the Company.</p> <p>With a career spanning more than 40 years in the Australian exploration and mining industry, Kerry was the founder and Executive Chairman of Jubilee Mines NL, a highly successful West Australian nickel miner which he established in 1987.</p> <p>Through a combination of exploration success, focused project development and operational consistency, Jubilee Mines grew to become one of the most successful mid-tier miners on the ASX until its acquisition by Xstrata for A\$3.1 billion in October 2007.</p> <p>During this period, Kerry led a highly successful geological and operational team which helped Jubilee set new benchmarks on the ASX for shareholder returns in the resource sector.</p> <p>In the three years immediately before the end of the financial year, Kerry did not serve as a Director of any other ASX listed entities.</p>
<p>Andrew Munckton B.Sc. (Geol) MAusIMM AICD</p> <p>Managing Director 21 August 2023 – current</p>	<p>Managing Director (Executive/Non-Independent)</p> <p>Andrew Munckton joined Talisman as Managing Director in August 2023 and is an experienced geologist who has held senior management roles in both ASX-listed companies and gold operations in a career spanning more than 30 years.</p> <p>Andrew has previously held the roles of Managing Director of Kin Mining NL (ASX: KIN), Syndicated Metals Limited and Avalon Minerals, General Manager – Operations for Gindalbie Metals, General Manager Strategic Development of Placer Dome Asia Pacific and General Manager Operations of the Kanowna Belle, Paddington and Kundana Gold Mines over a period of ten years.</p> <p>In the 3 years immediately before the end of the financial year, Andrew served as Managing Director of Kin Mining Ltd (ASX: KIN) from July 2018 until his resignation on 18 August 2023.</p>
<p>Jeremy Kirkwood BCom ANU</p> <p>Non-Executive Director 15 July 2020 – current</p> <p>Non-Executive Chairman April 2016 – 15 July 2020</p>	<p>Non-Executive Director (Independent)</p> <p>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.</p> <p>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.</p> <p>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. On 10 May 2023, he was appointed as a Non-Executive Director of Hawsons Iron Limited (ASX: HIO).</p> <p>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.</p>

Name	Particulars
<p>Brian Dawes B. Sc. Mining, MAusIMM</p> <p>Non-Executive Director</p> <p>17 June 2009 – current</p>	<p>Non-Executive Director (Independent)</p> <p>Brian is a mining engineer with extensive international mining industry experience.</p> <p>Brian's diverse expertise covers all key industry aspects from exploration and discovery, through the feasibility, funding, approvals, project construction, commissioning, operations, optimisation, logistics, marketing, and closure phases. This includes site management and corporate responsibilities in a diversity of challenging and highly successful underground and open pit operations across many commodities and geographies. Prior to joining Talisman, Brian held senior positions with Jubilee Mines, Western Areas, LionOre Australia, WMC, Normandy Mining, and Aberfoyle.</p> <p>In the 3 years immediately before the end of the financial year, Brian served as a non-executive director of Kin Mining Ltd (ASX: KIN) from 20 February 2018 until his resignation on 24 November 2022.</p> <p>Brian serves on the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience and being financially literate, Brian is considered qualified to hold these responsibilities.</p>

<p>Peter Benjamin B.Sc. (Hons), Grad Dip (Exploration), (Bus Admin), GAICD, MAusIMM, FAIM</p> <p>Non-Executive Director</p> <p>24 July 2019 - current</p>	<p>Non-Executive Director (Independent)</p> <p>Peter is an experienced geologist who has worked in the mining industry for more than 40 years, predominantly in senior exploration, project, operational and executive management roles with junior and mid-tier ASX-listed companies.</p> <p>These positions have included Managing Director of gold and copper explorer Kalamazoo Resources Ltd, General Manager Exploration and Geology for Iluka Resources Ltd and Divisional Project Manager for Newcrest Mining Ltd. These roles have included significant experience in the development and subsequent operations for open pit and underground precious, base metal and bulk mineral mines throughout Australia. During his career Peter has overseen large gold and base metal exploration programmes which have resulted in new discoveries and significant extensions to Mineral Resources, Ore Reserves and thus mine life. During his time at Iluka Resources Limited, the exploration team won two "Explorer of the Year" awards and awards for environmental excellence. His New South Wales experience has also included operating exploration and project development programmes in the Lachlan Fold Belt of NSW, which is a key focus area for Talisman.</p> <p>Peter is Member of the Australian Institute of Mining and Metallurgy, a Graduate of the Australian Institute of Company Directors and a Fellow Graduate and Mentor at the Australian Institute of Management (Floreat).</p> <p>In the 3 years immediately before the end of the financial year, Peter did not serve as a Director of any other ASX listed entities.</p> <p>Peter is a member of the Audit, Nomination and Remuneration Committees. With his extensive geological and senior exploration management experience, Peter is considered qualified to hold these responsibilities.</p>
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Company Secretary

Name	Particulars
<p>Alex Neuling, BSc, FCA (ICAEW), FCIS</p> <p>Company Secretary</p> <p>1 May 2016 - current</p>	<p>Company Secretary</p> <p>Alex Neuling is a Chartered Accountant and Chartered Secretary with extensive corporate and financial experience including as Director, Chief Financial Officer and / or Company Secretary of various ASX-listed companies in the mining, mineral exploration, oil & gas and other sectors.</p> <p>Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting which provides company secretarial and financial management consultancy services to a variety of ASX-listed and other companies.</p>

Principal activities

The principal activity of Talisman Mining Limited during the course of the financial year was exploration for base metals and other minerals, including copper, copper-gold, gold and nickel.

Review of operations and future developments

A detailed review of operations during the financial year and commentary on future developments is set out in the section titled "Review of Operations" in this Annual Report.

Significant changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Dividends

The Directors resolved that no dividend be paid for the year.

Financial performance and financial position

Financial performance

During the financial year, the Group reported a profit after tax of \$0.1 million (2022: loss after tax \$1.1 million).

Revenue for the year of \$7.7 million (2022: \$6.5 million) consisted primarily of royalty income from an uncapped 1% gross revenue royalty applicable to all metals produced and sold from the Wonmunna Iron Ore Mine.

Financial position

As at 30 June 2023, the Group had net assets of \$10.7 million (2022: \$10.3 million) including \$9.8 million of cash and cash equivalents (2022: \$8.9 million).

Subsequent events

Mr Andrew Munckton was appointed as Managing Director of the Company on 21 August 2023.

Mr Shaun Vokes' position of Chief Executive Officer was made redundant on 17 August 2023.

There has not been any other matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, eleven board meetings, two audit committee meetings, one remuneration committee meeting and one nomination committee meeting were held.

Directors	Board of directors		Audit committee		Remuneration committee		Nomination committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Kerry Harmanis	11	11	2	2	1	1	1	1
Jeremy Kirkwood	11	11	2	2	1	1	1	1
Brian Dawes	11	11	2	2	1	1	1	1
Peter Benjamin	11	11	2	2	1	1	1	1

Note: Executive Directors attending committee meetings during the year attended all or part of the meeting by invitation of the relevant Committee.

