31 July 2018

June 2018 Quarterly Activities Report

Springfield Cu-Au Project - (30% Talisman)

Proposed Sale of Interest in Springfield JV

- In-principle agreement reached for Sandfire Resources NL to acquire Talisman's 30% interest in the Springfield JV for consideration including A$72.3 million cash, an uncapped perpetual 1% Net Smelter Return (NSR) Royalty and assumption by Sandfire of Talisman's obligations, with such modifications as Sandfire and Taurus agree, under the existing 2.25% gross revenue royalty held by Taurus.
- Proposed transaction remains subject to a range of key conditions including preparation of a Share Sale Agreement and NSR Royalty Agreement in a form satisfactory to both parties and Talisman shareholder approval.

Monty Mine Development and Economic Evaluation

- Monty decline at end of June 2018 advanced to 1,013 metres compared to a budget of 1,163 metres.
- Budget and forecast capital and operating expenditure approved for the period ending 30 June 2019 of $67.1 million (100% basis) and Talisman share $20.1 million (compared to DFS budget of $17 million).
- Mine plan for the 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.

Exploration Activities

- Joint Venture exploration activities completed for the June Quarter included follow-up RC drilling at Homer and infill aircore drilling at Homer and the Southern Volcanics.
- 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.

Lachlan Cu-Au Projects

- RC drilling at the Blind Calf Prospect returned multiple zones of high-grade copper mineralisation including 13m at 5.7% copper from 129m down hole and 11m at 4.8% copper from 127m.
- Follow-up drill program at Blind Calf planned after the review of all drilling, DHEM, EM and detailed structural mapping data.
- Completion of 3,500-holes of an auger geochemical drilling campaign testing the SE extensions of the Blind Calf and Mineral Hill Corridors.

Corporate

- Establishment of US$3 million working capital facility with Taurus to continue activities at the Lachlan Cu-Au Project, Sinclair Nickel Project and provide general working capital.

Springfield Copper-Gold Project (Joint Venture with Sandfire Resources NL)

Monty Development

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 (14% under budget).

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

Figure 1: Monty vent fans

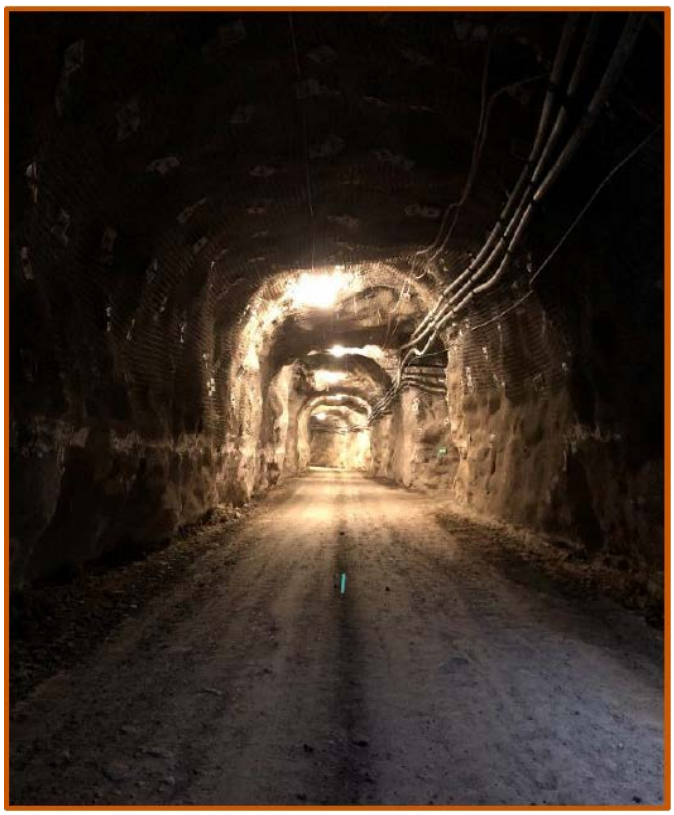


Figure 2: Monty decline transition lighting

Monty Development Budget

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 forecast 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 Taurus Mining Finance Fund for US$20 million to fund 100% of Talisman's share of Monty pre-production capital[1].

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 30 June 2018, Talisman held approximately A$0.7M 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 supporting the proposed sale of Talisman's 30% share of the Springfield JV, effective 5 June 2018 Talisman will not make any further capital contributions to the Springfield JV (including for Monty development) subject to completion of the proposed transaction.

Exploration

Activities at the Joint Venture during the current quarter ended 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.

[1] 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 (*Table 3*) was designed to test a previously identified geochemical anomaly. Assay results from TLRC0075 did not return any significant mineralisation (*Table 5*), 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 background 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 quarter 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 budget 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 background 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 complete shortly.

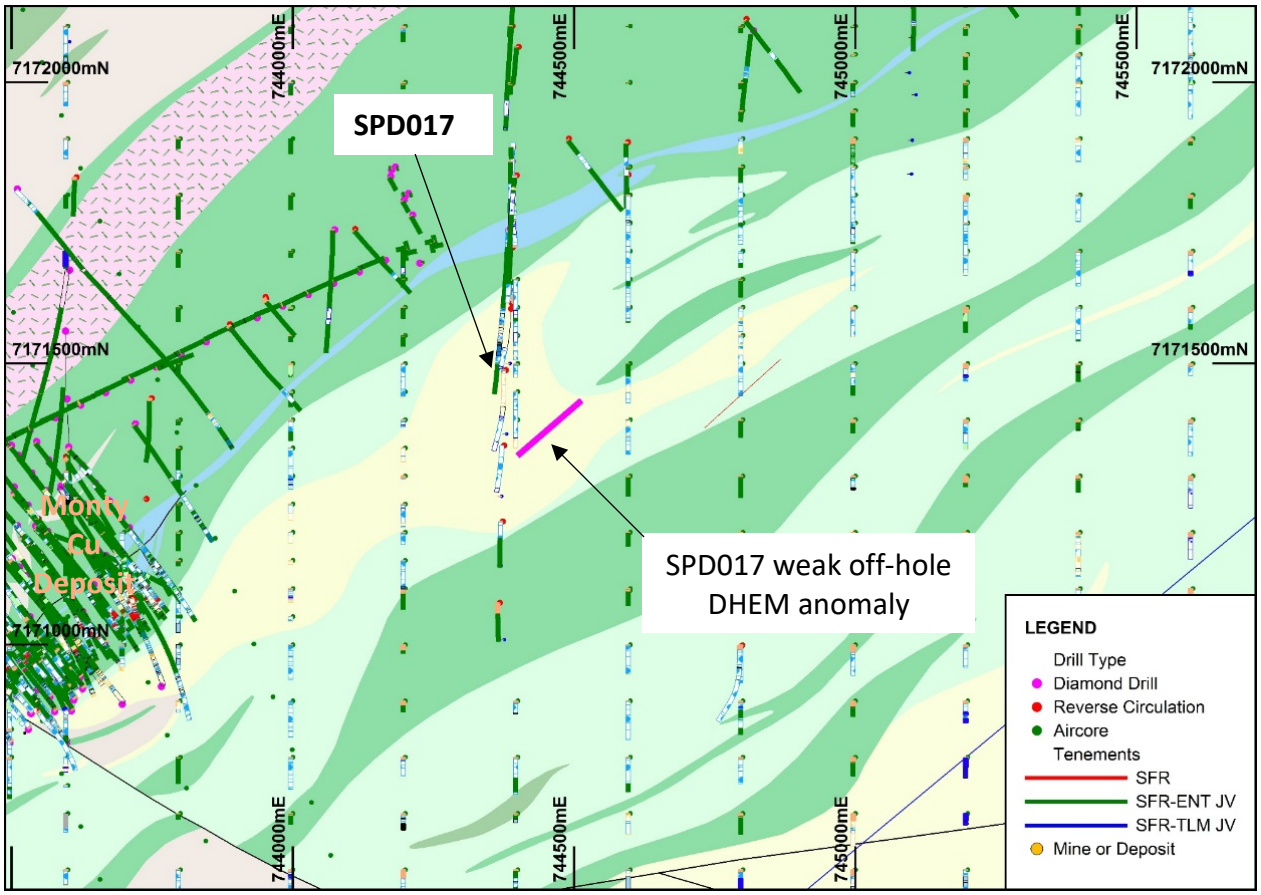


Figure 3: Monty NE corridor, showing a weak DHEM anomaly and the SPD017 collar and existing drill hole trace.

