13 July 2018

Springfield Joint Venture Update

Highlights

Monty Mine Development

- Monty decline at end of June 2018 advanced to 1,013 metres compared to a budget of 1,163 metres.
- Surface infrastructure essentially complete, on time and under budget.
- Budget and forecast approved for the 12-month period ending 30 June 2019. Total capital and operating expenditure (100% basis) of $67.1 million, Talisman share $20.1 million.
- Mine plan for the 12-month period ending 30 June 2019 updated with first development ore scheduled to be delivered in December 2018 Quarter and initial stope production to begin in the March 2019 Quarter.
- Grade Control drilling to commence in September 2018.

Monty Finance

- Total drawdown from the US$20 million Monty Project Finance Facility with Taurus Mining Finance Fund unchanged from 1 April of US$11.5 million. Drawdown covers Talisman's share of development expenditure to 30 June 2018.

Springfield Exploration

- Joint Venture exploration activities completed for the June Quarter included:
  - Follow-up RC drilling at Homer;
  - Infill aircore drilling at Homer and the Southern Volcanics; and
  - Review of project wide geophysical data.
- Results from the completed drilling did not highlight any significant geochemical anomalies.
- Budgeted exploration for the September 2018 Quarter includes a single diamond tail extension to a pre-existing drill-hole to provide an additional DHEM platform along the Monty NE trend.
- Proposed Exploration Expenditure for the September 2018 Quarter totals an estimated $265,000 (100% basis).

Overview

*The Monty Copper-Gold deposit in Western Australia (**Monty**) forms part of Talisman Mining Limited's (**Talisman**) Springfield Project (**Joint Venture**) with Sandfire Resources NL (**Sandfire**) in which Talisman holds a 30% interest. Monty is located approximately 900km north of Perth and 10km east of Sandfire's DeGrussa copper-gold mine (**DeGrussa**) within the highly prospective Bryah Basin in the Gascoyne Region of Western Australia.*

*On 08 June 2018 Talisman announced[1] that it had reached in-principle agreement with Sandfire, for Sandfire to acquire Talisman A Pty Ltd (**Talisman A**), the subsidiary company that holds Talisman's 30% interest in the Monty Mining Joint Venture and Springfield Exploration Joint Venture (collectively the **Springfield JV**). Key terms of the agreement (**Term Sheet**) include:*

- *Talisman to receive A$72.3 million cash consideration on a cash-free and debt-free basis.*
- *Sandfire to assume the existing 2.25% gross revenue royalty held by Taurus Mining Finance Fund (**TMFF**) over Talisman's 30% share of Monty (capped at the contained copper and gold metal in the current Monty Mineral Resource Estimate) (**TMFF Royalty**).*
- *Sandfire to grant to Talisman an uncapped and perpetual 1.0% Net Smelter Return (**NSR**) Royalty applying to 100% of all contained copper and gold in ore mined and processed from within the Springfield JV above the respective contained metal levels in the current Monty Mine Plan (based on the Monty Feasibility Study released in April 2017) (**NSR Royalty**).*
- *An effective date of 5 June 2018, resulting in no further capital contributions from Talisman A to the Springfield JV, including for the Monty development (subject to transaction completion).*

The Term Sheet remains conditional upon:

- *Satisfaction of confirmatory due diligence by Sandfire;*
- *The preparation and execution of a Share Sale Agreement and NSR Royalty Agreement;*
- *The unanimous recommendation of the Talisman Board and statement of intention to vote shares held or controlled by the Board in favour of the sale at any requisite Talisman shareholder meeting to approve the sale;*
- *An irrevocable statement of intention from Kerry Harmanis to vote shares held or controlled by him (or his Associates) in favour of the sale at any requisite Talisman shareholder meeting to approve the sale;*
- *TMFF and certain other Taurus parties providing consent to Sandfire's acquisition of the shares in Talisman A, the grant to Talisman of the NSR Royalty and the TMFF Royalty remaining on foot on appropriate commercial terms satisfactory to Sandfire and otherwise with such modifications as Sandfire and certain Taurus parties agree; and*
- *Talisman shareholder approval at the requisite Talisman shareholder meeting to approve the sale (including for the purpose of ASX Listing Rule 11.2).*

[1] Please refer to TLM ASX announcement "Proposed Sale of Talisman's 30% Interest in the Springfield JV", dated 8 June 2018

Monty Development Update

On-site construction activities for Monty have progressed with pre-production surface and underground infrastructure installed and in-use.