Directors' interests in shares and options

The following table sets out each Director's relevant interest in shares, and options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares Number	Share Options Number
Kerry Harmanis	34,914,450	600,000
Andrew Munckton	-	-
Jeremy Kirkwood	419,000	222,600
Brian Dawes	353,333	222,600
Peter Benjamin	277,200	222,600

Note that in addition to the share options quoted previously and elsewhere in this report, the following Directors were allocated the following unissued share options in December 2022:

Directors	Share Options Number	Number of ordinary shares under option
Kerry Harmanis	534,500	534,500
Jeremy Kirkwood	334,100	334,100
Brian Dawes	334,100	334,100
Peter Benjamin	334,100	334,100

The issue of these options remain subject to shareholder approval and are not included in the Director's relevant interest at the date of this report.

Share options

Share options granted to Directors and other key management personnel

At the date of this report, share options granted to the Directors and other key management personnel of the Company and the entities it controlled as part of their remuneration are:

Directors and senior management	Number of options granted	Issuing Entity	Number of ordinary shares under option
Kerry Harmanis	600,000	Talisman Mining Limited	600,000
Jeremy Kirkwood	222,600	Talisman Mining Limited	222,600
Brian Dawes	222,600	Talisman Mining Limited	222,600
Peter Benjamin	222,600	Talisman Mining Limited	222,600
Shaun Vokes ¹¹	3,526,300	Talisman Mining Limited	3,526,300
Russell Gregory ¹²	-	Talisman Mining Limited	-

Details of all unissued shares or interests under option as at the date of this report are:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	21-Apr-22	16-Dec-25	1,267,800	\$0.25	\$0.08	16-Dec-24
Talisman Mining Limited	17-Dec-21	16-Dec-25	2,871,400	\$0.25	\$0.07	16-Dec-24
Talisman Mining Limited	4-Jan-22	3-Jan-26	304,500	\$0.25	\$0.07	3-Jan-25
Talisman Mining Limited	16-Dec-22	15-Dec-26	4,858,800	\$0.20	\$0.08	15-Dec-25

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

¹¹ Mr Vokes ceased employment on 17 August and, as at the date of this report, the treatment of his unvested share options remains at the discretion of the Board.

¹² Mr Gregory ceased employment on 31 August and all remaining unexpired options lapsed on termination.

Remuneration Report

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Talisman Mining Limited for the financial year ended 30 June 2023 and is included on page 24.

Environmental regulations

The Group's environmental obligations are regulated under both State and Federal legislation. Performance with respect to environmental obligations is monitored by the Board of Directors and subjected from time to time to government agency audits and site inspections. No significant or material environmental breaches have been notified by any government agency during the year ended 30 June 2023.

Indemnification and insurance of officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 24 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 30 and forms part of this Directors' report for the year ended 30 June 2023.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Rounding off of amounts

The Company has applied the relief available to it in ASIC Legislative Instrument 2016/191, and accordingly certain amounts included in this report and in the financial report have been rounded off to the nearest \$1,000 (where rounding is applicable), under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

REMUNERATION REPORT

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Talisman Mining Limited for the year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel details

The key management personnel of Talisman Mining Limited during the year were:

Directors

Kerry Harmanis	Non-Executive Chairman	
Andrew Munckton ¹³	Managing Director	(Appointed 21 August 2023)
Jeremy Kirkwood	Non-Executive Director	
Brian Dawes	Non-Executive Director	
Peter Benjamin	Non-Executive Director	

Other Key Management

Shaun Vokes	Interim Chief Executive Officer	
	Chief Executive Officer	(Ceased employment on 17 August 2023)
Russell Gregory	Exploration Manager	(Ceased employment on 31 August 2023)

Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year end.

Key Management Personnel (excluding Non-Executive Directors)

The Board is responsible for determining the remuneration policies for the Group, including those affecting Executive Directors and other key management personnel. The Board may seek appropriate external advice to assist in its decision making.

The Company's remuneration policy for Executive Directors and key management personnel is designed to promote superior performance and long-term commitment to the Group. The main principles of the policy when considering remuneration are as follows:

- Executive Directors and key management personnel are motivated to pursue long term growth and success of the Group within an appropriate control framework;
- interests of key leadership are aligned with the long-term interests of the Company's shareholders; and
- there is a clear correlation between performance and remuneration.

The remuneration policy for Executive Directors and other key management personnel comprises a mix of fixed remuneration and at-risk variable remuneration consisting of short term and long term incentives.

Fixed remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Remuneration Committee has access to external, independent advice where necessary.

Executive Directors and other key management personnel are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in the remuneration for key management personnel tables for the years ended 30 June 2023 and 30 June 2022.

Short term incentives

An annual short term incentive opportunity (**STIP**) exists for Executive Directors and other key management personnel. The STIP represents a cash-based incentive that provides for a meaningful proportion of the total remuneration package for Executive Directors and other key management personnel to be at-risk.

¹³ Mr Munckton has no share or options holdings as at the date of this report.

Benefits under the STIP may only be realised on the achievement of targets linked to the Company's annual business objectives, prevailing economic conditions and individual commitment and performance. Potential rewards under the STIP only become payable at the absolute discretion of the Board. For the financial year ended 30 June 2023, a total amount of \$144,442 was awarded in STIP as recommended by the Remuneration Committee and approved by the Board. The STIP awards were paid in July 2023.

Long term incentives

To align the interests of key management personnel with the long-term objectives of the Group and its shareholders, the Group's policy, having regard to the stage of development of its assets, is to issue share options under the shareholder approved 'Incentive Awards Plan' (**IAP**) and at the discretion of the Board, subject to shareholder approval for Directors. The issue of share options as remuneration represents cost effective consideration to Directors and key management personnel for their commitment and contribution to the Group and are used as a strategic tool to recruit and retain high calibre personnel.

Options issued under the IAP during the year vest after a fixed period during the life of the options (currently after 3 years) and value is only realised by Directors and key management personnel upon growth at a fixed premium to the 30-day volume weighted share price of the Company's share price from the date of the grant of the options. Vesting conditions relating to the performance of the Group are not considered appropriate having regard to the stage of development of the Group's assets. Participants in the IAP are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

In addition, under the IAP, if the Board makes a determination that in its opinion an optionholder has been dismissed or removed from office for a reason which entitles the Company to dismiss the optionholder without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company (whether or not charged with an offence) or has done any act which brings the Company and its related bodies corporate or any one of them into disrepute, the options held by that optionholder will lapse.

Non-Executive Directors

The Group's Non-Executive Directors receive fees (including statutory superannuation) for their services and the reimbursement of reasonable expenses. The fees paid to the Group's Non-Executive Directors reflect the demands on, and responsibilities of, the Directors. They do not receive any retirement benefits (other than compulsory superannuation). The Board decides annually the level of fees to be paid to Non-Executive Directors with reference to market standards.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Group's development. Such options vest across the life of the option and are primarily designed to provide an incentive to Non-Executive Directors to remain with the Group. Options issued to Non-Executive Directors are subject to shareholder approval.

A Non-Executive Directors' fee pool limit of \$500,000 per annum was approved by the shareholders at the General Meeting on 23 November 2022 General Meeting. For the financial year ended 30 June 2023, this pool was utilised to a level of \$266,858 (inclusive of superannuation). The fee paid for the 2023 financial year to the Chairman was \$92,820 (including statutory superannuation) whilst each Non-Executive Director was paid \$58,013 per annum (including statutory superannuation).

Key terms of employment contracts

Remuneration and other terms of employment of Directors and key management personnel are formalised in an employment contract. The major provisions of the agreements related to the remuneration are set out below.