Results from infill diamond drilling of the Monty Upper Zone conducted by the Joint Venture Manager during the previous quarter were received in June 2018.

This program provided infill drilling between the existing resource definition drill holes in selected areas. All the completed drill holes into the Monty Upper Zone intersected massive sulphide mineralisation and results show a good correlation with the current orebody model used for the existing Monty JORC Resource.

The pierce points of the recent infill drill holes for which assay results have been received by Talisman, are shown in Talisman's interpreted long section (*Figure 4*).

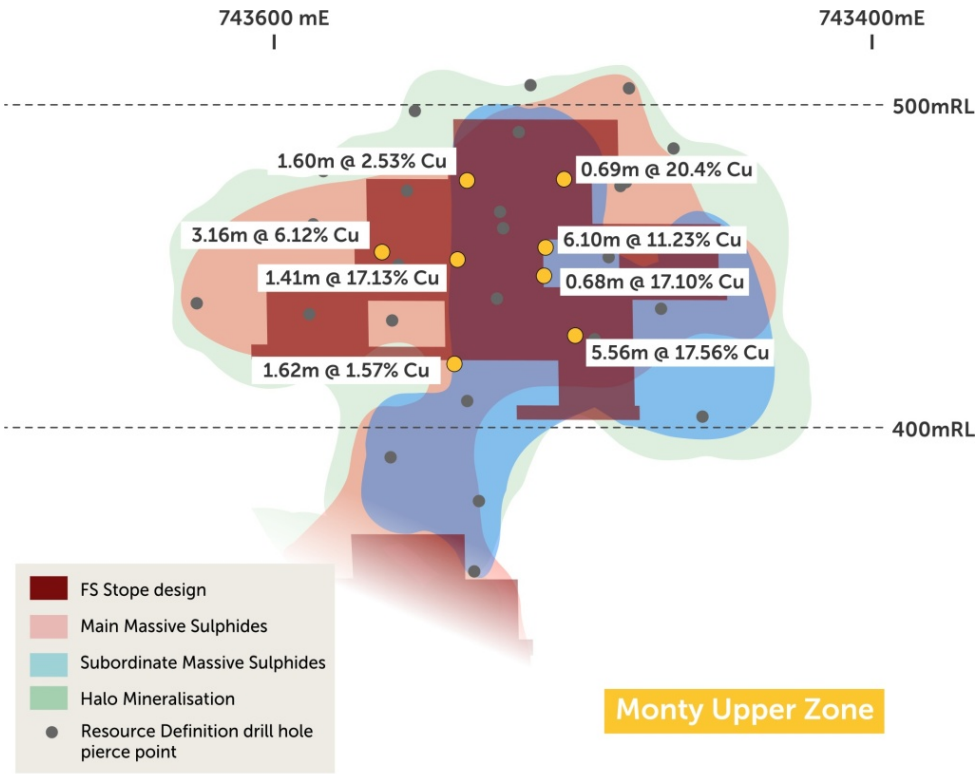


Figure 4: Monty Upper Zone projected long section, showing recent infill drilling pierce points and copper intersections. (Note: two intersections in TLDD0125, refer to Table 2.)

Assay results were received for seven of the nine infill diamond drill holes into the Monty Upper Zone. Of the nine holes, two were terminated early due to significant deviation in the pre-collar. Results for the seven successful holes are as follows:

Hole ID	*Depth From* (m)	*Depth To* (m)	*Interval* (true width) (m)	*Cu* (%)	*Au* (ppm)
TLDD0120	152.6	157.4	3.16	6.12	0.76
TLDD0121	125.8	127.8	1.60	2.53	2.14
TLDD0122	156.8	158.6	1.41	17.13	2.42
TLDD0123	183.1	185.1	1.62	1.57	0.56
TLDD0124A	125.2	126.1	0.69	20.40	2.33
TLDD0125	147.5	155.1	6.10	11.23	2.64
and	160.7	161.5	0.68	17.10	2.50
TLDD0126A	179.2	186.2	5.56	17.56	3.46

Table 2: Monty Upper Zone projected true width intersections for the seven completed diamond drill holes.

The Joint Venture continues to assess the Monty Upper Zone orebody and localised fault structures and to further develop the interpretation of the Upper Zone mineralisation.

Lachlan Copper-Gold Project

Blind Calf Prospect

The Blind Calf Prospect, comprises a cluster of 13 historic (early 1900's) mining shafts developed on a series of shear hosted sulphide rich quartz lodes with mapped outcrop strike extents of between 40m to 100m and widths of 5m at surface.

High-grade copper mineralisation was intersected over significant widths during the initial RC drill program at the Blind Calf Prospect in the Lachlan Cu-Au Project in NSW (*Appendix 1*).

The program comprised seven holes for 984m to a maximum depth of 187m, and intersected quartz veining and sulphide mineralisation in all holes ranging from broad zones of disseminated sulphides (pyrite and chalcopyrite) in siliceous host rocks to zones of foliated quartz veining with up to 50% sulphides logged in drill cuttings.

Results included wide zones of high-grade mineralisation within sulphidic quartz veins and show a broadening of the Blind Calf copper lode at depth, as well as a significant increase in the grades compared to those reported by previous explorers (*Figure 5*).

Best results *(Table 4* and *Table 6*) included:

- **BCRC005: 7m @ 5.68% Cu, from 98m down hole**
  Inc. 4m @ 7.85% Cu from 100m down hole;
- **BCRC006: 13m @ 5.71% Cu, from 129m down hole**
  Inc. 4m @ 11.06% Cu from 136m down hole
- **BCRC007: 11m @ 4.78% Cu, from 127m down hole**
  Inc. 4m @ 8.40% Cu from 127m down hole;

Copper mineralisation at Blind Calf is associated with a sheared quartz lode system with moderate sulphide mineralisation (chalcopyrite/pyrite) logged in RC drill chips. The main quartz lode is encased in a zone of altered siliceous host rock with disseminated sulphides, which has returned copper grades of between 0.5% – 1% Cu for some distance on both the hanging wall and foot wall. Further drilling, including diamond core, is required and is being planned to fully understand the geological setting and nature of this high-grade copper system.

DHEM surveys were completed on five of the seven drill holes. The survey results have shown several coherent off-hole conductors, which appear to be mapping the high-grade core of copper mineralisation at Blind Calf (*Figure 5*). The modelled DHEM plates are coincident with the >5% Cu intersections reported in Talisman's recently completed RC drilling and, importantly, extend down-dip beyond the limit of the existing drilling.

A similar, separate, moderate off-hole DHEM anomaly has been modelled in an untested zone beneath the current drill testing of the adjacent Dunbar lode. The presence of this DHEM anomaly is highly encouraging and may represent a similar high-grade core within the Dunbar lode system.

