TALISMAN MINING LIMITED
ASX Code: TLM

29th October 2014

COMPANY SNAPSHOT

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Non-Executive Chairman

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

Options on Issue:
8,250,000 (Unlisted)

ASX: TLM

September 2014 Quarterly Activities Report

Sinclair Nickel Project Acquisition

- *Talisman has secured an outstanding growth opportunity in one of the world's premier nickel sulphide provinces after reaching a binding agreement with Xstrata Nickel Australasia Operations Pty Ltd, a subsidiary of Glencore, to acquire the Sinclair Nickel Project.*
- *Sinclair (originally discovered by Jubilee Mines NL in 2005 and placed on care & maintenance in August 2013) is an advanced, high quality nickel sulphide project located in the southern portion of WA's Agnew-Wiluna Greenstone Belt.*
- *The acquisition includes extensive, near-new mine and surface infrastructure and a 300,000tpa nickel concentrate plant.*
- *Sinclair offers outstanding exploration upside by confirming the extension of the Sinclair nickel deposit along strike and beyond the end of existing mining development.*
- *Other immediate near-mine targets exist within the Stirling and Skye channels, located adjacent to and below the Sinclair deposit.*
- *The broader Sinclair Project includes a highly prospective 300km^2 tenement package which hosts extensive ultramafic rock packages and numerous walk-up nickel sulphide drill targets.*

Doolgunna Copper-Gold Projects – JV with Sandfire Resources

- *Preliminary observations from the initial phases of exploration at the Springfield Project have delivered significant geological encouragement, confirming that Springfield contains interpreted extensions of the volcanic rock package which hosts the DeGrussa VMS deposits.*
- *Based on this early encouragement, Sandfire has advised that the following activities are ongoing or have been completed at Springfield:*
  - *Initial 1,099m diamond hole completed confirming that the Project hosts the interpreted extensions to the DeGrussa mine stratigraphy;*
  - *Extensive aircore drilling completed across the Homer Trend;*
  - *Additional aircore drilling programs underway at Monty and the Central Corridor;*
  - *High-powered ground and down-hole electro-magnetic surveys ongoing across the prospective sequences; and*
  - *Detailed low-level litho-chemical analysis of current and historical drill samples underway.*
- *The aim of these tightly focused, multi-disciplined exploration campaigns is to assist Sandfire in generating robust DeGrussa-style exploration targets at Springfield for potential drill testing later this year or early 2015.*



Sinclair Nickel Project Acquisition

Figure 1: The Sinclair Nickel Project showing regional geology nickel production centres and reported contained nickel* of the Agnew-Wiluna Belt (*MINDEX 2012)

During October, Talisman secured an outstanding growth opportunity in one of the world's premier nickel sulphide provinces after reaching agreement to acquire the **Sinclair Nickel Project** from Xstrata Nickel Australasia Operations Pty Ltd, a subsidiary of Glencore. This acquisition marks the culmination of an extensive search for suitable, value- accretive resource projects throughout Australia and represents a transformational opportunity for the Company.

Located in the prolific Agnew-Wiluna Greenstone Belt in WA's North-eastern Goldfields (see ***Figure 1***), Sinclair is an advanced nickel sulphide project with extensive, near-new and well-maintained infrastructure and, importantly, outstanding exploration upside.

The Project will provide Talisman with a unique combination of immediate exploration potential that, with success, offers optionality to fast-track a return to production, subject to prevailing nickel prices.

In light of the strong market outlook for nickel in the medium term, Talisman believes that Sinclair represents a rare transformational opportunity.

Sinclair Nickel Project Overview

The Sinclair Nickel Project is located in the southern portion of the Agnew-Wiluna Belt in Western Australia, one of the world's premier nickel provinces with over 9 million tonnes of reported contained nickel metal (see ***Figure 1***).

The Sinclair nickel deposit was discovered by the former highly successful nickel miner and explorer, Jubilee Mines NL, in October 2005 and was developed and commissioned in 2008. The project was operated successfully before being placed on care and maintenance in August 2013, having produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% Ni.

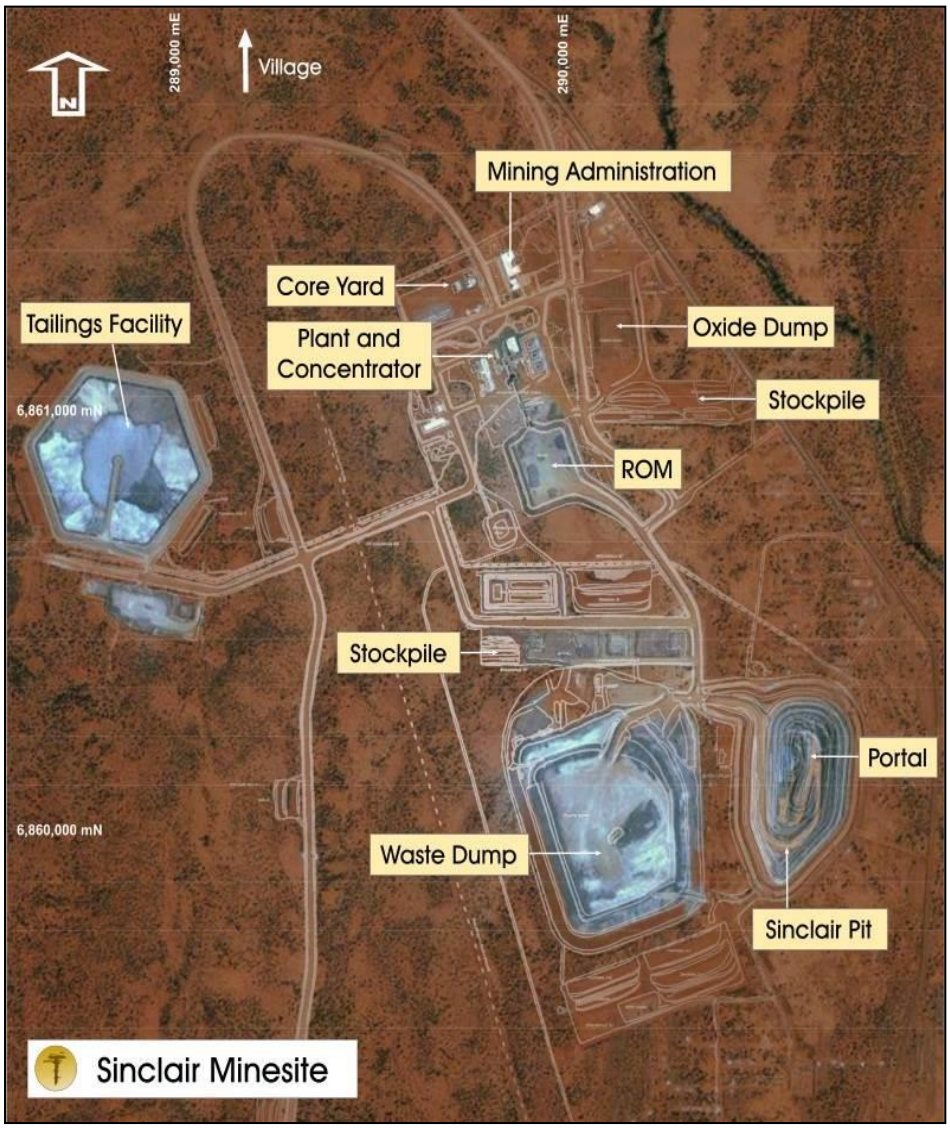
Sinclair offers an exceptional Australian nickel sulphide exploration opportunity, including potential immediate extensions of the Sinclair deposit itself, advanced near-mine targets within close proximity of the existing mine infrastructure, as well as a number of drill-ready emerging exploration prospects within a 30km radius of the mine.



Sinclair Nickel Project Infrastructure

The Sinclair Nickel Project includes extensive new-near infrastructure including an existing open-cut and underground mine, an on-site 300,000tpa Concentrator, sealed airstrip and +200-person accommodation village. The process plant and mine were placed on care and maintenance in August 2013 and have been maintained to a very high standard.