Key Management Personnel	Term of Agreement	Key Agreement Terms	Notice Period
Andrew Munckton	Three years (appointed 21 August 2023)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to three months' base salary.	3 months
Shaun Vokes	Three years (appointed 2 July 2021)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to six months' base salary.	3 months
Russell Gregory	Ongoing employment agreement (appointed 2 August 2021)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to three months' base salary.	3 months

Remuneration for Executive Directors and key management personnel consists of a base salary, superannuation and performance incentives. Long term performance incentives may include options granted at the discretion of the Board subject to obtaining the relevant approvals. The remuneration of the Chief Executive Officer is recommended to the Board by the Remuneration Committee. Remuneration of key management personnel (excluding Non-Executive Directors) is recommended annually by the Remuneration Committee in consultation with the Chief Executive Officer or equivalent.

Remuneration Philosophy

The Board recognises that the performance and continued success of the business depends upon the quality of its people. To ensure the Group continues to innovate and grow it must attract, motivate, and retain highly skilled directors, executives and employees. To deliver this, the philosophy of the Group in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre employees and to link a significant component of executive rewards to shareholder value creation. The size, nature and financial strength of the Group is also taken into account when setting remuneration levels so as to ensure that the operations of the Group remain sustainable.

In considering the Group's performance and impact on shareholder returns, the Board has regard to the following indicators of performance in respect of the current financial year and the previous four financial years:

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Revenue/Other Income (\$'000)	7,658	6,459	1,393	229	442
Net profit/(loss) after tax (\$'000)	66	(1,111)	(2,167)	(4,803)	46,236
Earnings/(loss) per share (cents)	0.04	(0.60)	(1.20)	(2.60)	24.90
Share price (\$)	0.170	0.140	0.205	0.165	0.078

Remuneration of key management personnel

Details of the nature and amount of each element of the remuneration for key management personnel during the year are set out in the following tables:

	Short-term employee benefits			Post-employment benefits	Long service leave accrual	Share-based payment	Total	% of compensation linked to performance
	Salary & fees ⁽ⁱ⁾	Bonus	Non-monetary	Super-annuation		Options ^(v)		
	\$	\$	\$	\$	\$	\$	\$	%
2023								
Directors								
Kerry Harmanis	84,000	-	-	8,820	-	23,624	116,444	20.29%
Jeremy Kirkwood	55,256	-	-	2,756	-	10,796	68,808	15.69%
Brian Dawes	37,613	-	-	20,400	-	10,796	68,809	15.69%
Peter Benjamin	58,013	-	-	-	-	10,796	68,809	15.69%
Executives								
Shaun Vokes	321,731	38,180	-	34,427	46,580	66,180	507,098	13.05%
Russell Gregory	260,372	5,000	-	25,935	-	51,064	342,371	14.91%
	<u>816,985</u>	<u>43,180</u>	<u>-</u>	<u>92,338</u>	<u>46,580</u>	<u>173,256</u>	<u>1,172,339</u>	
2022								
Directors								
Kerry Harmanis ⁽ⁱⁱ⁾	40,000	-	-	4,000	-	8,240	52,240	15.77%
Jeremy Kirkwood	51,667	-	-	3,333	-	3,057	58,057	5.26%
Brian Dawes	50,000	-	-	5,000	-	3,057	58,057	5.26%
Peter Benjamin	52,083	-	-	2,917	-	3,057	58,057	5.26%
Executives								
Shaun Vokes ⁽ⁱⁱⁱ⁾	329,217	-	-	30,750	-	17,990	377,957	4.76%
Russell Gregory ^(iv)	201,667	-	-	20,167	-	40,245	262,079	15.36%
	<u>724,634</u>	<u>-</u>	<u>-</u>	<u>66,167</u>	<u>-</u>	<u>75,646</u>	<u>866,447</u>	

(i) Cash salary and fees includes movements in annual leave provision during the year.

(ii) Appointed as non-executive Chairman on 15 July 2020. Under the terms of his initial appointment, Mr Harmanis elected not to receive a salary or be issued with any shares in his role. In December 2021 the Board resolved that Mr Harmanis be paid a salary of \$80,000 p.a. and be entitled to participate in the Company's long-term incentive plan.

(iii) Appointed as interim Chief Executive Officer 2 September 2020 and as Chief Executive Officer on 2 July 2021.

(iv) Appointed as Exploration Manager 2 August 2021.

(v) The value of share-based payments shown in the table are non-cash values based on an accounting valuation calculated under the Black Scholes option pricing method. The values above represent the accounting expense recorded over the vesting period of the options. The options were granted in the 2019, 2020, 2022 and 2023 financial years.

Share-based remuneration granted as compensation

Options granted to directors during the financial year are yet to be approved by shareholders at a general meeting as at the date of this report. Options issued to other Company employees were issued under the Incentive Awards Plan. For details of share-based payments granted during the year refer to Note 17.

Name	During the financial year				% of compensation for the year consisting of options ⁽ⁱ⁾
	Number granted	Number vested and exercisable	% of grant vested	% of grant forfeited	
Shaun Vokes	2,157,300	-	0%	0%	13.96%
Russell Gregory	1,616,900	-	0%	0%	14.91%

(i) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

Exercised

No options granted as compensation in the current year and/or prior year were exercised.

Forfeited / lapsed / cancelled options during the year

Name	Number forfeited/lapsed/cancelled during the year	Option value at date forfeited/lapsed/cancelled \$	Financial Year Granted
Jeremy Kirkwood	833,333	-	FY18/19
Brian Dawes	583,333	-	FY18/19
Peter Benjamin	583,336	-	FY19/20

The value of options forfeited, lapsed or cancelled during the year at the time of forfeiture, lapsing or cancellation was \$Nil.

Other Information

Shares held by Key Management Personnel

	Opening balance at 1 July	Balance on appointment	Shares received on exercise of options	Acquired on-market / (sold on market)	Balance on resignation	Closing balance at 30 June	Balance held nominally
	Number	Number	Number	Number	Number	Number	Number
2023							
Directors							
Kerry Harmanis	34,914,450	-	-	-	N/A	34,914,450	-
Jeremy Kirkwood	419,000	-	-	-	N/A	419,000	-
Brian Dawes	353,333	-	-	-	N/A	353,333	20,000
Peter Benjamin	277,200	-	-	-	N/A	277,200	-
Executives							
Shaun Vokes	1,126,545	-	-	100,000	N/A	1,226,545	-
Russell Gregory	56,961	-	-	(56,961)	N/A	-	-
	37,147,489	-	-	43,039	-	37,190,528	20,000
2022							
Directors							
Kerry Harmanis	33,859,138	-	-	1,055,312	N/A	34,914,450	-
Jeremy Kirkwood	419,000	-	-	-	N/A	419,000	-
Brian Dawes	353,333	-	-	-	N/A	353,333	20,000
Peter Benjamin	170,058	-	-	107,142	N/A	277,200	-
Executives							
Shaun Vokes	308,767	-	277,778	540,000	N/A	1,126,545	-
Russell Gregory	-	-	-	56,961	N/A	56,961	-
	35,110,296	-	277,778	1,759,415	-	37,147,489	20,000

