TALISMAN
MINING LIMITED
ASX Code: **TLM**

30th April 2014

COMPANY SNAPSHOT

Board of Directors

Alan Senior
Non-Executive Chairman

Gary Lethridge
Managing Director

Graeme Cameron
Technical Director

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Non-Executive Director

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Capital Structure

Shares on Issue:
131,538,627 (TLM)

Options on Issue:
8,900,000 (Unlisted)

March 2014 Quarterly Activities Report

Highlights

Doolgunna Copper-Gold Projects – Sandfire Resources Exploration Farm-in

- *High quality geophysical, geological and geochemical project datasets provided to Sandfire Resources (ASX: SFR) during the Quarter following the $15M Joint Venture Farm-in Agreement executed with Sandfire in December 2013.*
- *Sandfire are undertaking a systematic and technically driven approach to assessing the Talisman project datasets utilising both in-house and external expert input.*
- *This thorough technical review and integration of the combined Talisman-Sandfire intellectual property is progressing well with involvement of Talisman technical personnel.*
- *Desktop modelling of the extended DeGrussa mine corridor into Talisman's Springfield Project has identified a combined 65km strike length of prospective VMS host rocks across the combined Talisman and Sandfire tenements.*
- *Sandfire intend to undertake additional low level assaying of some existing Talisman drill samples to allow evaluation and prioritisation of potential DeGrussa-type geochemical "signatures" across all of Talisman's Doolgunna Projects.*
- *This Principal Component Analysis will assist in determining high priority geochemical areas of interest consistent with DeGrussa.*

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- *Sandfire has advised that first drilling is anticipated during the second half of 2014.*

Soil Sampling and Mapping Programs Completed at Halloween West JV

- *Second phase of detailed soil sampling program completed to test the western extension of the Halloween VMS-target horizon, and to test a newly identified prospective horizon (with malachite) in the north-east of the Halloween West project area, confirmed two coherent Cu-Au anomalies which correlate with the interpreted extension of the prospective Halloween VMS target horizon.*

Corporate

- *Cash reserves of **$16.6 million** at 31 March.*
- *Active project identification and due diligence activities continue with several exploration project opportunities currently under detailed assessment with a clear commodity focus on nickel sulphide, copper-gold and/or gold projects in Australia.*

Exploration Farm-in Joint Venture with Sandfire Resources NL

In December 2013, Talisman secured the involvement of leading Australian copper producer Sandfire Resources NL (ASX: SFR) in the next phase of exploration of its Doolgunna copper-gold projects through a $15 million exploration farm-in joint venture (refer ASX release 20/12/2013). The Letter Agreement covers Talisman's interests in the **Springfield**, **Halloween** and **Halloween West JV** Projects.

Talisman's **Springfield Projec**t lies immediately along strike, to the east; from Sandfire's operating DeGrussa Copper-Gold mine, and the **Halloween** and **Halloween West JV** Projects abut Sandfire's Doolgunna Project to the west (***see Figure 1***). These Projects are interpreted to contain extensions of the volcanic rock package which hosts the DeGrussa VMS deposits. The exploration farm-in enables the two companies to work together and share local exploration knowledge in order to target potential copper-gold discoveries at these projects.

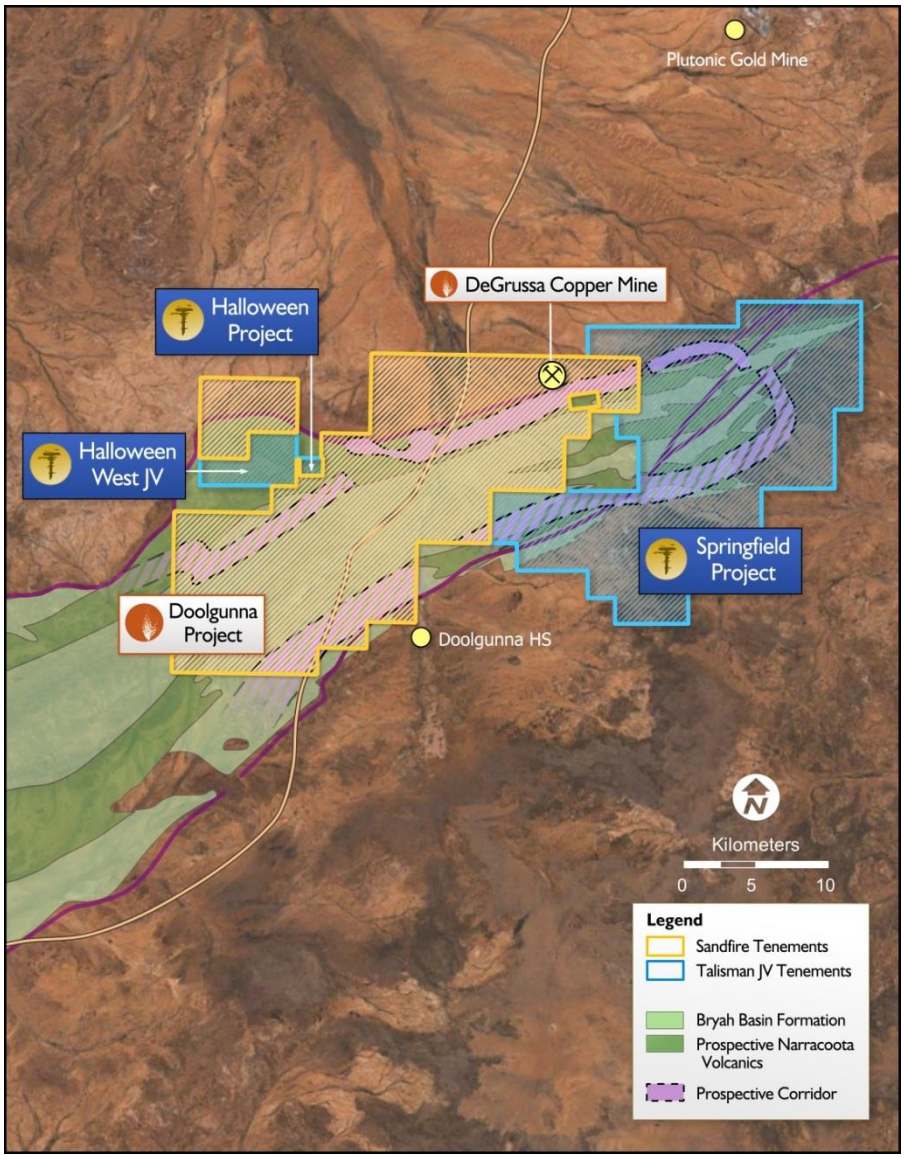


Figure 1 - Talisman's Doolgunna Copper-Gold Projects subject to the $15M Exploration Farm-in Joint Venture with Sandfire and interpreted DeGrussa Mine Corridor and regional geology