Key infrastructure associated with the Sinclair Nickel Project includes (see ***Figure 2***):



- Open pit, decline and underground mine;
- Processing, crushing and screening plant;
- Nickel Concentrate plant;
- Run-of-Mine ("ROM") pad;
- Waste dump and topsoil stockpiles;
- Tailings storage facility;
- 200-person accommodation village and facilities;
- Administration buildings;
- Fully-equipped maintenance and stores warehouse;
- Core yard and exploration offices;
- Borefield and pipelines;
- Mining contractor facilities;
- Reverse Osmosis plant and potable water pipelines; and
- Waste-water treatment plant.

The availability of this extensive, high quality infrastructure package represents a significant strategic advantage to Talisman, as, subject to exploration success and the prevailing global nickel price, it provides optionality to potentially fast-track a future production pathway.

Figure 2: Aerial photo of the Sinclair Nickel Project showing key mine and processing infrastructure

Sinclair Nickel Deposit Extension

The Sinclair deposit comprises an elongated body of massive and heavily disseminated sulphide mineralisation with a shallow plunge of around 20 degrees to the north (see ***Figure 3***). The underground operation mined the deposit to around 445m below surface and offers a near-mine nickel sulphide exploration opportunity within the down-plunge extensions of the Sinclair ore body.

Nickel mineralisation at Sinclair continues down-plunge beyond the current underground mine infrastructure and has been identified in drilling for a further 1km along strike from the end of actual mining development.



The first 350m of this continuation has been drilled at a sufficient density to potentially enable Inferred Resource classification, but beyond that the continuation of the Sinclair down-plunge mineralisation has only limited drilling for a further 790m on a 100-200m spaced drill pattern (see ***Figure 3***).

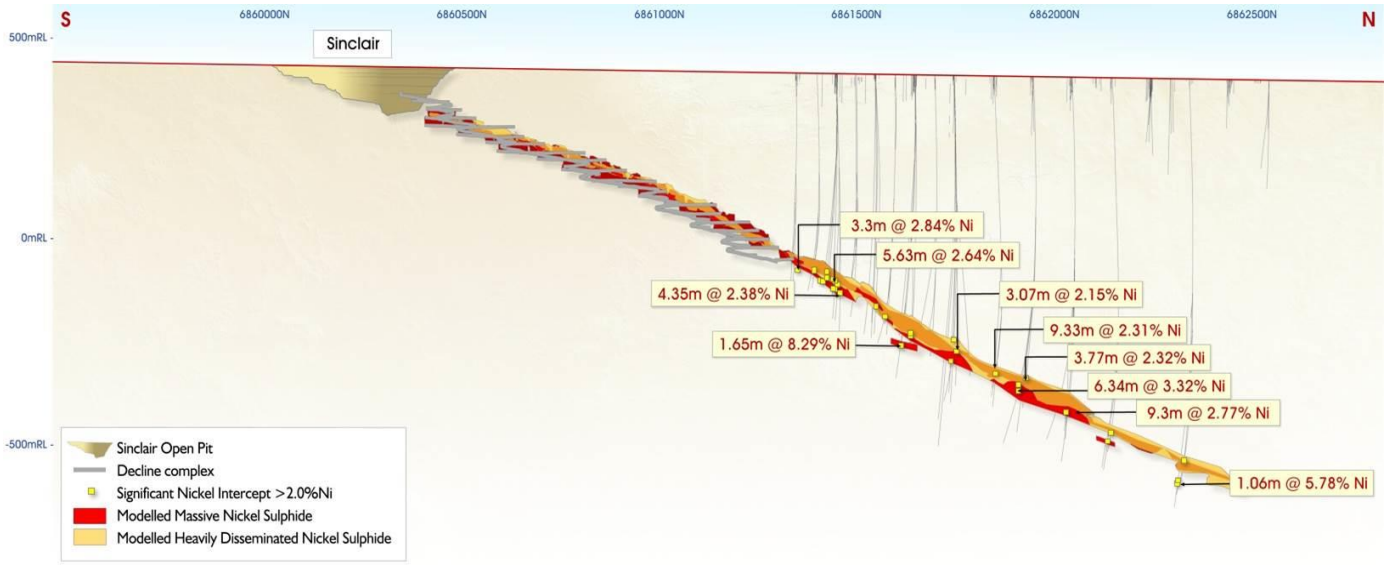


Figure 3: Sinclair Nickel deposit longitudinal projection with mine development showing mineralised Ni drill intercepts greater than 2% Ni beyond the limit of existing mine development

Consequently, the nickel sulphide mineralisation in the down-plunge position, beyond the existing mine development, has not been classified at this time as being a JORC compliant resource (see ***Figure 3***).

Significant intersections of nickel sulphide mineralisation beyond the current mine development include (see ***Table 1*** *and* ***Appendix 2***):

- **CWD381 4.35m @ 2.38% Ni**
- **CWD381B 14.95m @ 1.64% Ni (***including* **5.63m @ 2.64% Ni)**
- **CWD545A 18.44m @ 1.74% Ni (***including* **9.33m @ 2.31% Ni)**
- **CWD535B 6.34m @ 3.32% Ni**
- **CWD546C 9.30m @ 2.77% Ni**

Of note is that underground mining in some of the final mining levels yielded significant increases in mineralised volume compared with the geological model (as defined by surface diamond drilling). These additions were realised where the vertical extent of mineralisation was greater than could be identified with 15-20m spaced drilling from surface.

The dip and orientation of the Sinclair ore body coupled with the existing broad drill spacing across the mine extension position is large enough to miss significant mineralisation, as demonstrated by the last four northern-most drill traverses which intersected high-grade mineralisation with grades greater than 2.5% Ni over widths of up to 9m.

In addition, there is a strong correlation between DHEM responses and nickel sulphide mineralisation at Sinclair, demonstrating that EM is an effective tool in identifying potential massive nickel sulphides. Multiple DHEM plates within the Sinclair deposit extension support the continuity of the mineralisation and the potential to identify additional mineralisation down-plunge and along strike from the existing mineral inventory (see ***Figure 4***).



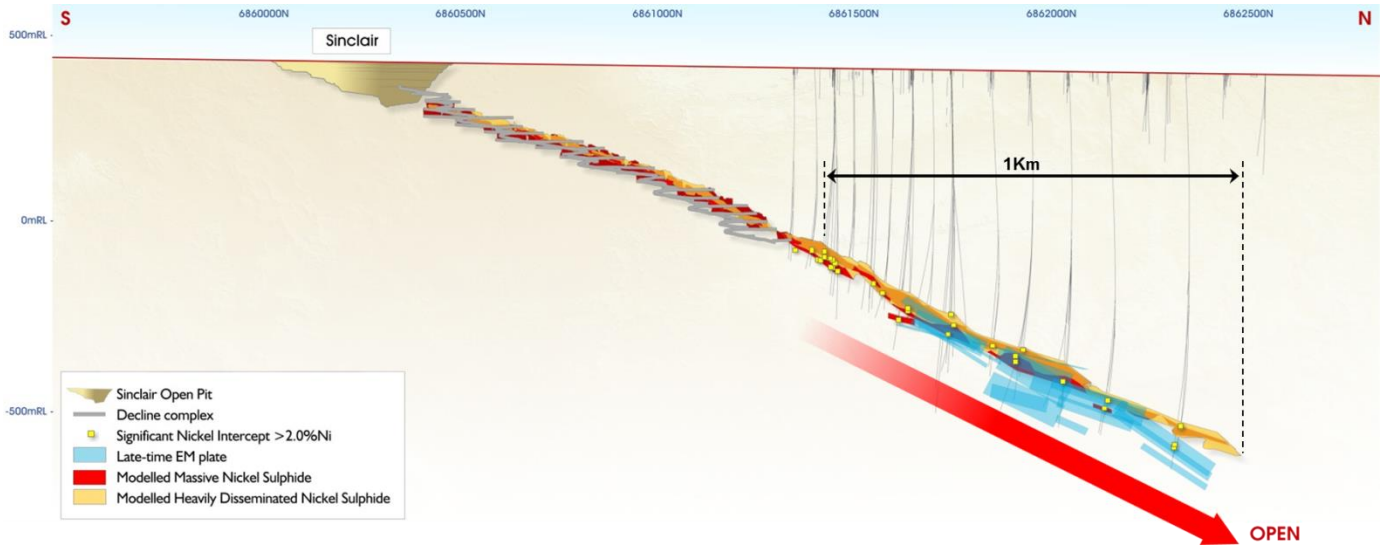


Figure 4: Sinclair Nickel deposit longitudinal projection with mine development, drill traces and existing DHEM plates within the Sinclair deposit extension

Talisman will undertake detailed assessment of this opportunity as part of its Sinclair mine extension exploration strategy.