Options held by Key Management Personnel

	Opening balance at 1 July	Granted as remuneration	Options Exercised	Options Lapsed / Cancelled / Forfeited	Balance on resignation	Closing balance at 30 June	Vested but not exercisable	Vested during the year	Vested and exercisable at 30 June
	Number	Number	Number	Number	Number	Number	Number	Number	Number
2023									
Directors									
Kerry Harmanis	600,000	-	-	-	N/A	600,000	-	-	-
Jeremy Kirkwood	1,055,933	-	-	(833,333)	N/A	222,600	-	-	-
Brian Dawes	805,933	-	-	(583,333)	N/A	222,600	-	-	-
Peter Benjamin	805,936	-	-	(583,336)	N/A	222,600	-	-	-
Executives									
Shaun Vokes	1,369,000	2,157,300	-	-	N/A	3,526,300	-	-	-
Russell Gregory	1,304,500	1,616,900	-	-	N/A	2,921,400	-	325,000	325,000
	5,941,302	3,774,200	-	(2,000,002)	-	7,715,500	-	325,000	325,000
2022									
Directors									
Kerry Harmanis	-	600,000	-	-	N/A	600,000	-	-	-
Jeremy Kirkwood	1,666,666	222,600	-	(833,333)	N/A	1,055,933	-	-	833,333
Brian Dawes	1,166,666	222,600	-	(583,333)	N/A	805,933	-	-	583,333
Peter Benjamin	1,166,668	222,600	-	(583,332)	N/A	805,936	-	-	583,336
Executives									
Shaun Vokes	833,333	1,369,000	(277,778)	(555,555)	N/A	1,369,000	-	-	-
Russell Gregory	-	1,304,500	-	-	N/A	1,304,500	-	-	-
	4,833,333	3,941,300	(277,778)	(2,555,553)	-	5,941,302	-	-	2,000,002

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Andrew Munckton
Managing Director

Perth, 29 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Talisman Mining Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2023



M R Ohm
Partner

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INDEPENDENT AUDITOR'S REPORT

To the Members of Talisman Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Talisman Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Accounting for joint operations Note 19 to the financial statements</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> - We obtained an understanding of the key processes associated with management's review of the accounting for the joint operations; - Reviewing the agreements to understand their key terms and the relevant rights and obligations on the parties; - Establishing that joint control existed and considering the type of joint arrangement in existence; - Ensuring that the joint arrangements were accounted for in accordance with AASB 11 <i>Joint Arrangements</i>; - Verifying assets and liabilities in the joint operations; - Ensuring the change in holding during the year has been correctly accounted for; and - Assessing the appropriateness of the disclosures included in the financial report.
<p>Carrying value of exploration and evaluation expenditure Note 11 to the financial statements</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We obtained evidence that the Company has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; - We considered whether any indicators of impairment were present in relation to the Group's areas of interest;

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation expenditure Note 11 to the financial statements</p>	<ul style="list-style-type: none"> - We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and - We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 28 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Talisman Mining Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
29 September 2023



M R Ohm
Partner

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 Jun 23 \$ `000	30 Jun 22 \$ `000
Assets			
Current Assets			
Cash and cash equivalents	6	9,756	8,908
Trade and other receivables	7	1,240	1,347
Inventories	8	25	-
Total Current Assets		11,021	10,255
Non-Current Assets			
Other receivables	7	232	13
Property, plant and equipment	9	550	398
Right-of-use assets	10	78	135
Deferred exploration and evaluation expenditure	11	300	-
Total Non-Current Assets		1,160	546
Total Assets		12,181	10,801
Liabilities			
Current Liabilities			
Trade and other payables	12	1,056	356
Provisions	13	318	-
Lease liabilities	14	79	66
Total Current Liabilities		1,453	422
Non-Current Liabilities			
Provisions	13	7	-
Lease liabilities	14	6	76
Total Non-Current Liabilities		13	76
Total Liabilities		1,466	498
Net Assets		10,715	10,303
Equity			
Issued capital	15	32,222	32,122
Reserves	16	332	413
Accumulated losses	16	(21,839)	(22,232)
Total Equity		10,715	10,303

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Continuing operations			
Revenue	2	258	24
Other income	2	7,400	6,435
Exploration expenditure expensed as incurred	11	(5,124)	(5,499)
Employee benefits expense	2	(1,516)	(1,068)
Legal and corporate advisory expenses	2	(231)	(231)
Administrative expenses		(517)	(579)
Occupancy expenses	2	(7)	(19)
Finance costs		(8)	(8)
Depreciation and amortisation expense		(189)	(166)
Profit / (loss) before income tax expense		66	(1,111)
Income tax expense	3	-	-
Profit / (loss) for the year after tax		66	(1,111)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		66	(1,111)
Earnings / (loss) per share:			
From continuing operations:			
Basic loss per share (cents per share)	6	0.04	(0.59)
Diluted loss per share (cents per share)	6	0.04	(0.59)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	30 Jun 23 \$ `000	30 Jun 22 \$ `000
inflows/(outflows)			
Cash flows from operating activities			
Payments to suppliers and employees		(1,697)	(1,545)
Payments for exploration and evaluation		(4,531)	(5,588)
Finance costs		(8)	(8)
Interest received		258	24
Royalty receipts		7,610	6,277
Net cash provided by/(used in) operating activities	6	1,632	(840)
Cash flows from investing activities			
Payments for property, plant and equipment		(271)	(283)
Payments for exploration and evaluation assets		(200)	-
Proceeds from disposal of property, plant and equipment		-	46
Transfers to/from security deposits		(244)	-
Net cash used in investing activities		(715)	(237)
Cash flows from financing activities			
Proceeds from issue of shares		-	156
Repayment of lease liabilities	14	(69)	(71)
Net cash provided by/(used in) financing activities		(69)	85
Net increase/(decrease) in cash held		848	(992)
Cash and cash equivalents at the beginning of the year		8,908	9,900
Cash and cash equivalents at the end of the year	6	9,756	8,908

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Capital	Accumulated Losses	Share-based Payments Reserve	Total Equity
	\$ `000	\$ `000	\$ `000	\$ `000
Balance at 1 July 2022	32,122	(22,232)	413	10,303
Profit for the year	-	66	-	66
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	66	-	66
Shares issued during the year	100	-	-	100
Recognition of share-based payments	-	-	246	246
Unlisted options lapsed	-	327	(327)	-
Balance at 30 June 2023	32,222	(21,839)	332	10,715
Balance at 1 July 2021	31,966	(21,450)	646	11,162
Loss for the year	-	(1,111)	-	(1,111)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(1,111)	-	(1,111)
Shares issued during the year	156	-	-	156
Recognition of share-based payments	-	-	96	96
Unlisted options lapsed	-	329	(329)	-
Balance at 30 June 2022	32,122	(22,232)	413	10,303

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1- Statement of Significant Accounting Policies

Talisman Mining Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "TLM") and incorporated and operating in Australia.

The Company's Registered Office and its principal place of business are as follows:

Suite 1 Ground Floor / 33 Colin Street
West Perth
Western Australia 6005

The nature of the operations and principal activities of the Company are described in the Directors' Report.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Talisman Mining Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated as permitted by the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

b. Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2023

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Standards and interpretations in issue not yet mandatory or early adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue but not yet mandatory for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue but not yet mandatory on the Group and, therefore, no change is necessary to Group accounting policies.

No other new standards, amendments to standards and interpretations are expected to affect the Group's consolidated financial statements.

c. Statement of compliance

The financial report was authorised for issue on 29 September 2023.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

d. Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and Evaluation

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes, and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising a Black Scholes model, using the assumptions detailed in Note 17.

e. Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

f. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights in an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Note 2: Revenue, Other Income and Expenses

Interest revenue

Interest revenue from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

Royalty income

Royalty income represents the right to receive royalties from metals produced and sold by the operator of the mines in which the Group owns a royalty interest and are generally structured as a percentage of the gross revenue received by the producer for metals sold. The Group records income when control of the metals sold passes from the producer to the purchaser under the producers' relevant sales contracts.

