



**TALISMAN
MINING LIMITED**

ASX Code: TLM



9 June 2016

COMPANY SNAPSHOT

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Capital Structure

Shares on Issue:
185,699,879 (TLM)

Options on Issue:
5,650,000 (Unlisted)



SPRINGFIELD PROJECT UPDATE

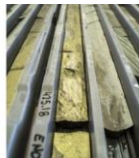
*Monty high level study completed, Feasibility Study to progress.
Exploration now refocussing on wider Springfield Project and to
further understand the near environs of the Monty Deposit.*

Highlights

- Monty high level study completed with no fatal flaws identified
- Joint Venture to now progress with Feasibility Study
- Exploration activities at Springfield beginning to step-out from the high-grade Monty Deposit, as well as refocus on the potential of the wider project area
- Joint Venture exploration budget approved for the three month period to the end of August, with planned work to include:
 - Systematic Air-Core drilling across Springfield Project
 - RC drilling and DHEM within the Monty region
 - Diamond drilling at Monty Deeps and other selected areas within the Monty region
 - Detailed ground-based SQUID EM and IP surveys over and along strike from the Monty Deposit
- First stage of step-out RC drilling undertaken across both the Monty and Homer trends with down-hole surveys now substantially completed
- Targeted structural diamond drilling program completed, with results to form the basis for a detailed 3D geological model of the Monty Deposit



Figure 1: Large diameter (PQ) metallurgical drill core from Monty copper-gold deposit



Overview

Talisman Mining Limited (ASX: TLM) is pleased to advise that following the delineation and recent announcement of the Maiden Resource Estimate for the Monty Deposit (*see ASX announcement dated 13 April 2016*), the Springfield Joint Venture, managed by Sandfire Resources NL (“Sandfire”) will now shift its exploration focus from inward-looking resource definition to a more systematic exploration strategy including stepping out from the high-grade copper-gold mineralisation at Monty.

Monty Feasibility Work

A high level study assessing potential for mining of the Monty Deposit has now been completed. The purpose of the study was to identify any high level fatal flaws and to investigate optionality of various facets of Monty including surface infrastructure location, site access, applicable mining methods and permitting and approval pathways.

Results of the study work to date were positive with no fatal flaws identified. It is anticipated that the scope of the Feasibility Study will shortly be finalised by the Joint Venture allowing work to commence in the forthcoming weeks.

Monty Exploration

The maiden Monty Mineral Resource¹ estimate of 1.05Mt at 9.4% Cu and 1.6g/t Au is exceptionally high-grade and is the first deposit to be discovered outside of Sandfire’s DeGrussa VMS complex. This recent discovery, when combined with the high-grade DeGrussa complex of deposits (over 0.66 million tonnes of contained copper and 0.79 million oz of contained gold as at 31 December 2013, (*see SFR ASX announcement 16 May 2013*), provides a proof of concept for the potential of the region to host multiple clusters or “camps” of high-grade VMS mineralisation.

The application of knowledge and learnings from the DeGrussa deposits, the Monty Deposit and regional exploration provides a sound basis for the Joint Venture to focus its efforts on finding the next mineralised ore body within this emerging world class VMS district.

Following the discovery of the DeGrussa Deposit in early 2009, Sandfire has compiled a significant knowledge database and continues to refine its exploration approach in the Doolgunna region.

Sandfire, as manager of the Springfield Joint Venture, adopts a forensic, systematic exploration approach by applying a combination of RC drilling, down-hole Electro-Magnetic (DHEM) surveys and diamond drilling, along with the continual integration of new data and re-interpretation of results. This approach as proven over a two year period that included more than 200,000m of AC, RC and diamond drilling, was successful in delineating DeGrussa and the subsequent discovery of the C1, C4 and C5 VMS deposits (*Figure 2*). This same approach was instrumental in the discovery of Monty.