Near-Mine Exploration Potential – Skye and Stirling

The Sinclair Project also offers outstanding near-mine exploration potential along two additional mineralised ultramafic channels at the **Skye** and **Stirling** Prospects which have been identified to the south and trend underneath and parallel to the main Sinclair ore body (see ***Figure 5***). Significantly, both occur within an ultramafic rock type similar in style to the Sinclair ultramafic, but at much greater volumes.

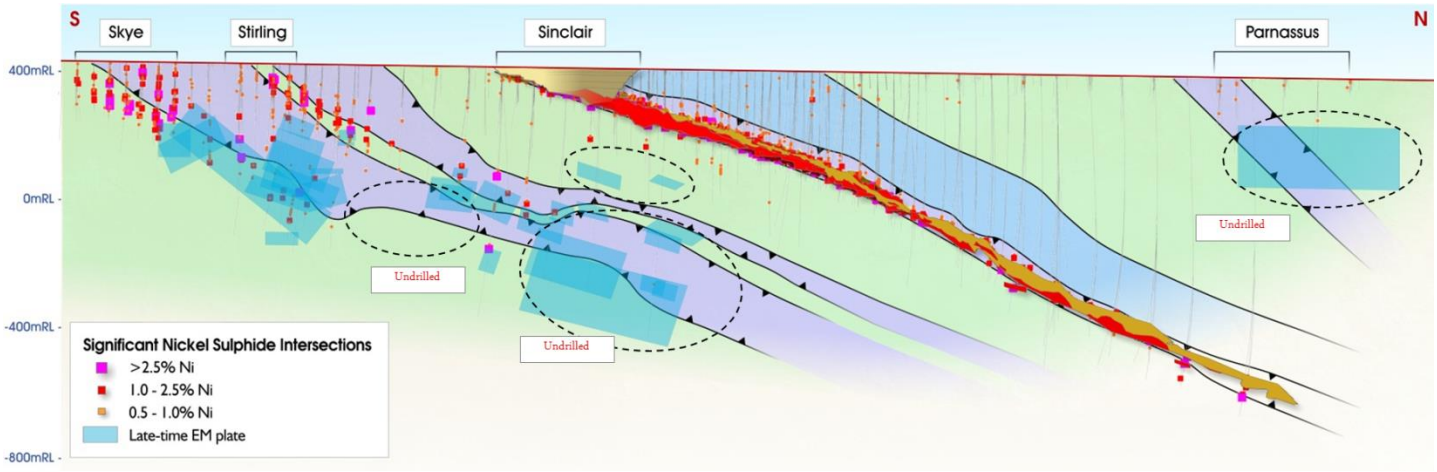


Figure 5: Longitudinal projection showing Stirling, Skye ultra-mafic channels, nickel sulphide intercepts, late-time EM plates in close proximity to the existing Sinclair Mine infrastructure and areas not tested by drilling

The Skye and Stirling mineralisation shows strong similarities to the Sinclair ore body and the two emerging channels are associated with at least two basal positions along a complexly folded high-MgO ultramafic body. Both prospects contain drilling on a 50m x 20m pattern at their near-surface positions, but are largely untested down-plunge and to the north beneath Sinclair (see ***Figure 5***).

These two nickel sulphide bearing channels show good down-plunge continuity and several late-time EM conductors remain to be tested for thicker and/or higher grade mineralisation beneath the Sinclair deposit (see ***Figure 5***). These target areas represent the main exploration opportunity at the near-mine Skye and Stirling Prospects.



Mineralisation at Sinclair is known to pinch and swell; therefore, if these EM conductors are as extensive as their size and conductivity indicate, they could represent new nickel sulphide ore bodies proximal to the existing Sinclair mine infrastructure. Given that positions up-plunge and to the south of these EM conductors are known to carry massive nickel sulphide mineralisation, these EM targets present as highly prospective exploration targets.

Sinclair Trend – A pipeline of exploration opportunities

Within an 8km strike length along the Sinclair Trend, several exploration prospects contain substantial volumes of near-surface prospective high-MgO ultramafic rock; have coincident ground and down-hole EM targets and existing nickel sulphide intersections warranting follow up assessment.

Target areas include Delphi, Parnassus and Cody Well which are hosted along strike and within the Sinclair Trend (see ***Figure 6***). An integrated and systematic exploration approach is required in these areas in order to test for significant massive nickel sulphide mineralisation away from previous drilling and associated with strongly conductive EM targets along the mineralised contact.

A prioritised review of the project's electromagnetic data, is planned to be conducted (using expert geophysical analysis) to assist in developing and identifying potential drill targets.

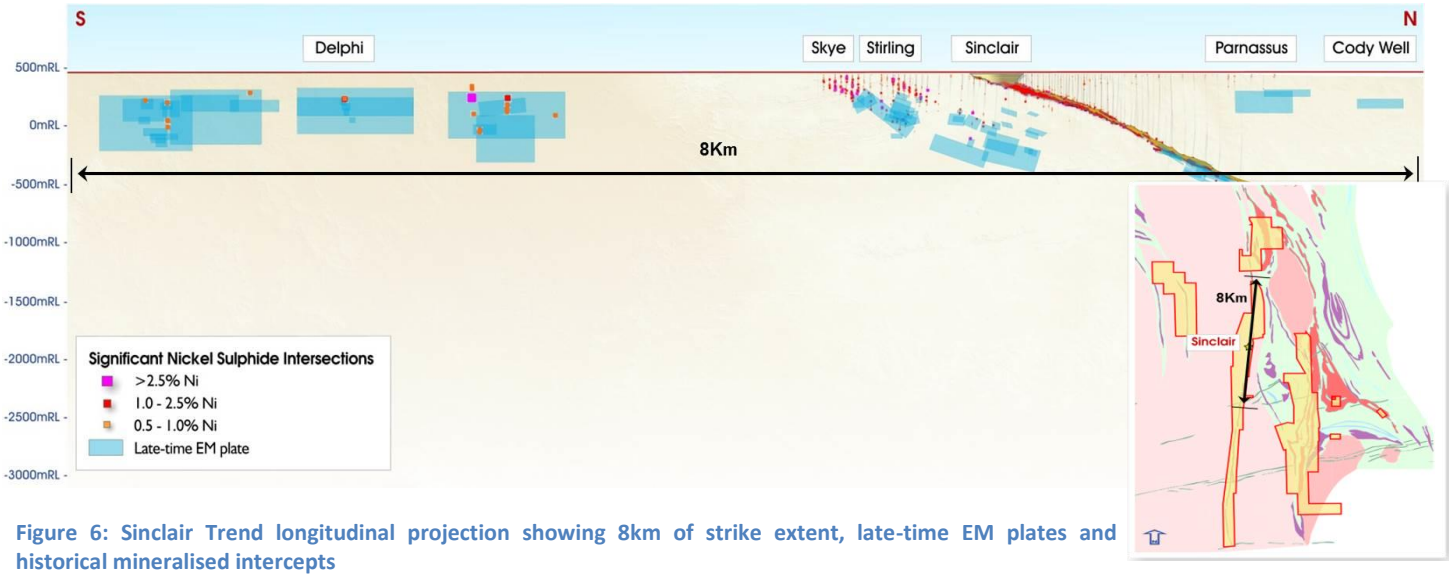


Figure 6: Sinclair Trend longitudinal projection showing 8km of strike extent, late-time EM plates and historical mineralised intercepts

Regional Exploration

The Sinclair Nickel Project includes an extensive 300km^2 tenement package covering at least five known ultra-mafic volcanic sequences which are considered prospective for massive nickel sulphide mineralisation.