Revenue		
	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Bank interest	258	24
	258	24
Other Income		
	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Royalty income	7,393	6,373
Other income	7	62
	7,400	6,435
Expenses		
	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Loss for the year includes the following expenses:		
Non-cash share based payment expense	246	96
Other employee benefits	1,269	972
Occupancy expenses	7	19
Legal and Corporate Advisory Expenses		
	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Corporate advisory fees	154	217
Other legal fees	77	14
	231	231

Note 3: Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

	30 Jun 23 \$`000	30 Jun 22 \$`000
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:		
Accounting loss before income tax	66	(1,111)
Income tax expense / (benefit) calculated at 30% (2022: 30%)	20	(333)
Non-deductible expenses	95	29
Tax losses and deferred tax balances not recognised	(115)	304
Income tax benefit reported in the statement of profit or loss and other comprehensive income	-	-

	30 Jun 23 \$`000	30 Jun 22 \$`000
Unrecognised deferred tax balances		
Deferred tax assets comprise of:		
Tax losses carried forward	5,004	5,361
Impairment of financial assets	45	45
Provisions	158	-
Other deferred tax balances	49	5
	5,255	5,411
Deferred tax liabilities comprise of:		
Exploration expenditure capitalised	-	-
Other deferred tax balances	-	-
	-	-
Income Tax expense not recognised directly in equity during the year	-	-

The Company's unused tax losses arising in Australia are available indefinitely for offset against future taxable profits, subject to the Company passing the regulatory tests for continued use of the tax losses.

Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 4: Segment Reporting

Talisman management has determined the operating segments based on the reports reviewed by the Board for strategic decision making. The Group operates in one geographical segment, being Australia and has identified the following continuing operating segment: Regional Exploration.

The Group's board and Exploration Manager are responsible for budgets and expenditures relating to the Group's Regional Exploration activities. Regional Exploration activities do not normally derive any income. Should a project generated by Regional Exploration activities commence generating income or lead to the development of a mining operation, that operation would then be disaggregated from Regional Exploration and become reportable in a different segment.

Segment Results

	Continuing Operations	Unallocated Items	Consolidated
	Regional Exploration		
	\$ '000	\$ '000	\$ '000
30 June 2023			
Segment revenues / income	-	7,658	7,658
Segment profit / (loss) before income tax expense	(5,225)	5,291	66
Segment assets	2,126	10,055	12,181
Segment liabilities	(853)	(613)	(1,466)
30 June 2022			
Segment revenues / income	46	6,413	6,459
Segment profit / (loss) before income tax expense	(5,811)	4,700	(1,111)
Segment assets	1,274	9,527	10,801
Segment liabilities	(103)	(395)	(498)

Note 5: Earnings/Loss Per Share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The Group does not report diluted earnings per share on incurring a loss for the financial year, or in the event there are no dilutive potential ordinary shares in existence.

	30 Jun 23 cents	30 Jun 22 cents
Basic earnings / (loss) per share	0.04	(0.59)
Diluted earnings / (loss) per share	0.04	(0.59)
Basic earnings / (loss) per share from continuing operations	0.04	(0.59)
Diluted earnings / (loss) per share from continuing operations	0.04	(0.59)
	\$ '000	\$ '000
Net profit / (loss) for the year	66	(1,111)
Net profit / (loss) for the year from continuing operations	66	(1,111)
	Number	Number
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	187,768,142	187,421,384

Note 6: Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Cash at bank and on hand	2,116	1,768
Short-term deposits	7,640	7,140
	9,756	8,908

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Profit / (loss) for the year after tax	66	(1,111)
Adjustments for:		
Depreciation and amortisation	189	166
Equity settled share-based payments	246	96
Changes in net assets and liabilities		
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables	135	(55)
Inventory	(25)	-
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	738	64
Provisions	283	-
Net cash provided by / (used in) operating activities	1,632	(840)

Note 7: Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 45 days. There are no receivables at balance date that are past-due.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

	30 Jun 23 \$ `000	30 Jun 22 \$ `000
Current Assets		
Goods and services tax recoverable	177	112
Other debtors	1,017	1,210
Prepayments	46	25
	1,240	1,347
Non-Current Assets		
Other debtors – security bonds	232	13

Note 8: Inventory

Consumables stores include PVC piping supplies and portable assaying device sample bags held for use in the exploration drilling and assay sampling processes. Inventories are valued at the lower of cost and net realisable value. At the reporting date, consumables are valued at cost (2022: nil).

Consumables are valued at weighted average cost, after appropriate provision for obsolete and slow-moving items. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

	30 Jun 23 \$ `000	30 Jun 22 \$ `000
Current Assets		
Consumable Stores	25	-
	25	-

Note 9: Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Mine site plant and equipment	Units of Production
Buildings and Leasehold improvements	10 years
Office furniture and equipment	2-6 years
Motor vehicles	5-10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	Consolidated					
	Land and buildings	Office furniture and equipment	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$ `000	\$ `000	\$ `000	\$ `000	\$ `000	\$ `000
Year ended 30 June 2023						
At 1 July 2022, net of accumulated depreciation	214	46	38	-	100	398
Additions	28	104	-	-	141	273
Disposals	-	-	-	-	-	-
Depreciation charge for the year	(19)	(38)	(19)	-	(45)	(121)
	223	112	19	-	196	550
Year ended 30 June 2022						
At 1 July 2021, net of accumulated depreciation	-	84	14	-	103	201
Additions	220	16	43	-	64	343
Disposals	-	(11)	-	-	(47)	(58)
Depreciation charge for the year	(6)	(43)	(19)	-	(20)	(88)
	214	46	38	-	100	398
At 30 June 2023						
Cost or fair value	248	453	73	-	389	1,163
Accumulated depreciation	(25)	(341)	(54)	-	(193)	(613)
Net carrying amount	223	112	19	-	196	550
At 30 June 2022						
Cost or fair value	220	349	73	-	248	890
Accumulated depreciation	(6)	(303)	(35)	-	(148)	(492)
Net carrying amount	214	46	38	-	100	398

The carrying value of plant and equipment held under hire purchase contracts as at 30 June 2023 is nil (2022: nil).

Note 10: Right-of-use Assets

Carrying Value

	30 Jun 23 \$ `000	30 Jun 22 \$ `000
Cost	211	200
Accumulated depreciation	(133)	(65)
Carrying value at end of financial year	78	135

Reconciliation

	30 Jun 23 \$ `000	30 Jun 22 \$ `000
Opening balance at start of financial year	135	-
Additions	-	200
Remeasurements	11	-
Depreciation expense	(68)	(65)
Closing balance at end of financial year	78	135

Note 11: Deferred exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- the existence of a mineral deposit has been established however additional expenditure is required to determine the technical feasibility and commercial viability of extraction and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- the exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in the statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Upon approval for the commercial development of an area of interest, exploration and evaluation assets are tested for impairment and transferred to 'Mine properties and development'. No amortisation is charged during the exploration and evaluation phase.

On 12 June 2023 the Company issued 580,852 shares to First Au Limited (ASX: FAU) at a market value of \$0.17216 per share, representing part of the consideration payable for the acquisition of three tenements (the "Mabel Creek" tenements) in South Australia.

