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ASX Code: TLM

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5,650,000 (Unlisted)

ASX Media Release – 7 October 2016

Sinclair Nickel Project Drilling Results

Assay results confirm massive nickel sulphide intersections

Highlights

- Assay results from the first phase of Reverse Circulation (RC) drilling at Delphi North have confirmed zones of **massive and stringer nickel sulphide mineralisation**.
- Results include:
  - **SNRC010:** **4m @ 4.79% Ni** from 154m down-hole;
  - **SNRC012:** **5m @ 2.39% Ni** from 73m down-hole; and
  - **SNRC019:** **9m @ 4.20% Ni** from 131m down-hole.
- RC drilling at Schmitz Well South completed and broad zones of prospective high-Mg ultramafic rocks intersected with multiple zones of trace to disseminated sulphides logged in RC chips. Assay results pending.
- Diamond drilling of Down Hole Electromagnetic (DHEM) target at Delphi North intersected multiple zones of **brecciated to massive sulphides** (pyrrhotite, chalcopyrite & minor pentlandite). Assay results pending.
- Diamond drilling of SND008 at Delphi Prospect, targeting previously identified surface EM anomaly, complete. No discernible sulphide mineralisation logged in RC chips and EM anomaly remains unexplained. Assay results pending.
- Drilling of an **additional diamond drill hole (SND009), down dip from SNRC019,** will commence following the completion of SND008 at the Delphi Prospect.
- **DHEM surveys planned** for completed Delphi North and Delphi drilling, anticipated to commence in October 2016.

Figure 1: SND006 – Brecciated to massive sulphides (pyrrhotite, chalcopyrite & minor pentlandite) in drill core

Overview

The 100% owned Sinclair Nickel Project is located in the world-class Agnew-Wiluna Greenstone Belt in WA's North-eastern Goldfields (Appendix 1). 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 more than 80km strike of prospective ultramafic contact within a 35km radius of the existing processing plant and infrastructure.

Talisman Mining Limited (ASX: **TLM**, "**Talisman**" or the "**Company**") is pleased to advise that results from the initial phase of RC exploration drilling at Delphi North have now been received, and confirm the previously reported (*refer ASX Announcement – 22 September 2016)* zones of massive sulphide mineralisation. RC drilling at the Schmitz Well Prospect (*Figure 4*) has now been completed, with wide zones of prospective high-Mg ultramafic rock intersected in drilling. Diamond drilling is continuing at the Delphi North Prospect.

Delphi Prospect

Delphi North

Results from the recently completed programme of seven RC drill holes (*Table 1*) at the Delphi North Prospect (*Figure 2 & 3*) have now been received. Analysis has confirmed the presence of **high-tenor massive nickel sulphides** in RC drilling.

As previously reported four of the seven RC drill holes have intersected massive sulphide mineralisation (*Figure 2*). Significant intersections[1] include:

- **SNRC010: 4m @ 4.79% Ni** from 154m down-hole;
- **SNRC012: 5m @ 2.39% Ni** from 73m down-hole, and
- **SNRC019: 9m @ 4.20% Ni** from 131m down-hole.

A complete list of all drilling results is provided in *Table 2*.

The fences of RC drill holes were designed to test a shallower area up dip of the previously reported massive sulphide mineralisation intersected in hole DED009 (*Figure 2*). The zones of massive and stringer nickel sulphide mineralisation intersected in this drilling, which have now been confirmed by assay, are of a higher tenor and greater thickness compared to previous results. While Talisman is still assessing these results in the full context of all previous drilling, the Company is encouraged by this result, and is planning additional drilling to further delineate this emerging target area.

Diamond drilling of SND006 is now complete, and while analysis of core samples is pending, multiple zones of brecciated to massive sulphides (pyrrhotite, chalcopyrite & minor pentlandite) have been logged in the drill core (*Figure 1*).

SND006 was planned to test a conductor identified in the previously completed DHEM survey of SND001, some 50m metres to the north. SND006 was interpreted by Talisman to intersect the target toward the top of the modelled EM plate and as such has not fully tested the targeted plate (*Figure 2*). The brecciated to massive nature of the sulphide intersection in SND006 is consistent with Talismans' geological interpretation of this position, and validates the current exploration strategy to target massive sulphide mineralisation at Delphi North.