Numerous nickel occurrences have been identified through historical drilling across the Project (see ***Figure 7***) including at the following exploration prospects:

- Marriott's;
- Babylon;
- Carthage;
- Antioch; and
- Schmitz Well Prospects



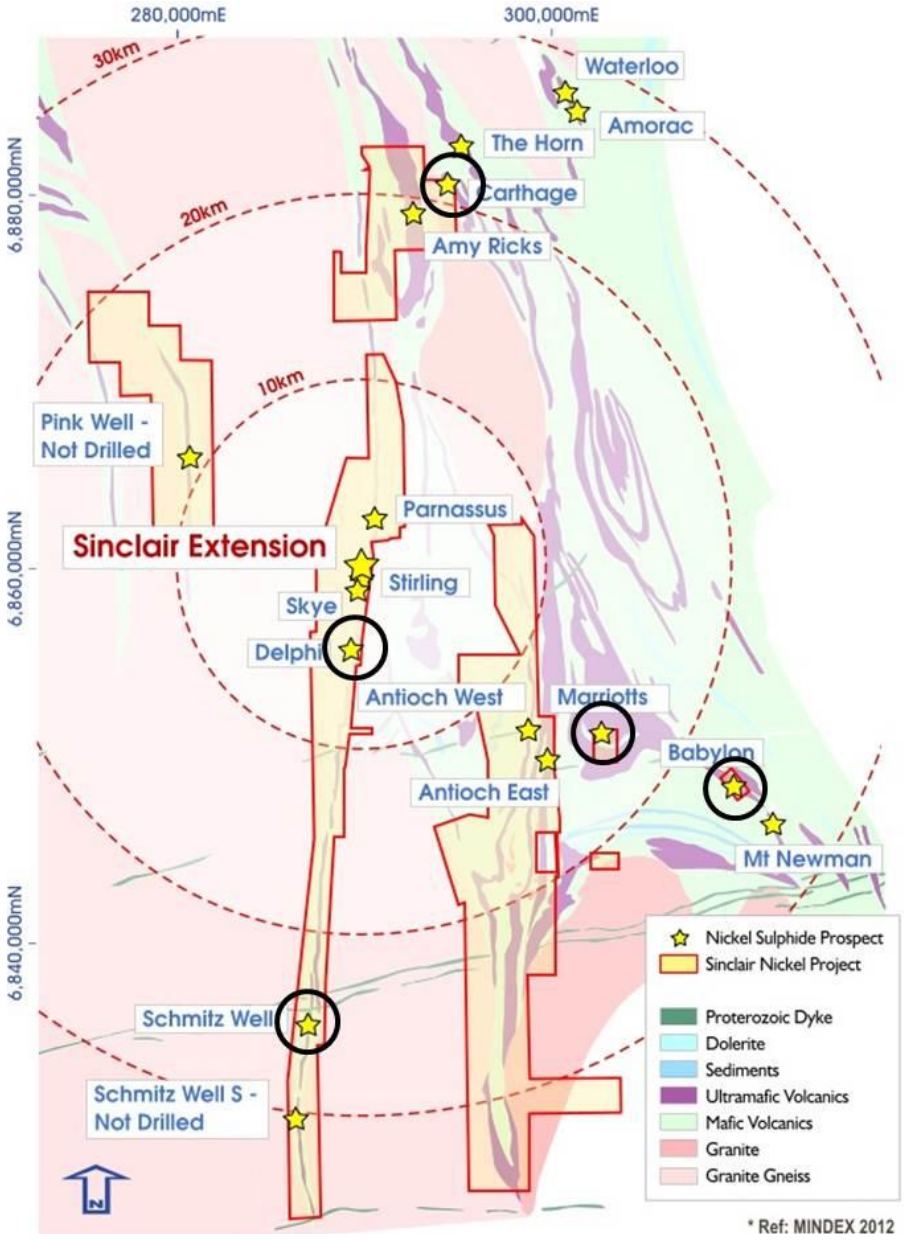


Figure 7: Sinclair Nickel Project showing known ultra-mafic volcanic sequences considered prospective for massive nickel sulphide mineralisation over regional geology

Other regional prospects (see ***Figure 7***) including Schmitz Well South and Pink Well host several walk-up drilling targets associated with known EM anomalies with co-incident surface nickel geochemistry.

Neither of these prospects have been drill tested to date and will form part of Talisman's future regional exploration strategy at the Sinclair Nickel Project.

Transaction Details

Talisman Nickel Pty Ltd, a wholly owned subsidiary of Talisman Mining Limited, has entered into a binding Sale and Purchase Agreement with Xstrata Nickel Australasia Operations Pty Ltd, a subsidiary of Glencore to acquire 100% of the Sinclair Nickel Project.

The consideration for the acquisition of the Sinclair Nickel Project consists of:

- a cash payment of $8 million payable at completion of the transaction; and
- a deferred payment of $2 million triggered by production recommencing within 6 years of transaction completion.

The contingent consideration is to be paid six months following the receipt of the first payment for the sale of nickel product.



Talisman will assume all environmental liabilities and obligations associated with the Sinclair Nickel Project.

Talisman has agreed to grant Glencore the right to make an offer for off-take for the first 20,000 tonnes of contained nickel-in-concentrate produced from the Sinclair Nickel Project. Talisman may accept or reject this offer. Glencore has also been granted the right to match the best 3rd party off-take offer should Talisman elect to seek alternative offers.

Completion of the acquisition is subject to the following:

- Ministerial consent under the Mining Act 1978 (WA) to the transfer of tenements; and
- Potential relevant regulatory approvals (if any are required).

Doolgunna Copper-Gold Projects (Farm-in JV with Sandfire Resources)

Talisman has an extensive portfolio of high-quality VMS copper-gold exploration projects in the Bryah Basin region of Western Australia. Leading Australian copper producer Sandfire Resources NL (ASX: SFR) is funding active exploration at these projects as part of a joint venture farm-in. Sandfire has the right to earn up to a 70% interest in Talisman's Doolgunna Projects by spending $15 million on exploration over five-and-a-half years.

Talisman's Doolgunna Projects comprise the **Springfield**, **Halloween** and **Halloween West Projects (**see **Figure 8)**, which abut Sandfire's DeGrussa-Doolgunna tenements and contain extensions of the volcanic rock package which hosts the DeGrussa VMS deposits.

