



**TALISMAN  
MINING LIMITED**

ASX Code: TLM

Investor Presentation – October 2014  
Gary Lethridge, Managing Director



**The Sinclair Nickel Project Acquisition:  
A Transformational Opportunity**



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## Competent Person's Statement

Information in this presentation 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 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 presentation of the matters based on information in the form and context in which it appears.

“Sinclair is as close to the perfect acquisition as we could have hoped for. It has an existing known deposit extension, established mine infrastructure, two emerging exploration discoveries immediately adjacent to the existing mine, and huge untapped regional exploration potential. It fits perfectly with our skills and capabilities as a Company and positions us for a very exciting future...”

*Alan Senior - Chairman, Talisman Mining Limited*

## Sinclair Nickel Project



A Transformational Opportunity in a Commodity with Outstanding Fundamentals

# Sinclair Nickel Project – Tailor-made for Talisman



- Sinclair is an **advanced, high quality nickel sulphide project** located in one of the world's premier nickel provinces
- Sinclair represents a **transformational acquisition** for \$8M (plus a contingent \$2M deferred payment) with off-take optionality
- Sinclair is the **perfect fit for Talisman** because:
  - It has an existing underground and open cut mine, near-new 300ktpa plant and surface infrastructure;
  - It has a potential extension of the Sinclair nickel deposit identified by relatively wide spaced drilling along strike over 1km beyond existing mine development;
  - It has two emerging, highly promising nickel discoveries adjacent to the existing mine; and
  - It has significant regional exploration potential with nickel sulphides intersected along at least 5 ultra-mafic sequences within a 300km<sup>2</sup> tenement holding.



# Sinclair Nickel Project – Located within a Premier Nickel Province



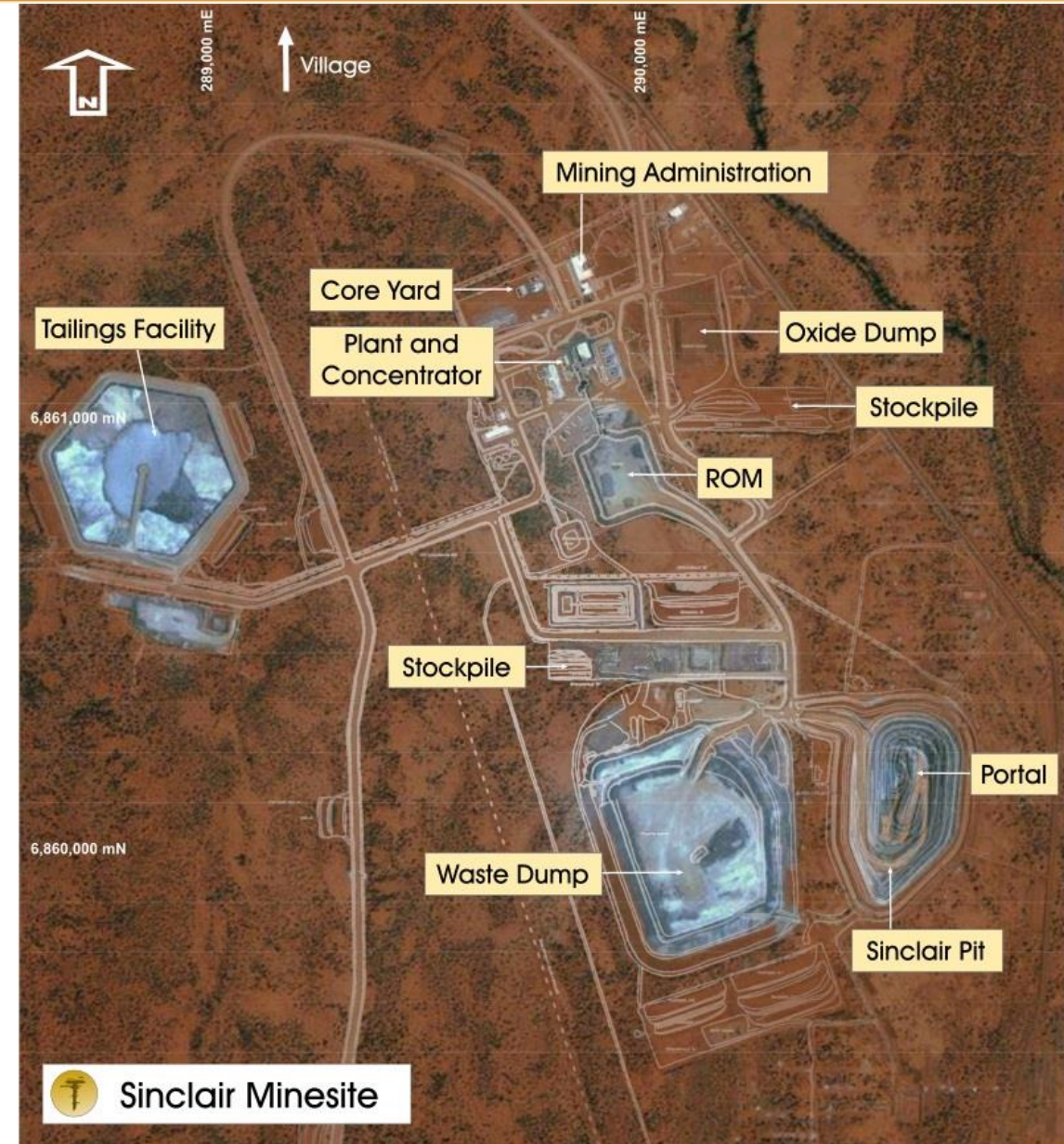
- Located within the southern portion of the prolific, world-class Agnew-Wiluna Greenstone belt
- One of the world's premier nickel provinces with reported production of over **9Mt of nickel**:
  - *Hosts the giant Mt Keith (2.77Mt Ni), Perseverance (1.05Mt Ni), Cliffs (108Mt Ni) and Yakabindie (1.66Mt Ni) Projects*
  - *Located 100km south of the high-grade Cosmos Nickel Project (650kt Ni)*
  - *Other nearby deposits include Waterloo (18.8kt Ni) and Weebo Bore (88kt Ni)*



# Sinclair Nickel Project – Project Infrastructure



- Sinclair was discovered by Jubilee Mines in 2005
- Constructed in 2008/2009
- Placed on care and maintenance in August 2013
- High quality near-new infrastructure including :
  - *Open pit, decline and underground mine*
  - *300ktpa concentrate plant*
  - *200-person accommodation village*
  - *Administration buildings and stores*
  - *Exploration office and core yard*
  - *Borefield and pipelines*
  - *Mining contractor facilities*
  - *ROM pad and waste dump*
  - *Tailings storage facility*



# Sinclair Nickel Project – Infrastructure



Sinclair Nickel Project – Sinclair Open Pit

# Sinclair Nickel Project – Infrastructure



Sinclair Nickel Project – 300ktpa Crushing and Grinding Circuit



# Sinclair Nickel Project – Infrastructure



Sinclair Nickel Project – Flotation Cells and Mill Control Room



Sinclair Nickel Project – Maintenance, Stores and Laboratory



Sinclair Nickel Project – Equipped Stores Shed



Sinclair Nickel Project – Underground Refuge Chambers and Mine Ventilation equipment