Talisman has invested more than $20 million exploring its Doolgunna Projects over the past four years. During this time, it has assembled a comprehensive geo-scientific database which has facilitated the identification of a series of high-quality copper-gold exploration targets, especially across the Springfield Project and within the interpreted extension of the DeGrussa Mine Corridor (***see Figure 1***).

Following the completion of the Exploration Farm-in Joint Venture Agreement, Talisman provided a copy of its extensive, high-quality datasets to Sandfire. Full integration, processing and evaluation of these datasets by Sandfire is now well advanced with a focus on identification of initial priority target areas along the extended DeGrussa Mine Corridor and across the greater Doolgunna Projects.

Importantly, Sandfire has already identified a combined 65km strike length of prospective Volcanogenic Massive Sulphide (VMS) horizon across the combined Talisman and Sandfire tenements, providing a significantly expanded search horizon for potential new VMS deposits (***see Figure 1***).

Sandfire is undertaking a technically driven and systematic approach to the detailed assessment of Talisman's Doolgunna Projects datasets with the involvement of both Talisman personnel and external expert consultants supporting its in-house exploration team. Work known to have been undertaken, planned or underway by Sandfire on Talisman's Doolgunna projects is as follows.

- **Lithochemical Targeting**

Detailed geochemical analysis of the DeGrussa copper-gold mineralisation has enabled Sandfire to develop a robust set of geochemical pathfinder elements (Principal Components) with a unique metal signature. When combined in this way the lithochemical data provides a powerful tool to better detect DeGrussa-style mineralisation and host rocks and to prioritize highly-prospective areas for further drilling and ground electromagnetic surveys.

A preliminary evaluation of the Talisman data has indicated that there is likely to be several prospective areas across the Doolgunna Projects, however further assaying of Talisman drill samples is required in order to identify the critical pathfinder elements used to "fingerprint" the DeGrussa signature.

This work is currently underway and will provide an important input for determining the overall prospectivity along the DeGrussa VMS Trend.

- **Geophysical Evaluation**

Another critical step towards robust new target generation is the compilation, integration and evaluation of the Talisman geophysical datasets.

The Talisman magnetic and gravity data is of a very high quality and resolution allowing more precise interpretation and mapping of the key units and target horizons along the DeGrussa Trend into the Springfield Project. Sandfire has developed a strong understanding of the geology at DeGrussa and now using the Talisman geophysical data is in a position to extend its interpretation across the entire combined Doolgunna Project.

While Talisman has gathered extensive first-pass Moving Loop Electromagnetic data over the Springfield Project, further scope remains to apply the latest high-energy Fixed Loop and Downhole electromagnetic techniques over well-defined VMS targets.

Sandfire have demonstrated considerable capability with the successful discovery of the "blind" C4 and C5 mineralised shoots at DeGrussa using these high-energy electromagnetic methods and it has the ability to apply these same techniques over targets on the Doolgunna JV Projects once all the data has been compiled and the revised geological and geochemical interpretations are at hand.

- **Targeting and Drilling**

First drilling under the new exploration farm-in agreement is anticipated to commence in the second half of 2014. As discussed above, Sandfire is currently working towards fully integrating and re-interpreting the extensive Talisman datasets. This work is highly likely to build-on Sandfire's growing understanding of the controls and location of the DeGrussa mineralisation and potentially lead to new VMS copper-gold targets amenable to detailed ground electromagnetic surveys and direct drill testing.

Halloween West JV - Soil Sampling

During the December Quarter and prior to the exploration farm-in agreement with Sandfire, Talisman undertook another phase of exploration at the Halloween West JV (**Talisman ~63%; Chrysalis Resources Ltd ~37%**). This comprised approximately 800 soil samples taken along 100m and 200m-spaced soil sampling traverses.

The exploration program was designed to test for the surface expression of copper-gold mineralization across two previously defined target areas including the western extension of the Halloween VMS target horizon at the **Wizard Prospect** and a malachite-bearing (secondary copper) sedimentary horizon in the east of the tenement at the **Malachite Prospect** (see ***Figure 2***).