The underground mining contractor, Byrnecut Australia Pty Ltd, continues to progress Monty development and at the end of June 2018 the decline had advanced to 1,013 metres compared to a corresponding feasibility study budget of 1,163 metres (13% under budget). Development advance was slowed during the previous two months as remedial ground support activities were undertaken on areas where poorer ground was intersected and pumping capacity was installed to cater for expected water inflows. It is anticipated that the decline advance will be realigned with the schedule during the forthcoming quarter.

Total development advance was 2,163 metres as at the end of June, compared to the Feasibility Study schedule of 2,508 metres.

First ore production remains on schedule for late in the December 2018 Quarter, with initial stope production planned to commence in the March 2019 Quarter.

Figure 1: Monty primary ventilation fan installation

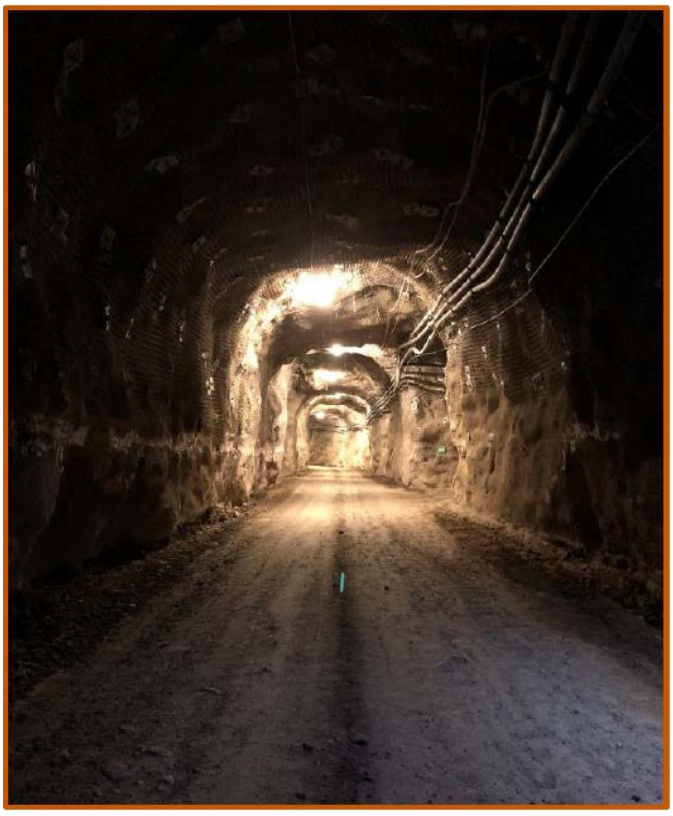

Figure 2: Monty decline transition lighting

Monty Development Budget and Forecast

For the period 1 July 2017 to 31 May 2018 Talisman's 30% share of actual Monty pre-production capital costs were $12.3M. This compares to corresponding Monty Feasibility Study costs of $16.4M with $2.4M of the $4.1M difference relating to realised savings and the balance ($1.7M) being attributable to timing differences.

The Joint Venture has recently approved a budget for the period ending 31 December 2018 and a forecast to 30 June 2019 which covers both remaining pre-production capital costs for the development of Monty and production activities to 30 June 2019. Talisman's share of budgeted and forecast expenditure during this period is $20.1M compared to the costs in the corresponding period of the Monty Feasibility Study of $17.0M. The cost increase is principally attributable to timing differences in pre-production capital spend from the previous budget period and an increase in planned grade control drilling.