Sinclair Nickel Project – Extensive Site Office with Communication Infrastructure



Sinclair Nickel Project – Core Yard Facility



Sinclair Nickel Project – +200-person Accommodation Village



Sinclair Nickel Project – Accommodation Village Recreational Facilities





Sinclair Nickel Project – Accommodation Village Dry Mess



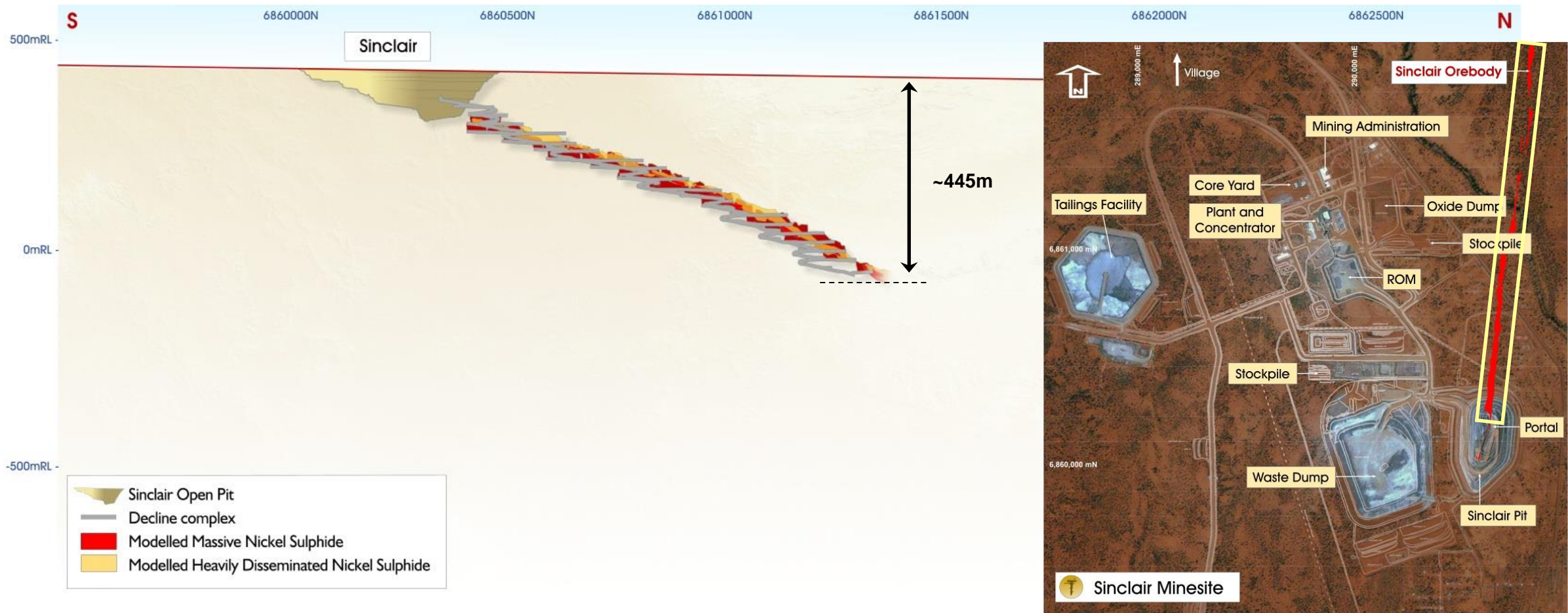
Sinclair Nickel Project – 2km Bitumen Airstrip

# Sinclair Nickel Project – Infrastructure



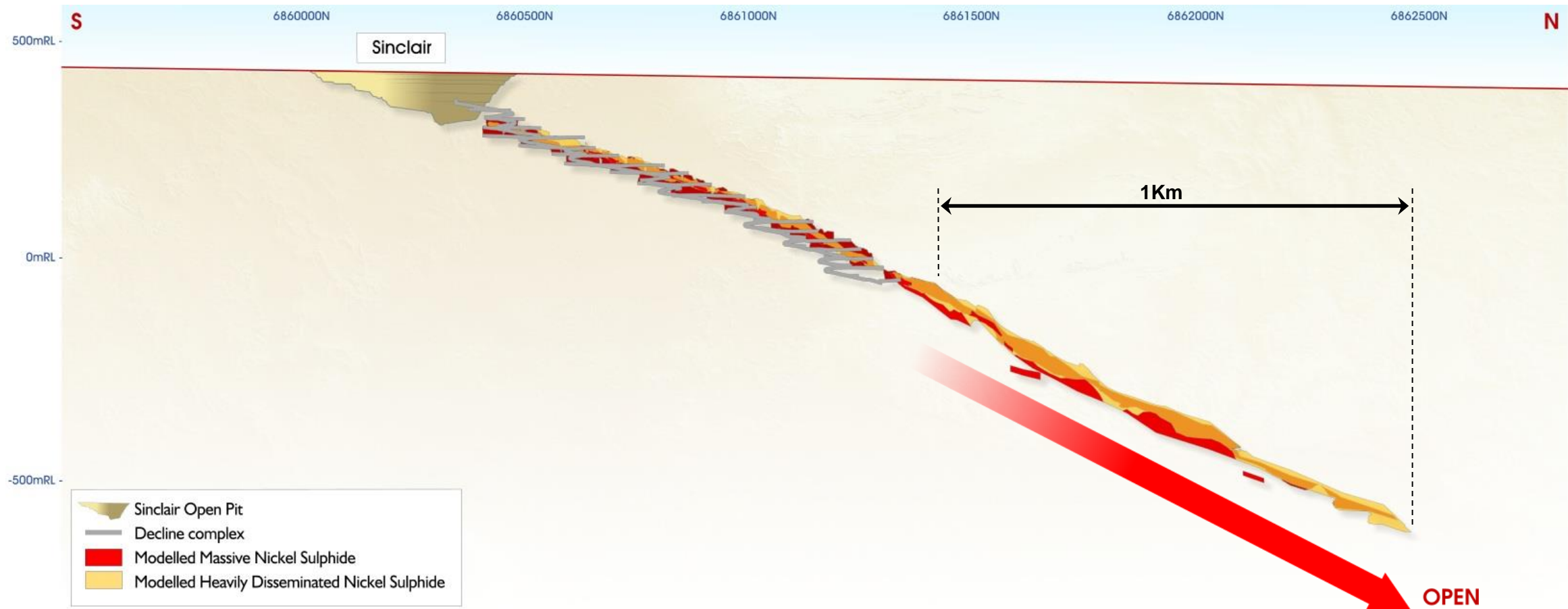
Sinclair Nickel Project has comprehensive modern infrastructure

