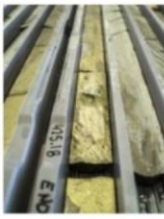
TALISMAN MINING LIMITED

ASX Code: **TLM**



26 July 2016

COMPANY SNAPSHOT

Board of Directors

Jeremy Kirkwood
Non-Executive Chairman

Dan Madden
Managing Director

Alan Senior
Non-Executive Director

Brian Dawes
Non-Executive Director

Karen Gadsby
Non-Executive Director

Contact Details

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Email:
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Website:
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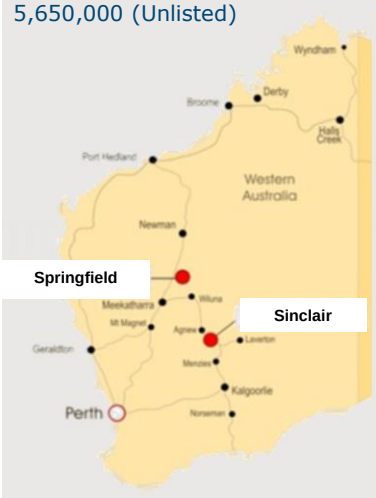
Capital Structure

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

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



Quarterly Activities Report

June 2016

Springfield Cu-Au Project – (JV with Sandfire Resources NL)

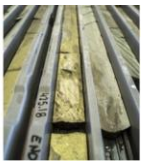
- Monty high level study completed with no fatal flaws identified.
- Mining Lease Application lodged for the Monty Copper-Gold Project.
- Feasibility Study now being progressed by the Joint Venture with multiple work streams in progress; Feasibility Study targeted for completion in Q1 2017.
- Site based exploration completed during the quarter included:
  - Diamond drilling for Monty metallurgical and geotechnical samples;
  - On-going campaign of systematic regional air-core drilling at Monty East;
  - RC drilling and DHEM in Monty and Homer regions, and to test discrete air-core geochemical anomalies;
  - Detailed SQUID EM survey over Monty and immediate extensions; and
  - Orientation surface soil sampling over Monty deposit.
- Metallurgical test work to characterise high grade Monty ore has commenced.
- Drilling program undertaken with detailed structural interpretation of the Monty deposit nearing completion. Construction of a 3D geological model has commenced.
- Commercial negotiations continuing to progress formal exploration and mining joint venture agreements.

Sinclair Ni Project

- Development of staged, systematic exploration campaign in and around the Sinclair Mine and wider regional trend set to commence in Q3 2016.
- First phase of on-ground activities at Sinclair will include:
  - DEHM of holes completed in the 2015 drilling campaign;
  - Re-logging of historic drill core; and
  - Diamond and RC drilling at Delphi and Schmitz Well prospects.

Corporate

- Appointment of Mr Dan Madden as Managing Director, effective 1 July 2016.



Doolgunna Projects (Joint Venture with Sandfire Resources NL)

The Doolgunna Projects Joint Venture is between Talisman Mining Ltd ("Talisman" or the "Company" (ASX: TLM)) and Sandfire Resources NL ("Sandfire" (ASX: SFR)) (the "Joint Venture") with Sandfire acting as Joint Venture Manager. The Joint Venture encompasses the Springfield Project (30%:70%, TLM:SFR) and Halloween West Project (19%:81%, TLM:SFR) which are high quality VMS copper-gold exploration projects in the emerging world class Bryah Basin region of Western Australia (see Appendix 1). The discovery of exceptionally high grade copper-gold mineralisation and the maiden high grade Mineral Resource estimate for the Monty Copper-Gold Project ("Monty") has confirmed the significant exploration potential of the projects.

Springfield Project

With the maiden mineral resource for the Monty deposit completed in the March quarter, Joint Venture activities have now split into two streams. The first stream is focussed on development preparation and studies for the Monty deposit, while the second is centred on unlocking the regional exploration potential of the broader Joint Venture area.

Following on from the high level study completed during the quarter, the Joint Venture commenced a Feasibility Study ("FS") for the development of the Monty deposit. The Joint Venture Manager is now focusing on progressing the FS which is aiming to maximise the value of the Monty deposit through optimising the development path for the Joint Venture partners.

In parallel with the FS, the Joint Venture Manager's exploration team have adjusted efforts away from inward focused resource development activities that have dominated the on-ground work at Springfield since the discovery of the Monty deposit in mid-2015. Exploration activities will now take a more project-wide viewpoint, employing district scale targeting techniques (such as technologically advanced ground-based SQUID EM and orientation surface sampling), to add to the Joint Venture Manager's on-going strategy of systematic air-core drilling to define interpreted prospective exhalative stratigraphic horizons.

In conjunction with this work, the Joint Venture Manager has engaged specialist external consultants to complete a detailed structural evaluation of the Monty diamond drill core. This work is designed to provide insight on the impact of localised fault structures on the known mineralisation at Monty, along with geological context to the setting of the deposit. Findings from this study will drive targeting for planned deeper drilling in and around Monty which is budgeted to be undertaken in the quarter ending 30 September 2016.

The Joint Venture completed 3,286m of diamond drilling, 6,529m of reverse circulation ("RC") drilling and 32,277m of air-core drilling during the quarter (*Table 2)*.

Monty Development Studies

A high level study assessing potential for mining the Monty deposit was completed by the Joint Venture during the quarter. The purpose of the study was to identify any fatal flaws and to investigate optionality of various facets of Monty development including surface infrastructure location, site access, applicable mining methods and permitting and approval pathways.

Results of the study work were positive with no fatal flaws identified and the Joint Venture has approved and commenced the Monty FS, with a budget of A$3.9M (100% basis). The FS is scheduled for completion in the March 2017 quarter and several work streams are currently in progress including:

- Metallurgical test work with a specific focus on comminution and flotation;
- Geotechnical and structural geology studies following the completion of targeted geotechnical diamond drill-holes through the Monty ore body;
- Mine design engineering including stoping, ore access and ventilation work;
- A preferred box-cut location has been selected with follow-up geotechnical drilling to commence shortly; and
- Evaluation of a proposed haul road route between Sandfire's DeGrussa Copper-Gold Mine ("DeGrussa") and Monty with design work to follow.

In parallel with the FS activities, Sandfire and Talisman are continuing to progress formal exploration and mining joint venture agreements and are investigating potential ore process routes and terms.

Subsequent to the end of the quarter, on 14 July 2016 (see ASX release "Monty Mining Lease Application"), the Joint Venture Manager submitted a Mining Lease Application ("MLA") to the Department of Mines and Petroleum of Western Australia ("DMP"), on behalf of the Joint Venture over the Monty Copper-Gold Project (*Figure 1*).