	30 Jun 23 \$ `000	30 Jun 22 \$ `000
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	-	-
Acquisition of Mabel Creek tenements	300	-
Expenditure incurred	5,124	5,499
	5,424	5,499
Exploration expensed as incurred	(5,124)	(5,499)
Carrying value at end of financial year	300	-

The recoupment of costs carried forward in relation to the areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or the sale of the respective areas.

	Life to date project expenditure expensed	Project Expenditure expensed in the period	Life to date project expenditure expensed	Project Expenditure expensed in the period
	30 Jun 23		30 Jun 22	
	\$ '000	\$ '000	\$ '000	\$ '000
Lachlan Copper	20,343	4,687	15,656	5,278
Lucknow	1,067	18	1,049	6
Mabel Creek IOCG	305	305	-	-
Other Exploration Expenses	439	114	326	215
	22,154	5,124	17,031	5,499

Note 12: Trade and Other Payables

Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Current		
Trade payables	970	249
Other payables	86	107
	1,056	356

Note 13: Provisions

Employee benefits

Wages, salaries, annual leave, sick leave, long service leave and short term incentive opportunity ("STIP")

Liabilities accruing to employees in respect of wages and salaries, annual leave, sick leave and long service leave expected to be settled within 12 months of the balance date are recognised in provisions in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. Liabilities for the STIP are recorded in the period in which the STIP key performance indicators are met. For further details of the STIP, refer to the 'short term incentives' section of the Remuneration report.

Liabilities accruing to employees in respect of wages and salaries, annual leave, sick leave and long service leave not expected to be settled within 12 months of the balance date are recognised in non-current provisions in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Current Liabilities		
Employee benefits	318	-
Non-Current Liabilities		
Employee benefits	7	-

Note 14: Lease liabilities

	30 Jun 23	30 Jun 22
	\$ '000	\$ '000
Current liabilities	78	66
Non-current liabilities	6	76
	84	142

Reconciliation

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Opening balance	142	-
Additions	-	200
Remeasurements	10	-
Principal repayments	(68)	(58)
Closing balance	84	142

The Group leases office premises in West Perth, Western Australia. The lease term is 3 years, expiring in July 2024.

The total cash outflow relating to leases for the period ended 30 June 2023 was \$75,397 (2022: \$70,689).

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

	Lease payments due		
	<1 year \$ '000	1-2 years \$ '000	Total \$ '000
Lease payments	81	7	88
Interest	(2)	(1)	(3)
Net present values	79	6	85

Lease payments not recognised as a liability

Lease payments expensed during the period and thus not included in the measurement of the lease liability are as follows:

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Short term leases	16	19

At 30 June 2023 the Group was committed to short-term leases giving rise to total commitments of \$8,400 (2022: \$3,600) at that date.

Note 15: Issued Capital

	30 Jun 23 \$	30 Jun 22 \$
Ordinary shares		
Issued and fully paid	32,222,454	32,122,454

	30 Jun 23		30 Jun 22	
	Number	\$	Number	\$
Movements in ordinary shares on issue				
At 1 July	187,739,497	32,122,454	186,628,385	31,966,023
Issue of shares ^{(i),(ii)}	580,852	100,000	1,111,112	156,431
At 30 June	188,320,349	32,222,454	187,739,497	32,122,454

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

- (i) On the 12th of June 2023 the Company issued 580,852 shares to First Au Limited (ASX: FAU) at a market value of \$0.17216 per share, representing part of the consideration payable for the acquisition of three tenements (the "Mabel Creek" tenements) in South Australia.
- (ii) On the 8th and 27th of October 2021 the Company issued 833,334 and 277,778 shares to former and current employees of the Company respectively in satisfaction of conversion of employee options previously granted to executive and employees under the Company's long-term incentive plan.

Ordinary shares entitled the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share Options

The Company has one share-based payment option scheme under which options to subscribe for the Company's shares have been granted to certain Directors, other key management personnel and all employees, refer Note 17.

Note 16: Reserves and Accumulated Losses

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 17 for further details of these plans.

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Reserves		
Share-based payment reserve	332	413
Balance at end of financial year	332	413

Movement in this reserve is set out in the Statement of Changes in Equity.

Accumulated losses

Movements in accumulated losses were as follows:

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Accumulated Losses		
Balance at beginning financial year	(22,232)	(21,450)
Net profit / (loss) for the year	66	(1,111)
Transfer on unlisted options forfeited/exercised	327	329
Balance at end of financial year	(21,839)	(22,232)

Note 17: Share-Based Payment Plans

Incentive Award Plan ("IAP")

The Group has an Incentive Award Plan ("IAP") for executives and employees of the Group. In accordance with the provisions of the IAP, as approved by shareholders at a previous Annual General Meeting, executives and employees may be granted options at the discretion of the Directors.

Each employee share option converts into one ordinary share of Talisman Mining Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is at the sole discretion of the Directors subject to the total number of outstanding options being issued under the IAP not exceeding 5% of the Company's issued capital at any one time.

Options issued to Directors under the IAP are subject to approval by shareholders and attach vesting conditions as appropriate.

The contractual life of each option granted is 4 years. There are no cash settlement alternatives.

The following options lapsed during the financial year:

Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date	Number Lapsed
7-May-19	31-Oct-22	2,083,335	\$0.14	\$0.05	31-Oct-20	(2,083,335)
7-May-19	31-Oct-22	2,083,331	\$0.16	\$0.05	31-Oct-20	(2,083,331)
7-May-19	31-Oct-22	2,083,334	\$0.18	\$0.04	31-Oct-20	(2,083,334)
27-Nov-19	31-Oct-22	194,444	\$0.14	\$0.04	31-May-21	(194,444)
27-Nov-19	31-Oct-22	194,444	\$0.16	\$0.04	31-May-21	(194,444)
27-Nov-19	31-Oct-22	194,448	\$0.18	\$0.04	31-May-21	(194,448)

No share options were exercised during the financial year.

The following options were issued to Directors, executives and employees during the financial year.

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	16-Dec-22	15-Dec-26	7,486,000 ⁽ⁱ⁾	\$0.20	\$0.08	15-Dec-25

(i) The number of options issued during the financial year excludes the grant of options to Directors that remain subject to shareholder approval as at the end of the financial year. Share based payments expense associated with these options has been recorded during the financial year in accordance with the guidance accompanying the applicable accounting standard. Refer to the Directors report for further details in relation to these options.

The following options were forfeited during the financial year:

Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date	Number Lapsed
4-Jan-22	3-Jan-26	304,500	\$0.25	\$0.08	03-Jan-25	(304,500)
5-Jan-22	4-Jan-26	642,900	\$0.25	\$0.08	04-Jan-25	(642,900)
16-Dec-22	15-Dec-26	1,010,300	\$0.20	\$0.08	15-Dec-25	(1,010,300)

The following share-based arrangements were in place at the end of the financial year:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	18-Aug-21	18-Aug-23	325,000	\$0.31	\$0.09	18-Aug-22
Talisman Mining Limited	21-Apr-22	16-Dec-25	1,267,800	\$0.25	\$0.08	19-Dec-24
Talisman Mining Limited	20-Dec-21	16-Dec-25	2,871,400	\$0.25	\$0.08	19-Dec-24
Talisman Mining Limited	4-Jan-22	3-Jan-26	304,500	\$0.25	\$0.08	03-Jan-25
Talisman Mining Limited	16-Dec-22	15-Dec-26	6,475,700	\$0.20	\$0.08	15-Dec-25

The weighted average exercise price of each share option at the end of the financial year was \$0.22 (2022: \$0.20). The weighted average remaining contract life of each share option at the end of the financial year was 2.97 years (2022: 1.71 years).