A breakdown of the recently approved capital budget compared to the Monty Feasibility Study is provided in Table 1.

Capital item	New BUDGET 100% basis (A$M)	New BUDGET Talisman's share - 30% basis (A$M)	FEASIBILITY STUDY Talisman's share - 30% basis (A$M)
Surface infrastructure	22.5	6.8	9.9
Underground mine development	39.5	11.8	9.5
Underground mine infrastructure	7.4	2.2	2.4
Total pre-production capital	**69.4**	**20.8**	**21.8**
Sustaining capital	14.2	4.3	5.5
Closure costs	4.0	1.2	1.0
Total capital cost	**87.6**	**26.3**	**28.3**

Table 1: Monty total capital cost estimate

Monty Project Financing Facility (PFF)

As previously announced, Talisman has secured a project debt finance facility with TMFF for US$20 million to fund 100% of Talisman's share of Monty pre-production capital[2].

Talisman has made two drawdowns to date totalling US$11.5 million. The drawdowns were to cover pre-production costs from 1 July 2017 to 31 March 2018. A further US$8.5M is available to be drawn down against the facility for future pre-production capital costs.

As at 31 March 2018, Talisman held approximately A$4.3M of funds drawn down but not yet called by the Joint Venture Manager. Talisman's share of the current Monty budget/forecast pre-production capital for the months of April and May 2018 was funded by the existing surplus in funds drawn but not called by the Joint Venture. In accordance with the provisions of the Term Sheet outlined above, effective from 5 June 2018 Talisman will not make any further capital contributions to the Springfield JV (including for Monty development) subject to transaction completion.

Exploration Update

Activities at the Joint Venture during the current budget period (1 April 2018 to 30 June 2018) have been focused on the completion of infill aircore drilling along the Southern Volcanics trend, and follow-up of a weak geochemical anomaly identified in previous drilling at Homer. In addition to this on-ground exploration, a project wide review of surface and downhole geophysical data was undertaken.

[2] Please refer to TLM ASX announcement "Monty Financing Finalised", dated 30 October 2017

Aircore drilling undertaken along the Southern Volcanics trend (totalling 4,624 metres) was designed to infill previous aircore drilling and provide additional information over newly interpreted host positions. A single reverse circulation (**RC**) hole (TLRC0075) for 448 metres at Homer was designed to test a previously identified geochemical anomaly (Table 2). Assay results from TLRC0075 did not return any significant mineralisation (Table 3), similarly the infill air-core drilling of the Southern Volcanics did not highlight any areas that require follow-up drill testing.

A review of all available surface and down-hole electromagnetic geophysical survey data (**DHEM**) was completed by an independent consultant group. The review concluded:

- DHEM detection limits are considered to be good for 'Monty Style' mineralisation (approximately 140m from the discovery hole), due to the presence of high conductance pyrrhotite mineralisation.
- Modelling has indicated that not all parts of Monty mineralisation are conductive and that the Monty deposit is a difficult electromagnetic target to model due to factors including: size, conductance, steep-dip and depth.
- Outside of the Monty deposit, only one, low-confidence, single component DHEM anomaly was modelled within the Monty NE trend, at the back-ground noise limits of the survey equipment.
- A subtle moving loop electromagnetic (**MLEM**) anomaly was recognised adjacent and along strike from the DHEM anomaly, however a further review of this data has concluded that this MLEM anomaly can be attributed to instrument noise and does not require further follow-up.

Budgeted exploration for quarter ending 30 September 2018

The Joint Venture has recently approved a budget for the three-month period ending 30 September 2018. Planned exploration during this period includes diamond drilling, to extend an existing historic drill hole, SPD017, by an estimated 60-100 metres (*Figure 3*); along with an allowance of some 1,350m of unallocated RC drilling. The estimated total Joint Venture exploration spend for the three-month period totals $265,000, on a 100% basis.