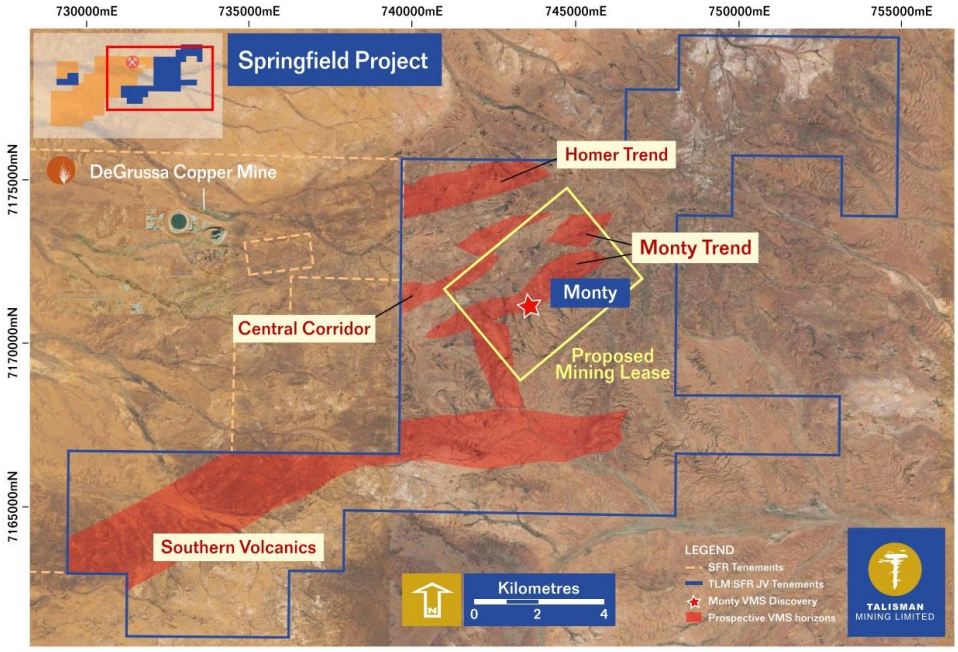
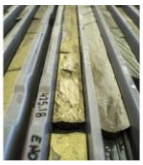


Figure 1: Monty Copper-Gold Project mining lease application location

The area of the MLA is 16.42km^2 and covers the footprint of the known mineralisation of the Monty VMS deposit as well as the surrounding area which will be required for a box-cut and decline portal and other supporting mine infrastructure.

The MLA process will be progressed in parallel with consultations and negotiations with relevant stakeholders and preparations for future mining activities.



Exploration

The completion of the maiden resource estimate for the high grade Monty deposit has highlighted the prospectivity of the Springfield and Halloween West Projects, and confirmed the Bryah Basin as an emerging, world-class VMS district.

The geological focus of the JV Manager's on-site exploration team has now shifted to the wider Springfield Project.

Exploration activities during the quarter, to further refine the exploration tools and methodology currently being employed for regional assessment and targeting, within the wider Springfield Project area included:

- Ongoing systematic air-core drilling;
- RC and diamond drilling of discrete geochemical and stratigraphic targets;
- Ground based detailed SQUID EM survey;
- Detailed orientation soil sampling; and
- Targeted structural diamond drilling and 3D geological modelling.

Reverse Circulation (RC) and Diamond Drilling

RC Drilling

Drilling commenced across the wider Springfield Project area as part of the regional RC program to follow up favourable geology and anomalous geochemistry intersected in first pass air-core drilling, as well as targeting the interpreted host horizon.

Despite adverse weather conditions late in the quarter limiting on-site drill rig movements, a total of 6,529m of RC drilling and 3,286m of diamond drilling were completed during the quarter.

Results from RC drilling of a number of isolated discrete geochemical anomalies and targeting the interpreted host horizon to the south of Monty, have confirmed the presence of a prospective exhalative sedimentary package interpreted to be similar to the host sequence of VMS mineralisation at Monty and DeGrussa. While no ore grade mineralisation was intersected, locating the stratigraphic position of the interpreted host exhalative package in these wide spaced isolated RC drill-holes is seen as a positive outcome and reaffirms the use of air-core drilling and litho-geochemical indices as an initial targeting tool to locate the prospective host stratigraphy. Data from the RC drilling will be integrated with the larger regional dataset to further develop the geological model and utilised for targeting future RC and diamond drilling.

Metallurgical and Geotechnical Drilling

The majority of diamond drilling during the quarter was aimed at providing metallurgical and geotechnical samples from within the currently defined Monty mineralisation envelope.

Assay samples were collected from the geotechnical drilling, with results confirming previously reported ore grades and widths within the defined Monty Resource envelopes including:

- TLGT0004: 14.0m @ 14.8% Cu and 15.0 g/t Au from 332.7m (*down-hole width);*
- TLGT0007: 7.9m @ 22.3% Cu and 0.3 g/t Au from 344.2m (*down-hole width); and*
- TLGT0009: 14.6m @ 13.5% Cu and 2.4 g/t Au from 409.1m (*down-hole width).*

A full list of results from RC and diamond drilling completed during the quarter is provided in *Table 3*.

The larger diameter PQ diamond drilling was not sampled to provide a grade analytical sample, with whole core sent to AMTEC laboratories in Perth for ore processing test work.

Targeted Structural Diamond Drilling and 3D Geological Modelling

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.

Figure 2 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, or at depth, from the Monty Resource remain untested.

The plan view (*Figure 3* on following page) 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.

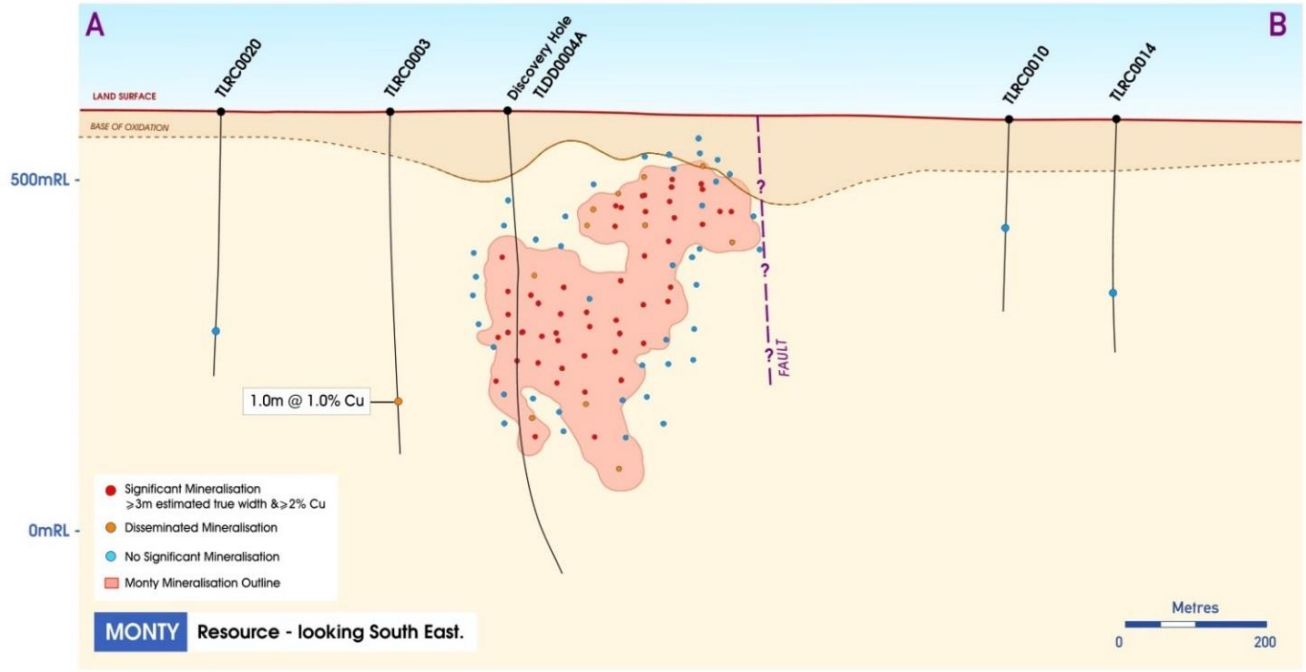


Figure 2: Stylised vertical longitudinal projection by Talisman showing Monty Resource outline and all RC and diamond holes intersecting the interpreted host horizon

Joint Venture activities during the quarter focused on further understanding the structure and mineralising controls within the near Monty environment with the aim of unlocking potential additional mineralisation at Monty. A program of specifically targeted diamond drilling designed to intersect these interpreted fault structures was completed during the quarter and the compilation of a structural model of the Monty deposit is now nearing completion. Construction of a 3D geological model has commenced.