There has been no alteration of the terms and conditions of the above share-based payment arrangements since grant date.

	30 Jun 23		30 Jun 22	
	Number	\$	Number	\$
Movements in options over ordinary shares on issue				
At 1 July	12,549,436	412,837	14,996,668	645,544
Directors' and employees' remuneration ⁽ⁱ⁾	7,486,000	246,140	5,716,100	96,499
Unlisted options forfeited	(1,957,700)	(10,579)	-	-
Unlisted options exercised	-	-	(1,111,112)	(44,520)
Unlisted options lapsed	(6,833,336)	(316,338)	(7,052,220)	(284,686)
At 30 June	11,244,400	332,060	12,549,436	412,837

(ii) The number of options issued during the financial year excludes the grant of options to Directors that remain subject to shareholder approval as at the end of the financial year. Share based payments expense associated with these options has been recorded during the financial year in accordance with the guidance accompanying the applicable accounting standard. Refer to the Directors report for further details in relation to these options.

The fair value of options granted during the year was \$598,880 (2022: \$436,571).

The fair value of the equity-settled share options granted under the incentive plan is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

22/23 Options Inputs into model⁽ⁱ⁾

Exercise price	\$0.20
Grant date share price	\$0.13
Expected volatility	96.3%
Risk-free interest rate	3.24%
Dividend yield (%)	0%
Expected life of options (years)	4.00

(i) The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Note 18: Financial Instruments

(a) Introduction

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Capital risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's aim is to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Categories of financial instruments

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Financial assets		
Cash and cash equivalents	9,756	8,908
Receivables	1,472	1,347
	<u>11,228</u>	<u>10,255</u>
Financial liabilities		
Trade and other payables	1,056	280
Provisions	325	76
Lease liabilities	85	142
	<u>1,466</u>	<u>498</u>

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers.

The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually.

Credit risk in other receivables is managed by the Group undertaking a regular risk assessment process including assessing the credit quality of the counterparty, considering its financial position, past experience and other factors. As there are a relatively small number of transactions, they are closely monitored to ensure payments are made on time. Credit risk arising from royalty receivables is managed by a contract that stipulates payment terms and penalties for default. The Group does not have any significant receivables which are past due or impaired at the reporting date and it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

(d) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's and the Group's expected contractual maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial asset and liabilities based on the earliest date the Group can be required to repay. The tables include both interest and principal cash flows.

	Less than 1 month \$ `000	1 to 3 months \$ `000	3 months to 1 year \$ `000	1 to 5 years \$ `000	5+ years \$ `000	No fixed term \$ `000	Total \$ `000
2023							
Financial Assets							
Non-interest bearing	598	531	48	-	-	484	1,661
Variable interest rate	1,695	7,560	-	-	-	-	9,255
Fixed interest rate	-	-	80	232	-	-	312
	2,293	8,091	128	232	-	484	11,228
Financial Liabilities							
Non-interest bearing	1,328	-	-	-	-	-	1,328
Variable interest rate	46	-	-	7	-	-	53
Fixed interest rate	6	20	53	6	-	-	85
	1,380	20	53	13	-	-	1,466
2022							
Financial Assets							
Non-interest bearing	899	-	483	-	-	1,720	3,102
Variable interest rate	-	7,060	-	-	-	-	7,060
Fixed interest rate	-	-	80	13	-	-	93
	899	7,060	563	13	-	1,720	10,255
Financial Liabilities							
Non-interest bearing	299	-	57	-	-	-	356
Fixed interest rate	5	16	45	76	-	-	142
	304	16	102	76	-	-	498

(e) Interest rate risk

The Group is not exposed to material interest rate risk on existing finance facilities as the Group's borrowings are at fixed interest rates for the respective terms of the facilities.

Some of the Group's assets are subject to interest rate risk but the Group is not dependent on this income.

Interest rate sensitivity analysis

The sensitivity analysis of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 50 basis points in interest rates taking place at the beginning of the financial year and held constant throughout the year.

At reporting date, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net loss would have reduced by \$48,382 (2022: net loss reduced by \$44,138).

(f) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity only, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues and debt funding to meet the funding requirements of the Group.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

Note 19: Joint Operations

In November 2017, Haverford Holdings Pty Ltd ("Haverford"), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement ("FIA") with Peel Mining Limited (ASX:PEX, "Peel") over Peel's Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the Peel Tenements) in the Cobar Basin region of New South Wales. During the prior financial year, and in accordance with the terms of the FIA, Haverford earned a 75% interest in the Peel Tenements and formed an unincorporated joint venture (the "Mt Walton JV") with Peel. Haverford is the Joint Venture Manager. Subsequent to the formation of the Mt Walton JV, Peel elected to dilute part of its participating interest in the joint venture and both parties are now required to contribute funds to ongoing exploration activities on the Peel Tenements based on their participating interest (Haverford 89.5% and Peel 10.5%) in order to maintain their respective interests.

Additionally, in August 2019, Talisman B Pty Ltd ("TLMB"), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement ("Agreement") with privately-owned Lucknow Gold Ltd ("LGL") over LGL's Lucknow Gold Project (EL6455) (Lucknow Project) in New South Wales. During the prior financial year, and in accordance with the terms of the Agreement, TLMB earned a 51% interest in the Lucknow Project and formed an unincorporated joint venture (the "Lucknow Gold JV") with LGL. TLMB acts as manager of the joint venture. Both parties are now required to contribute funds to future activities on the Lucknow Project based on their participating interest (TLMB 51% and LGL 49%) in order to maintain their respective interests.

The Group is entitled to a proportionate share of the income received and bears a proportionate share of the operation's expenses for each joint venture.

The joint operation accounts, which are proportionately consolidated based on the above equity percentages in the consolidated financial statements, are disclosed as follows:

Joint Operation	Operator	Jun 2023	Jun 2022
		Beneficial Interest	Beneficial Interest
Mt Walton JV	Haverford Holdings Pty Ltd	89.5%	87%
Lucknow Gold JV	Talisman B Pty Ltd	51%	51%

The Group's interests in the assets/liabilities employed in the above Joint Operations are detailed below. The amounts are included in the financial statements under their respective asset categories.

Mt Walton JV	30 Jun 23	30 Jun 22
	\$'000	\$'000
Assets		
Cash and cash equivalents	329	306
Trade and other receivables	114	27
Total assets	443	333
Liabilities		
Trade and other payables	128	1
Total liabilities	128	1
Net assets	315	332
Carrying amount of interest in joint venture	315	332

Lucknow Gold JV	30 Jun 23 \$'000	30 Jun 22 \$'000
Assets		
Cash and cash equivalents	10	18
Trade and other receivables	-	1
Total assets	10	19
Liabilities		
Trade and other payables	-	-
Total liabilities	-	-
Net assets	10	19
Carrying amount of interest in joint venture	10	19

The Joint Ventures have no contingent liabilities and capital commitments with the exception that in order to maintain current rights of tenure to exploration tenements, the Joint Ventures are required to perform exploration work to meet the activity obligation requirements specified by various State governments. These obligations are not provided for in the financial report and are payable as follows:

Mt Walton JV	30 Jun 23 \$'000	30 Jun 22 \$'000
Exploration expenditure		
Within one year	76	200
After one year but not more than five years	79	322
Greater than five years	-	-
	155	522

Lucknow Gold JV	30 Jun 23 \$'000	30 Jun 22 \$'000
Exploration expenditure		
Within one year	59	76
After one year but not more than five years	162	346
Greater than five years	-	-
	221	422

Note 20: Commitments and Contingencies

Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are not provided for in the financial report and are payable as follows:

	30 Jun 23 \$'000	30 Jun 22 \$'000
Exploration expenditure		
Within one year	672	1,831
After one year but not more than five years	1,562	2,700
Greater than five years	1	239
	2,235	4,770

If the Group decides to relinquish certain exploration tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Contingencies

There are no material contingent liabilities or assets as at 30 June 2023 and no contingent liabilities or assets were incurred in the interval between the period end and the date of this financial report.