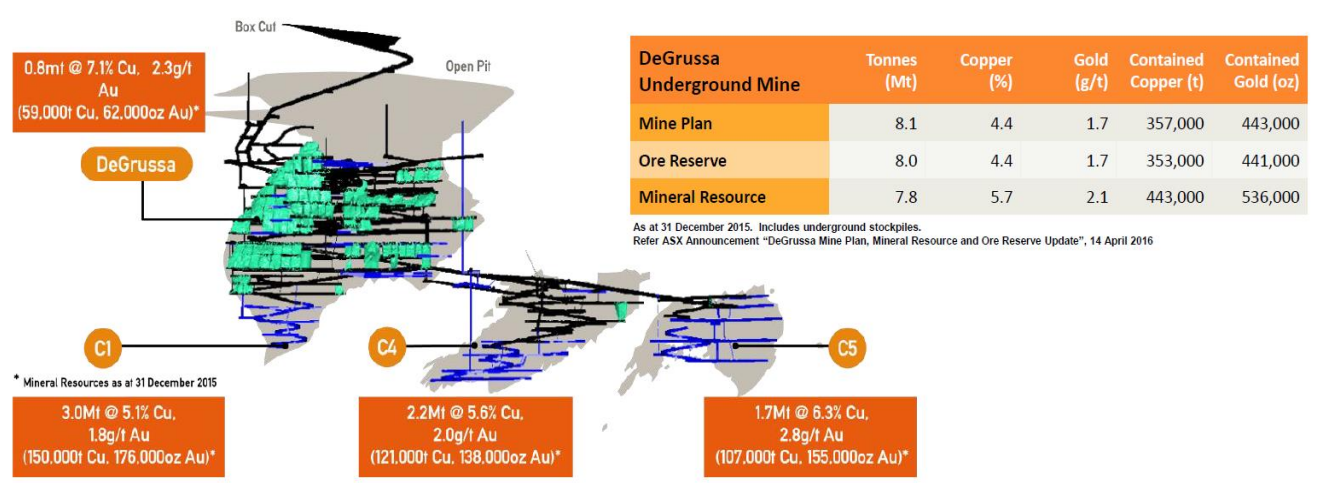


Figure 2: Schematic long section showing DeGrussa deposits (not to scale), illustrating mine infrastructure and complexity of orebody geometry (Source: SFR Company Update Presentation - 4 May 2016)

Talisman believes that understanding deposit scale, geology and structure in the Doolgunna region is crucial to unlocking the location of potential new lenses or fault-displaced extensions to mineralisation and that this is evidenced at DeGrussa where the Shiraz and Merlot faults offset the C1, C4 and C5 deposits at the DeGrussa Mine (Figure 2).

The Monty discovery hole was drilled in June 2015 and in the following 12 months approximately 45,000m of RC and diamond drilling has been completed, focused primarily on a resource definition drilling program.

Figure 3 shows the outline of the Monty resource with an interpreted fault to the south west, and all diamond and RC holes that have intersected the interpreted host horizon along a 1.5km strike section. Many areas in the vicinity along strike from the defined resource, or at depth, remain untested. The plan view (Figure 4) shows all diamond and RC drilling completed to date by the Joint Venture along a similar 1.5km strike length of the interpreted Monty host horizon.

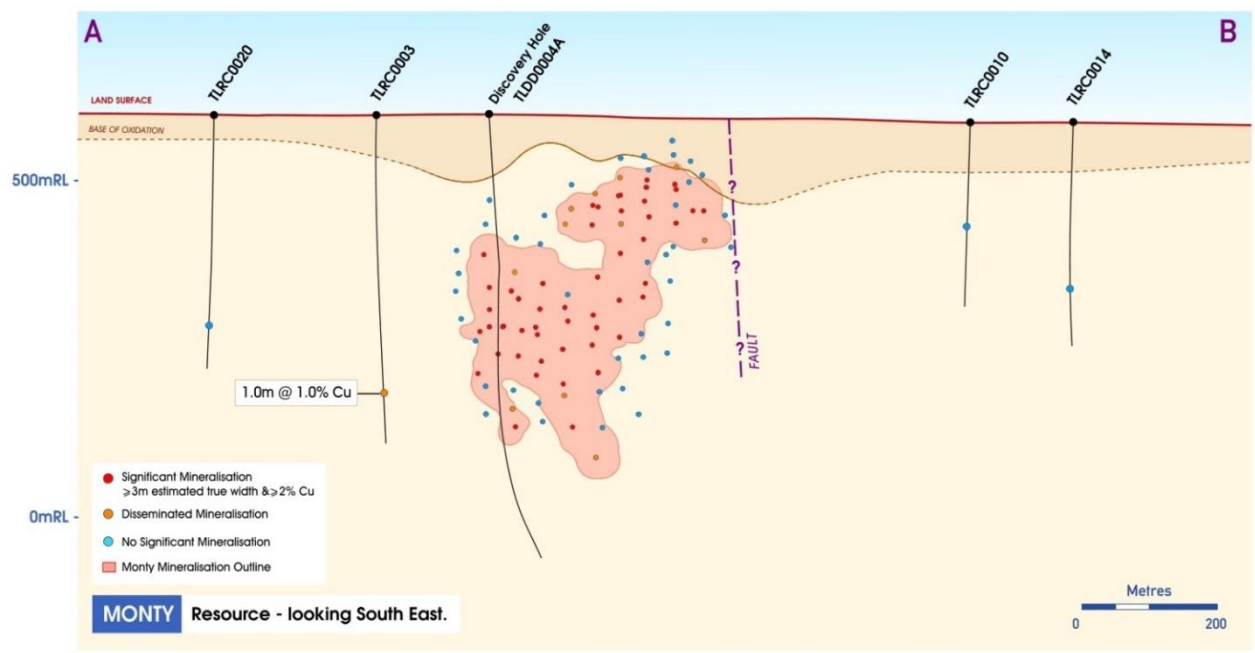


Figure 3: Stylised vertical longitudinal projection by Talisman showing Monty Resource outline and all RC and diamond holes intersecting the interpreted host horizon