[1] Significant intersections are calculated on the basis of a >0.5% Ni and may include up to 1m of internal dilution, with a minimum composite grade of 1% Ni

A repetition of the prospective ultramafic sequence in the footwall to the logged nickel sulphides in SND006 may indicate folding of the prospective basement contact. This interpreted folding of the basal contact may represent a similar structural position that hosts the Sinclair Mine. While further work is required to confirm Talisman's interpretation of the stratigraphy, Talisman views the geology logged in SND006 as positive, and highly encouraging.

An additional diamond drill tail will be completed to test beneath SNRC019 (which returned 9m @ 4.20% Ni). The RC pre-collar for this hole (SND009) has been completed to a depth of 100m, and diamond drilling will commence immediately following the completion of SND007 which is currently in progress.

DHEM surveys will be completed for all diamond drill holes, along with selected RC drill-holes at Delphi North.

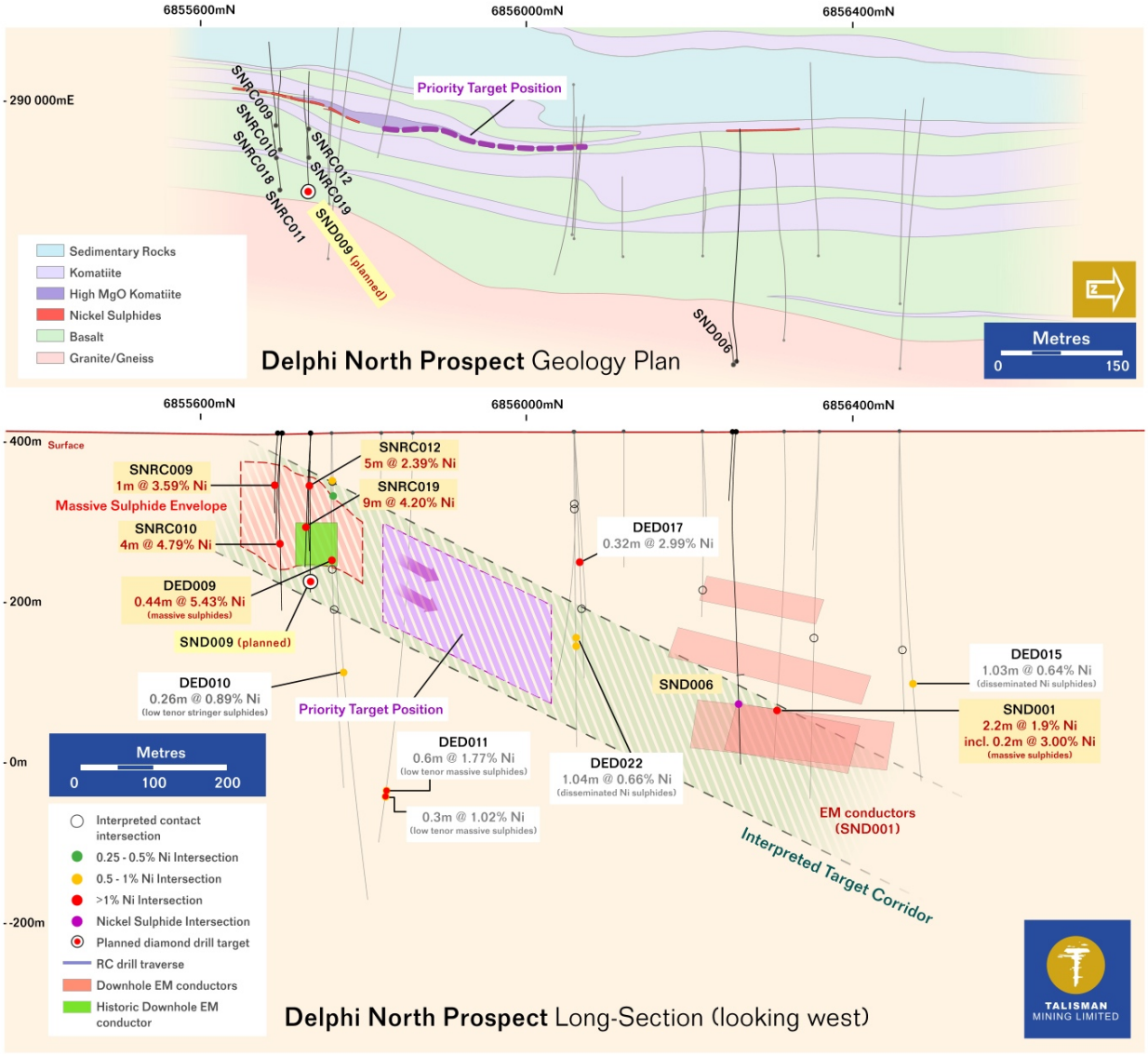

Figure 2: Delphi North long projection showing new and existing Ni massive sulphide intersections, newly modelled and historic DHEM conductors and an interpreted target corridor.

Other Targets at Delphi Prospect

Drilling of SND008, which targeted an existing Moving Loop Electromagnetic (MLEM) conductor has been completed (*Figure 3*). The drill-hole intersected a prospective high-Mg ultramafic unit, however no discernible sulphide mineralisation was logged in the drill core to explain the existing MLEM anomaly. The drill core will be cut and sampled and the hole has been cased in preparation for a DHEM survey.

The drill rig has mobilised to the north and drilling of SND007 (*Figure 3*) targeting a second MLEM anomaly is currently underway.