The 3D structural geological model will provide additional context regarding the location and geological setting of the Monty deposit. This information will assist with planning the forthcoming program of diamond drilling and subsequent downhole electromagnetic (DHEM) geophysical surveys aimed at testing for potential extensions of the Monty deposit during the quarter ending 30 September 2016.

Figure 3: Plan view of Monty Resource drill collars (outlined), and Joint Venture exploration RC and diamond holes

Exploration diamond drill-hole TLDD0111 was drilled during the quarter as an initial test of an interpreted off-set position some 70 meters to the south west of the interpreted fault structure truncating the current Monty Resource envelope.

The hole was drilled prior to the completion of the detailed 3D structural model and encountered a stratigraphic package that was not the targeted host horizon. This result highlights the complexity of the host sequence geology and the benefit of completing the detailed structural model before undertaking further deep diamond drill-holes targeting down-dip and down plunge extensions or fault off-set mineralisation.

A complete list of results for RC and diamond drilling completed during the quarter is provided in *Table 3*.

SQUID EM Survey

A detailed surface EM survey using SQUID technology has been undertaken by NEWEXCO over the Monty deposit and surrounding area, along strike to the north east and south west (*Figure 4*).

The aim of this survey is to detect Monty mineralisation from surface, where other similar (older sensor technology) surveys have failed to detect any anomalous signals.

SQUID EM sensors represent one of the most modern and advanced EM technologies with a greater sensitivity and higher signal to noise ratio than previous sensors. This will hopefully assist in both

identifying conductive bodies not previously detectable and differentiating non-sulphide conductive material. The reduced noise TEM data from the SQUID surveys, particularly at low frequencies, may lead to greater depth of exploration and the detection of basement conductors under conductive cover sequences, such as those identified within the Springfield Project.

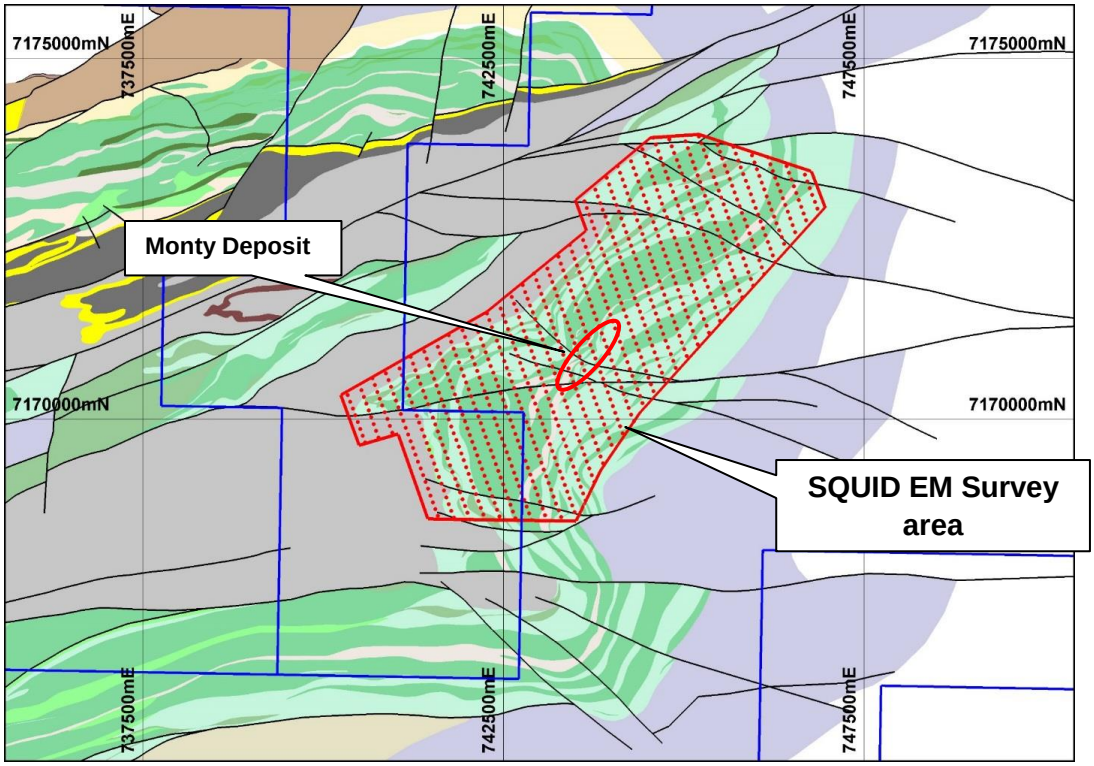


Figure 4: Monty Region Ground Geophysical SQUID Survey area

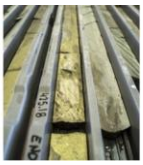
Data collected from the survey is currently being processed to remove background noise, in an effort to isolate a response from the known mineralisation at the Monty deposit. If successful, this signal will be used to correlate against data from other areas in order to identify other potential anomalies within the prospective geological stratigraphy identified through the on-going extensive air-core drilling program.

Orientation Soil Sampling

A program of detailed soil sampling at 20m x 100m sample spacing has been completed over the known mineralisation at the Monty deposit. A total of 628 bulk regolith samples has been collected, which are now being sieved down into five separate size fractions prior to analysis via conventional low-level analytical techniques.

The ultimate aim of this orientation survey is to determine the effectiveness of this fast, cost effective regional sampling technique in detecting "Monty-style" mineralisation. If this work shows a positive response, a wider program may be implemented to enhance the already extensive geochemical database.





Planned Exploration

In addition to the follow-up work from activities undertaken during the quarter, focused exploration programs outside of the Monty deposit, aimed at testing the wider regional Springfield Project area, have now commenced or are planned to commence shortly. These exploration programs include:

- Systematic air-core drilling to accurately delineate the interpreted VMS horizon along the prospective host horizon;
- RC drilling (with diamond tails if required) within the interpreted VMS horizon along strike from the Monty deposit to inform the interpretation of the host stratigraphy;
- Diamond drilling to test the areas down-dip and down-plunge of the Monty deposit; and
- DHEM surveys of all RC and diamond drill-holes.

Drill-hole Information Summary

The aggregate exploration metres drilled during the quarter by Sandfire on behalf of the Joint Venture at the Springfield Project are detailed in *Table 1*. Drill-hole information and co-ordinates of drill-hole collars are detailed in *Table 2*.

Air-core/RAB Drilling	RC Drilling	Diamond Drilling	Total
32,277 metres	6,529 metres	3,286 metres	42,092 metres

Table 1: Aggregate exploration meters drilled at the Springfield Project during the June 2016 quarter

Farm-In / Joint Venture Agreement

Talisman and Sandfire have continued to progress commercial negotiations on formal exploration and mining joint venture agreements for the Doolgunna Projects to replace the existing Farm-In Exploration Joint Venture Letter Agreement.

In parallel with these negotiations, Talisman and Sandfire are also investigating potential ore process routes and associated terms related to future Monty ore production.

Sinclair Nickel Project (100% Talisman)

The Sinclair Nickel Project ("Sinclair") is located in the world-class Agnew-Wiluna Greenstone Belt in WA's North-eastern Goldfields. The Sinclair nickel deposit, developed and commissioned in 2008 and operated successfully before being placed on care and maintenance in August 2013, produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% Ni. Sinclair has extensive infrastructure and includes a substantial 290km^2 tenement package covering over 80km strike of prospective ultramafic contact within a 35km radius of the existing processing plant and infrastructure.

Talisman undertook a review of the Sinclair region during the quarter focused primarily on the Sinclair Trend, an 8km strike of ultramafic/basal contact running from the Sinclair deposit to the Delphi Prospect. Other work included a review and assessment of the results of the regional work undertaken in late 2015 resulting in a planned program of DHEM surveys and RC and diamond drilling scheduled for commencement in August 2016.