# Sinclair Nickel Project – Mine and Historical Production



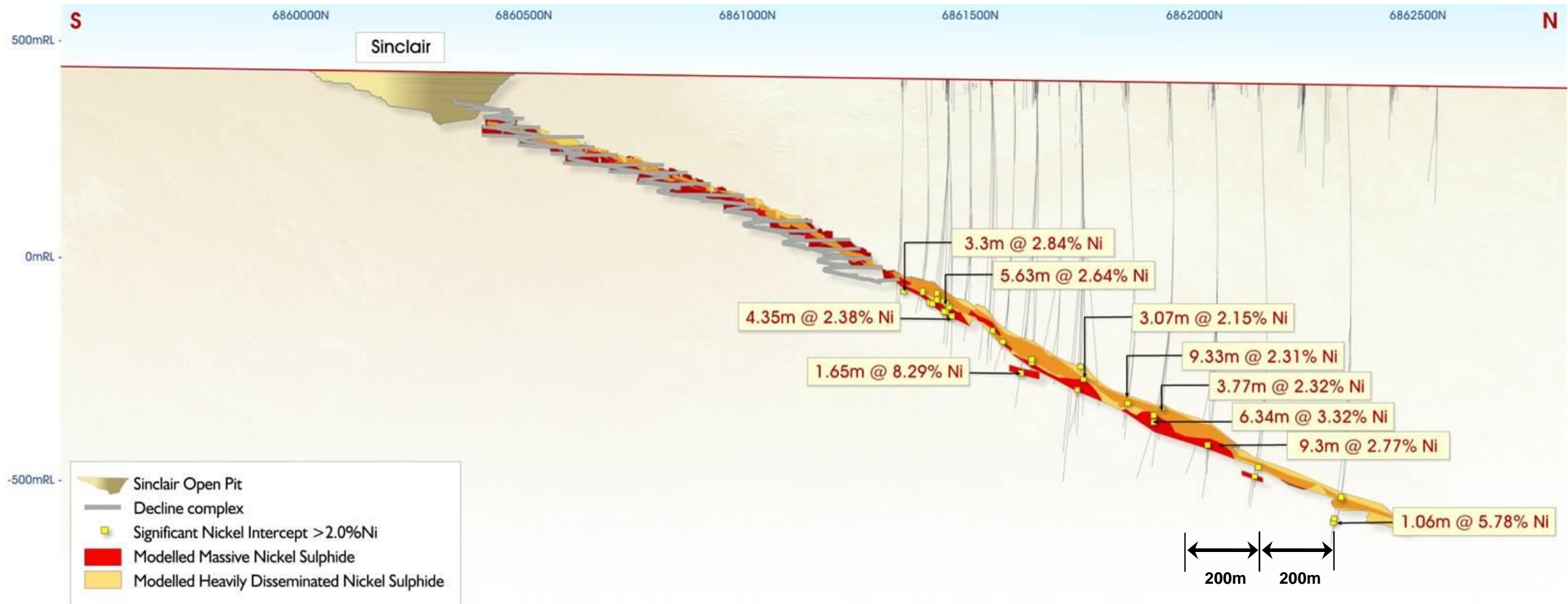
- Sinclair deposit comprises an elongated body of massive to disseminated sulphide mineralisation with a shallow plunge of around 20 degrees which was mined to ~445m below surface
- Total production from pit and underground operations was **1.58Mt @ 2.44% Ni for 38,500t of contained Ni**

# Sinclair Nickel Project – Sinclair Nickel Deposit Extension



- Nickel mineralisation continues down-plunge beyond the current development and has been identified for a further 1km along strike from the current end of mining development

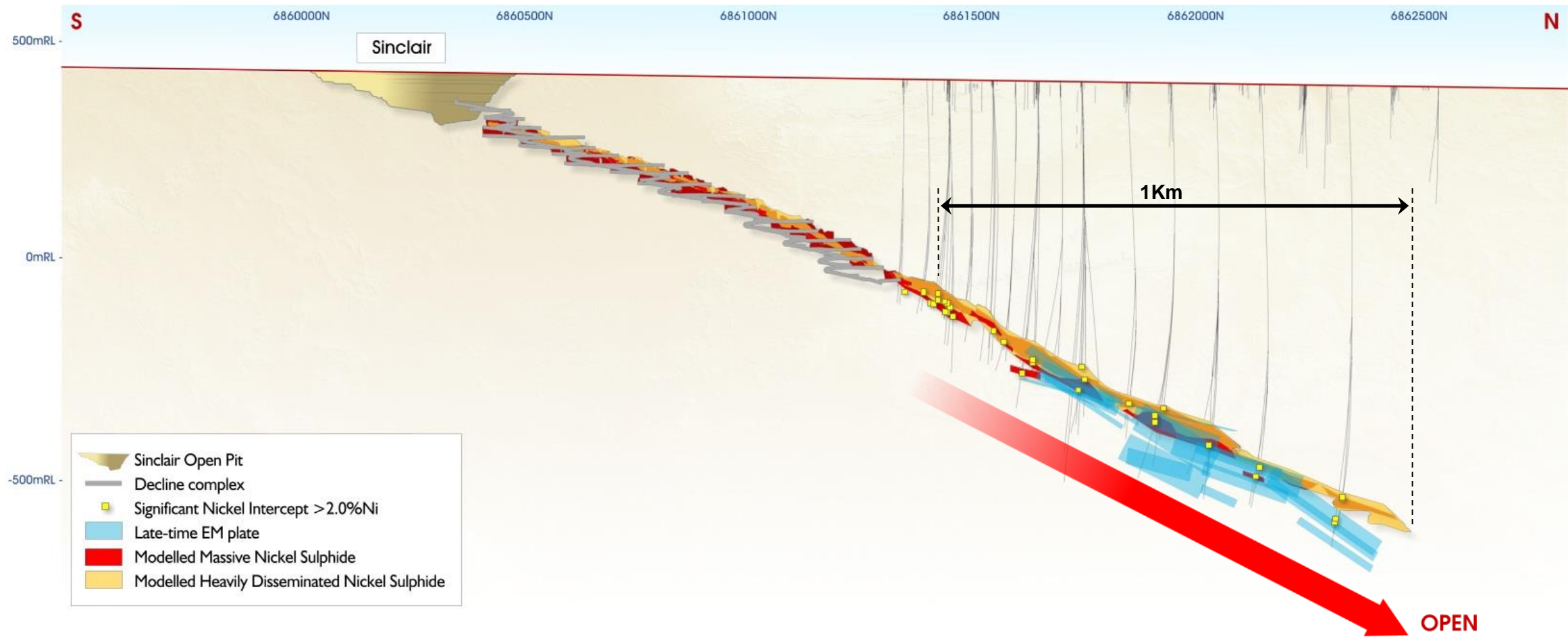
# Sinclair Nickel Project – Sinclair Nickel Deposit Extension



- Broad spaced drilling has returned significant intersections\* beyond current mine development