Note 21: Related Party Disclosures

Other transactions with key management personnel

No member of the key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

Details of key management personnel

The key management personnel of Talisman Mining Limited during the year were:

Directors

Kerry Harmanis	Non-Executive Chairman
Brian Dawes	Non-Executive Director
Peter Benjamin	Non-Executive Director
Jeremy Kirkwood	Non-Executive Director

Executives

Shaun Vokes	Chief Executive Officer	(appointed 2 July 2021)
Russell Gregory	Exploration Manager	(appointed 2 August 2021)

Key management personnel compensation is disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited.

The total remuneration paid to key management personnel of the Company and the Group during the year was as follows:

	30 Jun 23	30 Jun 22
	\$	\$
Short-term employee benefits	860,165	724,634
Post-employment benefits	92,338	66,167
Other long-term benefits	46,580	-
Share-based payments ⁽ⁱ⁾	173,256	75,646
Total key management personnel compensation	1,172,339	866,447

⁽ⁱ⁾ The value of share-based payments shown in the table above are non-cash values based on an accounting valuation calculated under the Black Scholes option pricing method.

Note 22: Interest in Subsidiaries

The consolidated financial statements include the financial statements of Talisman Mining Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest		Investment	
		2023	2022	2023	2022
		%	%	\$	\$
Haverford Holdings Pty Ltd	Australia	100	100	68,000	68,000
Talisman B Pty Ltd	Australia	100	100	1	1

Talisman Mining Limited is the ultimate parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Note 23: Parent Entity Disclosures

The financial information for the parent entity, Talisman Mining Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Disclosures as at 30 June 2023 and for the year then ended in relation to Talisman Mining Limited as a single entity are noted below.

	30 Jun 23 \$ '000	30 Jun 22 \$ '000
Assets		
Current assets	9,940	9,333
Non-current assets	417	195
Total assets	10,357	9,528
Liabilities		
Current liabilities	603	318
Non-current liabilities	13	76
Total liabilities	616	394
Net assets	9,741	9,134
Equity		
Issued capital	32,222	32,122
Share based payment reserve	332	413
Accumulated losses	(22,813)	(23,401)
Total equity	9,741	9,134

	Year ended	
	30 Jun 23 \$ '000	30 Jun 22 \$ '000
(Loss) for the year	(607)	(1,242)
Other comprehensive income	-	-
Total comprehensive (loss)	(607)	(1,242)

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. The parent entity itself is responsible for the following minimum exploration expenditure commitments:

	30 Jun 23 \$'000	30 Jun 22 \$'000
Exploration expenditure		
Within one year	130	-
After one year but not more than five years	399	-
Greater than five years	-	-
	529	-

Note 24: Auditor's Remuneration

The auditor of Talisman Mining Limited is HLB Mann Judd. Remuneration received by the auditors:

	30 Jun 23 \$	30 Jun 22 \$
Audit or review of the financial report	51,192	46,395
Other services – taxation compliance & joint venture financial statement audits	12,200	3,600
Total Remuneration of Auditors	63,392	49,995

Note 25: Subsequent Events

Mr Andrew Munckton was appointed as Managing Director of the Company on 21 August 2023.

Mr Shaun Vokes' position of Chief Executive Officer was made redundant on 17 August 2023.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

Talisman Mining Limited

The Directors of the Company declare that:

1. the consolidated financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group;
2. the Chief Executive Officer of the Group has declared as required by Section 295A that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors



Andrew Munckton
Managing Director
29 September 2023

**ADDITIONAL SECURITIES EXCHANGE INFORMATION
AS AT 26 September 2023**

1. NUMBER OF HOLDERS OF EQUITY SECURITIES

(a) Distribution of holders of equity securities

Range	No. of holders	Securities
1 to 1,000	162	73,313
1,001 to 5,000	482	1,503,426
5,001 to 10,000	437	3,631,232
10,001 to 100,000	871	32,931,394
100,001 and Over	281	150,180,984
Total	2,233	188,320,349

(b) Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(c) Less than marketable parcel of shares

The number of shareholders holding less than a marketable parcel is 470 (holding a total of 790,902 shares) given a share value of \$0.140 cents per share.

(d) Substantial Shareholdings:

Ordinary Shareholders	Fully paid ordinary shares	
	Number	%
Mr Kerry Kyriakos Harmanis	34,914,450	18.6%

2. Company Secretary

The name of the company secretary is Alexander Neuling.

3. Registered office and principal administrative office

Registered and principal administrative office:
Suite 1 Ground Floor, 33 Colin Street
West Perth, Western Australia 6005
Telephone +61 8 9380 4230

Registered securities are held at the following address:
Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth, Western Australia 6000

4. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited

5. Restricted securities

There are no restricted securities or securities in voluntary escrow at the date of this report.

6. Twenty largest holders of ordinary shares

	Ordinary Shareholders	Number	%
1	HARMAN NOMINEES PTY LTD	11,111,111	5.90
2	TYCHE HOLDINGS PTY LTD	6,400,001	3.40
3	BNP PARIBAS NOMINEES PTY LTD	5,767,891	3.06
4	HARMANIS HOLDINGS PTY LTD	5,492,887	2.92
5	TYCHE HOLDINGS PTY LTD	3,850,000	2.04
6	TYCHE HOLDINGS PTY LTD	3,510,000	1.86
7	HARMANIS HOLDINGS PTY LTD	3,080,451	1.64
8	INVESTMENT HOLDINGS PTY LTD	2,500,000	1.33
8	JARHAMCHE PTY LTD	2,500,000	1.33
9	MR JOHN FORD	2,186,768	1.16
10	MR JONATHAN G BENNETT	2,123,901	1.13
11	CITICORP NOMINEES PTY LIMITED	2,047,845	1.09
12	SIREB PTY LTD	1,904,464	1.01
13	MR PETER CHARLES WIGHAM	1,740,500	0.92
14	REGENT CORPORATION 2001 PTY LTD	1,628,788	0.86
15	MR KIERAN PATRICK AYLWARD	1,600,000	0.85
16	MR BRIAN ERNEST ZUCAL & MR STEPHEN BRIAN ZUCAL	1,550,000	0.82
17	TYCHE HOLDINGS PTY LTD	1,470,000	0.78
18	P & M CASTAN PTY LTD	1,462,549	0.78
19	MR JOHN ARTHUR BREDEN	1,335,330	0.71
20	MRS JASMINE KAILIS	1,315,000	0.70

7. Unquoted equity securities

Class	Exercise Price \$	Expiry Date	Number	Number of holders
Unlisted options	0.25	14-Jan-26	2,196,400	4
Unlisted options	0.25	15-Dec-25	1,267,800	4
Unlisted options	0.20	03-Jan-26	4,858,800	6

Options carry no voting entitlements.

8. On-market buy back

At the date of this report the Company is not involved in an on-market buy-back.