Sinclair Trend

Work at the Sinclair Trend involved a reinterpretation of the historic drilling and an assessment of the lithological, geochemical and supporting geophysical data. The purpose was to better understand the controls on mineralisation within the Sinclair Trend with the aim of refining the targeting model for Sinclair-style deposits.

The remodelling of the ultramafic/basal contact in the near mine environment identified multiple mineralised positions and reaffirmed the high prospectivity of the Sinclair Trend (*Figure 5*). Potential targets exist at both near mine extensions and potential parallel mineralised positions including:

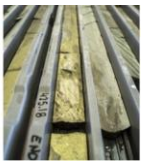
- Sinclair deposit remnants & extensions;
- Newly identified parallel positions to east & west of Sinclair;
- Skye and Stirling; and
- Delphi North.

Figure 5: Oblique projection of the Sinclair Ultramafic trend

The next stage of work planned at the Sinclair Trend will be focused on further defining potential targets for proposed future on-ground exploration testing.

Additionally, a phase of exploration work at Delphi North is planned to commence during the forthcoming quarter which is anticipated to include:





- DHEM survey of drill-holes completed during the 2015 drilling campaign;
- Re-logging of historic drill core;
- Diamond and RC drilling to follow up massive nickel sulphide mineralisation identified during the 2015 drilling campaign, and any subsequent EM conductors identified during the DHEM survey; and
- Diamond core tails of two pre-collars completed as a part of the 2015 drilling campaign.

Regional Targets

Other work undertaken during the quarter involved the review and assessment of the results of regional work undertaken in late 2015. As a result of this work, first pass RC drilling of the Schmitz Well prospect is planned as part of the drilling program scheduled for Q3 2016.

Talisman has secured a grant from the Western Australian DMP for co-funding (up to $55,000) the drilling of the previously untested interpreted ultramafic rocks at the Schmitz Well prospect in the south of the tenement package (*Appendix 2)*.

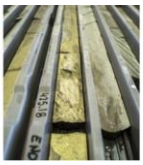
Multiple other regional targets identified from the extensive regional exploration review undertaken in 2015 remain to be tested and will be subject to further review and prioritisation over the remainder of 2016.

Future Planned Activities

The planned on-ground exploration activity at Delphi North and Sinclair in the forthcoming quarter signals the commencement of an efficient, staged, ongoing systematic exploration focus at Sinclair. The current initial planned program represents the first stage of work, with potential future work to include:

- Remodelling of Sinclair mine remnants;
- Remodelling of the Sinclair mine extensions;
- Re-conditioning and DHEM of historic drill-holes adjacent to the existing Sinclair mine;
- Re-logging of historic drill core;
- Detailed geology sectional interpretations;
- Geological mapping;
- Surface SQUID EM surveys; and
- RC/diamond and air-core drilling campaigns.





Corporate

Board and Management Changes

During the quarter, the Board of Directors resolved to appoint Acting CEO Mr Dan Madden as Managing Director, effective 1 July 2016.

Mr Madden successfully fulfilled the role of Acting CEO from 1 April 2016 to 30 June 2016, having been promoted from Chief Financial Officer.

In conjunction with the commencement of Mr Madden as Managing Director, Mr Shaun Vokes was appointed Chief Financial Officer, effective 1 July 2016. Mr Vokes and Mr Alex Neuling were appointed Joint Company Secretaries in May 2016.

With these key executive positions and the General Manager Geology and General Manager Project Development, the Company has a strong and balanced management team who are well supported by the Board.

ENDS

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Competent Persons' Statement

Information in this report that relates to Exploration Results and Exploration Targets as defined under the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves", is based on information compiled 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 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 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 report. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this report speak only at the date of issue of this report. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this report or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

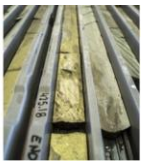


Table 2 – Drill-hole Information Summary, Springfield Project

Details and co-ordinates of drill-hole collars for diamond and RC drilling completed during the June 2016 quarter:

Hole ID	Hole Type	Depth	Dip	Azimuth	Grid	East	North	RL	Lease
TLDD0104A	DD	249.7	-58°	323°	MGA94_50	743484	7170844	599	E52/2282
TLDD0105A	DD	603.8	-62°	139°	MGA94_50	743545	7171361	600	E52/2282
TLDD0106	DD	321.8	-60°	141°	MGA94_50	743480	7171313	600	E52/2282
TLDD0107	DD	514	-62°	139°	MGA94_50	743500	7171354	599	E52/2282
TLDD0111	DD	453.8	-60°	295°	MGA94_50	743397	7170846	598	E52/2282
TLGT0002	DD	161.1	-59°	319°	MGA94_50	743535	7170909	601	E52/2282
TLGT0003	DD	502.0	-60°	140°	MGA94_50	743521	7171193	602	E52/2282
TLGT0004	DD	381.5	-63°	142°	MGA94_50	743589	7171170	603	E52/2282
TLGT0005	DD	432.9	-63°	143°	MGA94_50	743526	7171123	601	E52/2282
TLGT0006	DD	430.3	-62°	141°	MGA94_50	743514	7171138	601	E52/2282
TLGT0007	DD	391.0	-59°	140°	MGA94_50	743609	7171209	603	E52/2282
TLGT0008	DD	396.9	-60°	139°	MGA94_50	743481	7171113	600	E52/2282
TLGT0009	DD	480.8	-60°	147°	MGA94_50	743588	7171281	601	E52/2282
TLGT0010	DD	223.0	-60°	319°	MGA94_50	743594	7170898	602	E52/2282
TLMT0001	DD	201.4	-60°	317°	MGA94_50	743535	7170877	601	E52/2282
TLMT0002	DD	171.6	-64°	326°	MGA94_50	743569	7170931	602	E52/2282
TLMT0003	DD	345.6	-59°	140°	MGA94_50	743665	7171201	604	E52/2282
TLMT0004	DD	444.6	-63°	141°	MGA94_50	743564	7171202	602	E52/2282
TLMT0005A	DD	384.5	-64°	142°	MGA94_50	743638	7171173	604	E52/2282
TLMT0006A	DD	561.5	-65°	137°	MGA94_50	743500	7171154	601	E52/2282
TLMT0007	DD	380.7	-62°	145°	MGA94_50	743637	7171174	604	E52/2282
TLSD0001	DD	285.7	-60°	027°	MGA94_50	743413	7170854	598	E52/2282
TLSD0002	DD	359.4	-65°	028°	MGA94_50	743433	7170808	599	E52/2282
TLSD0003	DD	502.0	-65°	341°	MGA94_50	743766	7170926	605	E52/2282
TLSD0004	DD	336.9	-62°	321°	MGA94_50	743697	7170894	604	E52/2282
TLRC0033	RC	400.0	-62°	357°	MGA94_50	741001	7174850	591	E52/2313
TLRC0034	RC	448.0	-61°	001°	MGA94_50	741398	7174850	594	E52/2313
TLRC0035	RC	448.0	-63°	355°	MGA94_50	741799	7175001	594	E52/2313
TLRC0036	RC	448.0	-62°	356°	MGA94_50	742199	7174955	593	E52/2313
TLRC0037	RC	448.0	-62°	358°	MGA94_50	742600	7174902	593	E52/2313
TLRC0038	RC	448.0	-61°	091°	MGA94_50	743245	7169200	595	E52/2282
TLRC0039	RC	436.0	-62°	177°	MGA94_50	743200	7166475	592	E52/2282
TLRC0040	RC	448.0	-62°	090°	MGA94_50	744776	7166800	592	E52/2282
TLRC0041	RC	424.0	-60°	180°	MGA94_50	731600	7165625	572	E52/2282
TLRC0042	RC	424.0	-60°	085°	MGA94_50	742775	7169200	592	E52/2282
TLRC0043	RC	448.0	-60°	090°	MGA94_50	743000	7169600	595	E52/2282
TLRC0044A	RC	436.0	-60°	085°	MGA94_50	743105	7170000	597	E52/2282
TLRC0045	RC	346.0	-60°	090°	MGA94_50	743150	7170400	597	E52/2282
TLRC0046	RC	334.0	-60°	143°	MGA94_50	745895	7172745	610	E52/2282



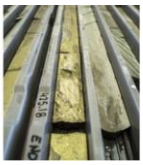


Table 3: **Drill-hole Assay Intersections >1% Copper for the Springfield JV Project**

Details of relevant intersections received during the June 2016 quarter at the Springfield JV Project received by Talisman are provided below. Estimated true widths have been calculated using estimated dip and dip-direction of modelled mineralisation surfaces at the drill-hole intersection and azimuth and dip of the drill-hole.