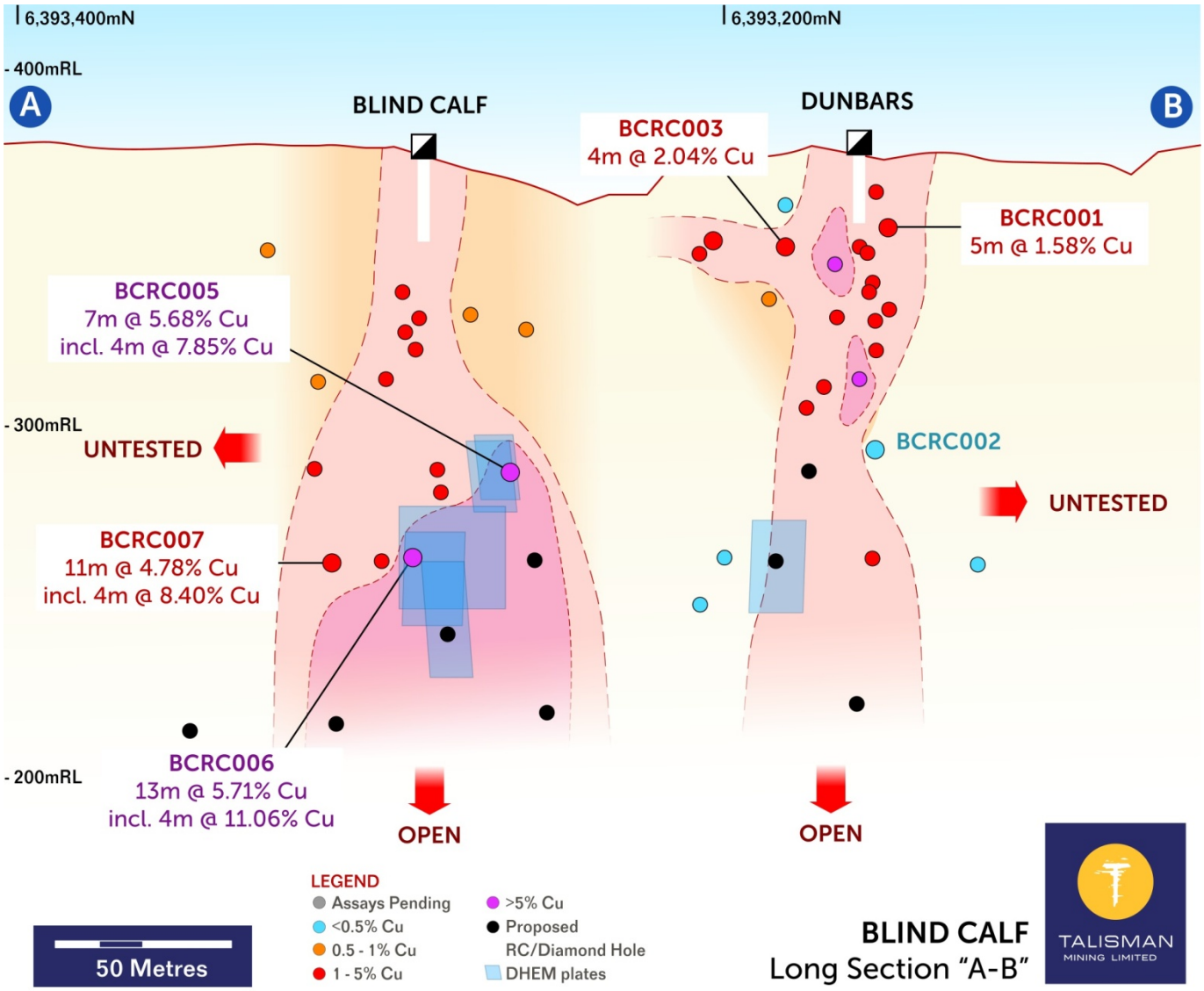


Figure 5: Blind Calf long section showing historic drilling, and recent high-grade Intersections from Talisman drilling.

Both new target positions will be drill tested in the follow-up drilling program that is currently being planned to target the identified DHEM anomalies at depth, as well as providing a more systematic fence of RC drilling to extend the know mineralisation lodes at depth and along strike. This program will include diamond drilling to enable structural logging of the lode systems to provide suitable drill core samples for geophysical property analysis.

In parallel with this work at Blind Calf, an extensive auger sampling program was completed subject to the end of the quarter, targeting the SE extensions of the Blind Calf and Mineral Hill Corridors which trend into the adjacent tenement (*Figure 6*).

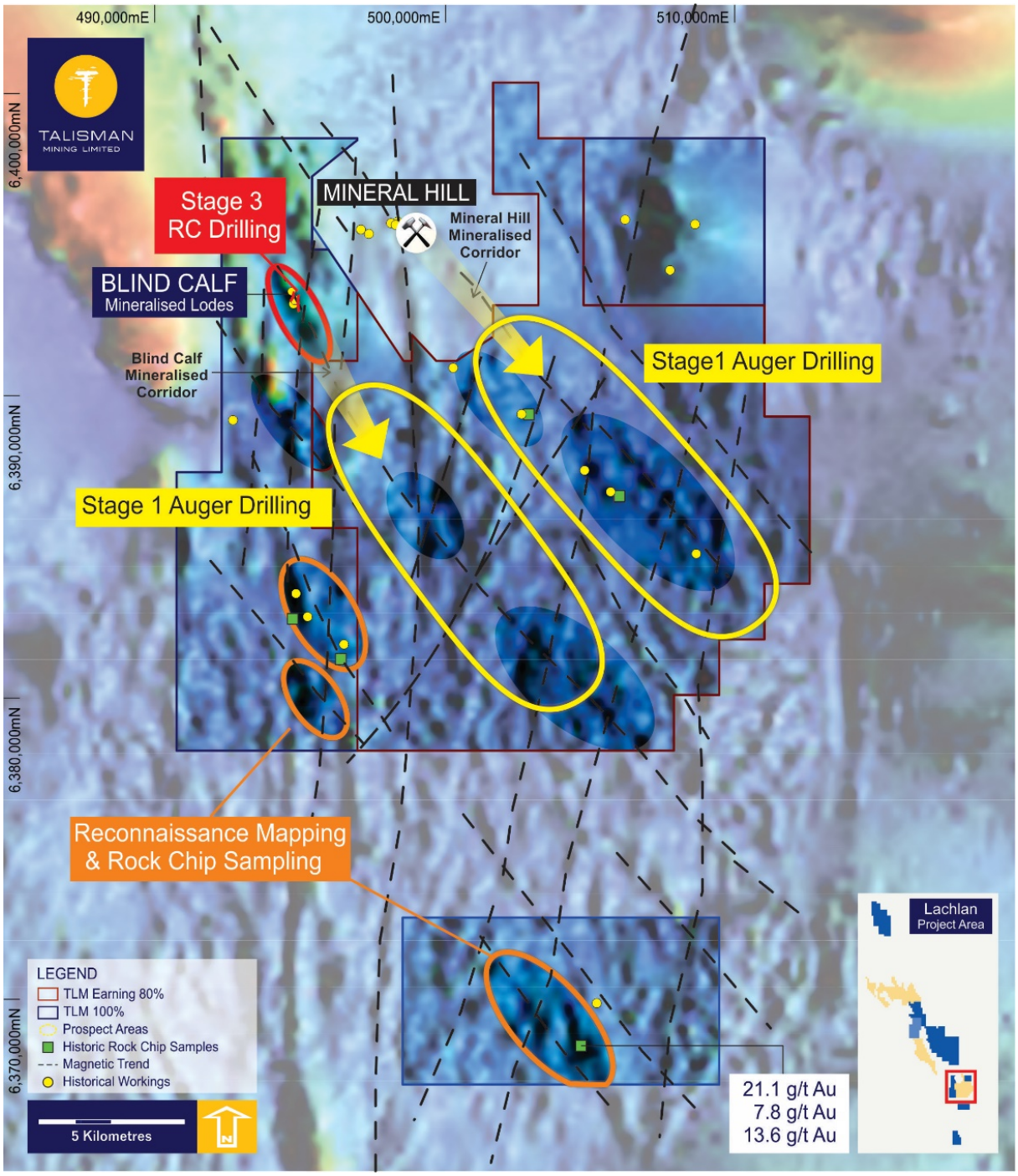


Figure 6: Boona Project Area, proposed auger sampling areas, and historic rock-chip results[2]

Historic rock-chip and drilling data from this area has returned high-grade copper, lead and gold mineralisation associated with quartz veining and gossanous iron rich outcrop. Approximately 3,500 auger samples are to be collected and analysed on-site for base metals and sent to the ALS Chemex's laboratory in Orange, NSW for gold analysis. This data will provide systematic geochemical coverage of the area to better define existing drill targets.