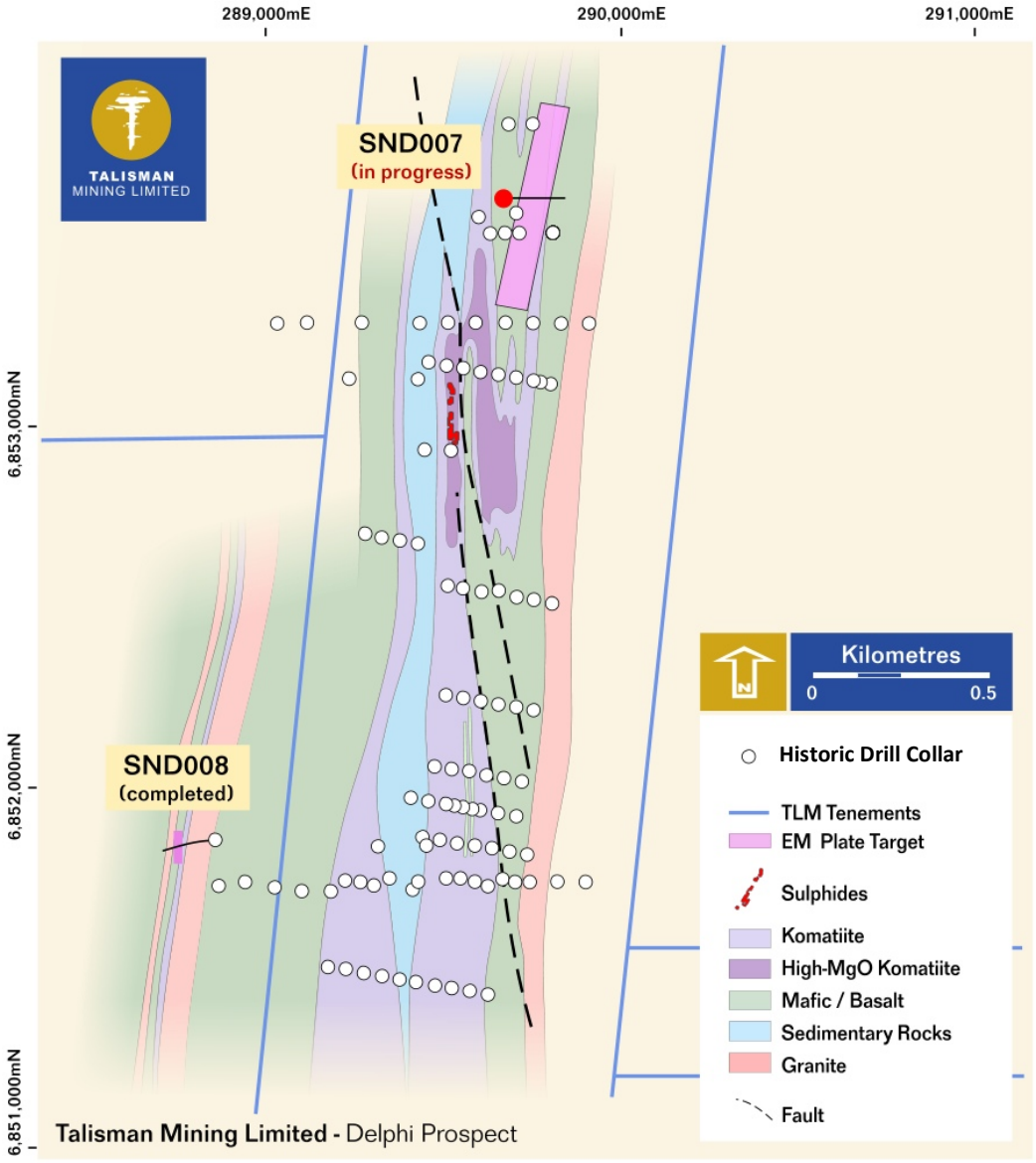

Figure 3: Delphi Prospect Geological Plan showing planned diamond tails and historic drill collars

Schmitz Well South Prospect

Drilling of three of the four planned RC drill holes at the Schmitz Well South prospect has been completed (*Figure 4*). Drilling was designed to test an interpreted extension of the ultramafic unit under cover, identified from recent work undertaken by Talisman.

The three drill holes intersected broad zones of prospective high-Mg ultramafic rocks, containing multiple zones of trace to disseminated (cloud) sulphides throughout. This validates Talisman's original interpretation and is viewed as a highly encouraging result given the blind nature of the original target.

The fourth drill hole planned in the program was put on hold, as it is currently interpreted to be outside of the prospective ultramafic package.

All three of the drill holes have been sampled, with samples currently at the laboratory in Perth for analysis and results pending.