Calculation of relevance for inclusion into this table is based on a 0.5% Cu cut-off, no more than 3m of internal dilution and a minimum composite grade of 1%Cu. Intersection length, Cu (%), Au (ppm), Ag (ppm) and Zn (%) are rounded to 1 decimal point.

Hole ID	Interval	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	Intersection		
						Cu (%)	Au (g/t)	Zn (%)
TLDD0104A	No Significant Results							
TLDD0106	No Significant Results							
TLDD0107	No Significant Results							
TLDD0111	No Significant Results							
TLGT0002		123.7	128.1	4.4	3.0	7.7	1.6	5.4
TLGT0003		412.5	422.3	9.8	5.8	6.5	1.2	0.8
TLGT0004		332.7	346.7	14.0	2.1	14.8	15.0	0.9
TLGT0005		375.1	394.9	19.8	15.8	11.1	1.6	1.7
TLGT0006	1	368.8	373.2	4.4	2.8	5.4	3.7	4.1
	2	379.8	381.7	1.9	1.3	5.7	1.6	1.6
TLGT0007	1	300.3	301.0	0.8	0.4	18.4	1.6	0.5
	2	328.3	332.1	3.8	2.1	13.7	2.7	2.0
	3	344.2	352.1	7.9	5.5	22.3	0.3	1.1
TLGT0008		343.8	345.7	1.9	1.0	1.7	1.7	1.4
TLGT0009		409.1	423.7	14.6	9.8	13.5	2.4	2.1
TLGT0010		180.0	184.1	4.1	3.1	7.4	1.8	0.4
TLMT0001	Not Sampled – Metallurgical drill hole							
TLMT0002	Not Sampled – Metallurgical drill hole							
TLMT0003	Not Sampled – Metallurgical drill hole							
TLMT0004	Not Sampled – Metallurgical drill hole							
TLMT0005A	Not Sampled – Metallurgical drill hole							
TLMT0006A	Not Sampled – Metallurgical drill hole							
TLMT0007	Not Sampled – Metallurgical drill hole							
TLSD0001	Not Sampled – Structural drill hole							
TLSD0002	Not Sampled – Structural drill hole							
TLSD0003	Not Sampled – Structural drill hole							
TLSD0004	Not Sampled – Structural drill hole							

Note: For the purposes of Figure 2, a Significant Intersection is defined as any intersection ≥ 3m estimated true width that has a grade of ≥ 2.0% Cu, inclusive of non-mineralised material.

Intersections that are <3m estimated true width are defined as significant if the overall grade remained >2.0% Cu when non-mineralised material has been included at a grade of 0.0% Cu (weighted by width) until a 3m estimated true width is reached.

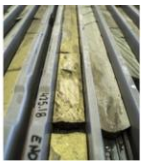
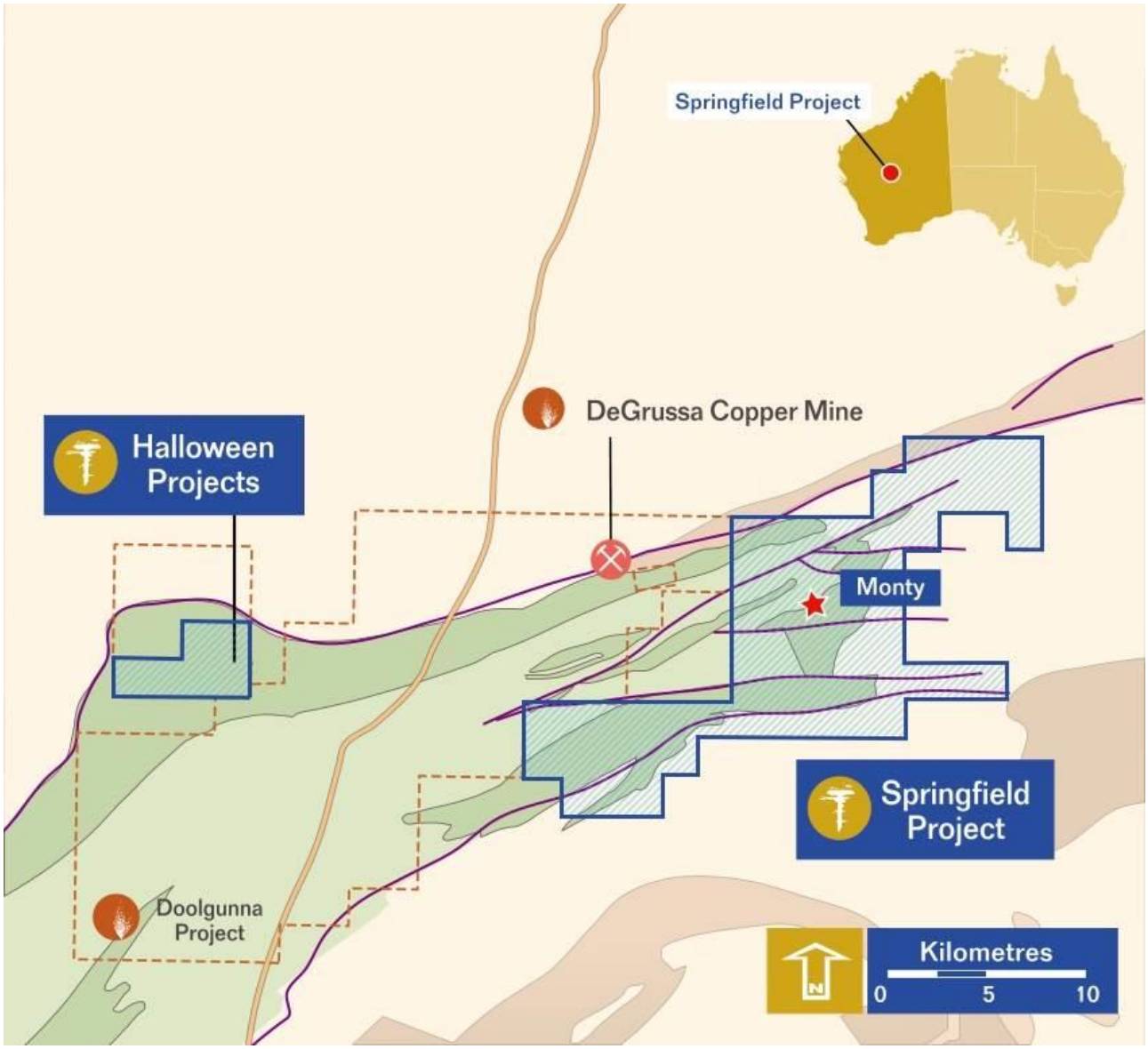


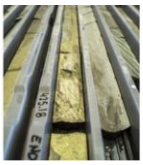
Table 4: Historic Drill-hole Information Summary, Sinclair Nickel Project

Significant intersections reported from the Sinclair Nickel Project are based on greater than 0.5% Ni and may include up to 1m of internal dilution, with a minimum composite grade of 1% Ni.