[2] Result taken from CRA Exploration Pty Ltd report GS1978/259.R00023043 and Triako Resources Ltd report R000300065. Geological Survey of NSW DIGS reporting system

Auger Drilling at Central Lachlan Project Area

The initial analysis of samples from the first phase of auger drilling over the Central Lachlan Project area in NSW (*Appendix 1*) resulted in the definition of a large, coherent base metal anomaly which extends for approximately 1 kilometre along strike of the regionally significant Gilmore Suture fault zone.

Shallow (<2m) geochemical sampling was conducted on a nominal 300m x 50m grid pattern over selected geological and geophysical target areas (*Figure 7*). Bottom of hole samples were collected from auger drilling, designed to penetrate the shallow transported cover sequences to allow a consistent residual sample media.

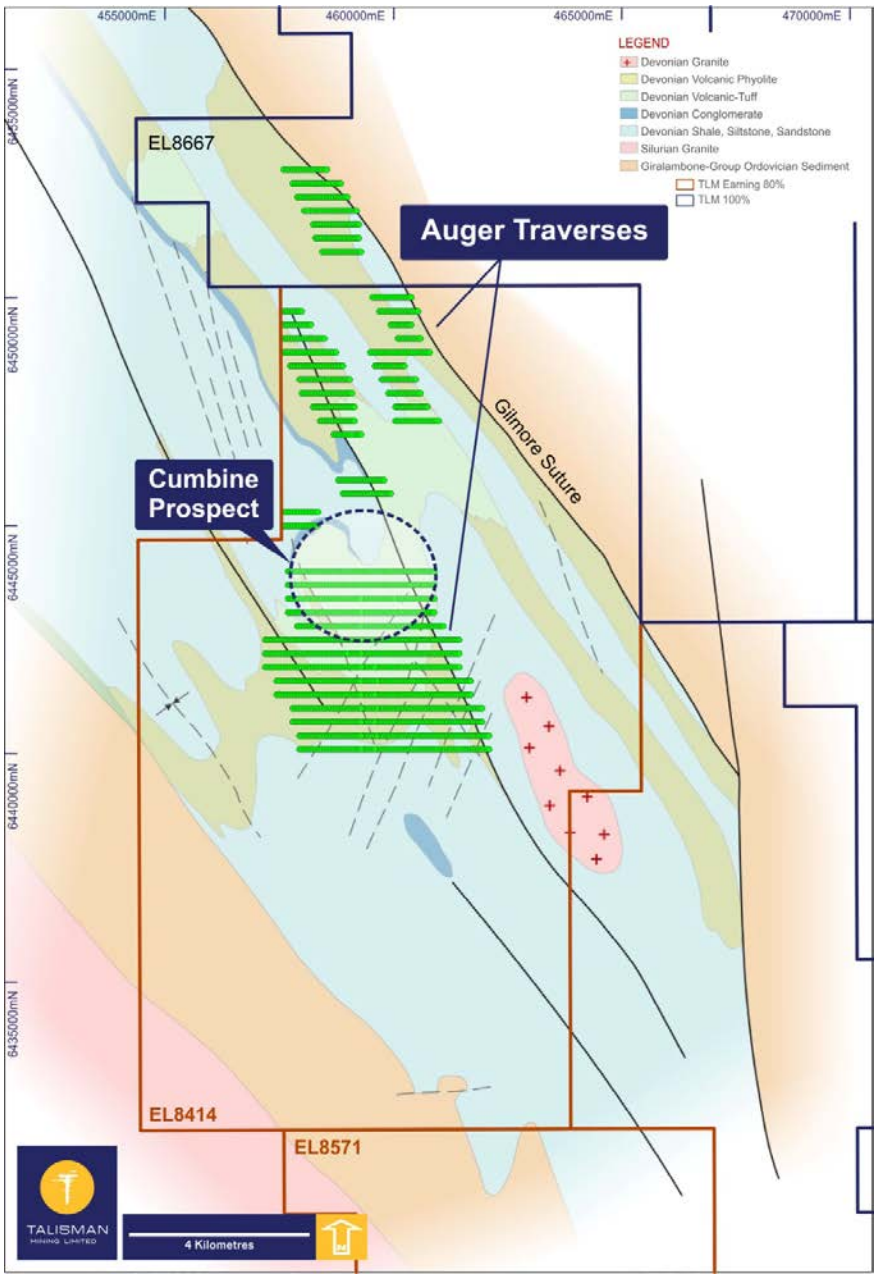


Figure 7: Phase 1 Auger drilling campaign – Central Lachlan Project Area

Initial portable XRF analysis identified a strong coincident copper-zinc-lead anomaly in the northern most area covered by sampling. The anomaly extends over three of the 300 metre spaced traverses and shows consistently high copper, zinc and lead grades for over 400 – 600 metres across strike, defined by greater than 300ppm zinc (*Figure 8*).

The coincident base-metal anomalies are associated with abundant brecciated and gossanous iron rich quartz vein outcrop and strong manganese alteration of the surrounding host rocks, which is indicative of epithermal style mineralisation.