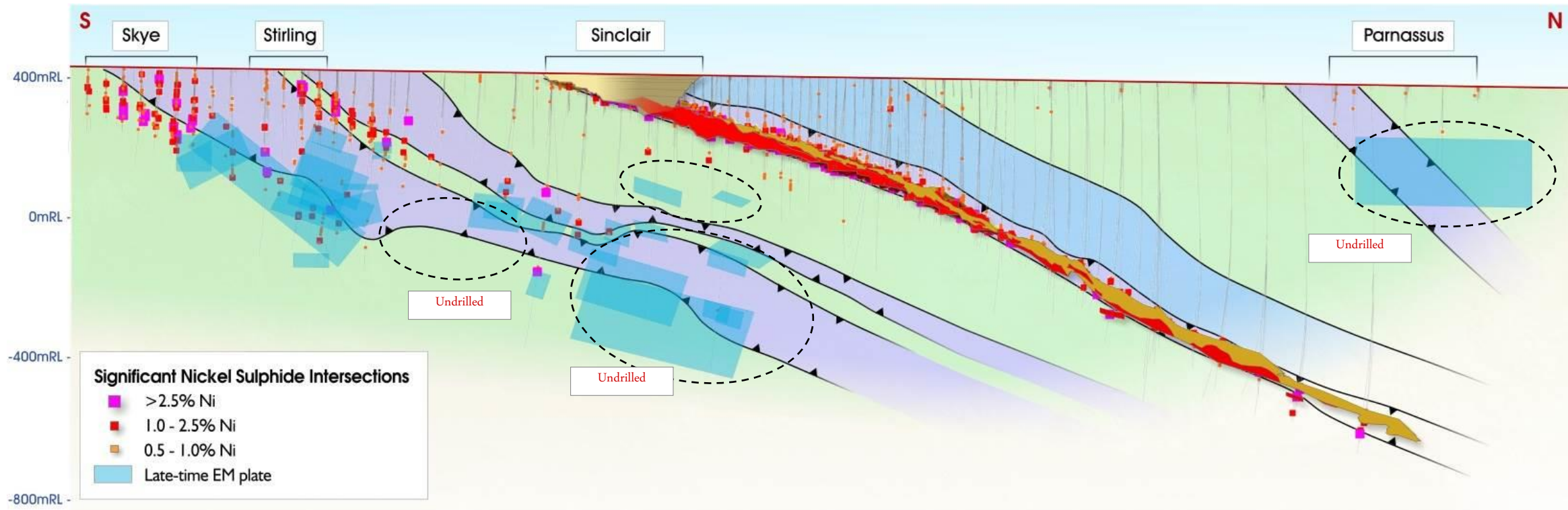
\* Refer Talisman ASX Release 20<sup>th</sup> October 2014

# Sinclair Nickel Project – Sinclair Nickel Deposit Extension



- Strong correlation between EM anomalies and known extensional nickel mineralisation
- Multiple EM plates support the potential for continuity of mineralisation down-plunge and along strike

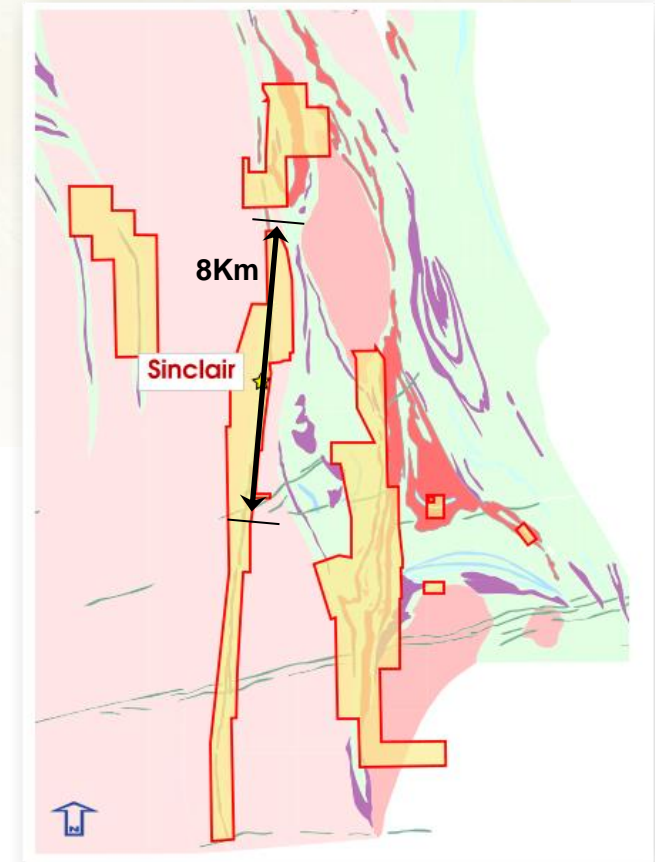
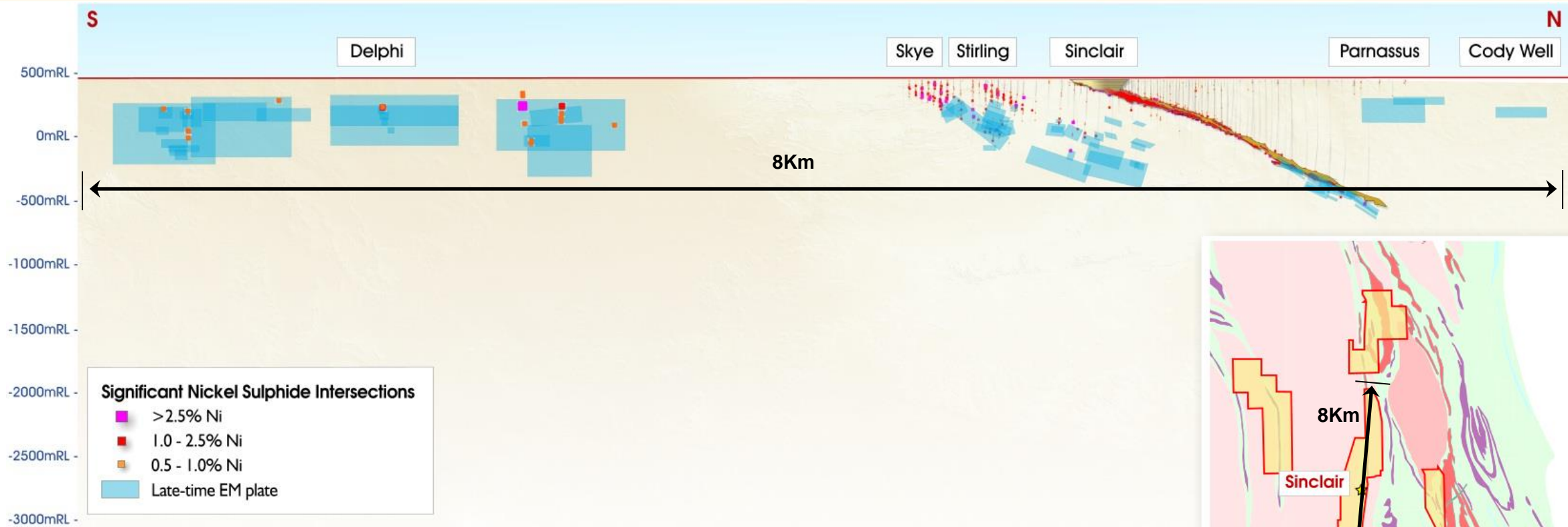
# Sinclair Nickel Project – Near-Mine Potential



- Two parallel mineralised ultra-mafic channels similar to Sinclair at **Stirling** and **Skye** with greater ultra-mafic volumes
- Numerous significant mineralised intercepts from relatively broad spaced drilling
- Late-time EM plates identified directly below the Sinclair Trend
- Outstanding near-mine exploration potential with several highly prospective areas not tested by drilling