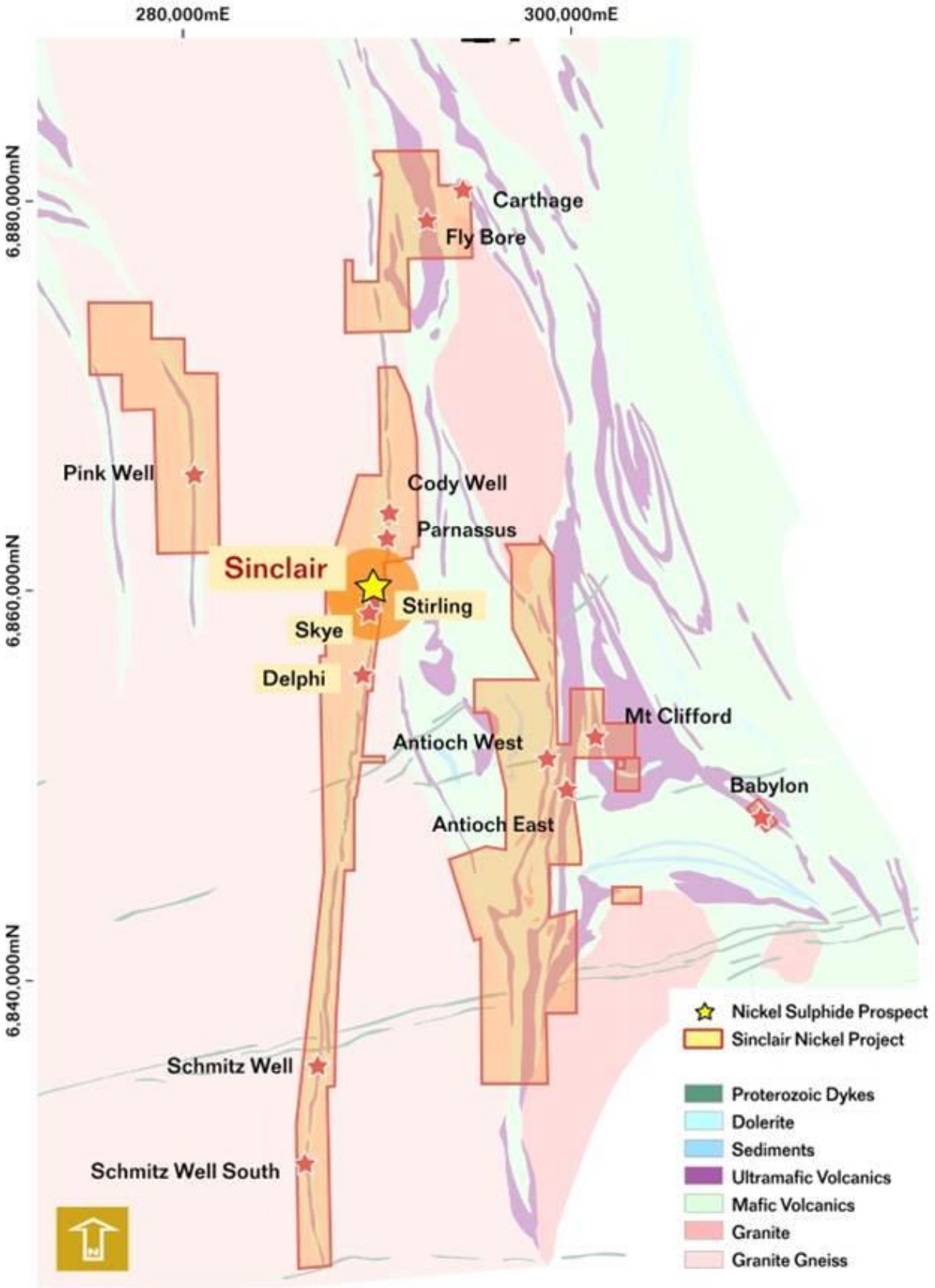
Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Intersection
CWD0536B	1080	-75°	076°	MGA94_51	290,612	6,862,160	432	M37/1275	2.2m @ 2.1% Ni from 1053.6m

Appendix 1: Talisman's Doolgunna Copper-Gold Projects in Joint Venture with Sandfire Resources NL

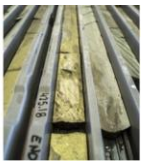




Appendix 2: Talisman's Tenement Holding at the Sinclair Nickel Project and Selected Prospect Names





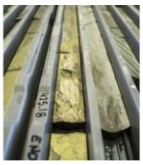


Appendix 3: Talisman Mining Tenement Schedule as at 30 June 2016

Project / Tenement	Location and Blocks (Area)	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
HALLOWEEN WEST	W Australia					JV - Sandfire Resources NL
E52/2275	6	18.8%	18.8%	-	-	
HALLOWEEN	W Australia					JV - Sandfire Resources NL
P52/1528	(200 HA)	0%	0%	Under Application[1]		
SPRINGFIELD	W Australia					JV - Sandfire Resources NL
E52/2282	42	30%	30%	-		
E52/2313	8	30%	30%	-		
E52/2466	14	30%	30%	-		
E52/3423	1	0%	0%	Under Application[1]		
E52/3424	1	0%	0%	Under Application[1]		
E52/3425	6	0%	0%	Under Application[1]		

1. *Applications for tenements P52/1528, E52/3423, E52/3424 and E52/3425 were lodged during the quarter.*

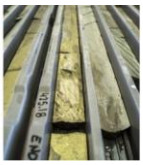




Appendix 3 continued: Talisman Mining Tenement Schedule as at 30 June 2016

Project / Tenement	Location and Blocks (Area)	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
SINCLAIR NICKEL PROJECT	W Australia					
E37/903	13	100%	100%	-	-	
E37/1231*	3	0%	0%*	Under Application		
L36/198	(103.10 HA)	100%	100%	-	-	
L37/175	(83.90 HA)	100%	100%	-	-	
M36/444	(568 HA)	100%	100%	-	-	
M36/445	(973 HA)	100%	100%	-	-	
M36/446	(843 HA)	100%	100%	-	-	
M37/362	(981.50 HA)	100%	100%	-	-	
M37/383	(841.75 HA)	100%	100%	-	-	
M37/384	(536.70 HA)	100%	100%	-	-	
M37/385	(926.85 HA)	100%	100%	-	-	
M37/386	(983.80 HA)	100%	100%	-	-	
M37/424	(891 HA)	100%	100%	-	-	
M37/426	(505 HA)	100%	100%	-	-	
M37/427	(821 HA)	100%	100%	-	-	
M37/590	(120.05 HA)	100%	100%	-	-	
M37/692	(136 HA)	100%	100%	-	-	N/A
M37/735	(959 HA)	100%	100%	-	-	
M37/816	(818.40 HA)	100%	100%	-	-	
M37/818	(806.50 HA)	100%	100%	-	-	
M37/819	(380.18 HA)	100%	100%	-	-	
M37/1063	(604 HA)	100%	100%	-	-	
M37/1089	(574 HA)	100%	100%	-	-	
M37/1090	(478 HA)	100%	100%	-	-	
M37/1126	(603 HA)	100%	100%	-	-	
M37/1127	(603 HA)	100%	100%	-	-	
M37/1136	(986 HA)	100%	100%	-	-	
M37/1137	(850 HA)	100%	100%	-	-	
M37/1148	(44.78 HA)	100%	100%	-	-	
M37/1168	(190 HA)	100%	100%	-	-	
M37/1223	(675 HA)	100%	100%	-	-	
M37/1275	(1,961 HA)	100%	100%	-	-	
P37/7228	(61.57 HA)	100%	100%	-	-	
P37/7233	(116.01 HA)	100%	100%	-	-	
** EL37/1231 Exploration licence application lodged 16 June 2015*						