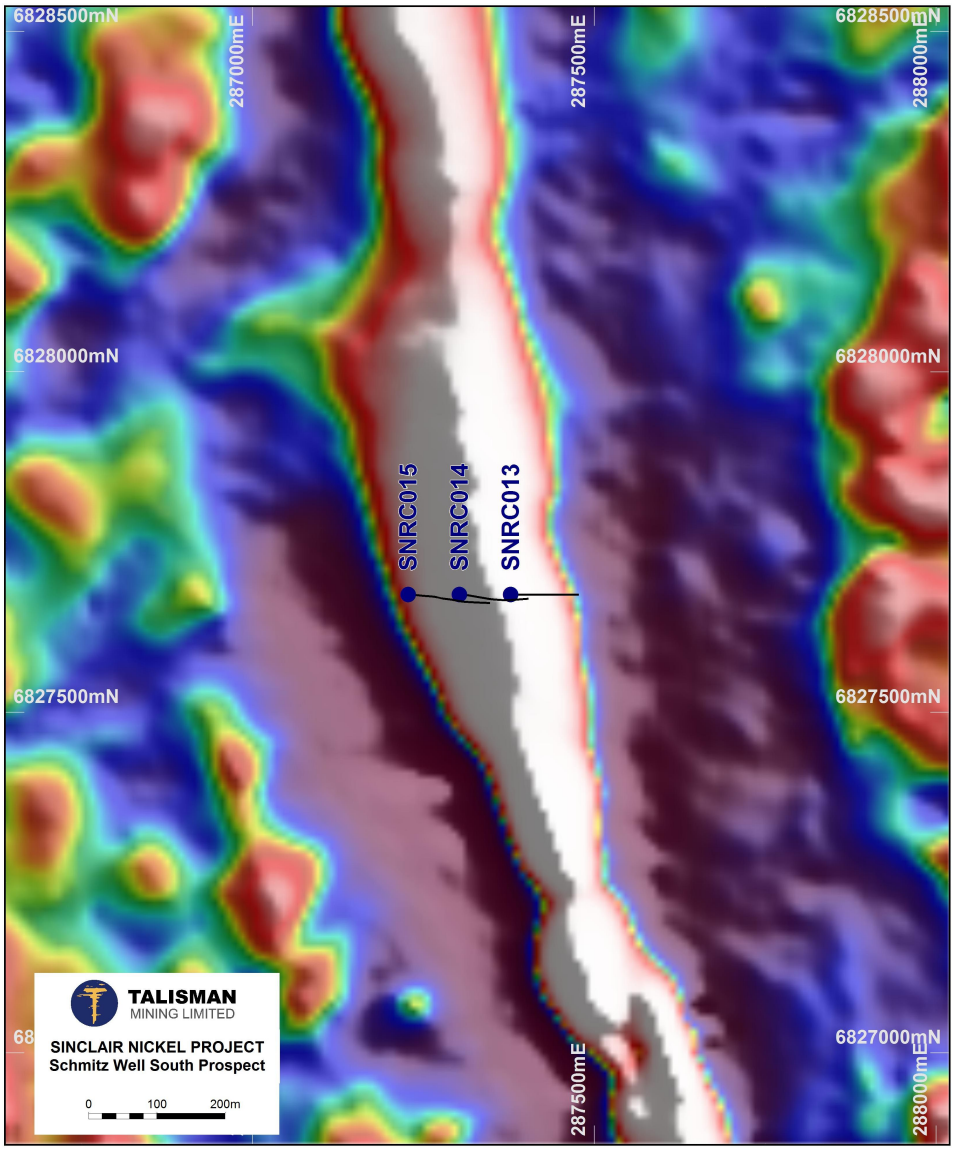

Figure 4: Plan view of Schmitz Well South showing magnetics, interpreted ultramafic unit under cover and completed RC drill holes.

Additional planned activity

Geophysical contractors will mobilise to complete DHEM surveys on all diamond drill holes at the Delphi North and Delphi Prospects following completion of the final diamond drill-hole in the current drilling programme.

A follow-up programme of RC and/or diamond drilling is planned at Delphi North to commence in early November 2016 as part of the second phase of drilling over the wider Sinclair Trend. Details will be determined by further interpretation and analysis of recent and impending results including DHEM surveys.

Talisman also intends to test new target horizons and prospects in this second phase of focused work which is anticipated to include RC drilling of shallow targets at Parnassus, the Sinclair Eastern basal contact position and the Skye / Stirling prospect areas. (*Appendix 1*).

Further details of the proposed drilling programme will be reported following the finalisation of the current Delphi North drilling and DEHM surveys.

ENDS

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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 announcement speak only at the date of issue of this announcement. 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.

Table 1 – Drill-hole Information Summary, Sinclair Project

Details and co-ordinates of drill-hole collars for diamond and RC / diamond completed to date at Sinclair Project.