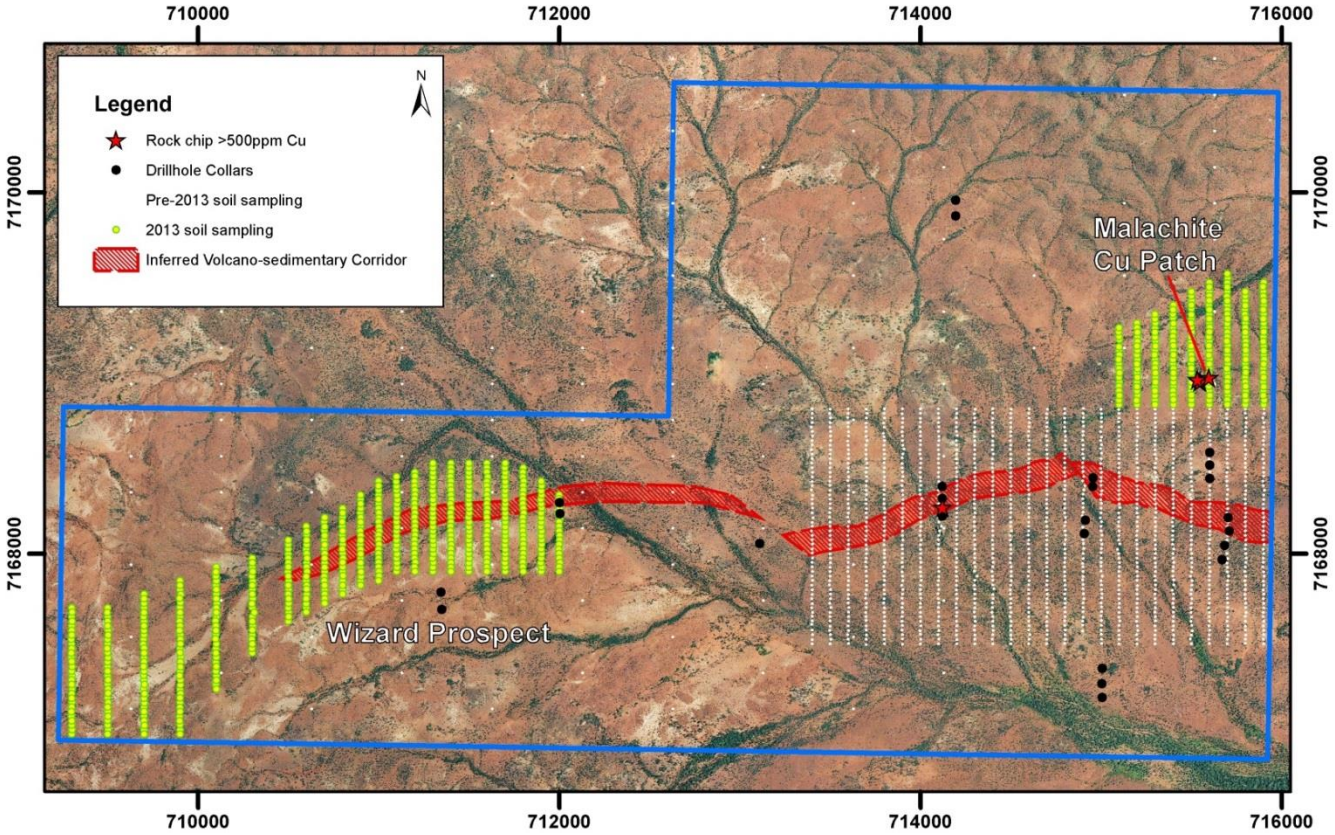


Figure 2: Halloween West JV Project showing recently completed soil sampling program over the Wizard and Malachite Prospects

At the ***Wizard*** Prospect, a zone of coherent copper-gold anomalism was defined and correlates with the interpreted western extension of the prospective Halloween volcano-sedimentary corridor. Maximum assay results returned were 90.3ppm Cu against a background 25–40ppm Cu and a peak 447.9ppb Au against a background < 2 ppb Au (see ***Figure 3***, ***Appendix 2***).

At the ***Malachite*** Prospect, copper-gold anomalism was confirmed as occurring across the general area surrounding a known malachite occurrence. Maximum assay results returned were 103.7ppm Cu against a background of 25–40ppm Cu and a peak of 72.5 ppb Au against a background of background < 2 ppb (see ***Figure 3***, ***Appendix 2***).

Geological mapping at the Malachite Prospect indicates that the surface copper-gold anomalism is associated with a copper-bearing inter-volcanic sedimentary horizon and as such may warrant further mapping and geochemical evaluation to determine its possible extents and significance.