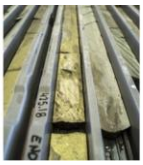
Appendix 4: JORC Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

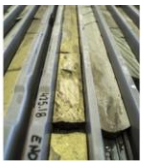
Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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 3kg 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.*	• Sampling techniques employed by Sandfire on the Doolgunna Project include half core sampling of NQ2 Diamond Drill (DD) core, Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples, and Air Core (AC) sample collected using spear techniques for both composite and single metre samples. • Sampling is guided by Sandfire DeGrussa protocols and QAQC procedures as per industry standard. • RC sample size reduction is completed through a Boyd crusher to -10mm and pulverised via LM5 to nominal -75µm. Pulp size checks are completed. • Diamond core size reduction is through a Jaques jaw crusher to -10mm and all samples Boyd crushed to -4mm and pulverised via LM5 to nominal 90% passing -75µm using wet sieving technique. • Samples are assayed using Mixed 4 Acid Digest (MAD) 0.3g charge and MAD Hotbox 0.15g charge methods with ICPOES or ICPMS. • Fire Assay is completed by firing 40g portion of the sample with ICPMS finish. • Drilling cited in this report was completed by Xstrata Nickel Australasia Operations Pty Ltd (XNAO) between 2007 and 2012. • Sampling techniques employed at the Sinclair Project include saw cut diamond drill core (DD) samples in NQ2 size sampled on geological intervals (0.2 m to 2 m), cut into half (NQ2) core to give sample weights under 3 kg. • Samples were crushed, dried and pulverised (total prep) to produce a 1g sub sample for analysis by four acid digest with an ICP/OES or AAS finish.
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).*	• Sandfire drilling is completed using industry standard practices. RC drilling with a face sampling hammer of nominal 140mm size and diamond drilling is completed using NQ2 size coring equipment. • All drill collars are surveyed using RTK GPS. • All core, where possible is oriented using a Reflex ACT II RD orientation tool. • Downhole surveying is undertaken using a gyroscopic survey instrument. • Surface diamond drill holes at the Sinclair Nickel Project 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.





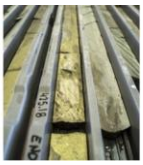
Criteria	JORC Code explanation	Commentary
		• All drill core was routinely orientated where possible at nominal 6m intervals using an EzyMark-OriBlock core orientation system.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Sandfire core is meter marked and orientated to check against the driller's blocks, ensuring that all core loss is taken into account. Diamond core recovery is logged and captured into the database with weighted average core recoveries of approximately 99%. • Surface RC sampling is good with almost no wet sampling in the project area. AC drilling recovery is good with sample quality captured in the database. • Samples are routinely weighed and captured into a central secured database. • No indication of sample bias with respect to recovery has been established. • Sinclair diamond core recoveries were logged and recorded in the Sinclair Datashed database. Historic core recoveries exceed 95%. • 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. • No known relationship exists between sample recovery and grade and no sample bias is known.
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Sandfire geological logging is completed for all holes and is representative across the ore body. The lithology, alteration, and structural characteristics of drill samples are logged directly to a digital format following standard procedures and using Sandfire DeGrussa geological codes. Data is imported into the central database after validation in LogChief™. • Logging is both qualitative and quantitative depending on field being logged. • All drill-holes are logged in full. • All cores are digitally photographed and stored. • Logging records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples and is considered to be representative across the intercepted geological units. • Logging is both qualitative and quantitative depending on the field being logged. • All drill-holes are logged in full to end of hole. • DD core is routinely photographed digitally.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and*	• Sandfire DD Core orientation is completed where possible and core is marked prior to sampling. Half core samples are produced using Almonte Core Saw. Samples are weighed and recorded. • RC samples are split using a cone or riffle splitter. A





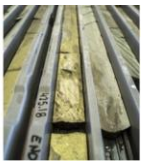
Criteria	JORC Code explanation	Commentary
	appropriateness of the sample preparation technique. • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	majority of RC samples are dry. On occasions that wet samples are encountered they are dried prior to splitting with a riffle splitter. • All samples are dried at 80° for up to 24 hours and weighed. DD Samples are then crushed through Jaques crusher to nominal -10mm. Second stage crushing uses Boyd crusher to nominal -4mm. Pulverising is completed using LM5 mill to 90% passing 75%µm. RC samples are Boyd crushed to -4mm. • Sample splits are weighed at a frequency of 1:20 and entered into the job results file. Pulverising is completed using LM5 mill to 90% passing 75%µm using wet sieving technique. • 1:20 grind quality checks are completed for 90% passing 75%µm criteria to ensure representativeness of sub-samples. • Sampling is carried out in accordance with Sandfire protocols as per industry best practice. • The sample size is appropriate for the VHMS and Gold mineralisation styles. --- • Sinclair 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 Samples were selected to weigh less than 3kg to ensure total preparation at the pulverization stage. • Samples were submitted to ALS Chemex Laboratories for preparation. The sample preparation follows industry best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 1g charge for 4-acid digest with an ICP-MS or AAS finish. • 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. • Duplicate samples were inserted at a frequency of 1 in 25, with placement determined by Ni grade and homogeneity. • Sample size is considered appropriate for mickel sulphide mineralisation
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.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model,*	• Sandfire samples are assayed using Mixed 4 Acid Digest (MAD) 0.3g charge and MAD Hotbox 0.15g charge methods with ICPOES or ICPMS. The samples are digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric acids and conducted for multi elements including Cu, Pb, Zn, Ag, As, Fe, S, Sb, Bi, Mo, Re, Mn, Co, Cd, Cr, Ni, Se, Te, Ti, Zr, V, Sn, W and Ba. The





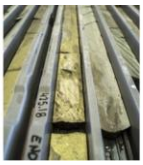
Criteria	JORC Code explanation	Commentary
	reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	MAD Hotbox method is an extended digest method that approaches a total digest for many elements however some refractory minerals are not completely attacked. The elements S, Cu, Zn, Co, Fe, Ca, Mg, Mn, Ni, Cr, Ti, K, Na, V are determined by ICPOES, and Ag, Pb, As, Sb, Bi, Cd, Se, Te, Mo, Re, Zr, Ba, Sn, W are determined by ICPMS. Samples are analysed for Au, Pd and Pt by firing a 40g of sample with ICP AES/MS finish. Lower sample weights are employed where samples have very high S contents. This is a classical FA process and results in total separation of Au, Pt and Pd in the samples. • No geophysical tools are used in the analysis. • Sandfire DeGrussa QAQC protocol is considered industry standard with standard reference material (SRM) submitted on regular basis with routine samples. SRMs and blanks are inserted at a minimum of 5% frequency rate. --- • Sinclair drill samples were submitted to ALS Chemex Laboratories in Perth for multi-element analysis using a 1g charge with a multi-acid digest and ICP-MS or AAS finish (OG62). Analytes include Al, Fe, Mg, Mn, S, Ti, Ag, As, Co, Cr, Cu, Ni, Pb, V, Zn, Zr. • QAQC protocols for all drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 33 with a minimum of two per batch. OREAS and Geostats standards are selected on their grade range and mineralogical properties. • All drill assays are required to conform to the 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. Historic results for all standards and duplicates indicate most performing well within the two standard deviation limit. • Lab checks (repeats) occurred at a frequency of 1 in 25. These alternate between both the pulp and crush stages. • Portable XRF instruments are used only for qualitative field analysis. No portable XRF results are reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections have been verified by alternate Talisman personnel. • Sandfire primary data is captured on field tough book laptops using Logchief™ Software. The software has validation routines and data is then imported into a secure central database. • The primary data is always kept and is never replaced by adjusted or interpreted data. --- • Significant intercepts have been verified by alternate company personnel