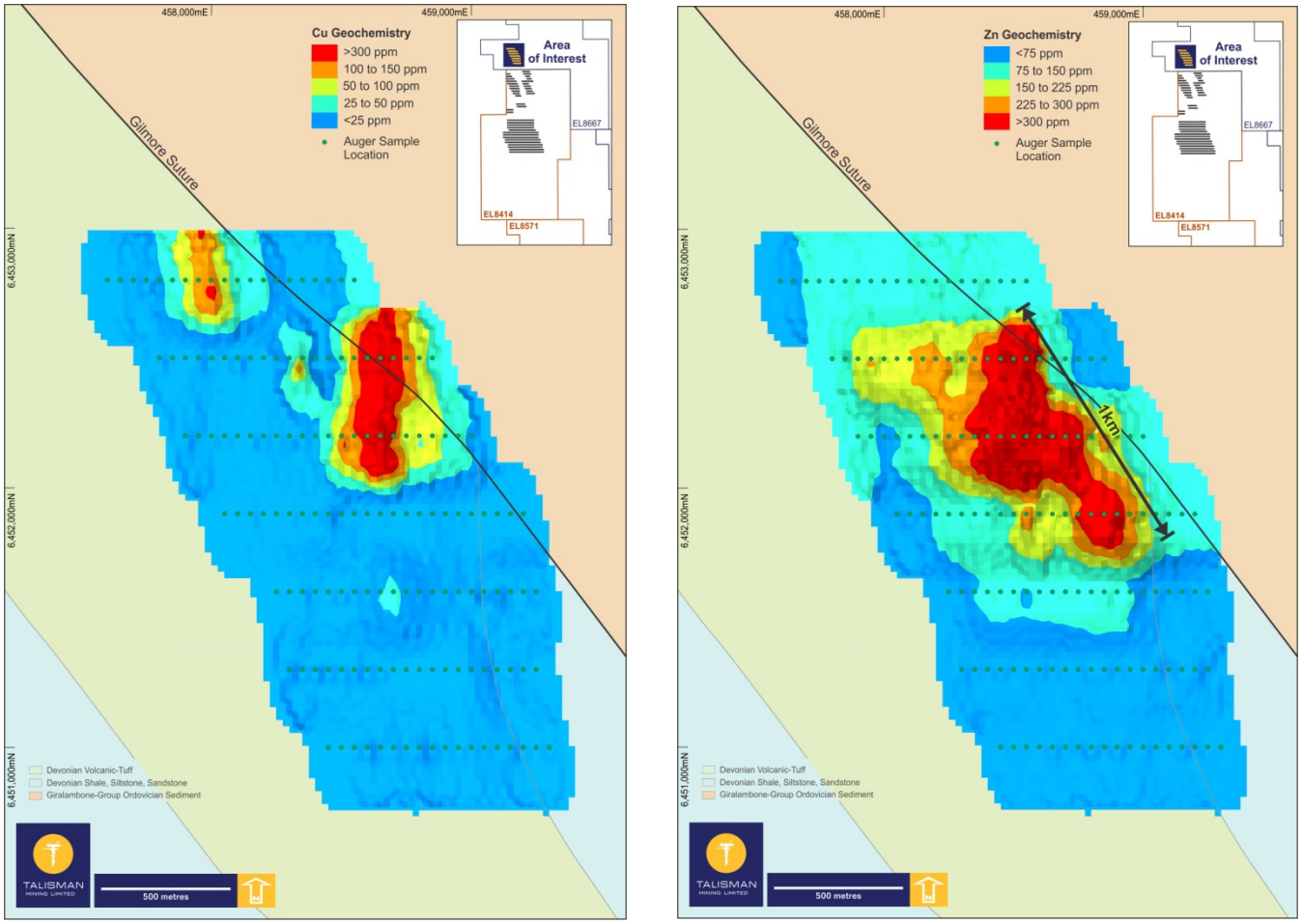


Figure 8: Auger geochemistry showing Cu (left hand side) and Zn (right hand side) anomalism at Central Lachlan Project Area

The anomaly has a strong correlation with the regionally important NW-SE trending Gilmore Suture fault zone, which hosts economic mineralisation at the Mineral Hill base metal mine to the south east as well as numerous other historic gold and base metal mines to the north and south including the Bobadah, Babinda, Mt Boppy and Blind Calf mining centres (*Appendix 1*). Importantly, mineralisation in these areas appears to be associated with the intersection of N-S trending structures and NW-SE trending regional structures. These same trends can be observed in the copper, zinc and lead geochemical data, adding further significance to this newly highlighted area.

Sinclair Nickel Project Exploration

Activities for the June quarter included preparation for an RC drilling program of an estimated 1,000m of drilling across three traverses to test a new conceptual target at Skye East (*Figure 9*). It is currently anticipated that this program will be completed in the September 2018 quarter.

Previous shallow drilling in the area has identified the target ultra-mafic basal contact, with associated disseminated nickel sulphides including:

- CWD105 – 0.57m @ 1.82% Ni
- CWD005 – 2.00m @ 1.49% Ni
- CWD011 – 0.45m @ 0.98% Ni

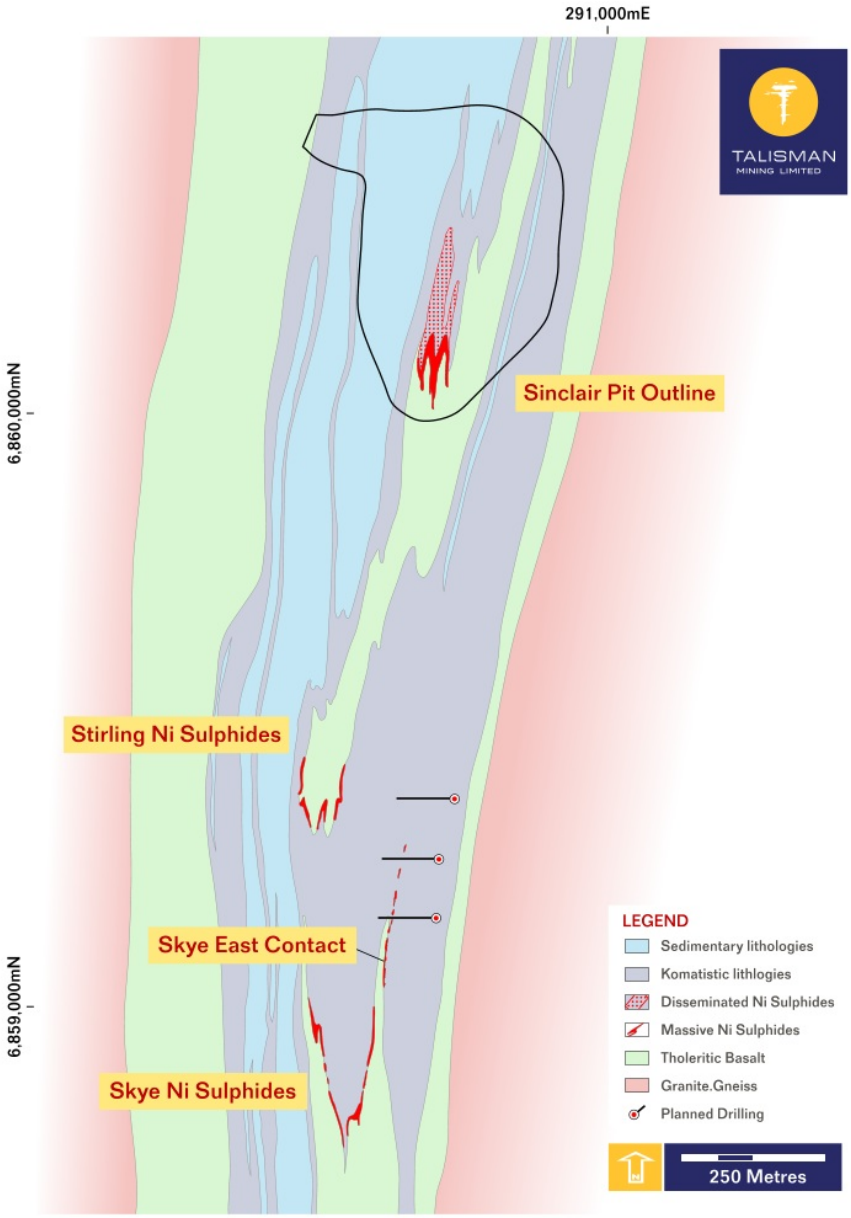


Figure 9: Sinclair Nickel Project – Skye East contact position, and planned RC drilling traverses

Talisman continues to assess value maximising options for the Sinclair Nickel Project.

Corporate

Proposed Sale of Talisman's 30% Interest in the Springfield JV

Talisman advised on 8 June 2018 that it had reached in-principle agreement for Sandfire Resources NL (**Sandfire**) to acquire Talisman A Pty Ltd (**Talisman A**), the subsidiary company that holds Talisman's 30% interest in the Springfield JV (**Term Sheet**).

Key terms of the Term Sheet include:

- Talisman to receive A$72.3M cash consideration.
- The cash consideration for Talisman A is on a cash-free and debt-free basis. Any debt owed by Talisman A under the Taurus Mining Finance Fund (**Taurus**) facility is to be repaid or discharged by Talisman on or prior to transaction completion. The current drawn amount of the Taurus debt facility is US$11.5M.
- Provided satisfactory commercial terms can be reached with Taurus, Sandfire will effectively assume, via its acquisition of Talisman A, the existing 2.25% gross revenue royalty held by Taurus over Talisman's 30% share of Monty, which is capped at the contained copper and gold metal in the current Monty Mineral Resource Estimate (**TMFF Royalty**) with such modifications as Sandfire and Taurus agree.
- 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 Monty development (subject to transaction completion).