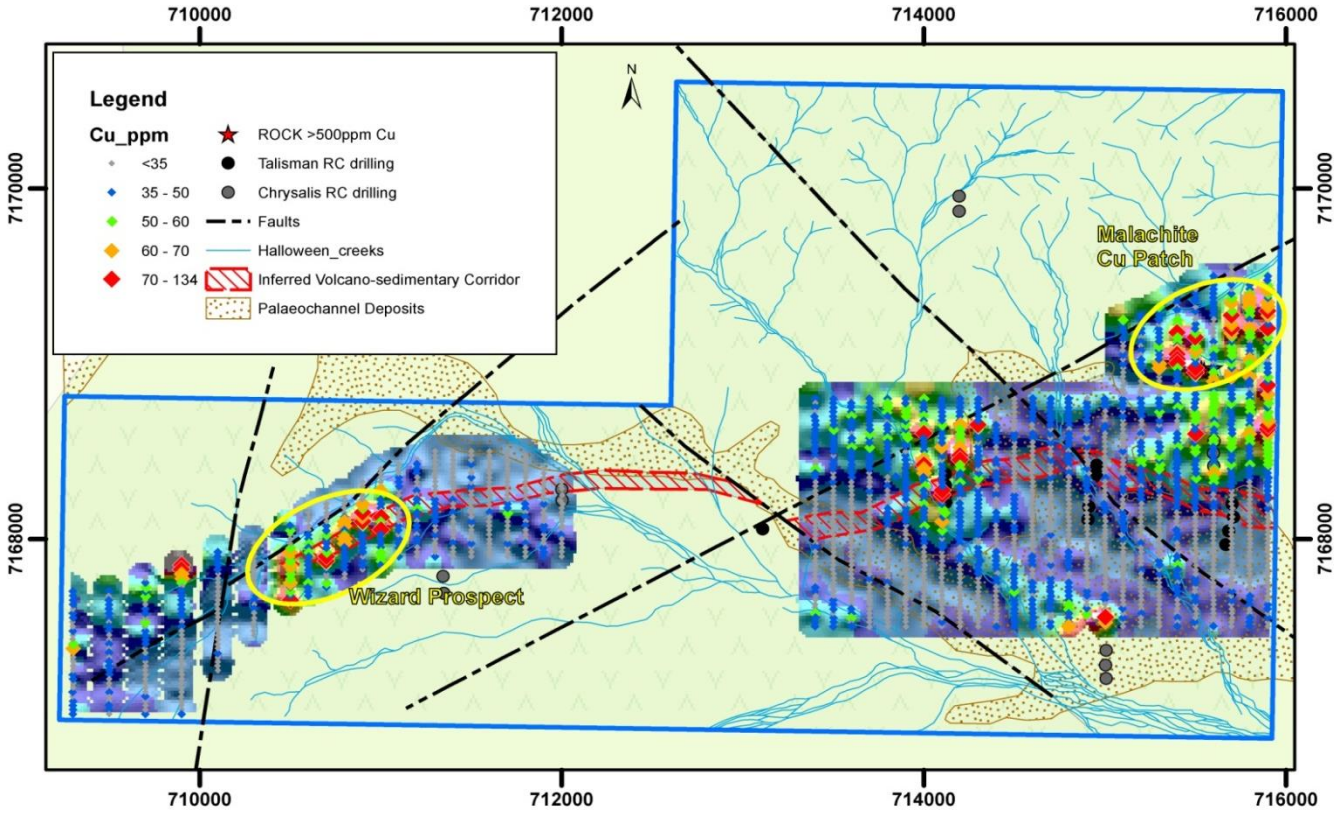


Figure 3 – Halloween West JV copper results for soil sampling programs at the Wizard and Malachite Prospects

The next phase of activity at the Halloween Projects, which is now underway, will involve a process of integration, analysis and modelling of the combined exploration data sets by Sandfire. Once complete, this will then enable planning of the next phases of exploration at the Halloween West Project. Talisman's share of future exploration activities on this Project will be funded and managed by Sandfire under the terms of the Letter Agreement.

Murchison Exploration Projects

Livingstone Project (TLM 80%)

The Livingstone Project is located approximately 130km to the north-west of Meekatharra (see Appendix 1) and covers an area of 208 km². The Project straddles the western extension of the prospective Bryah Basin at the northern margin of the Yilgarn Craton. A major shear zone traverses the entire Project with widespread gold intercepts returned by historic percussion drilling programs over a strike length of more than 31km.

Kerba Ni-Cu-PGE Prospect

The **Kerba Prospect** comprises an interpreted ovoid Proterozoic-aged mafic-ultramafic intrusion localised along the major regional Kerba Fault Zone (see ***Figure 4***). The principal exploration target at Kerba is Voisey Bay (or Nova)-style magmatic nickel-copper-PGE sulphide mineralization associated with the basal contact of the host mafic-ultramafic intrusion.

An initial 4-hole RC drilling program for 983 metres was completed in November 2013 to test for the presence of nickel sulphide mineralisation as well as to establish a platform for deeper down-hole electromagnetic (DHEM) surveying. This work was previously reported on in Talisman's December 2013 Quarterly Report.

Importantly, petrographic examination of the drill chips noted widespread sulphide development within the mafic-ultramafic lithologies. Minor blebs of chalcopyrite and pyrite are preferentially developed in the pyroxenite unit and trace, fine-grained nickel sulphide (pentlandite) was observed at a pyroxenite-peridotite contact and it is interpreted that these sulphides were the result of localized (hydrothermal) remobilization from olivine rich phases at depth.

Down-hole electromagnetic (DHEM) surveys were completed on all holes, with no significant conductors detected.

Elevated nickel (>0.3% Ni) and copper (>300 ppm Cu) drill results were returned from the saprolite horizon above the nickel-sulphide bearing ultramafic contact, with a best intersection of 6m @ 0.47% Ni from 6m depth in LVRC001.

While these elevated results in the near-surface environment are the result of weathering processes, it was interpreted that they may also provide a useful vector to primary nickel-copper sulphides at depth elsewhere in the Kerba intrusion.

During the Quarter an external expert review was undertaken in order to assess the results of the recent drilling programme at the Kerba Prospect and to determine the validity of conducting further exploration at the Prospect.

It was concluded that the Kerba intrusion represents a fractionated ultramafic body comprising a basal peridotite grading upwards into more iron-rich pyroxenite and high-Mg basalt. It appears that much of the observed copper sulphide is hosted by the upper pyroxenite indicating normal fractionation processes, rather than massive nickel sulphide development.

However, the review also highlighted that the basal contact of the main peridotite body lies to the south of the current drilling and as such remains untested (See ***Figure 4***).

Further mapping and surface geochemistry is under consideration to check for evidence of nickel sulphide accumulation along this untested basal contact position.