# Sinclair Nickel Project – A Pipeline of Exploration Opportunities

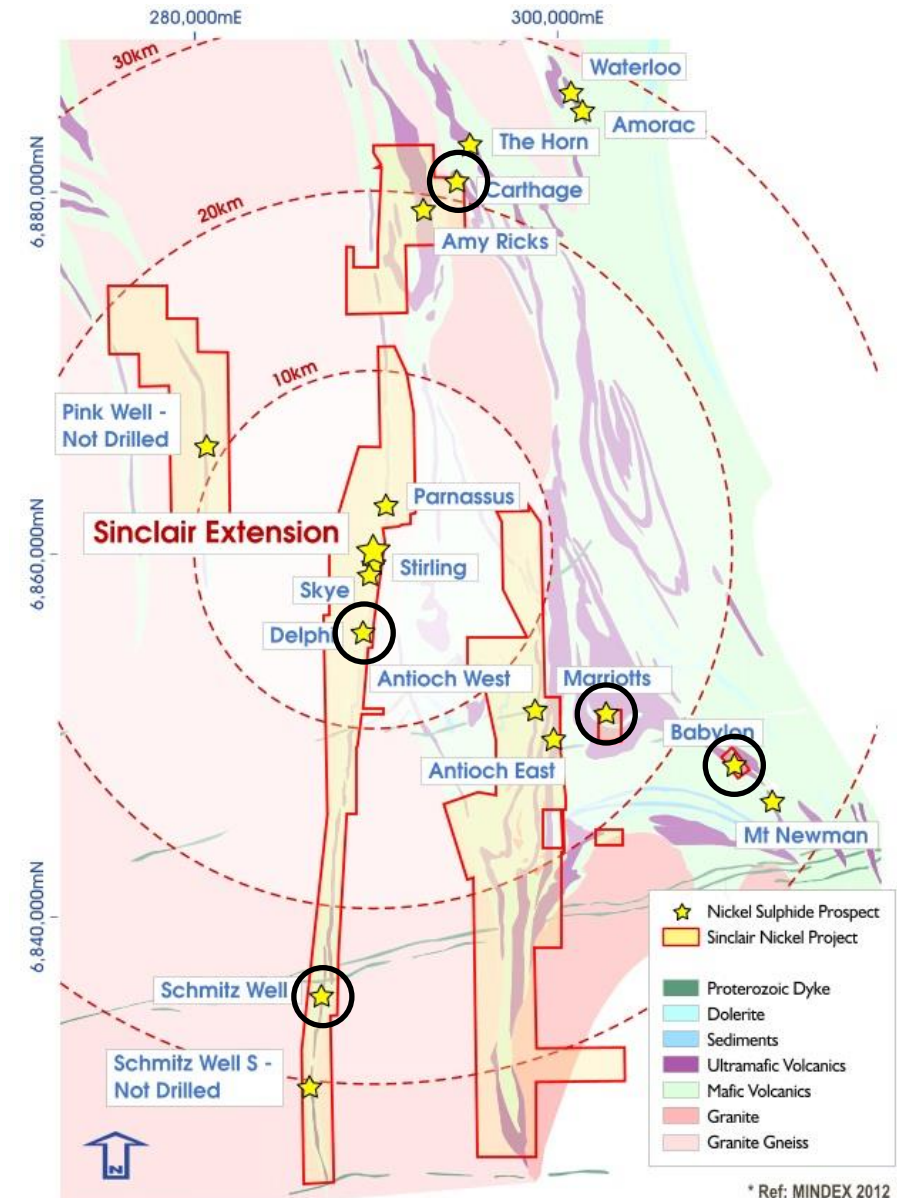


- The Sinclair Trend offers at least 8km of discovery opportunity with very little historical drilling
- Target areas include Delphi, Parnassus and Cody Well hosted along strike and within the Sinclair Trend
- Targets contain substantial volumes of prospective ultramafic rocks, surface and down-hole EM plates and historical nickel sulphide intersections

# Sinclair Nickel Project – A Pipeline of Exploration Potential



- Nickel sulphides have been intersected in drilling along at least five ultra-mafic sequences across the Project at:
  - *Delphi*
  - *Schmitz Well*
  - *Marriotts*
  - *Carthage*
  - *Babylon*
- Multiple exploration targets all exist within 30km of the Sinclair Concentrator