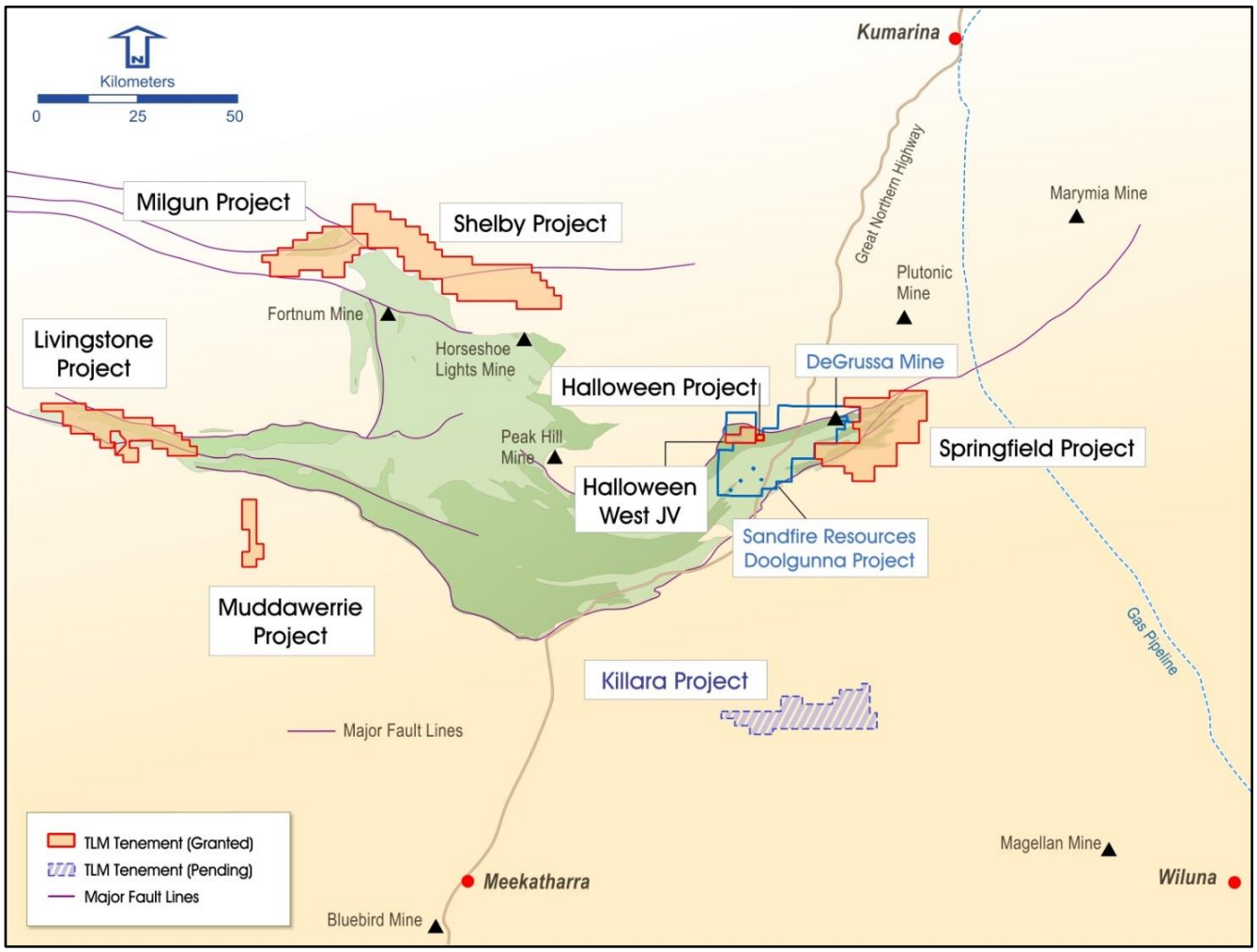


Figure 8: Talisman Mining Ltd Doolgunna Project locations



The preliminary observations from the initial phases of exploration at the Springfield Project have already delivered significant geological encouragement, confirming that Springfield contains interpreted extensions of the volcanic rock package which hosts the DeGrussa VMS deposits.

During the Quarter, exploration continued with detailed Aircore (AC) drilling conducted by Sandfire across the Homer Trend at the Springfield Project, with a total of 12,486m drilled (see ***Figure 9***). Geological units encountered included sediments, mafic volcanic sediments, dolerites and basalts, which are interpreted to be consistent with the geology encountered along the DeGrussa corridor on Sandfire's tenements. Assay results for this drilling are pending and a detailed interpretation of the geochemical and geological information will begin early in the December Quarter once all results have been returned.

To assist with future modelling and interpretation, 1,131 pulp samples are being re-assayed for detailed low detection level multi-element analysis. The samples were targeted from the fresh rock interface in historical drilling completed by Talisman. Analysis and interpretation of the data collected will continue in the December Quarter, as the final assays are received.

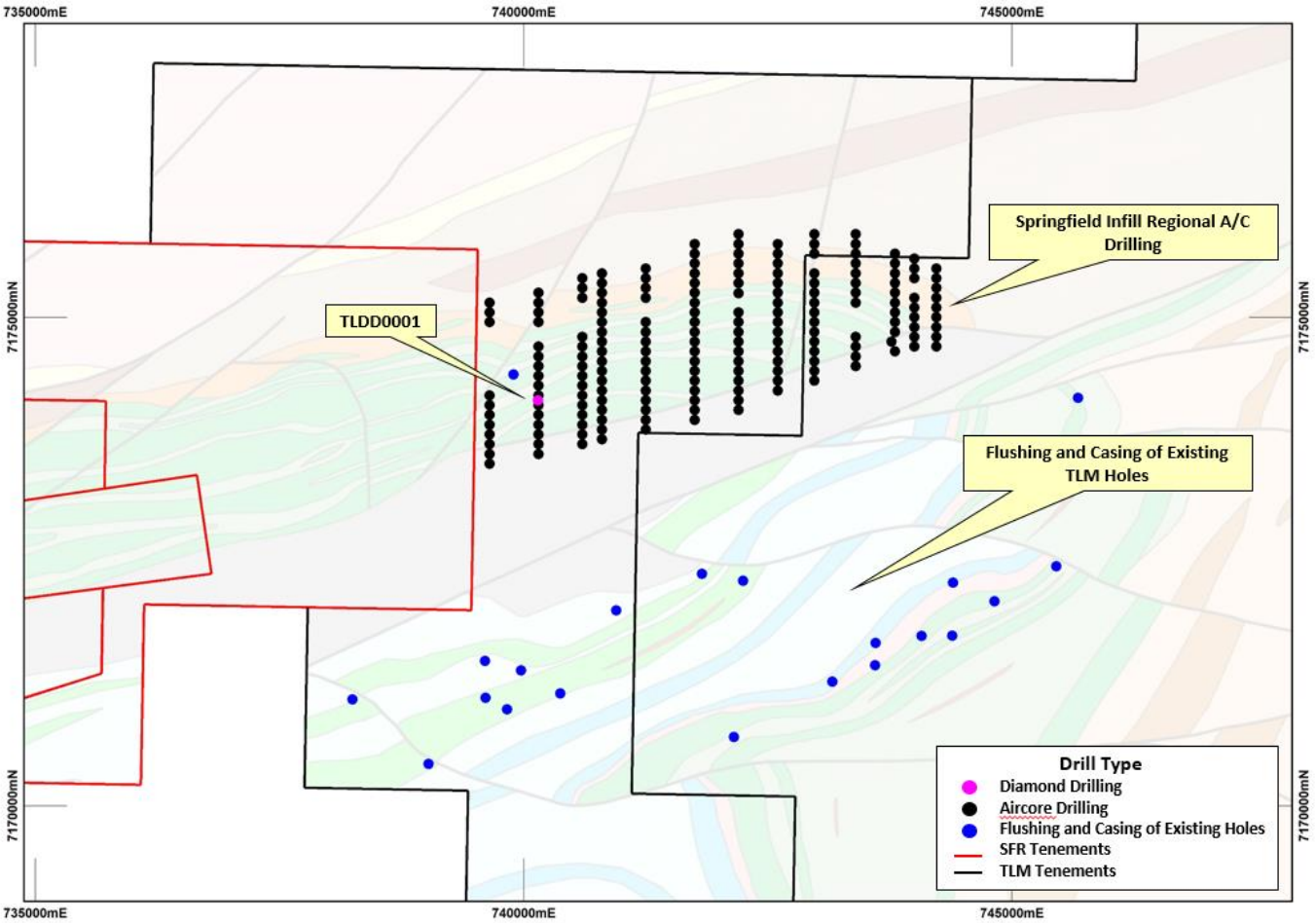


Figure 9: Aircore drilling and the existing DDH and RC holes flushed as part of the ongoing EM surveying being undertaken across the Springfield Project; simplified geology as background

TLDD0001, the first Sandfire diamond hole drilled on the Talisman JV project, was completed in early August, with an end-of-hole depth of 1,099m (see ***Figure 9***). The hole was designed to target an off-hole conductor identified during DHEM surveying of historical Talisman drill holes.

Preliminary analysis of the DHEM did not provide a clear in-hole explanation for the late-time EM target or a definitive conductor within the immediate environment (80-100m) of TLD0001.



Re-interpretation of all EM in the Homer Prospect will be completed by Newexco Services. However, the hole intersected a package of rocks potentially analogous to the DeGrussa C1 host horizon from 931.10m to 967.97m.

The package consists of siliciclastic rocks with variable haematite alteration, ranging from unaltered to pervasively altered. Sporadic jasper clasts were observed throughout the package. Within the most altered component of the package, a narrow zone of strong silicification, banded magnetite and fine sulphides was intersected from 957.08m to 957.50m. Assaying has not identified any economic mineralisation although trace element signatures will be investigated in the December Quarter.

The haematitic, jasper and magnetite-rich sediments with sulphides are likely to represent an exhalite horizon that may be related to a volcanogenic massive sulphide system. 22 samples have been submitted for detailed litho-geochemical analysis and LA-ICPMS analysis. This work is ongoing.

High-powered down-hole DHEM (down-hole electro-magnetic surveying) and FLEM (fixed-loop electro-magnetic surveying) are key tools in VHMS exploration, and these geophysical techniques have proven to be successful in the DeGrussa environment. Accordingly, they will be extensively deployed across the interpreted prospective stratigraphy at the Springfield Project in the coming months.