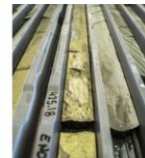


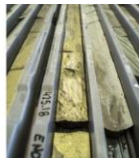
Figure 4: Plan view of Monty Resource drill collars (outlined), and Joint Venture exploration RC and diamond holes

Evidence of multiple structures has been logged in the resource definition diamond drill core at Monty, and is interpreted to impact on the massive sulphide lenses within the Monty Deposit. The Joint Venture is now focusing on further understanding the structure and mineralising controls within the near Monty environment with the aim of unlocking potential mineralisation at Monty.

A program of specifically targeted diamond drilling designed to intersect these interpreted fault structures has recently been completed and interpretation of the logged geology and structure is now underway by Sandfire and will lead to the development of a detailed 3D geological model of the deposit.

Talisman anticipates that this work will lead to selected conceptual positions for RC and diamond drilling which is scheduled to be undertaken in the current budget period to test for the potential of structurally offset mineralisation.

A program of diamond drilling and subsequent DHEM geophysical surveys aimed at testing for potential down-dip and down-plunge extensions of the Monty Deposit is also planned to be undertaken in the budget period.



Wider Springfield Project Exploration

With only three diamond holes and limited reverse circulation drilling undertaken by the Joint Venture outside of the defined Monty Deposit, exploration at the wider Springfield Project remains very much of a greenfield nature with multiple prospective VMS corridors identified within the project.

The exploration strategy employed by the Joint Venture at the Springfield Project in the search for new deposits leverages off existing data sets from Talisman and Sandfire's activities and follows a staged and systematic process aimed at building geological, geochemical and structural understanding. This process involves the collection and integration of data collected from the following:

- Air-Core drilling is used to build both geological and geochemical information, with infill drilling used to further refine initial interpretations.
- Air-Core drill data is evaluated through a series of elemental ratios which aids in the identification of specific target exhalative stratigraphic horizons.
- Defined horizons are then tested via a DHEM geophysical survey, which involves drilling a deeper RC drill hole to act as a platform for the DHEM survey.
- Following DHEM data collection and interpretation, a diamond drilling program may be developed to test discrete DHEM anomalies identified in the survey.
- Integration of the new information is undertaken to further develop and refine the geological interpretation.

It is important to note that this process is iterative, and commonly involves multiple phases of testing, interpretation and retesting as new information is gathered through the process that challenges previous interpretations.

Recent exploration activities by the Joint Venture outside of the Monty Deposit have seen the first stage of step-out RC drill testing of the interpreted host stratigraphy across both the Monty and Homer trends with DHEM surveys now substantially completed.

Whilst the results from this first tentative program did not identify any immediate targets for follow-up diamond drilling, they have led to a reinterpretation of the position of the host horizon to the north east of Monty. RC drilling and DHEM is planned and scheduled in the new budget period to test this new interpretation. Results from recent work at the Homer trend are being analysed in the context of the current geological interpretation, with the next phase of work yet to be determined.

In addition to the drilling outlined above, a surface based detailed geophysical survey over and along strike to the north east and south west of the Monty Deposit (*Figure 5*) has recently commenced.