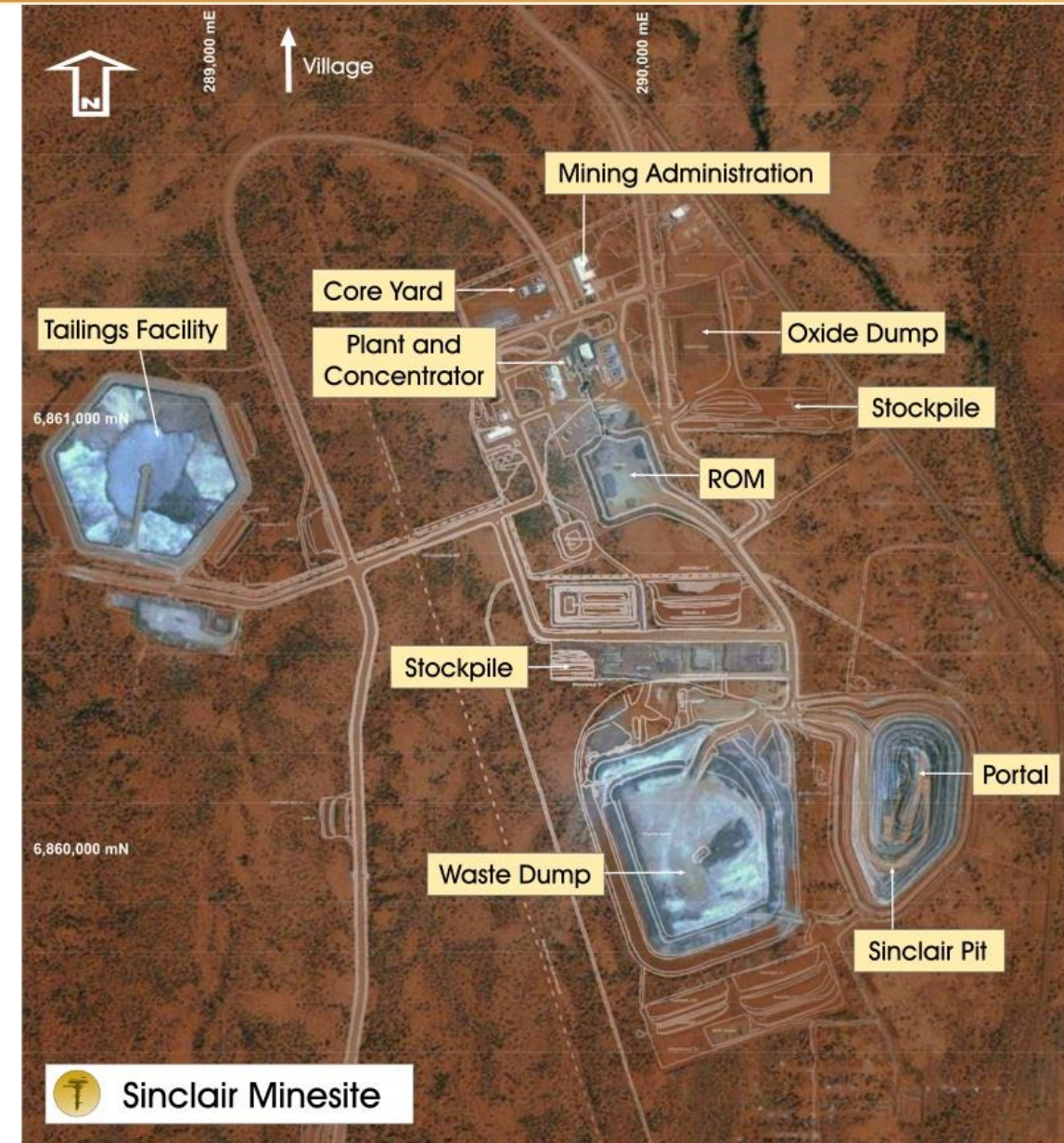




# Sinclair Acquisition – Tailor-made for Talisman

- **The right transaction:**
  - The acquisition is self-funded & follows an extensive Australia-wide search for acquisition opportunities
- **The right commodity:**
  - Nickel has very strong supply/demand fundamentals
- **The right project:**
  - Extensive mine infrastructure
  - Sinclair deposit extension potential
  - Excellent near-mine exploration potential
  - Excellent regional exploration potential

A Transformational Opportunity in a Commodity with Outstanding Fundamentals





# Corporate Overview

## Capital Structure

Shares 131.5M

Unlisted Options 8.25M

Market Cap - (undiluted @ 13 cents per share) \$17.1M

Cash \$16M#  
# as at 30 June 2014

## Listed Investments

Ochre Group Holdings Limited 35.5m Shares

## Board

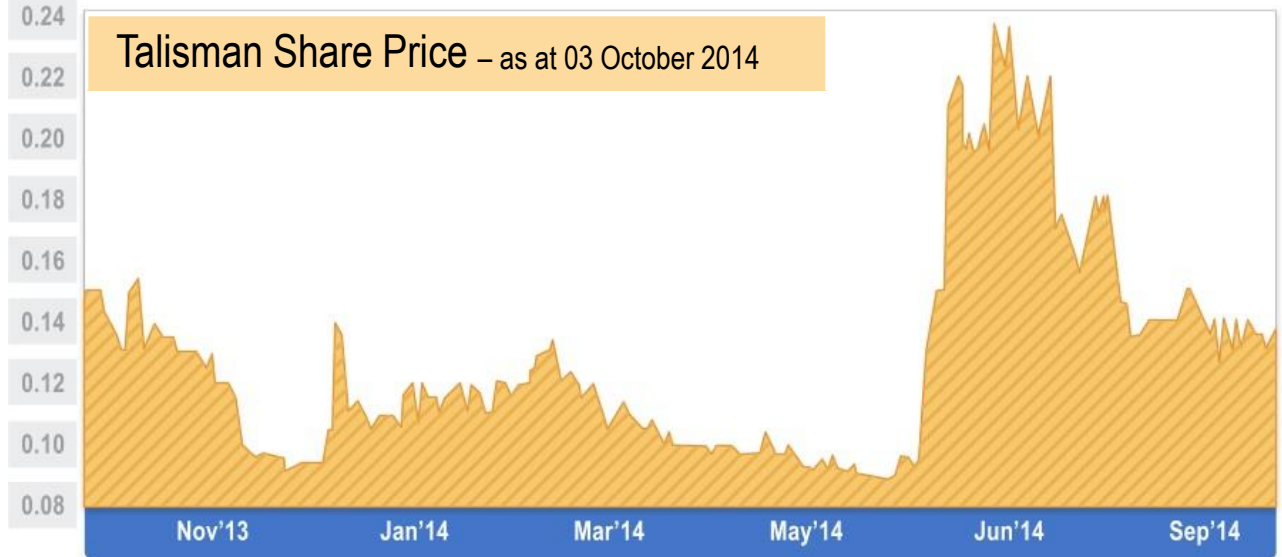
Alan Senior (Chairman) – ex Jubilee Mines

Gary Lethridge (*Managing Director*) - ex Jubilee Mines

Brian Dawes (Non Executive Director) – ex Jubilee Mines

Graeme Cameron (*Technical Director*)

Karen Gadsby (Non Executive Director)



## Major Shareholders

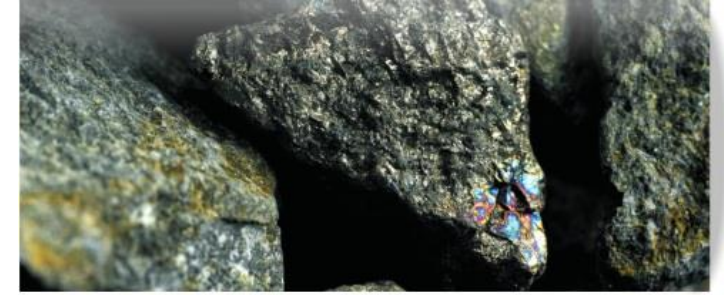
Kerry Harmanis 12.1%

## Strategic investments and royalty

- 35.5M shares (5.9%) – Ochre Group Holdings (ASX: OGH)
- 1% gross revenue royalty – Wonmunna Iron Ore Project



- **Sinclair Nickel Project - A transformational growth opportunity**
  - *Extensive mine infrastructure*
  - *Sinclair deposit extension potential*
  - *Near mine exploration potential*
  - *Considerable regional exploration potential*
- **Exposure to ongoing copper-gold exploration at Doolgunna Projects**
  - *Located 4km from DeGrussa Copper-Gold Mine*
  - *Funded and managed by Sandfire Resources NL*
- **Potential future iron-ore royalty stream from Ascot Resources**