During the Quarter, preparation for DHEM programs continued within the Springfield area with flushing and casing of a total of 23 RC and diamond drill holes within E52/2282 and E52/2313 in preparation for DHEM surveys later this Quarter (see ***Figure 9***).

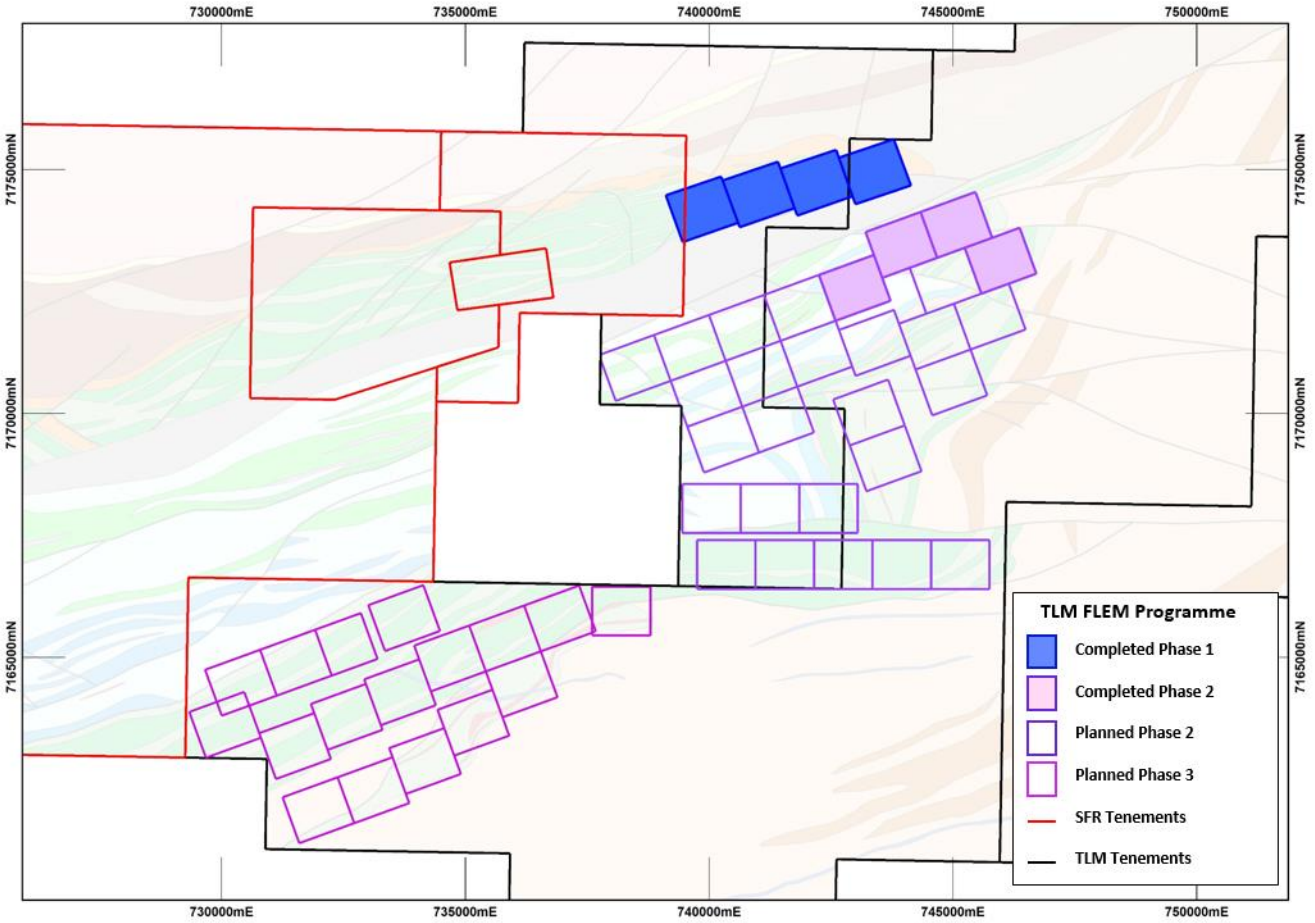


Figure 10: Completed and planned FLEM loops as part of the ongoing EM survey programs



The first phase of FLEM surveys, consisting of four 1,200m by 1,000m high-power FLEM loops covering the northern extension of the DeGrussa Formation at Homer, was completed towards the end of the June Quarter.

The second phase of the program commenced during the September Quarter, consisting of 19 loops encompassing a large proportion of the DeGrussa Formation mafic sediment extension and projected fold hinge to the east, along strike from DeGrussa (see ***Figure 10***). Before the end of the Quarter, the crew had completed the first four loops and submitted the data to Newexco for analysis. This work program is ongoing.

In addition to the current extensive work completed at Homer, further activities will continue to allow for a more holistic geological interpretation of the Central Corridor, Monty Prospect and Southern Volcanics to be developed. These programmes include:

- Continued high-powered FLEM program with Phases Two and Three scheduled to be completed before the end of the calendar year;
- High-powered DHEM surveying of 23 deep holes drilled historically by Talisman across the Homer and Monty prospects as well as the Central Corridor;
- Continued geochemical aircore drilling programmes over the Central Corridor, Southern Volcanics and Monty Prospects; and
- Commencement of a detailed interpretation of the geology of the Homer trend incorporating, surface AC drilling, DHEM, FLEM, and low-level multi-element analysis.

It is anticipated that the integration and assessment of the data received from these tightly focused, multi-disciplined exploration campaigns will assist Sandfire in generating robust DeGrussa-style exploration targets at Springfield for potential drill testing later this year or early 2015.

Murchison Exploration Projects

Livingstone Project (TLM 80%)

The Livingstone Project is located approximately 130km to the north-west of Meekatharra 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 historical drilling programs over a strike length of more than 31km.

In general, this large and extensively mineralised structure has not been subject to systematic exploration.

Work by Talisman in 2013/14 has identified a coherent 1.8km long Ni-Cu-PGE-in-soil anomaly associated with a prominent ovoid, magnetic body at the Kerba Prospect, thought to be related to a mafic-ultramafic intrusion along a major cratonic margin.

This geological setting is interpreted to be prospective for Voisey's-Bay style magmatic Ni-Cu-PGE sulphide mineralization in Proterozoic mafic-ultramafic intrusive rocks.

No field work was conducted during the Quarter.



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.

Extensive geological mapping, prospecting and soil sampling work by Talisman has identified at least six areas of interest associated with sheared banded-iron formations and/or basalt horizons cross-cut by a series of NW and NE-trending faults.

No fieldwork was completed during the Quarter, however Permits-of-Work for follow-up drilling have been received from the DMP and first-pass RC drilling is being considered to further test several geochemical anomalies and geological structures.

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.

In May 2011, Talisman completed an initial 1,452m-deep diamond hole (SHD001A) which was co-funded as part of the WA State Government Exploration Incentive Scheme (EIS) and designed to test a large magnetic body identified by a detailed airborne magnetic survey.

This drilling identified strong IOCG-style magnetite alteration (and minor chalcopyrite) associated with ultramafic intrusions beneath younger cover with several other magnetic anomalies identified along a major regional structure that may be associated with similar intrusive bodies. The mafic-ultramafic rocks and strong magnetite-amphibole-chlorite alteration intersected by SHD001A demonstrated encouraging evidence that Shelby could host a large iron oxide-copper-gold mineralising system.

The Company is seeking a strategic joint venture partner to further advance the Shelby 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, however an assessment of the Project's gold potential commenced during the September Quarter.



Killara Project (TLM -application for 100%)

The Killara Project is located approximately 75kms north of Meekatharra (see Appendix 1) and comprises three large tenements covering an area of 370 sq km over the northern margin of the Yerrida Basin. This structural position is thought to be highly prospective for sediment-hosted and VHMS-style copper mineralisation and was identified as a result of a strategic high-level targeting exercise undertaken by Talisman in 2013 to identify terrains and exploration assets with the potential to host quality copper-gold mineralisation.

As the tenements are still in the application phase, no field activities were conducted, however a detailed literature review and assessment of the Project's mineralisation potential commenced during the September Quarter.