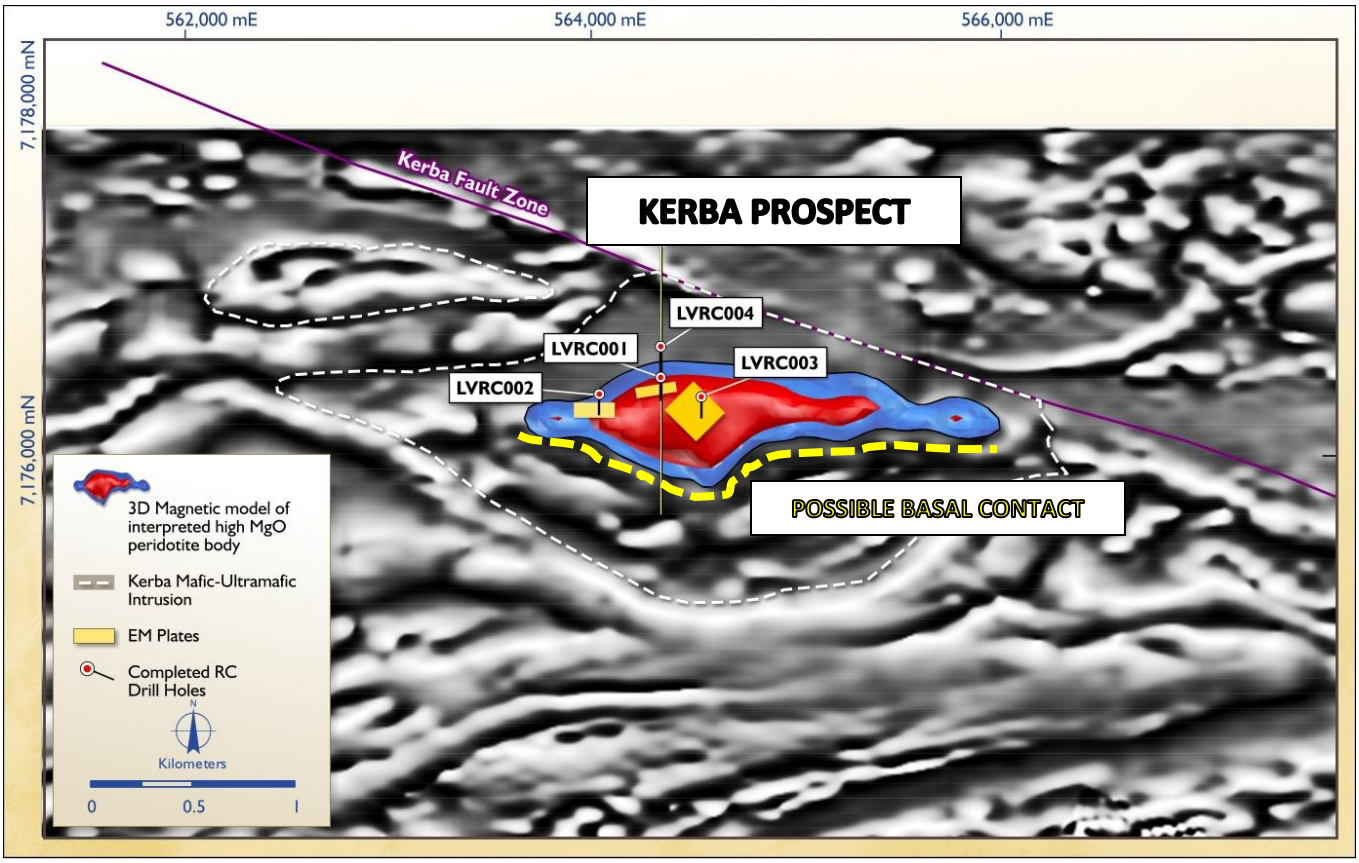


Figure 4: Kerba Prospect magnetic image showing completed RC drill-holes to test FLEM plates, 3D magnetic model and interpreted prospective basal contact to Kerba peridotite.

Muddawerrie Gold Project (TLM 80%)

The Muddawerrie Project is located approximately 100km north-west of Meekatharra in the Murchison Region of Western Australia (see Appendix 1). The Project covers an area of approximately 52km² and comprises a prospective Archaean greenstone belt with significant potential to host high-grade, banded iron formation (BIF) and mafic-hosted shear zone gold deposits, similar to those at Mt Magnet and Meekatharra.

There were no field activities conducted at Muddawerrie during the Quarter; however various desktop activities were undertaken.

Previous detailed soil sampling by Talisman has identified widespread gold anomalism at Muddawerrie.

A field visit is planned for the June 2014 Quarter and exploration programs are currently being prepared and may include drill testing of the better targets identified at the Project.

Milgun Project (TLM 100%)

The Milgun Project is located approximately 20km north west of the Shelby Project and covers a potential northern outlier of the Bryah Basin (see Appendix 1). The Milgun Project is interpreted to be located within a tectonically uplifted block of Bryah basement rocks. It is interpreted that basement uplift is an effective mechanism for focused fluid flow and possible copper-gold and gold mineralisation.

No field activities were conducted at Milgun during the Quarter.

A field visit is planned for the June 2014 Quarter to conduct further mapping and to "ground-truth" geophysical targets and previously identified geochemical copper-gold anomalies.

Shelby Project (TLM 100%)

The 1,816 km² Shelby Project is located along the northern margin of the Bryah Basin approximately 30km north of the Horseshoe Lights Copper-Gold Mine (see Appendix 1). On the basis of its geological setting, Talisman has identified the Shelby Project as having the potential to host large Iron Oxide-Copper-Gold (IOCG) deposits (e.g. Olympic Dam, Prominent Hill) and/or a Voisey's Bay-style mafic-ultramafic intrusive hosted nickel-copper-PGE sulphide deposit.

An ongoing review is focused on better defining potential geophysical targets along the interpreted northern Marymia Margin for possible follow-up exploration activities including detailed gravity and drilling.

Consideration is also being given to the potential for joint venturing this Project.

CORPORATE

At the end of the Quarter, Talisman held cash of **$16.6 million.**

Business Development

Having secured external exploration funding for its Doolgunna Copper-Gold Projects as a consequence of the recent exploration farm-in agreement with Sandfire, Talisman is strategically positioned to attempt to secure new, high-quality exploration assets.

During the March Quarter, Talisman's business development activities were focused on the identification of potential quality exploration projects located within Australia for further assessment. Principal commodities under consideration are nickel sulphide, copper-gold and gold.

Of the exploration projects identified during the Quarter, assessment and initial investigation activities were conducted on 16 copper-gold projects, 18 nickel sulphide, 6 gold and 2 base metals exploration projects. (see ***Figure 5***)

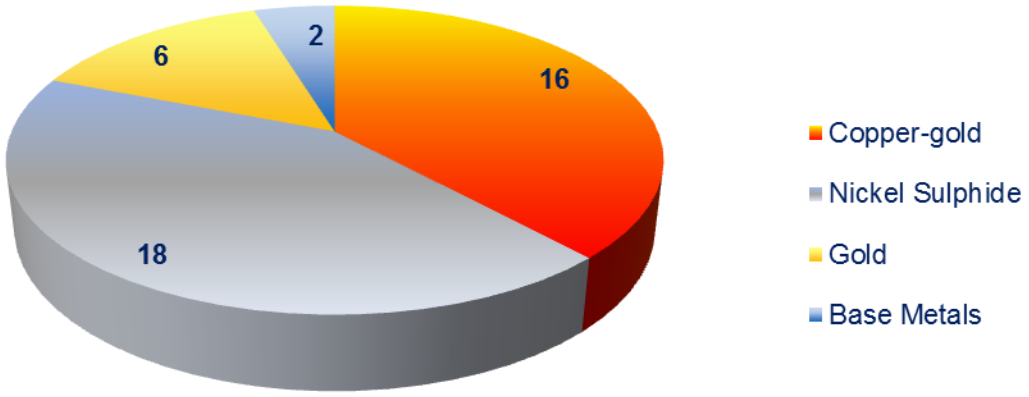


Figure 5: Business development opportunities reviewed during quarter by principle commodity type.