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# Appendices



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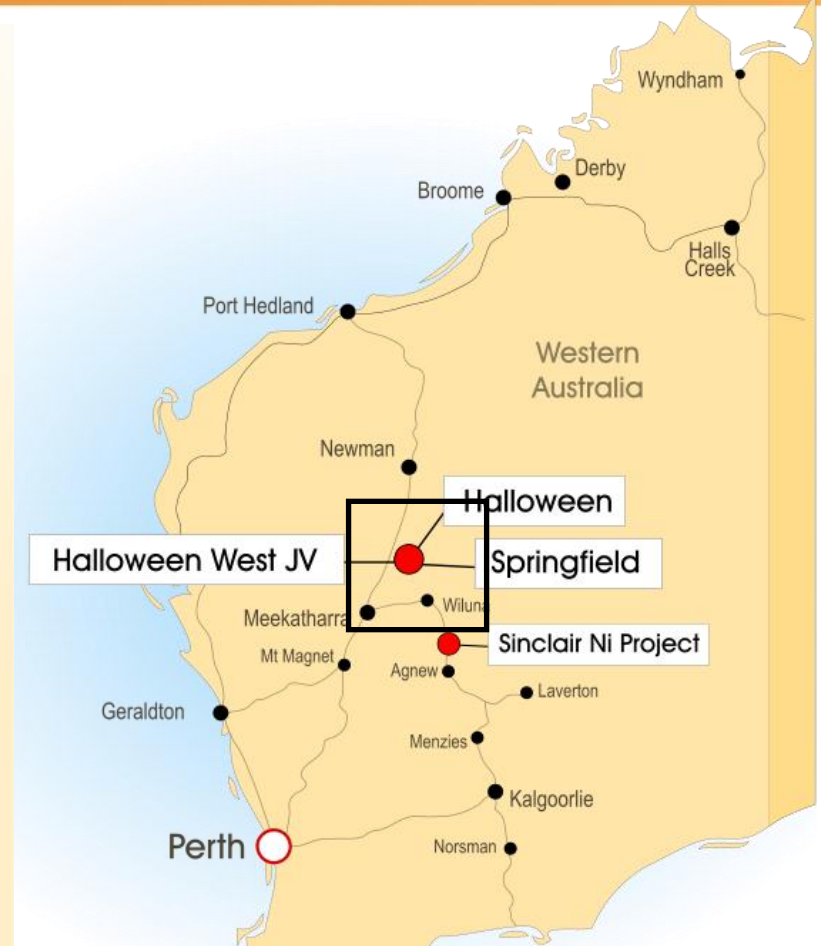
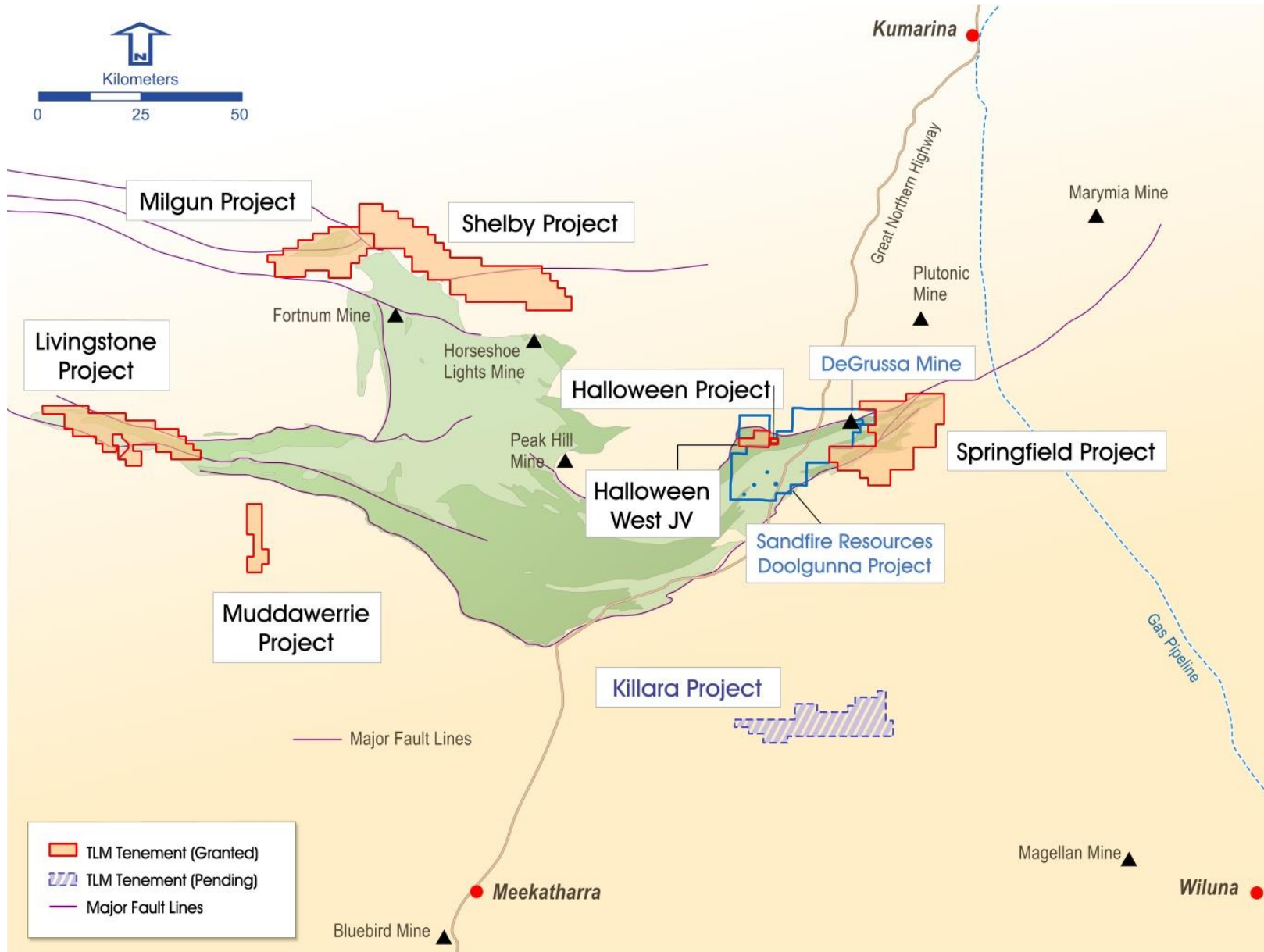
# Doolgunna Copper-Gold Projects