Completion of the proposed transaction is subject to the following key conditions:

- Satisfaction of confirmatory due diligence by Sandfire, with a view to establishing that there are no material, onerous or unusual agreements or liabilities in relation to Talisman A including a review of the Taurus facility agreement and TMFF Royalty agreement;
- The preparation and execution of a Share Sale Agreement and NSR Royalty Agreement in a form satisfactory to both parties by 4 August 2018;
- 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;
- Taurus 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;

- Any other conditions arising out of Sandfire's confirmatory accounting, tax, legal, corporate and human resources due diligence; and
- Talisman shareholder approval at the requisite Talisman shareholder meeting to approve the sale (including for the purpose of ASX Listing Rule 11.2).

Talisman has been working with Sandfire to satisfy due diligence requirements and enter into a formal Share Sale Agreement acceptable to both parties.

Talisman considers that shareholders' approval is required under Listing Rule 11.2 on the basis that the sale of Talisman A would likely constitute a disposal of Talisman's main undertaking. It is expected that a General Meeting will be convened to be held approximately six to eight weeks after entering into a binding Share Sale Agreement and NSR Royalty Agreement in relation to the proposed transaction.

Subject to successful execution of all formal agreements, satisfaction of all conditions, receipt of Talisman shareholder approval and completion of the sale of Talisman A, Talisman intends to return a substantial proportion of the cash consideration to shareholders after accounting for anticipated retirement of the prevailing Taurus debt facility balance. Talisman will seek to structure this return in the most efficient manner for all Talisman shareholders.

Working Capital Facility

On 28th June Talisman entered into agreement with Taurus for a US$3 million working capital facility (**Facility**) to support Talisman's current exploration activities and general working capital.

Funds from the Facility will be used to maintain current and planned activity levels on Talisman's Lachlan Project in NSW, the Sinclair nickel project in WA and for general working capital purposes.

The Facility can be repaid at Talisman's election without penalty and any drawn amount of the Facility will be repaid from the proceeds of the sale of its share of the Springfield JV, subject to the satisfaction of all conditions.

The Facility has been structured with an expiry date of 30 June 2020, providing Talisman with sufficient flexibility should the proposed sale of its share of the Springfield JV not complete for any reason.

At the end of the quarter, Talisman had requested an initial US$1 million drawdown of the Facility.

Ends

For further information, please contact:

Dan Madden – Managing Director
on +61 8 9380 4230

Michael Vaughan (Media inquiries)
on +61 422 602 720

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 its own Exploration Licenses and through separate farm-in 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 Lachlan Cu-Au Project 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 3: Drill-hole Information Summary, Springfield Cu-Au Project

Details and co-ordinates of drill-hole collars completed during the June 2018 quarter and Monty Upper Zone drill-hole collars completed in the March 2018 quarter:

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Comment
TLDD0120	MGA94_Z50	-60^0	322^0	743621	7170941	602	DD	195.8	Monty UZ
TLDD0121	MGA94_Z50	-60^0	321^0	743581	7170940	602	DD	162.7	Monty UZ
TLDD0122	MGA94_Z50	-60^0	321^0	743599	7170922	602	DD	198.0	Monty UZ
TLDD0123	MGA94_Z50	-60^0	322^0	743610	7170901	602	DD	219.0	Monty UZ
TLDD0124	*MGA94_Z50*	-60^0	320^0	*743546*	*7170919*	600	DD	*45.5*	*Abandoned*
TLDD0124A	MGA94_Z50	-60^0	321^0	743545	7170920	600	DD	162.0	Monty UZ
TLDD0125	MGA94_Z50	-60^0	322^0	743568	7170907	601	DD	190.2	Monty UZ
TLDD0126	*MGA94_Z50*	-60^0	322^0	*743576*	*7170881*	600	DD	*41.8*	*Abandoned*
TLDD0126A	MGA94_Z50	-60^0	322^0	743576	7170881	600	DD	209.8	Monty UZ
TLRC0075	MGA94_Z50	-62^0	350^0	741600	7174150	591	RC	448.0	Homer

Table 4: Drill-hole information summary, Lachlan Cu-Au Project

Details and co-ordinates of drill-hole collars for RC drilling completed in June 2018 quarter:

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	Hole Type	Max Depth	Comment
BCRC001	MGA94_Z55	-55^0	120^0	494755	6393162	RC	79	Dunbars
BCRC002	MGA94_Z55	-62^0	83^0	494705	6393157	RC	156	Dunbars
BCRC003	MGA94_Z55	-55^0	102^0	494751	6393187	RC	80	Dunbars
BCRC004	MGA94_Z55	-68^0	265^0	494889	6393217	RC	151	Blind Calf - East
BCRC005	MGA94_Z55	-65^0	85^0	494733	6393264	RC	163	Blind Calf
BCRC006	MGA94_Z55	-62^0	95^0	494718	6393298	RC	168	Blind Calf
BCRC007	MGA94_Z55	-73^0	102^0	494753	6393313	RC	187	Blind Calf

Table 5: Assay Intersections for the Springfield Cu-Au Project

Details of relevant intersections received by Talisman during the June 2018 quarter are provided below.

Calculation of 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	Depth To	Interval (true width)	Cu	Au
	(m)	(m)	(m)	(%)	(ppm)
TLDD0120	152.6	157.4	3.16	6.12	0.76
TLDD0121	125.8	127.8	1.60	2.53	2.14
TLDD0122	156.8	158.6	1.41	17.13	2.42
TLDD0123	183.1	185.1	1.62	1.57	0.56
TLDD0124A	125.2	126.1	0.69	20.40	2.33
TLDD0125	147.5	155.1	6.10	11.23	2.64
and	160.7	161.5	0.68	17.10	2.50
TLDD0126A	179.2	186.2	5.56	17.56	3.46
TLRC0075	*No Significant Results*				

Table 6: RC drill-hole assay intersections for the Lachlan Cu-Au Project

Details of Blind Calf drilling intersections received by Talisman are provided below.

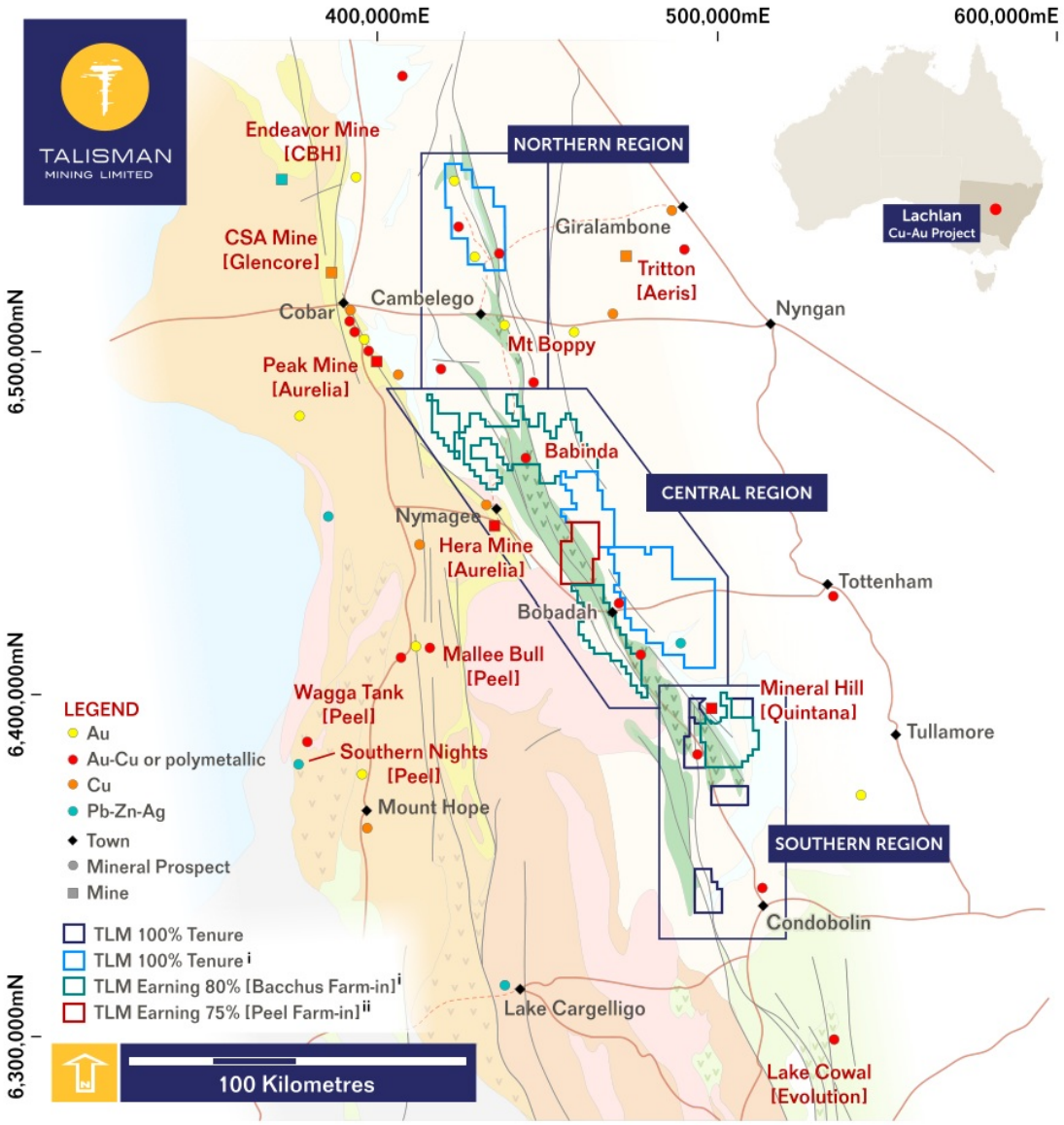
Calculation of intersections for inclusion into this table are based a nominal 1% Cu cut-off, no more than 3m of internal dilution and a minimum composite grade of 1% Cu.