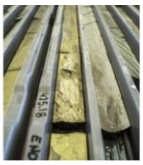
Criteria	JORC Code explanation	Commentary
		• No twinned holes are being drilled as part of this program. • Logging and sampling data is captured and imported using Maxwell LogChief software. • All drill-hole, sampling and assay data is stored in a SQL server (Datashed) database. Assay data is reviewed via DataShed, QAQCR and other customised software and databases. Datashed software has numerous validation checks which are completed at regular time intervals. • Primary assay data is always kept and is not replaced by any adjusted or interpreted data.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sandfire DeGrussa Survey team undertakes survey works under the guidelines of best industry practice. All surface drilling is located using RTK-GPS. • All drill collars are accurately surveyed using RTK GPS system within +/-50mm of accuracy (X, Y, Z). • For the Springfield project MGA94 Zone 50 grid coordinate system is used. • Topographic control was established using LiDar laser imagery technology. --- • Drill collars locations were picked up by Sinclair Mine Surveyors. • All drill holes were routinely surveyed using downhole NSG Gyroscope survey tools. • The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 51 (MGA).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Infill drilling at Monty is based on a nominal 30m x 40m grid. • Resource definition drill spacing and distribution of exploration results is sufficient to support Mineral Resource Estimation procedures. Refer ASX:SFR 13/04/2016 Maiden High Grade Mineral Resource for Monty VMS Deposit • Exploration drill spacing outside of the Monty Mineral Resource is not sufficient to estimate Mineral Resources. • No sample compositing has been applied to the exploration results. --- • Drill spacing at Sinclair was nominally 200m x 25m. • No mineral resource is being reported for the Sinclair Nickel Project. • No sample compositing has been 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.* • *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*	• At Monty, no significant orientation based sampling bias is known at this time. • The drill holes may not necessarily be perpendicular to the orientation of the intersected mineralisation. --- • The orientation of drilling is designed to intersect either





Criteria	JORC Code explanation	Commentary
	assessed and reported if material.	geophysical targets or geological targets at high angle in order to best represent stratigraphy. • No significant orientation based sampling bias at Sinclair is known at this time. Drill-holes may not necessarily be oriented perpendicular to intersected stratigraphy or mineralisation. All reported intervals are down-hole intervals, not true widths.
Sample security	• *The measures taken to ensure sample security.*	• Appropriate security measures are taken to dispatch samples to the laboratory. Chain of custody of samples is being managed by Sandfire Resources NL. Samples are stored onsite and transported to laboratory by a licenced transport company in sealed bulker bags. The laboratory receipts received samples against the sample dispatch documents and issues a reconciliation report for every sample batch. • 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.*	• No external audits or reviews of the sampling techniques and data have been completed.



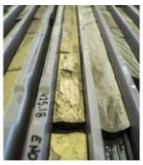


Section 2 Reporting of Exploration Results

(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 security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Sandfire Resources NL and Talisman Mining Limited have formed a Joint Venture which covers Talisman's Doolgunna Project tenements (E52/2282, E52/2313, E52/2466, E52/2275). • Sandfire and Talisman hold a 70%:30% interest respectively in the Joint Venture, with the exception of tenement E52/2275 where interests of approximately 81%:19% respectively are held. • Both parties are contributing proportionately to expenditure. • Sandfire Resources NL has been appointed as the Joint Venture Manager. • All tenements are current and in good standing. • The Talisman tenements are currently subject to a Native Title Claim by the Yungunga-Nya People (WAD6132/98). Sandfire currently has a Land Access Agreement in place with the Yungunga-Nya Native Title Claimants and have assumed management of Heritage Agreements which were executed by Talisman. These agreements allow Sandfire to carry out mining and exploration activities on their traditional land. • The Sinclair Nickel Project is held 100% by Talisman Nickel Pty Ltd, a wholly owned subsidiary of Talisman Mining Ltd. • There are no known Native Title Claims over the Sinclair Nickel Project. • All tenements 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.*	• Exploration work at Springfield completed prior to Talisman's tenure included geochemical soil and rock chip sampling combined with geological mapping. Some targeted RC drilling was completed over gold and diamond targets. • The Sinclair Nickel Deposit was discovered in 2005 by Jubilee Mines NL drill testing a ground EM anomaly. • 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. • Exploration work on has included diamond, RC and Air Core drilling, ground and downhole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity).



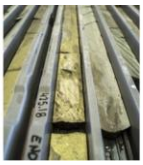


Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Doolgunna Project lies within the Proterozoic-aged Bryah rift basin enclosed between the Archaean Marymia Inlier to the north and the Proterozoic Yerrida basin to the south. • The principal exploration targets at the Doolgunna Projects are Volcanogenic Massive Sulphide (VMS) deposits located with the Proterozoic Bryah Basin of Western Australia. • The Sinclair project lies within the Archean aged Norseman-Wiluna Greenstone Belt. • 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.*
		• Drill hole information relating to the Doolgunna Project is included In Table 3: Drill-hole Information Summary, Springfield Project.
		
		• Drill hole information relating to the Sinclair Nickel Project is included in Table 5: Drill-hole Information Summary, Sinclair Nickel Project.

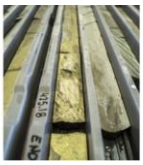
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results 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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant intersections reported from the Springfield Project are based on greater than 0.5% Cu and may include up to a maximum of 3.0m of internal dilution, with a minimum composite grade of 1.0% Cu. • Cu grades used for calculating significant intersections are uncut. • Minimum and maximum DD sample intervals used for intersection calculation are 0.3m and 1.2m respectively. • RC reported intersections are based on regular 1m sample intervals. • No metal equivalents are used in the intersection calculation. • Where core loss occurs; the average length-weighted grade of the two adjacent samples are attributed to the interval for the purpose of calculating the intersection. The maximum interval of missing core which can be incorporated with the reported intersection is 1m. • Significant intersections reported from the Sinclair Nickel Project are based on greater than 0.5% Ni and may include up to 1m of internal dilution, with a minimum composite grade of 1% Ni.





Criteria	JORC Code explanation	Commentary
		• Ni grades used for calculating significant intersections are uncut. • A minimum diamond core sample interval of 0.15m and a maximum interval of 1m is used for intersection calculations subject to the location of geological boundaries. • Length weighted intercepts are reported for mineralised intersections. • No metal equivalents are used in the intersection calculations.
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').*	• Drill-hole intercepts relating to the Doolgunna Project in this release are reported as both down-hole intersection widths and estimated true width intersections (refer Table 4: Drill hole assay intersections >1% for the Monty Prospect). • The geometry of the mineralisation has been interpreted using top of mineralisation surfaces that link mineralised zones, thought to be continuous, between neighbouring drill-holes. Given the variable, and often steeply dipping orientation of the mineralisation, the angle between mineralisation and drill-holes is not consistent. Downhole intercepts for each drill-hole are converted to estimated true widths using a trigonometric function that utilises the dip and dip direction of the interpreted top of mineralisation surface (at the intersection point of that drill-hole) as well as the dip and azimuth of the drill-hole at that position. • Drill holes relating to the Sinclair Nickel project are reported as down hole intersections. True widths of reported mineralisation are not know at this time.
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.*	• Appropriate maps with scale are included within the body of the accompanying document.
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.*	• The accompanying document is considered to represent a balanced 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.*	• Other exploration data collected is not considered as material to this document at this stage. Other data collection will be reviewed and reported when considered material.





Criteria	JORC Code explanation	Commentary
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.*	• Planned exploration across the Springfield Joint Venture Project area includes both surface and down-hole geophysical techniques and reconnaissance and exploration drilling with Diamond, Reverse Circulation and air-core drilling techniques. • Planned future work at the Sinclair Nickel Project includes geophysical surveys, re-logging of historic diamond drill core and RC and Diamond Drilling.