Exposure to Major New Copper-Gold Discoveries in a World-Class VMS Province



# Talisman Doolgunna Project Locations



# Doolgunna Projects Overview



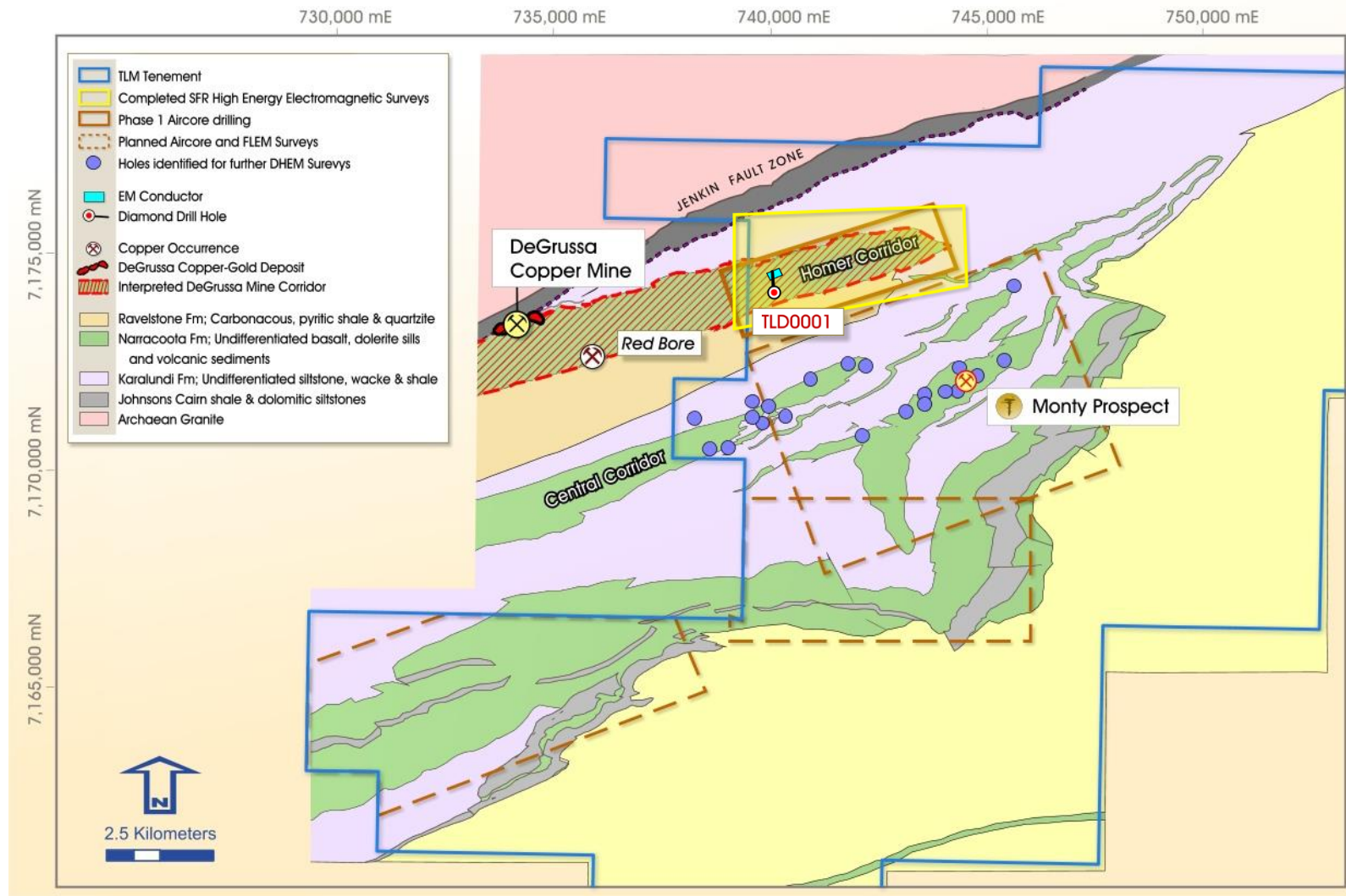
- Projects located in an emerging copper province hosting the world-class, high-grade DeGrussa Copper-Gold Mine
- \$15 million farm-in joint venture agreed with Sandfire in late December 2013
- Technical data integration and assessment of initial target areas undertaken by Sandfire during first half of 2014
- First phase of ground-based exploration by Sandfire commenced June 2014 delivering significant encouragement
- Extensive multi-pronged exploration programs now underway



# Doolgunna JV – Ongoing and Planned Exploration 2014

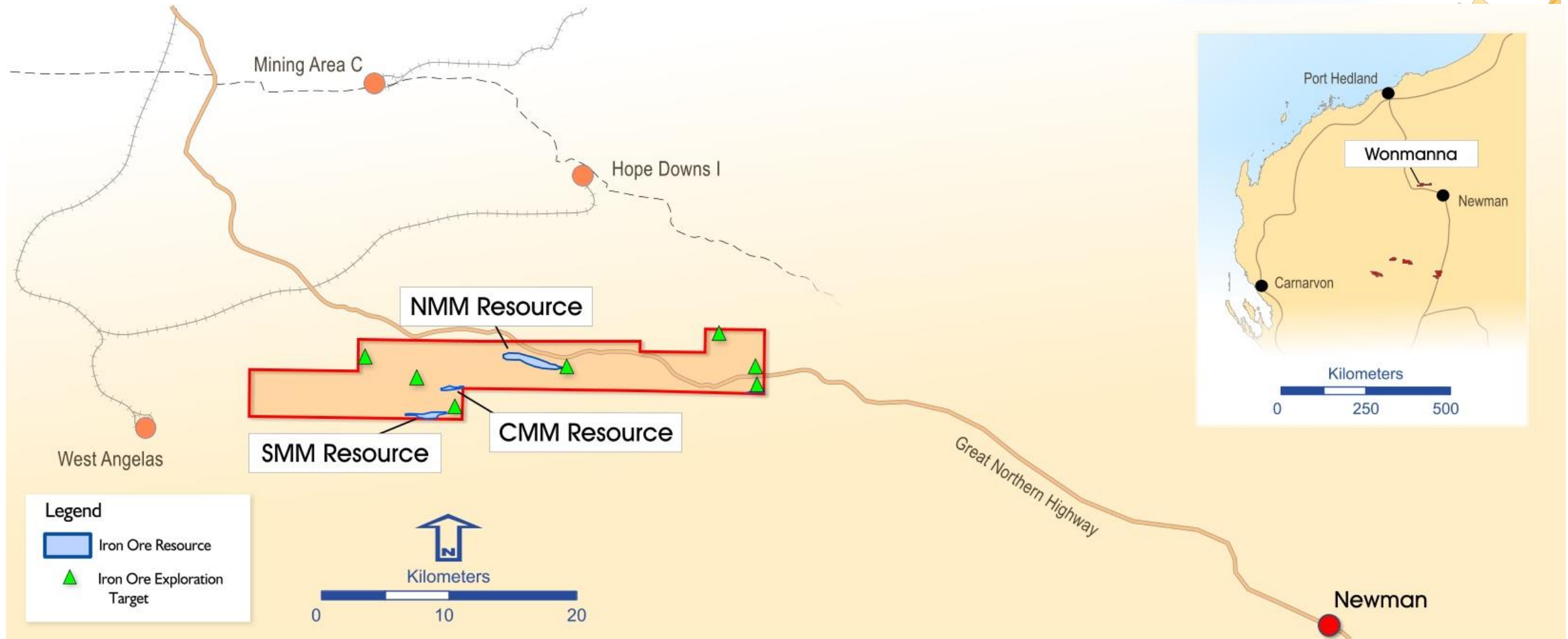


- Based on early encouragement Sandfire has advised that the following activities will be undertaken at Springfield this year:
  - *Preparation of historical deep holes for high-powered DHEM surveys;*
  - *~200-hole aircore drilling program along the Homer Trend to be followed by:*
  - *Geochemical aircore drilling programmes across the prospective sequence;*
  - *Extensive high-powered FLEM surveys, over the prospective sequence; and*
  - *Detailed litho-chemical re-analysis of historical drill samples.*



**Extensive ground-based exploration underway to generate drill targets**

# Iron Ore Exposure – Wonmanna Iron Ore Project



# Exposure to Iron Ore – Wonmunna Iron Ore Project



- Strategically located Pilbara iron ore asset held by Ascot Resources Limited (ASX – AZQ)
- Ochre Group Holdings recently agreed to sell Wonmunna to Ascot Resources Limited for 50M Ascot shares, tranching payments totalling \$21.95M and a 1% Gross Revenue Royalty<sup>1</sup>
- Talisman holds 35.5 million Ochre ordinary shares (~ 5.9% of Ochre's issued capital)
- Ascot is proposing to commence production from Wonmunna during 2015 at 3Mtpa<sup>2</sup>
- Talisman holds a 1% gross revenue royalty from all metals mined from Wonmunna



<sup>1</sup> OGH & AZQ ASX announcements dated 3 July 2014 and 23 September 2014

<sup>2</sup> AZQ Wonmunna acquisition presentation dated 25 March 2014