Intersections relating to the Lachlan Cu-Au Project are reported as down hole intersections. True widths of the reported mineralisation are not known at this time.

Hole ID	Depth From	Depth To	Interval (down-hole)	Cu
	(m)	(m)	(m)	(%)
BCRC001	32	37	5	1.58
BCRC002	*No Significant results*			
BCRC003	97	101	4	2.04
BCRC004	*No significant results*			
BCRC005	98	105	7	5.68
Inc.	100	104	4	7.85
and	122	125	3	2.96
BCRC006	129	142	13	5.71
Inc.	136	140	4	11.06
BCRC007	127	138	11	4.78
Inc.	127	131	4	8.40

Appendix 1

Lachlan Copper- Gold Project tenure



i. As previously announced to the ASX[3], Haverford Holdings Ltd (**Haverford**), a 100% owned subsidiary of Talisman, has entered into a Farm-In Agreement (**Farm-in**) with Bacchus Resources Pty Ltd (**Bacchus**) over certain Lachlan Cu-Au Project tenements.

In accordance with the terms of the Farm-in:

- Haverford can earn up to a 80% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding $2.3M of on-ground exploration expenditure over four years; and
- Should Haverford earn an interest in the Bacchus Tenements, Bacchus is entitled to receive a 20% interest in the Haverford Tenements (EL8615, EL8659 and EL8677). Should Haverford not earn an interest in the Bacchus Tenements, Bacchus may elect to take a 20% interest in the Haverford Tenements.

ii. As previously announced to the ASX[4], Haverford has entered into a Farm-In Agreement (**Farm-in**) with Peel Mining Limited (ASX:**PEX**) over PEX's Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the **Peel Tenements**). In accordance with the terms of the Farm-in, Haverford can earn up to a 75% interest in the Peel Tenements by sole funding $0.7M of on-ground exploration expenditure over five years.

[3] Refer Talisman ASX announcement "Further NSW Gold and Base Metals Tenure Secured" 09 January 2018.

[4] Refer Talisman ASX announcement "AGM Presentation" 23 November 2017.

APPENDIX 2

Talisman's Tenement Holdings

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	Western Australia					JV - Sandfire Resources NL
E52/2275	6	18.8%	18.8%	-	-	
HALLOWEEN	Western Australia					JV - Sandfire Resources NL
P52/1528	(200 HA)	18.8%	18.8%	-		
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	30%	30%	-	-	
E52/3424	1	30%	30%	-	-	
E52/3425	6	30%	30%	-	-	
E52/3466	12	30%	30%	-	-	
E52/3467	20	30%	30%	-	-	
L52/170	(246.4HA)	30%	30%	-	-	
M52/1071	(1,642HA)	30%	30%	-	-	

Project / Tenement	Location and Blocks (Area)	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
SINCLAIR NICKEL PROJECT	Western Australia					N/A
E36/650	16	100%	100%	-	-	
E37/903	13	100%	100%	-	-	
E37/1231	3	100%	100%	-		
L36/198	(103.1 HA)	100%	100%	-	-	
L37/175	(83.9 HA)	100%	100%	-	-	
M36/444	(568.0 HA)	100%	100%	-	-	
M36/445	(973.0 HA)	100%	100%	-	-	
M36/446	(843.0 HA)	100%	100%	-	-	
M37/362	(981.5 HA)	100%	100%	-	-	
M37/383	(841.7 HA)	100%	100%	-	-	
M37/384	(536.7 HA)	100%	100%	-	-	
M37/385	(926.8 HA)	100%	100%	-	-	
M37/386	(983.8 HA)	100%	100%	-	-	
M37/424	(891.0 HA)	100%	100%	-	-	
M37/426	(505.0 HA)	100%	100%	-	-	
M37/427	(821.0 HA)	100%	100%	-	-	
M37/590	(120.0 HA)	100%	100%	-	-	
M37/692	(136.1 HA)	100%	100%	-	-	
M37/735	(959.0 HA)	100%	100%	-	-	

Project / Tenement	Location and Blocks (Area)	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
M37/816	(818.4 HA)	100%	100%	-	-	
M37/818	(806.5 HA)	100%	100%	-	-	
M37/819	(380.2 HA)	100%	100%	-	-	
M37/1063	(604.0 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%	-	-	

Project / Tenement	Location and Blocks (Area)	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
LACHLAN PROJECT	NSW					
EL8615	(726km^2)	100%	100%	-	-	Bacchus Resources Pty Ltd (right to 20% interest)
EL8659	(373km^2)	100%	100%	-	-	
EL8677	(193km^2)	100%	100%	-		
EL8414	(174km^2)	0%	0%	-	-	Peel Mining Ltd (TLM earning up to 75%)
EL8547	(205km^2)	0%	0%	-	-	Bacchus Resources Pty Ltd (TLM earning up to 80%)
EL8571	(258km^2)	0%	0%	-	-	
EL8638	(192km^2)	0%	0%	-	-	
EL8657	(134m^2)	0%	0%	-	-	
EL8658	(256km^2)	0%	0%	-	-	
EL8680	(20km^2)	0%	0%	-	-	
EL8718	(86km^2)	100%	100%	-	-	N/A
EL8719	(191km^2)	100%	100%	-	-	
OTHER	NSW					
EL8451	(276km^2)	0%	0%	-	-	Peel Mining Ltd (TLM earning up to 75%)

APPENDIX 3

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. • Sampling techniques employed by Talisman at the Sinclair Nickel 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, and aircore (AC) sample collected using spear techniques for composite samples or collected by a riffle splitter for single metre samples. • Sampling is guided by Talisman protocols and QAQC procedures as per industry standard • Samples were crushed, dried and pulverised (total prep) to produce a 30g sub sample for analysis by four acid digest with an ICP/AES finish for base metals; and a 50g Fire assay with an AAS finish for gold • Drilling at the Lachlan Cu-Au project cited in this report was completed by Haverford Holdings, a wholly owned subsidiary of Talisman Mining Limited. • Sampling techniques employed at the Lachlan Copper-Gold Project include o auger bottom of hole sampling. o Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling scoop for composite samples