CORPORATE

At the end of the Quarter, Talisman held cash of **$15.4 million.**

Investment & Royalty Update – Ochre Group Holdings Limited disposes of Wonmunna Iron Ore Project to Ascot Resources Limited

During the September Quarter, Ochre Group Holdings Limited ("Ochre" – ASX: OGH) completed the sale of 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 23rd September 2014.***

Talisman holds 35.5 million ordinary shares in Ochre which currently represents approximately 5.9% of Ochre's issued capital. This investment was acquired in 2011 as part consideration for the sale of the Wonmunna Iron Ore Project to Ochre at that time.

In addition, Talisman also holds a 1% gross revenue royalty attributable to the Wonmunna Project which has been assigned from Ochre to Ascot under the terms of the transaction between the two companies.

ENDS

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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.

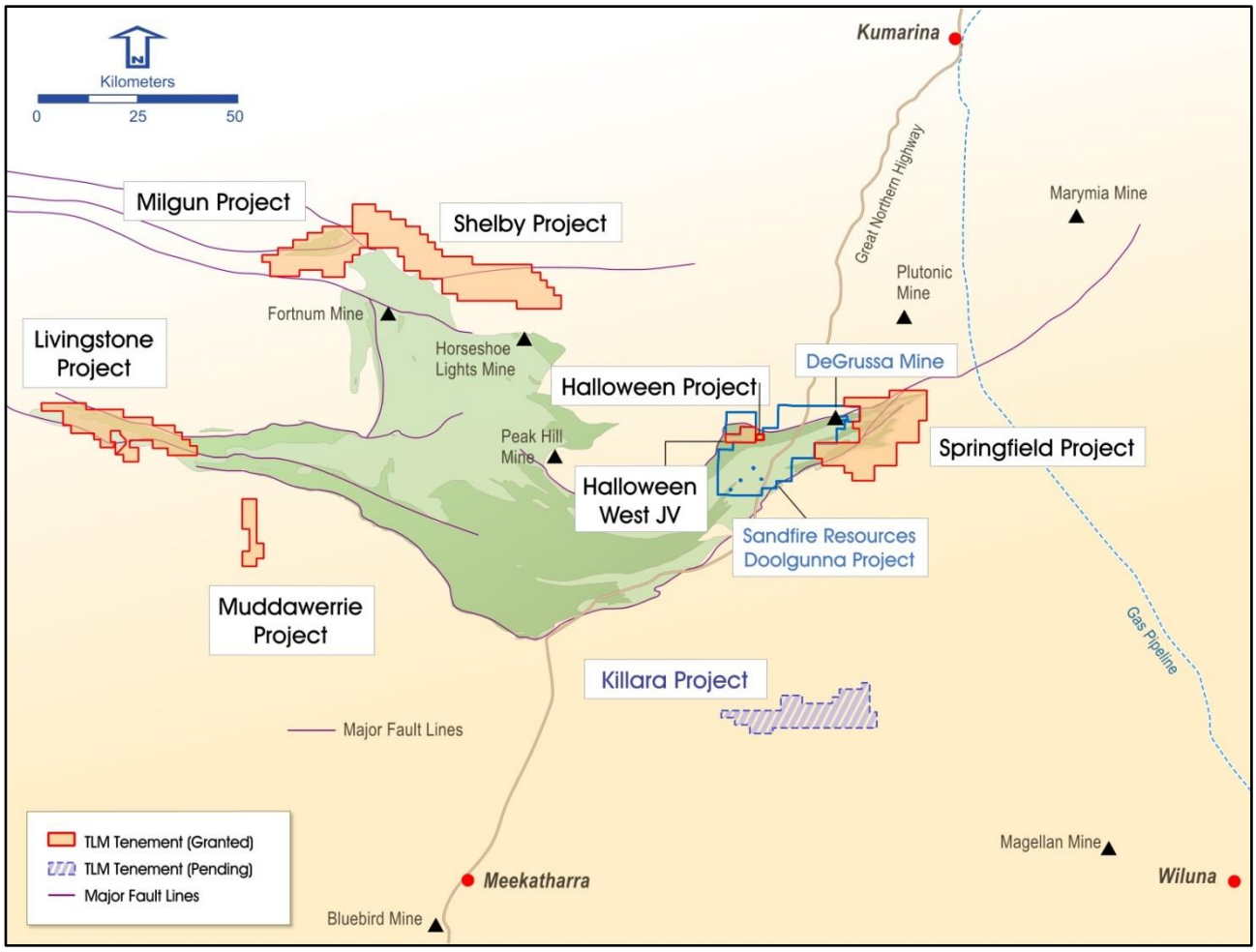


Table 1 – Intercepts greater than 2% Ni from the Sinclair Nickel Deposit Extension

Hole ID	East (MGA)	North (MGA)	RL (MGA)	Dip	Azimuth	From (m)	Intersection
CWD405	290674	6861658	428.54	-75.08	84.26	698.55	1.65m @ 8.29% Ni
CWD536D	290613	6862160	432	-74	76.41	947.84	0.38m @ 6.69% Ni
CWD541E	290561	6862356	430	-74	77	1058.13	1.06m @ 5.78% Ni
CWD535B	290620	6861959	430.23	-75	79.01	837.3	6.34m @ 3.32% Ni
CWD535A	290620	6861959	430.23	-75	79	833.99	0.32m @ 3.19% Ni
CWD536A	290613	6862160	432	-74	76.24	939.65	0.45m @ 3.14% Ni
CWD390	290708	6861558	428.18	-73	83	609.7	0.25m @ 2.98% Ni
CWD546C	290626	6862058	425	-74	79	873.32	9.3m @ 2.77% Ni
CWD543B	290608	6861409	428.37	-61	84	558.5	1.15m @ 2.75% Ni
CWD381B	290749	6861459	427.98	-73	85	522.45	5.63m @ 2.64% Ni
CWD541A	290561	6862356	430	-74	77	1030.32	0.28m @ 2.61% Ni
CWD405C	290674	6861658	428.54	-75.08	84.26	691.31	1.82m @ 2.50% Ni
CWD543B	290608	6861409	428.37	-61	84	554.09	1.27m @ 2.49% Ni
CWD382	290775	6861459	427.92	-78	78	520.55	0.25m @ 2.39% Ni
CWD381	290749	6861459	427.98	-73	85	549.18	4.35m @ 2.38% Ni
CWD535C	290620	6861959	430.23	-75	79	829.57	3.77m @ 2.32% Ni
CWD545A	290663	6861860	431.88	-74	79	780.72	9.33m @ 2.31% Ni
CWD541E	290561	6862356	430	-74	77	1046.22	1.8m @ 2.24% Ni
CWD381A	290749	6861459	427.98	-73	85	534.25	0.32m @ 2.23% Ni
CWD414	290686	6861758	429	-74.81	81.97	742.46	0.69m @ 2.19% Ni
CWD405C	290674	6861658	428.54	-75.08	84.26	683.54	1.39m @ 2.19% Ni
CWD415	290736	6861758	428.47	-74.97	80.99	703.61	3.07m @ 2.15% Ni
CWD541A	290561	6862356	430	-74	77	1026.1	0.9m @ 2.11% Ni
CWD415D	290736	6861758	427	-74.97	80.99	701.74	1.42m @ 2.11% Ni
CWD539A	290751	6861609	428.02	-77	83.91	624.5	1.91m @ 2.05% Ni



Appendix 1 – Talisman Mining Ltd Doolgunna Project locations





Appendix 2 – Talisman Mining Tenement Schedule as at 30th September 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	63%	63%	-	-	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%	-	-	
E52/2708	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%	-	-	
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
KILLARA	W.Australia					
E51/1643	68	0%	0%	-	-	
E51/1662	29	0%	0%	Application		
E51/1663	23	0%	0%	Application		



Appendix 2 – 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 (e.g. 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.*	The Sinclair Nickel Deposit Extension describes the Sinclair massive nickel sulphide mineralised position defined by diamond drilling beyond the current mine development i.e. from 6861350N to 6862350N. The Sinclair Nickel Deposit Extension was drilled by Xstrata Nickel Australasia Operations (XNAO) using surface diamond drilling methods. 74 diamond drill holes have been drilled along the Extension on 50m x 20m spacing stepping out to 100m/200m to the north of 6861750N. All diamond drill holes reported in this report were historically drilled by XNAO between 2007 and 2012. Drill hole locations were designed to allow for 20m-spaced intersections on sections across the Sinclair mineralised zone.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Diamond core is HQ and NQ2 size, was sampled on geological intervals (0.2 m to 1.2 m), cut into half (NQ2) or quarter (HQ) core to give sample weights under 3 kg. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis by four acid digest with an ICP/OES or AAS finish. All drill hole collars were initially located using a handheld DGPS device and subsequently picked up by Mine Surveyors upon their completion.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	Diamond drilling at the Sinclair Nickel Deposit Extension was used to obtain 1 m or geologically selected core samples which were crushed, dried and pulverised to produce a 25g charge for 4-acid digest with an ICP-AES or AAS finish. A visual estimation of the percentage of mineralisation was gathered as part of the standard XNAO geological logging system.



Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	74 diamond drill holes have been drilled along the Sinclair Nickel Deposit Extension on 50m x 20m spacing stepping out to 100m/200m to the north of 6861750N. All surface diamond drill holes along the Sinclair Nickel Deposit Extension were completed using wedge drilling techniques with up to 4 daughter holes drilled from a single parent drill hole. Both HQ and NQ2 diameter core was collected for logging and sampling purposes. All drill holes were routinely surveyed using downhole NSG Gyroscope survey tools. All drill core was routinely orientated at nominal 6m intervals using an EzyMark-OriBlock core orientation system.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Diamond core recoveries are logged and recorded in the Sinclair *Datashed* database. Core photography shows overall recoveries >95%.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Diamond core was reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths were checked against the depth given on the core blocks and rod counts were routinely carried out by the drillers.
	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 indication of sample bias is evident or has been established.
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.*	Logging of diamond core records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples. Specific Gravity measurements were taken for all diamond drill holes.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Core was photographed in both dry and wet form.
	The total length and percentage of the relevant intersections logged.	All drill holes were logged in full to the end of each hole.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond core is HQ and NQ2 size, sampled on geological intervals (0.2 m to 1.2 m), cut into half (NQ2) or quarter (HQ) core to give sample weights under 3 kg.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	No non-core samples taken from the Sinclair Nickel Deposit Extension
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation follows industry best practice where all core samples are crushed and split to 1kg then dried , pulverized and (>85%) sieved through 75 microns to produce a 25g/30g charge for 4-acid digest with an ICP-AES or AAS finish.



	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	QAQC protocols for all diamond drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 25 with a minimum of 2 per batch. OREAS and Geostats standards were selected on their grade range and mineralogical properties. All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis by XNAO.
	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.	Duplicate samples were inserted at a frequency of 1 in 25, with placement determined by Ni grade and homogeneity.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Samples were selected to weigh less than 3kg to ensure total preparation at the pulverization stage. Sample size is considered adequate for the rocks and mineralisation styles encountered.
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 drill core samples were submitted to ALS Laboratories in Perth for multi-element analysis using a 25g charge with a 4-acid digest and ICP-AES or AAS finish (OG62). Analytes include Al, Fe, Mg, Mn, S, Ti, Ag, As, Co, Cr, Cu, Ni, Pb, V, Zn, Zr All ore-zone sampling underwent gravimetric analysis at ALS Chemex via the OA-GRA08d method, which calculates SG by the weight of the solvent (acetone) in the pyncometer displaced.
	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.	No handheld XRF results reported. Not applicable to reporting of laboratory assay data.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	QAQC protocols for all diamond drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 25 with a minimum of 2 per batch. OREAS and Geostats standards were selected on their grade range and mineralogical properties. All core assays were required to conform to the XNAO procedural QAQC guidelines as well as routine laboratory QAQC guidelines. All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis. Generally excellent historic results for all standards and duplicates with most performing well within the 2 standard deviation limit. Lab checks (repeats) occurred at a frequency of 1 in 25. These alternate between both the pulp and crush stages. 5% of all pulps were routinely submitted monthly to Genalysis Laboratories in Perth for Umpire Sampling.



Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The Talisman Technical Director has verified significant drill intersections in drill hole data for the Sinclair Nickel Deposit Extensional drilling.
	The use of twinned holes.	No twinned holes drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Logging and Sampling Data was captured and imported using Maxwell's LogChief software. All Drill hole, Sampling and Assay data is stored in a SQL server (Datashed) database. AssayData is reviewed via DataShed, QAQCR and other customised software and databases. All assay QAQC controls were checked on a monthly, quarterly and annual period, identifying any longer term trends or patterns. Datashed software has numerous validation checks which were completed at regular time intervals. XNAO database was audited annually by an external consultant to ensure compliance.
	Discuss any adjustment to assay data.	No adjustments reported.
	Specification of the grid system used.	The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 51 (MGA).
	Quality and adequacy of topographic control.	The relative level (RL) was determined using a DGPS and picked up by Mine Surveyors at a later date.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	74 diamond drill holes have been drilled along the Sinclair Nickel Deposit Extension on 50m x 20m spacing stepping out to 100m/200m to the north of 6861750N.
	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. No resources reported.
	Whether sample compositing has been applied.	No sample compositing applied.
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 drilling was designed to intersect either geophysical targets or geological contacts at a perpendicular angle in order to reflect the true width of stratigraphy.
	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 were stored at the Sinclair Nickel Mine Site prior to submission under the supervision of the Senior Project Geologist. Samples were transported to ALS Perth by an accredited courier service.



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.*	The Sinclair Nickel Deposit Extensional diamond drilling is located within M37/1275 and M37/816. Both tenements are subject to a binding Sale and Purchase Agreement whereby Talisman Nickel Pty Ltd (a wholly owned subsidiary of Talisman Mining Limited) is contracted to acquire a 100% interest in these tenements and form part of the Sinclair Nickel Project. There are no known Native Title Claims over the Sinclair Nickel Project.
	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.	M37/816 expires on the 27th March 2029. M37/1275 expires on the 27th July 2028. M37/1275 and M37/816 are in good standing and there are no existing known impediments to exploration or mining.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	M37/1275 hosts the Sinclair Nickel Mine which was operated by XNAO from 2007-2013 and produced approximately 38,500 tonnes of contained nickel metal. The Sinclair Nickel Deposit was discovered in 2005 by Jubilee Mines NL drill testing a ground EM anomaly. Exploration work on M37/1275 and M37/816 has included diamond, RC and Aircore drilling, ground and downhole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity).
Geology	*Deposit type, geological setting and style of mineralisation.*	The Sinclair Nickel Deposit is an example of an Archaean-aged komatiite-hosted nickel deposit, with massive nickel-iron sulphides hosted at or near the basal contact of high-MgO ultramafic lava channels with footwall basaltic volcanic and sedimentary rocks.
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.*	Drillhole locations are shown in figures in body of text. Refer to Appendix 2 – Significant nickel intersections from the Sinclair Nickel Deposit Extension (greater than 2% Ni).
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Significant intersections along the Sinclair Nickel Deposit Extension were calculated using a weighted average method. A lower cut off value of 1% nickel was used with a minimum mineralised width of 0.1m, and maximum allowed internal waste of 2m.



	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 (e.g. 'down hole length, true width not known').*	The Sinclair nickel ore body is a complexly folded, with elongate sub-horizontal to steeply dipping massive sulphide lenses, plunging to the north at -20 degrees. Surface diamond drill holes at the Sinclair extension were angled towards the east at an inclination of -70-80 degrees to intersect the Sinclair nickel mineralised terrace at a high angle. Consequently, the majority of significant surface diamond intercepts are inferred to be approximately equal to true width.
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. Significant intersections along the Sinclair Nickel Deposit Extension are calculated by Talisman using a weighted average method. A lower cut off value of 1% nickel was used with a minimum mineralised width of 0.1m, and maximum allowed internal waste of 2m.NB: Only those intersections greater than 2% are reported in this report.
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.*	All relevant exploration data is shown on figures in text. Downhole EM surveys were completed by Outer Rim Exploration using a Crone transmitter/receiver with 5-50m station spacing and a tx current of 20-35A.
Further work	*The nature and scale of planned further work (e.g. 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.*	Refer to Figures and body of text. A complete review of the Sinclair database is currently underway to determine the nature and significance of historic exploration and mining results and to identify and prioritize future exploration targets for further work.