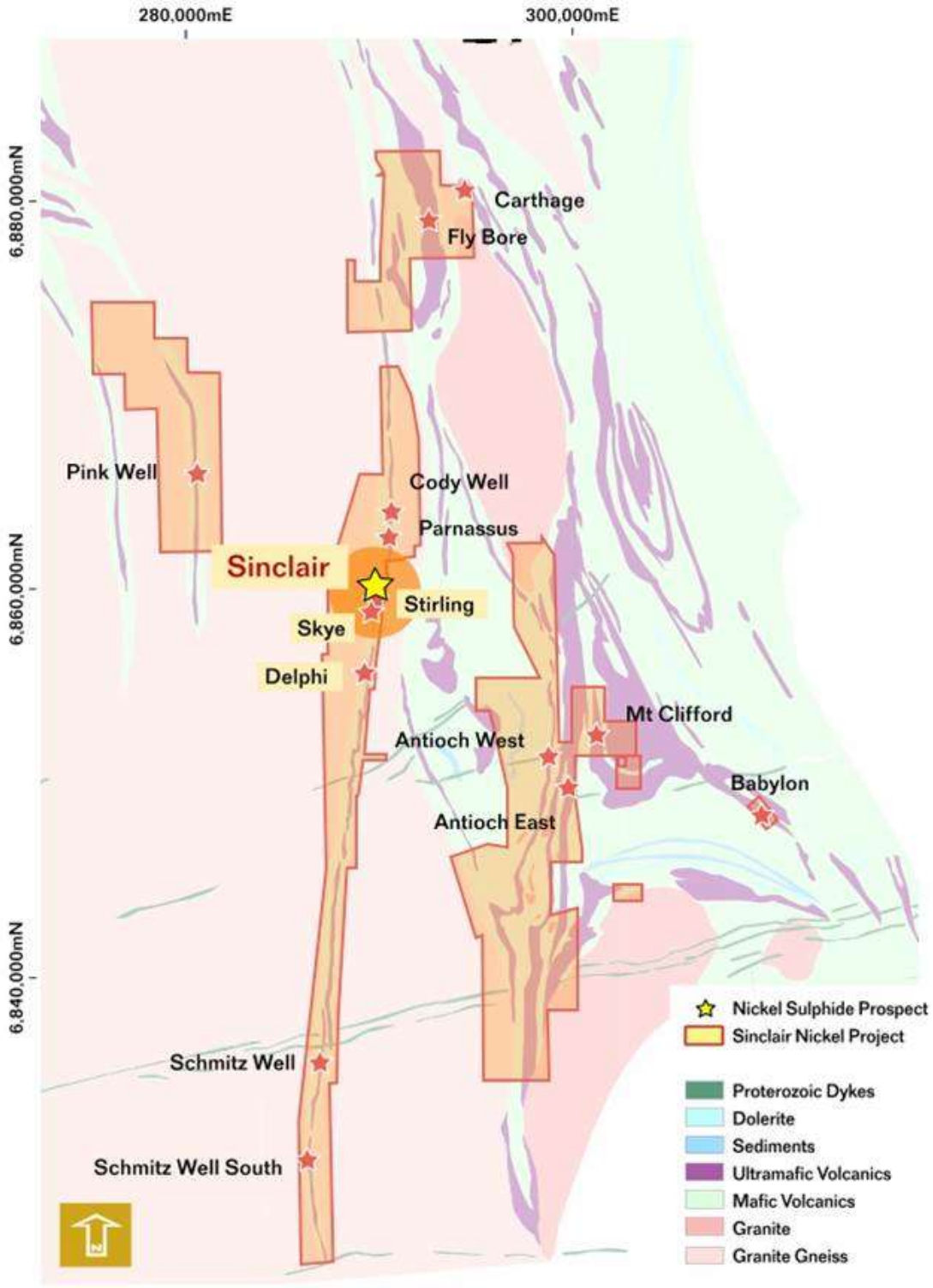
Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Hole Status	Comments
Diamond Drilling – Delphi North										
SND006	MGA94_51	-62°	265°	290,328	6,856,258	412	RC/DDH	486.8	Complete	Brecciated and Massive Sulphides
SND007	MGA94_51	-62°	90°	289,661	6,853,658	412	RC/DDH		In Progress	Target Depth – 260m
SND008	MGA94_51	-60°	270°	288,848	6,851,860	412	RC/DDH	241.9	Complete	
SND009	MGA94_51	-62°	265°	290,116	6,855,734	412	RC/DDH		Pending	Pre-collar complete
RC Drilling – Delphi North										
SNRC009	MGA94_51	-60°	265°	290,037	6,855,694	412	RC	136	Complete	Massive Sulphide Mineralisation
SNRC010	MGA94_51	-62°	265°	290,067	6,855,699	412	RC	244	Complete	Massive Sulphide Mineralisation
SNRC011	MGA94_51	-62°	261°	290,117	6,855,694	412	RC	184	Complete	Hole terminated due to excessive water
SNRC012	MGA94_51	-66°	270°	290,041	6,855,734	412	RC	172	Complete	Massive Sulphide Mineralisation
SNRC017	MGA94_51	-63°	265°	290,332	6,856,254	412	RC	94	Complete	Hole terminated due to excessive deviation
SNRC018	MGA94_51	-61°	270°	290,077	6,855,694	412	RC	122	Complete	Hole terminated due to excessive water
SNRC019	MGA94_51	-62°	268°	290,078	6,855,734	412	RC	188	Complete	Massive Sulphide Mineralisation
RC Drilling – Schmitz Well South										
SNRC013	MGA94_51	-61°	100°	287,377	6,827,674	387	RC	196	Complete	High-Mg Um & disseminated sulphide
SNRC014	MGA94_51	-61°	100°	287,302	6,827,674	387	RC	208	Complete	High-Mg Um & disseminated sulphide
SNRC015	MGA94_51	-62°	96°	287,228	6,827,674	387	RC	250	Complete	High-Mg Um & disseminated sulphide
SNRC016	Planned hole not drilled									