Criteria	JORC Code explanation	Commentary
		• Sampling is controlled by Talisman protocols and QAQC procedures as per industry standard • Auger samples were sieved on-site to minus 175µ and analysed for base metals on-site via Portable XRF ("PXRF"). Sieved samples were dispatched for analysis by aqua regia digest digest with an ICP/AES or AAS finish at ALS laboratories. • RC samples were dried, crushed (where required), split and pulverised (total prep) to produce a sub sample for base metal analysis by four acid digest with an ICP/AES and a 50g sub sample for gold analysis by fire assay
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. • Talisman drilling is completed using industry standard practices. AC drilling with a face sampling blade or hammer at the Sinclair Project. • AC drill collars are located using handheld GPS • Geochemical auger drill holes at the Lachlan Copper-Gold Project were completed using auger drilling techniques. • RC drilling is completed with a face sampling hammer of nominal 140mm size
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 AC drilling recovery is good with sample quality captured in the database. • No indication of sample bias with respect to recovery has been established • Auger sample recovery is generally good with no wet sampling in the project area

Criteria	JORC Code explanation	Commentary
		• RC drill sample recovery is generally high with sample recoveries and quality recorded in the database. • No known relationship exists between recovery and grade and no known bias exists
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. • Talisman 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. • Qualitative logging of the bottom-of-hole auger sampling is completed according to the nature, weathering and interpreted protolith of the sample. • RC 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. • RC logging is both qualitative and quantitative depending on the field being logged. • All RC drill-holes are logged in full to end of hole
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.*	• 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

Criteria	JORC Code explanation	Commentary
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	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 30g charge for 4-acid digest with an ICP-MS or AAS finish for base metals, and a 50g fire assay with an AAS finish for gold. • 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 sample submission, and drilling campaign basis. • 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 • A single bottom of hole auger samples is collected from each location and sieved to minus 175µm on site. • Sieved samples are analysed for base metals on-site via PXRF. Sieved samples were dispatched for wet chemical analysis by aqua regia digest with an ICP/AES or AAS finish. • RC samples were dried, crushed (where required), split and pulverised (total prep) to produce a sub sample for base metal analysis by four acid digest with an ICP/AES

Criteria	JORC Code explanation	Commentary
		and a 50g sub sample for gold analysis by fire assay • QAQC protocols for all auger sampling involved the use of Certified Reference Material (CRM) as assay standards. • All QAQC controls and measures were routinely reviewed. • Sample size is considered appropriate for low-level geochemical sample for base-metal and gold 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.*	• 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 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. • Samples are analysed for Au, by firing a 50g of sample with AAS finish • 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

Criteria	JORC Code explanation	Commentary
		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. --- • Lachlan RC drill samples were submitted to ALS Chemex Laboratories in Orange 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. • Samples are analysed for Au, by firing a 50g of sample with AAS finish • QAQC protocols for all drill sampling for the Lachlan Project involved the use of CRM as assay standards. • All 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. • Laboratory checks (repeats) occurred at a frequency of 1 in 25. • PXRF instrument Innovex Delta Gold is used for qualitative and semi-quantitative field analysis of base-metals in regolith geochemical samples. • The PXRF instrument is routinely calibrated using a calibration standard. CRM samples are included at a frequency of 1:50 and field duplicate samples are included at a frequency of 1:50. • No PXRF 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. --- • Sinclair 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 Expedio Ocris software.

Criteria	JORC Code explanation	Commentary
		• All Sinclair 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. • Significant intercepts for the Lachlan Project have been verified by alternate company personnel • Logging and sampling data is captured and imported using Ocris software. • Assay data is downloaded directly from the PXRF machine, or uploaded directly from the CSV filed provided by the laboratory. • Primary laboratory 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. • Historic drill collars locations were picked up by Sinclair Mine Surveyors, with an independent survey contract group to locate completed DD and RC drill collars, working under the guidelines of best industry practice. • AC drill collars are located using handheld GPS • The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 51 (MGA). • Sample locations for the Lachlan project are collected using a handheld GPS. Saved data is downloaded directly into GIS mapping software • Talisman RC drill collar locations are pegged using a hand-held GPS. • The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 55 (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*	• 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

Criteria	JORC Code explanation	Commentary
	estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• 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. • AC drill samples are collected in the field as 4 metre composite samples. • Auger sample spacing at the Lachlan Copper-Gold Project was nominally 300m x 50m. • Drill spacing at the Lachlan Copper-Gold Project varies depending on requirements • No mineral resource is being reported for the Lachlan Copper-Gold 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.*	• 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 at Sinclair 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. • The orientation of drilling at the Lachlan project 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 the Lachlan project 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.

Criteria	JORC Code explanation	Commentary
		• 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. • Samples are sieved on site and placed in bags in the field. • Samples are transported to a field base camp and analyses for base metals via PXRF • RC samples were stored on site at the Lachlan project prior to submission under the supervision of the Senior Project Geologist. Samples were transported to ALS Chemex Laboratories Orange 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. • The Lachlan Copper-Gold Project is held by Haverford Holdings Pty Ltd, a wholly owned subsidiary of Talisman Mining Ltd, and through Farm-in agreements with Peel Mining Ltd and Bacchus resources Pty Ltd. • There are no known Native Title Claims over the Lachlan Copper-Gold Project. • All tenements are in good standing and there are no existing known impediments to exploration or mining.

Criteria	JORC Code explanation	Commentary
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 aircore drilling, ground and downhole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity). • The Lachlan Copper-Gold Project has been subject to exploration by numerous previous explorers. • 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 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. • The Lachlan Copper-Gold Project project lies within the Central Lachlan Fold belt in NSW. • The Lachlan Copper-Gold Project is considered prospective for epithermal style base-metal and precious metal mineralisation, orogenic mineralisation, and Cobar style base-metal mineralisation.

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*
		• Drill hole information relating to the Doolgunna Project is included In Table 3: Drill-hole Information Summary, Springfield Cu-Au Project.
		
		• There is no new drill hole data for the Sinclair Project included in this report.

Criteria	JORC Code explanation	Commentary
	• *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 Lachlan Project is included In Table 4: Drill-hole Information Summary, Lachlan Cu-Au 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. • 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. • Significant intersections reported from the Lachlan Copper-Gold Project are based on greater than 1% Cu and may include up to 3m of internal dilution, with a minimum composite grade of 1% Cu. • Cu grades used for calculating significant intersections are uncut.

Criteria	JORC Code explanation	Commentary
		• All results reported in this document have been derived from 1m split samples. • Length weighted intercepts are reported for mineralised intersections.
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 5: 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. • Drill-holes relating to the Lachlan Copper-Gold Project are reported as down hole intersections. True widths of reported mineralisation are not known at this time. (refer Table 6: Drill hole assay intersections for the Lachlan Cu-Au Project).
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 from the Springfield Project is not considered as material to this document at this stage. Other data collection will be reviewed and reported when considered material. • This report includes results from recent Geophysical Surveys from the Lachlan Project. Results from these surveys are included in the body of this report • Parameters for the Blind Calf Down Hole Electromagnetic (DHEM) Survey are provided below

Criteria	JORC Code explanation	Commentary
		o DigiAtlantis probe and HPTX70 transmitting at 130amps • Figure eight loop (300mx300mx2) with a rapid turn-off time of 0.26ms
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. • Planned future work at the Sinclair Nickel Project includes geophysical surveys, re-logging of historic diamond drill core and RC and diamond drilling. • Planned future work at the Lachlan Copper-Gold Project includes auger sampling, RC/ diamond drilling and geophysical surveys.