Detailed technical and commercial due diligence activities were undertaken during the Quarter and continue on several of these exploration projects.

Investment & Royalty Update

During the Quarter, ASX listed resources company, Ochre Group Holdings Limited ("Ochre" - ASX: OGH) announced that it had agreed to sell the Wonmunna Iron Ore Project, located in the Pilbara region of Western Australia to Ascot Resources Limited ("Ascot" - ASX: AZQ) – ***refer OGH & AZQ announcements on 18 March 2014*.**

Talisman holds 35 million ordinary shares in Ochre. This investment was acquired by Talisman in early 2011 as part consideration for the sale of the Wonmunna Iron Ore Project to Ochre at that time. This shareholding currently represents approximately 5.85% of Ochre's issued capital.

Proposed Transaction Details ***(****-OGH & AZQ announcements on 18 March 2014-*)

Reported consideration payable by Ascot to Ochre for the Wonmunna Iron Ore Project comprises:

1. the issue of 88 million fully paid ordinary Ascot shares (post a two for one consolidation of Ascot shares);
2. based on a minimum of a $10.0 Million in fund raising by Ascot, a A$2 million cash consideration is payable on completion;
3. Subject to various conversion conditions, a further A$29.75 million payable five years from transaction completion and at a coupon rate of 5.88% PA; and
4. a 1% gross revenue royalty commencing 12 months after the first shipment.

Should the proposed transaction and fund raising by Ascot complete successfully Ochre anticipates holding approximately 50% of Ascot's adjusted issued capital and to have two representative directors on the Board of Ascot.

Royalty

As part of the sale of the Wonmunna Iron Ore Project to Ochre, Talisman was also granted by Ochre a 1% gross revenue royalty from all metals mined from that project. Talisman understands that Ascot will assume Ochre's obligation to Talisman for this 1% gross revenue royalty upon completion of the proposed transaction between Ochre and Ascot.

Potential Value Accretion

Based on historical studies on the Wonmunna project, Ascot is proposing to establish a 5Mtpa operation in the medium term which will target the production of both lump and fines products. *(-AZQ announcements on 18 March 2014 and 25 March 2014-)*

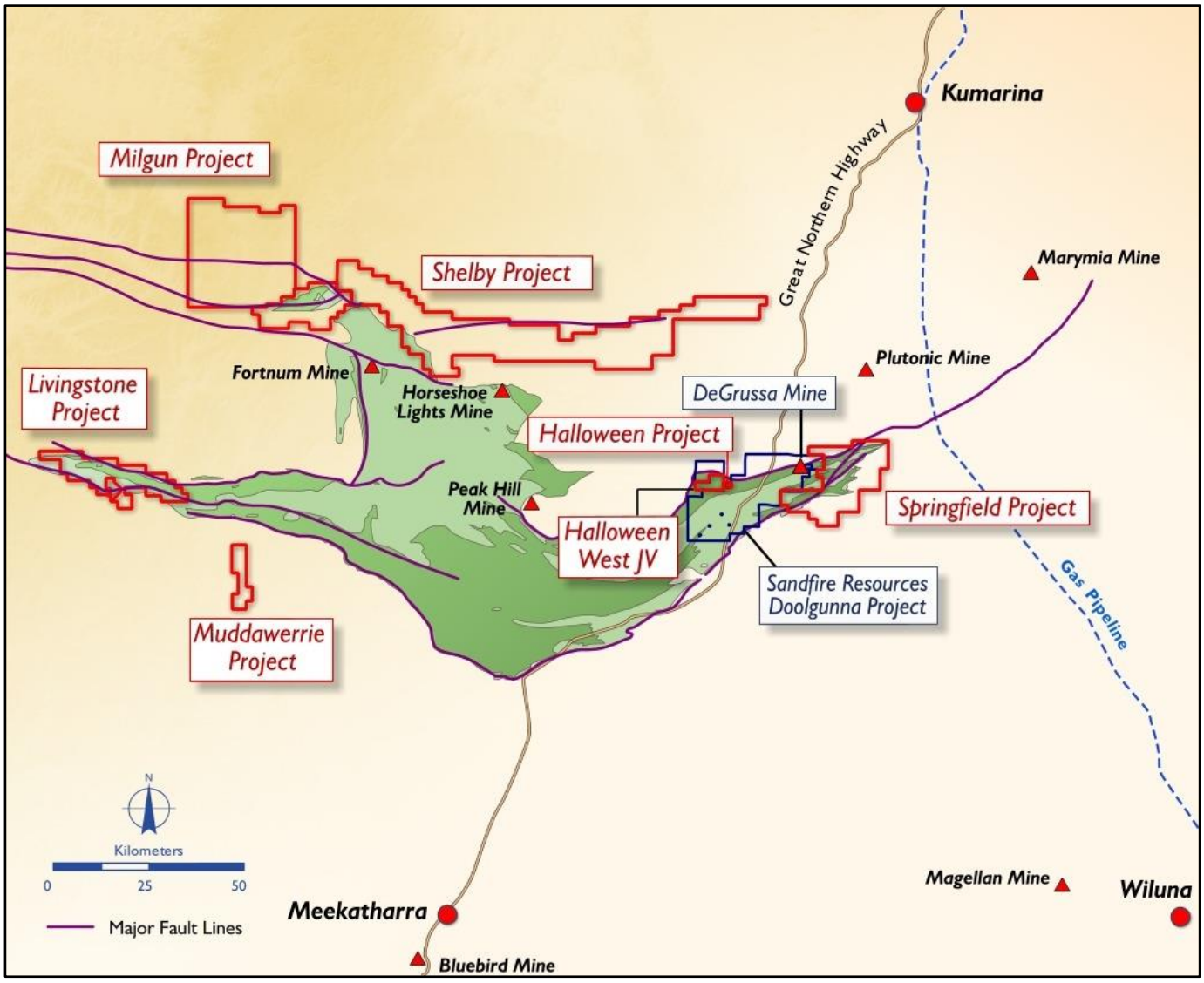
Assuming the transaction between Ochre and Ascot is completed and should Ascot proceed to successfully develop and operate the Wonmunna Iron Ore Project, it is possible that Talisman may potentially receive value from:

1. the receipt of a future revenue stream from the Wonmunna Project in the form of the gross revenue royalty; plus
2. a potential increase in its investment in Ochre as a result of a potential share price re-rating of Ochre, commensurate with Ochres interest in Ascot if/ when development milestones are achieved by Ascot.

Competent Persons' Statement

Information in this ASX release that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Graeme Cameron, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Graeme Cameron is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Graeme Cameron consents to the inclusion in this report of the matters based on information in the form and context in which it appear.

Appendix 1 – Talisman Mining Ltd Project locations



Appendix 2 – Halloween West JV Project; Significant soil sampling assay results (Copper > 60ppm and Gold > 10ppb)

Prospect Name	North (GDA94)	East (GDA94)	Cu (ppm)	Au (ppb)
Malachite	7168875	715898	103.7	3.3
Malachite	7169149	715499	102.1	6.2
Malachite	7168974	715501	100.5	2.3
Malachite	7168949	715500	97.5	2.2
Malachite	7169200	715700	81.6	-0.5
Malachite	7169299	715899	80.6	4.4
Malachite	7169001	715400	75.1	2.6
Malachite	7169199	715899	74.5	1.8
Malachite	7169024	715401	72.7	1.8
Malachite	7169051	715398	72.7	1.3
Malachite	7169175	715399	71.1	-0.5
Malachite	7169274	715699	70.2	-0.5
Malachite	7169200	715799	68.9	0.8
Malachite	7169175	715698	68.7	-0.5
Malachite	7169075	715502	68	72.5
Malachite	7169225	715700	67.1	-0.5
Malachite	7169025	715801	65.8	1.4
Malachite	7169348	715699	65.7	-0.5
Malachite	7169075	715400	65.6	2.5
Malachite	7169324	715797	64.8	-0.5
Malachite	7169326	715900	64	-0.5
Malachite	7169373	715799	63.8	-0.5
Malachite	7168926	715800	63.3	4.8
Malachite	7169000	715301	63.3	-0.5
Malachite	7168924	715699	62.7	-0.5
Malachite	7168825	715900	61.8	-0.5
Malachite	7169350	715798	61.6	-0.5
Malachite	7169276	715902	61.5	2.5
Malachite	7168901	715600	60.9	-0.5
Malachite	7169350	715898	60.6	1.3
Malachite	7168976	715300	60.5	-0.5
Malachite	7169423	715899	60.1	0.9
Malachite	7168949	715700	60.1	-0.5
Malachite	7168975	715400	60	1.6
Malachite	7169100	715699	60	-0.5
Malachite	7169449	715899	60	-0.5
Malachite	7168900	715699	38.5	31.1

Prospect Name	North (GDA94)	East (GDA94)	Cu (ppm)	Au (ppb)
Wizard	7167850	709900	90.3	-0.5
Wizard	7168052	711002	89.6	3.7
Wizard	7168123	711004	89.1	1.8
Wizard	7168150	710900	82.8	-0.5
Wizard	7168099	710900	79.2	-0.5
Wizard	7167650	710501	76.5	-0.5
Wizard	7167900	710700	75.8	-0.5
Wizard	7167824	709899	73.3	447.9
Wizard	7167874	710699	73	1.2
Wizard	7168125	710899	66.4	-0.5
Wizard	7168075	710800	66.3	-0.5
Wizard	7167925	710500	66.1	-0.5
Wizard	7168200	710900	64.4	-0.5
Wizard	7168276	710999	63.6	3.7
Wizard	7167975	710802	62.3	0.8
Wizard	7168100	710799	61.8	-0.5
Wizard	7167774	709903	61.6	3.2
Wizard	7168001	710801	61.2	-0.5
Wizard	7167376	709302	60.8	1.6
Wizard	7167801	709900	60.7	1.7
Wizard	7167749	710501	60.6	-0.5
Wizard	7167849	710501	60.1	-0.5
Wizard	7168250	710800	21.6	28.6

Appendix 3 – Talisman Mining Tenement Schedule as at 31st March 2014

Project/Tenement	Location and blocks (Area)	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Disposed during Quarter	Joint Venture Partner/Farm-In Party
HALLOWEEN WEST	W.Australia					
E52/2275	6	60%	60%	-	-	JV -Chrysalis Resources Farm-in - Sandfire Resources Ltd
HALLOWEEN	W.Australia					
P52/1241	(200 HA)	100%	100%	-	-	Sandfire Resources Ltd*
LIVINGSTONE	W.Australia					
E52/2565	15	80%	80%	-	-	Zebina Minerals Pty Ltd
E52/2566	31	80%	80%	-	-	Zebina Minerals Pty Ltd
E52/2593	24	80%	80%	-	-	Zebina Minerals Pty Ltd
P52/1423	(195 HA)	100%	100%	-	-	
E52/2931	2	100%	100%	-	-	
MILGUN	W.Australia					
E52/2281	41	100%	100%	-	-	
E52/2690	67	100%	0%	-	*Surrendered*	
E52/2708	21	100%	100%	-	-	
MUDDAWERRIE	W.Australia					
E51/1447	17	80%	80%	-	-	Zebina Minerals Pty Ltd
SHELBY	W.Australia					
E52/2499	42	100%	100%	-	-	
E52/2500	36	100%	100%	-	-	
E52/2519	3	100%	100%	-	-	
E52/2628	29	100%	100%	-	-	
E52/2629	9	100%	100%	-	-	
E52/2634	19	100%	100%	-	-	
E52/2660	21	100%	0%	-	*Surrendered*	
E52/2661	69	100%	0%	-	*Surrendered*	
E52/2662	50	100%	0%	-	*Surrendered*	
SPRINGFIELD	W.Australia					
E52/2282	70	100%	100%	-	-	Sandfire Resources Ltd
E52/2313	14	100%	100%	-	-	Sandfire Resources Ltd
E52/2466	14	100%	100%	-	-	Sandfire Resources Ltd