Table 2 – Sinclair Project – Significant intersections

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 From (m)	Depth To (m)	Interval (m)	Ni (%)	Cu (ppm)	Co (ppm)
SNRC009	77	78	1	3.59	5,270	1,275
SNRC010	154	158	4	4.79	3,065	1,417
	162	163	1	0.61	400	311
	169	170	1	0.56	108	150
SNRC011	No Significant Intercepts					
SNRC012	73	78	5	2.39	1,708	853
SNRC013	Assays Pending					
SNRC014	Assays Pending					
SNRC015	Assays Pending					
SNRC016	Not yet Drilled					
SNRC017	Not Assayed - Hole Abandoned					
SNRC018	No Significant Intercepts					
SNRC019	131	140	9	4.2	3,643	1,334
SND006	Assays Pending					
SND007	Not Yet Sampled (Drilling in progress)					
SND008	Assays Pending					
SND009	Not Yet Drilled (Pre-collar only)					

Appendix 1: Sinclair Project Location and Simplified Geology



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.* • *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.*	• Drilling cited in this report by both Talisman Mining Ltd and historically 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. Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples, • 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.).*	• 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. RC drilling is completed with a face sampling hammer of nominal 140mm size. • All historic drill holes completed by Xtrata were routinely surveyed using downhole NSG Gyroscope survey tools. Current drilling by Talisman is routinely surveyed using an electronic single shot camera, at a nominal 30 intervals down hole. • All historic drill core completed by Xtrata was routinely orientated where possible at nominal 6m intervals using an EzyMark-OriBlock core orientation system. Talisman routinely orients all drill core where possible at nominal 6m metre intervals using ACE ACTIII 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.*	• Sinclair diamond core recoveries were logged and recorded in the Sinclair Datashed database. Historic core recoveries exceed 95%. Surface • RC sampling is good with almost no wet sampling in the project area. • 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*	• Logging records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples and is considered to be

Criteria	JORC Code explanation	Commentary
	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.*	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 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.*	• 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 3kg Samples were selected to weigh less than 3kg to ensure total preparation at the pulverization stage. • RC samples are split using a cone or riffle splitter. A majority of RC samples are dry. On occasions that wet samples are encountered they are dried prior to splitting with a riffle splitter. • 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 are routinely reviewed and reported on a regular basis whilst exploration campaigns are in progress. • 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 nickel 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, 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.*	• 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.

Criteria	JORC Code explanation	Commentary
		• 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 intercepts have been verified by alternate company personnel • 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.*	• Historic drill collars locations were picked up by Sinclair Mine Surveyors. • Talisman drill collar locations are pegged using a hand held GPS, and picked up by an independent survey contractor after completion of the drill hole. • All historic drill holes completed by Xtrata were routinely surveyed using downhole NSG Gyroscope survey tools. Current drilling by Talisman is routinely surveyed using an electronic single shot camera, at a nominal 30 interval down hole. • 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.*	• 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 assessed and reported if material.*	• The orientation of drilling is designed to intersect either 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.*	• 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 Chemex Laboratories 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.*	• 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.*	• 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 down-hole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• 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 Sinclair Project is included in Table 1 Drill-hole Information Summary, Sinclair 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*	• 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. • 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

Criteria	JORC Code explanation	Commentary
	metal equivalent values should be clearly stated.	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-holes relating to the Sinclair Nickel project are reported as down hole intersections. True widths of reported mineralisation are not known 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.*	• This report includes results from both historic and recent Geophysical Surveys. Results from these surveys are included in the body of this report. • Parameters for the Delphi Prospect surface electromagnetic survey include: ○ Configuration: Moving Loop EM (MLEM) ○ Line and station spacing: 200m x150m, infill 75m ○ TX Loop size: 300x300m double turn ○ Receiver: SMARTem ○ Sensor: High Temp SQUID • Parameters for the Delphi North Down Hole Electromagnetic (DHEM) Survey are provided Appendix 2 of this report
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 future work at the Sinclair Nickel Project includes geophysical surveys, re-logging of historic diamond drill core and RC and Diamond Drilling.