The aim of the diamond drilling on SPD017 is to provide a DHEM platform adjacent and closer to the weak single component DHEM signal modelled in the recent geophysical data review. It should be noted, that this drill hole extension is not designed to intersect the modelled plate, rather it is specifically designed as an improved geophysical survey platform to allow for an additional DHEM survey.

While Talisman believes that this follow-up work is required; it is again noted, that this is a low-confidence, single component anomaly, at the back-ground noise limits of the survey equipment. Furthermore, Talisman believes the proposed extension and subsequent DHEM survey of SPD017 is an appropriate low-cost test to verify the existence of an anomaly in this area that will be re-evaluated once the new survey data is received. Drilling of the SPD017 extension is expected to commence shortly.

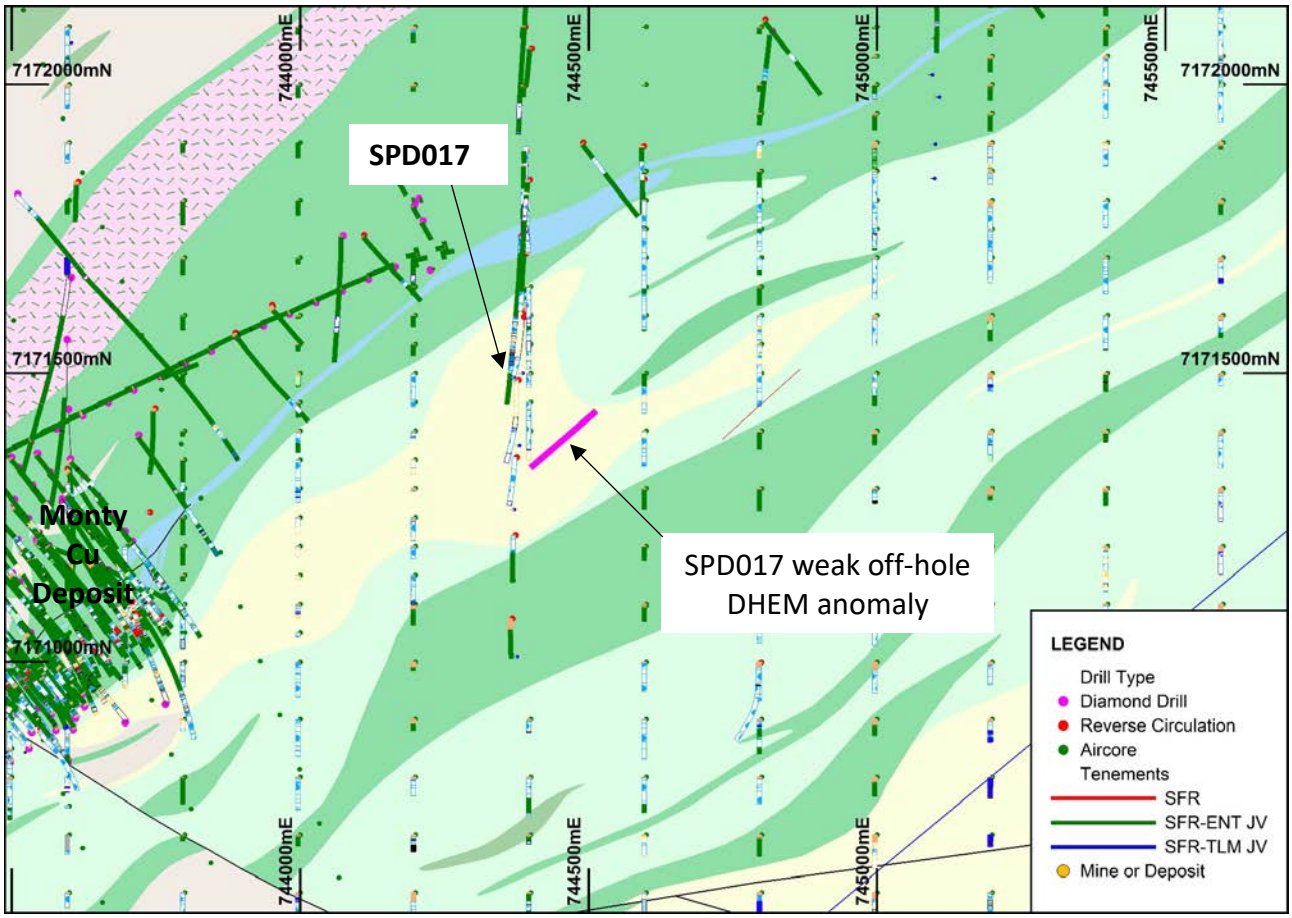

Figure 1: Monty NE corridor, showing a weak DHEM anomaly and the SPD017 collar and existing drill hole trace.

Ends

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About Talisman Mining

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman holds a 30% interest in the Springfield Joint Venture with Sandfire Resources NL (70% and JV manager). Springfield is located in a proven VMS province in Western Australia's Bryah Basin and contains multiple prospective corridors and active exploration activities. Springfield hosts the high-grade Monty copper-gold deposit which is located 10 kilometres from Sandfire's DeGrussa operations. Monty is one of the highest-grade copper-gold discoveries made globally in recent decades and a Feasibility Study on its development was completed in March 2017. The Feasibility Study highlighted the strong technical and financial viability of Monty. The Monty deposit is currently under development and Talisman has secured project debt financing for 100% of its share of pre-production capital costs.

Talisman also holds 100% of the Sinclair Nickel Project 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% nickel. Sinclair has extensive infrastructure and includes a substantial 290km^2 tenement package covering more than 80km of strike in prospective ultramafic contact within a 35km radius of existing processing plant and infrastructure.

Talisman has also secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of 100% owned Exploration Licenses and through separate earn-in Joint Venture and tenement purchase agreements. The Cobar/Mineral Hill region is a richly mineralised district that hosts several base and precious metal mines including the CSA, Tritton, and Hera/ Nymagee mines. This region contains highly prospective geology that has produced many long-life, high-grade mineral discoveries. Talisman has identified a number of areas within its own and Joint Venture tenements that show evidence of base and precious metals endowment which have had very little modern systematic exploration completed to date. Talisman believes there is significant potential for the discovery of substantial base metals and gold mineralisation within this land package.