Appendix 4 - JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	*• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	781 soil samples were taken on a 100m x 25m north-south oriented grid pattern across the interpreted Halloween Target Horizon. The spacing was increased to 200m over the far eastern extents of the target horizon where its location is less well defined.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples were only taken from erosional or residual areas amenable to *in situ* soil sampling. No samples were taken from areas covered by alluvial deposits.
	• Aspects of the determination of mineralisation that are Material to the Public Report. *• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Soil samples were taken for assay by scraping an area of 1m x 1m to remove surficial material. A 25cm deep was dug and a sample taken and dry sieved at the sample site to collect ~100g of <2mm sample.
Drilling techniques	*• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling reported

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	*• Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling reported
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling reported
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling reported .
Logging	*• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	No drilling reported .
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No drilling reported
	• The total length and percentage of the relevant intersections logged.	No drilling reported
Sub-sampling techniques and sample preparation	*• If core, whether cut or sawn and whether quarter, half or all core taken.*	No core was sampled.
	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	All soil samples were sieved dry through a 2mm sieve to collect 100g of sample for analysis.
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation of soil samples follows industry best-practice for sample preparation involving splitting, sieving, drying, and pulverizing of the total sample.
	• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures for all soil sampling programs involve the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of standards was 1:20. All QC/QA controls and measures are routinely reviewed and reported on at the completion of the programme. External laboratory QC/QA checks are routinely monitored and stored in the Talisman database.
	• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates have been taken.
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	Soil sample size is considered adequate for the sampling media, mineralisation style and purpose of this program.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	*• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	All soil samples were sent to ACME Laboratories, Vancouver for low level multi-element (36) analysis by Aqua- Regia digestion with an ICP-MS finish (1DX).
	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable.
	• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	All soil assays were required to conform to the Talisman procedural QA/QC guidelines as well as routine laboratory QA/QC guidelines. This has been achieved using laboratory standards and duplicates as well as company standards. QA/QC reports have been generated and all data is stored in the Talisman Database.
Verification of sampling and assaying	*• The verification of significant intersections by either independent or alternative company personnel.*	The Talisman Exploration Manager has verified all significant soil assay results.
	• The use of twinned holes.	No holes drilled.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field and laboratory data have been collected electronically and stored in the Talisman *Datashed* database The data is visually examined using *ArcGIS* and mining software.
	• Discuss any adjustment to assay data.	No adjustments have been made.
Location of data points	*• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All soil samples are also located using handheld GPS (accurate to <5m),
	• Specification of the grid system used.	The coordinate system used was the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 50 (MGA).
	• Quality and adequacy of topographic control.	A handheld GPS has been used to determine local altitude.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	*• Data spacing for reporting of Exploration Results.*	Soil sampling across the Halloween Target Horizon was completed along 25 lines on a nominal 100m by 25m grid pattern, and extending to 200m spacing along 6 lines over the western extent of the target horizon.
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable for first phase exploration soil sampling.
	• Whether sample compositing has been applied.	No composite samples were taken.
Orientation of data in relation to geological structure	*• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of soil sampling traverses was designed to traverse the geological sequence at a perpendicular angle.
	• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No known orientation-based sampling bias has been identified.
Sample security	*• The measures taken to ensure sample security.*	Samples are stored in field prior to submission under the supervision of the Project Geologist. Samples are transported by an accredited courier service to ACME Laboratories, Vancouver.
Audits or reviews	*• The results of any audits or reviews of sampling techniques and data.*	None undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	*• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Soil sampling at Halloween West was conducted on tenement E52/2275. This lease is the focus of a Joint Venture between Talisman (61%) and Chrysalis Resources (39%). The tenement is located 150km north-east of Meekatharra, WA and falls within the Department of Conservation-managed Doolgunna pastoral lease.
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	E52/2275 at Halloween West Springfield expires on the 8th February 2014. An Extension-of-Term has been granted and the tenement is in good standing with no existing impediments to exploration,
Exploration done by other parties	*• Acknowledgment and appraisal of exploration by other parties.*	Exploration work at Halloween West completed prior to Talisman's tenure included geochemical soil and rock chip sampling, geological mapping, airborne time domain electromagnetic (VTEM) surveying and RC drilling to test geophysical VTEM targets.
Geology	*• Deposit type, geological setting and style of mineralisation.*	Talisman's Halloween West Project lies within the Proterozoic-aged Bryah rift basin enclosed between the Archaean Marymia Inlier to the north and the Proterozoic Yerrida basin to the south. The rocks comprise dolerites, basalt, and volcanic–derived sediments of the Narracoota Formation. The principal exploration targets in the Springfield area are Volcanic Hosted Massive Sulphide (VHMS) and structurally-controlled base metal (copper) deposits with associated gold mineralisation.
Drill hole Information	*• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *• easting and northing of the drill hole collar* *• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *• dip and azimuth of the hole* *• down hole length and interception depth* *• hole length.* *• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No drilling reported.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	*• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	No weighted intercepts reported.
	• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No aggregate intercepts reported.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values reported.
Relationship between mineralisation widths and intercept lengths	*• These relationships are particularly important in the reporting of Exploration Results.* *• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No drilling results reported
Diagrams	*• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures and Tables in the body of text.
Balanced reporting	*• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Refer to Figures and Tables in the body of text.

Criteria	JORC Code Explanation	Commentary
Other substantive exploration data	*• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other substantive exploration data reported.
Further work	*• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	See body of text.