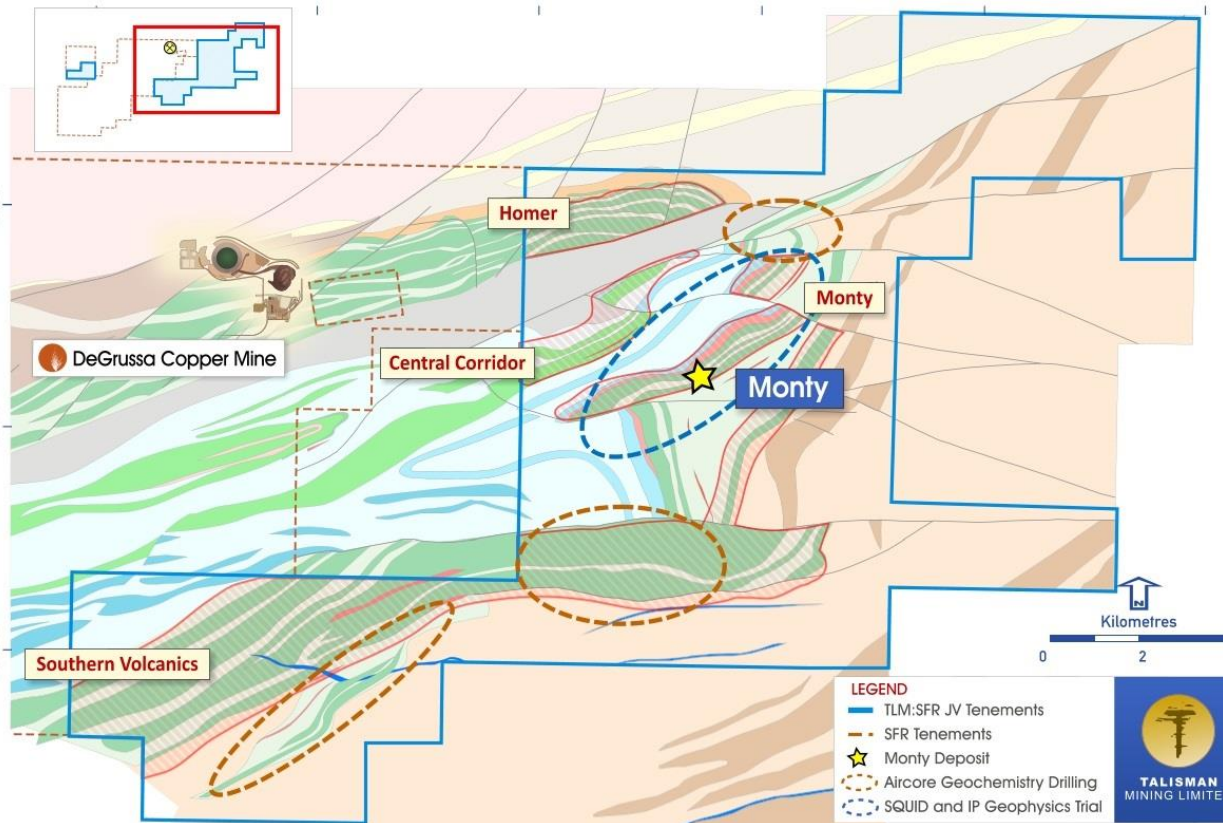
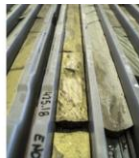


Figure 5: Plan by Talisman indicating approximate location of the ground based geophysical survey and areas of systematic Air-Core drilling

To date, ground-based geophysical surveys completed by the Joint Venture have been unable to highlight the Monty mineralisation. Despite high-grade copper mineralisation persisting to within 70m from the surface, no discernible signatures have been identified.

The upcoming planned survey will incorporate both SQUID EM and IP surveys for the first time. SQUID geophysical sensors possess significantly improved sensitivity over previously employed sensors and may enhance the ability to detect massive sulphide bodies such as Monty that exhibit low to moderate conductance (limiting their ability to be remotely detected by historic geophysical techniques).

It is hoped that utilising alternate sensor technology, these new surveys will be able to generate a signature over Monty, which can then be used as a guide to locate and target potential repetitions of this high-grade mineralisation.

The exploration budget for the period to the end of August for the wider Springfield area is set to include a range of activities at various stages in the evolving exploration pipeline at Springfield including; first phase target vectoring Air-Core; second phase deeper RC drilling; and selected diamond drilling (Figure 5).

Planned activities for the next three month period include:

- Systematic of Air-Core drilling, comprising:
 - Detailed 2nd pass infill drilling north of Monty;
 - Detailed 2nd pass infill drilling south of Monty; and
 - Regional 1st pass drilling on the eastern end of the ‘Southern Volcanics’.

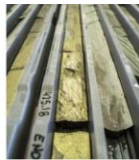


- Follow-up RC drilling and DHEM within the Monty region including:
 - RC drilling of a geochemical anomaly identified west of the Monty Deposit; and
 - RC drilling of the currently interpreted exhalative horizon to the south of Monty.
- Selected diamond drilling, targeting conceptual, potentially structurally controlled targets adjacent to the Monty Resource, as well as other isolated geochemical targets.

ENDS

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¹Information in this release that relates to the Monty JORC Mineral Resource estimate is information previously published by Sandfire Resources NL (“Sandfire”) and is available on the Sandfire and ASX websites (see announcement “Maiden High-Grade Mineral Resource for Monty VMS Deposit: 99,000t of Copper and 55,000oz of Gold”, dated 13 April 2016 (Sandfire Announcement)). For full details of the Monty Resource estimate, including the Competent Person’s Statement related to the estimation of the Monty Mineral Resource, please refer to the Sandfire Announcement.

Talisman confirms that it is not aware of any new information or data that materially affects the information included in the Sandfire Announcement, and that all material assumptions and technical parameters underpinning the estimates in the Sandfire Announcement continue to apply and have not materially changed and confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original Sandfire Announcement.

Competent Person’s Statement

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

Forward-Looking Statements

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