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 2: Drill-hole Information Summary, Springfield Cu-Au Project

Details and co-ordinates of RC drill-hole collars:

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Comment
SPD017	MGA94_Z50	-60^0	183^0	744387	7171740	601	DD	558.75	Monty NE
TLRC0075	MGA94_Z50	-62^0	351^0	741600	7174150	591	RC	448	Homer

Table 3: RC drill-hole Assay Intersections for the Springfield Cu-Au Project

Calculation of RC intersections for inclusion into this table are 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	*Depth From (m)*	*Depth To (m)*	*Interval (m)*	*Cu (%)*	*Au (ppm)*	*Zn (%)*
TLRC0075	No significant results					

APPENDIX 1

JORC Tables Section 1 & 2

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 aircore (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 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.
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 metre 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.

Criteria	JORC Code explanation	Commentary
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.
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.*	• 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 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.
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.*	• 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 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

Criteria	JORC Code explanation	Commentary
		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.
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.
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.
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.
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.*	• 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.
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

Criteria	JORC Code explanation	Commentary
		sample dispatch documents and issues a reconciliation report for every sample batch.
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.
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.
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.

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.*
		• Drill hole information relating to the Doolgunna Project is included In Table 2: Drill-hole Information Summary, Springfield Cu-Au Project.

Criteria	JORC Code explanation	Commentary
	• *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.*	
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..
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 3: Drill hole assay intersections for the Springfield Cu-Au Project). • 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.
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*	• The accompanying document is considered to represent a balanced report.

Criteria	JORC Code explanation	Commentary
	avoid misleading reporting of Exploration Results.	
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.
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, RC and aircore drilling techniques.