



17 October 2018

Sinclair Exploration Update: Commencement of RC Drilling at Skye East

Highlights

- RC drilling campaign has commenced to test newly identified mineralised Skye East basal contact position
- Two holes for a planned total of 500 metres to be completed to provide DHEM platforms down plunge from previously intersected massive and disseminated nickel sulphides

Talisman Mining Ltd (ASX: **TLM, Talisman**) is pleased to announce the commencement of a 500-metre reverse circulation (**RC**) drilling and downhole electromagnetic (**DHEM**) survey campaign to test for down-plunge extensions of near surface mineralisation previously encountered at the Skye East Prospect (*Figure 1*).

The Skye-East Prospect is a conceptual basal-ultramafic contact position identified as a north eastern hinge extension of the Skye Prospect. The Skye Prospect together with the Stirling Prospect are two mineralised ultramafic channels identified in drilling to the south and directly beneath the main Sinclair ore body in close proximity to the existing Sinclair underground mine development (*Figure 1*).

Shallow RC drilling at the Skye East Prospect in August 2018 identified high-grade massive nickel sulphide mineralisation close to surface in an untested area approximately 1 kilometre to the south of the existing Sinclair open pit including;

- **SNRC045¹ 4m @ 1.28% Ni from 16m down hole, and**
- **SNRC048¹ 7m @ 3.54% Ni from 51m down hole including 2m @ 7.47% Ni from 55m down hole.**

The previous program was designed to test an untested zone to the east of the Skye Prospect and interpreted potential dip extensions from limited historic drilling. The significant intersection in SNRC048 occurs down dip, below the shallow intersection in SNRC045 on 6859100mN, the southernmost line drilled. Importantly, mineralisation remains open to the south and east.

The current drilling will provide a test of potential down-plunge extensions of the near surface mineralisation in SNRC045 and SNRC048 and is expected to be completed within the next week. DHEM surveys will follow once drilling is completed.

¹ Refer to TLM ASX announcement dated 7 September "Sinclair Exploration Update: RC drilling identifies new mineralised position" for full details



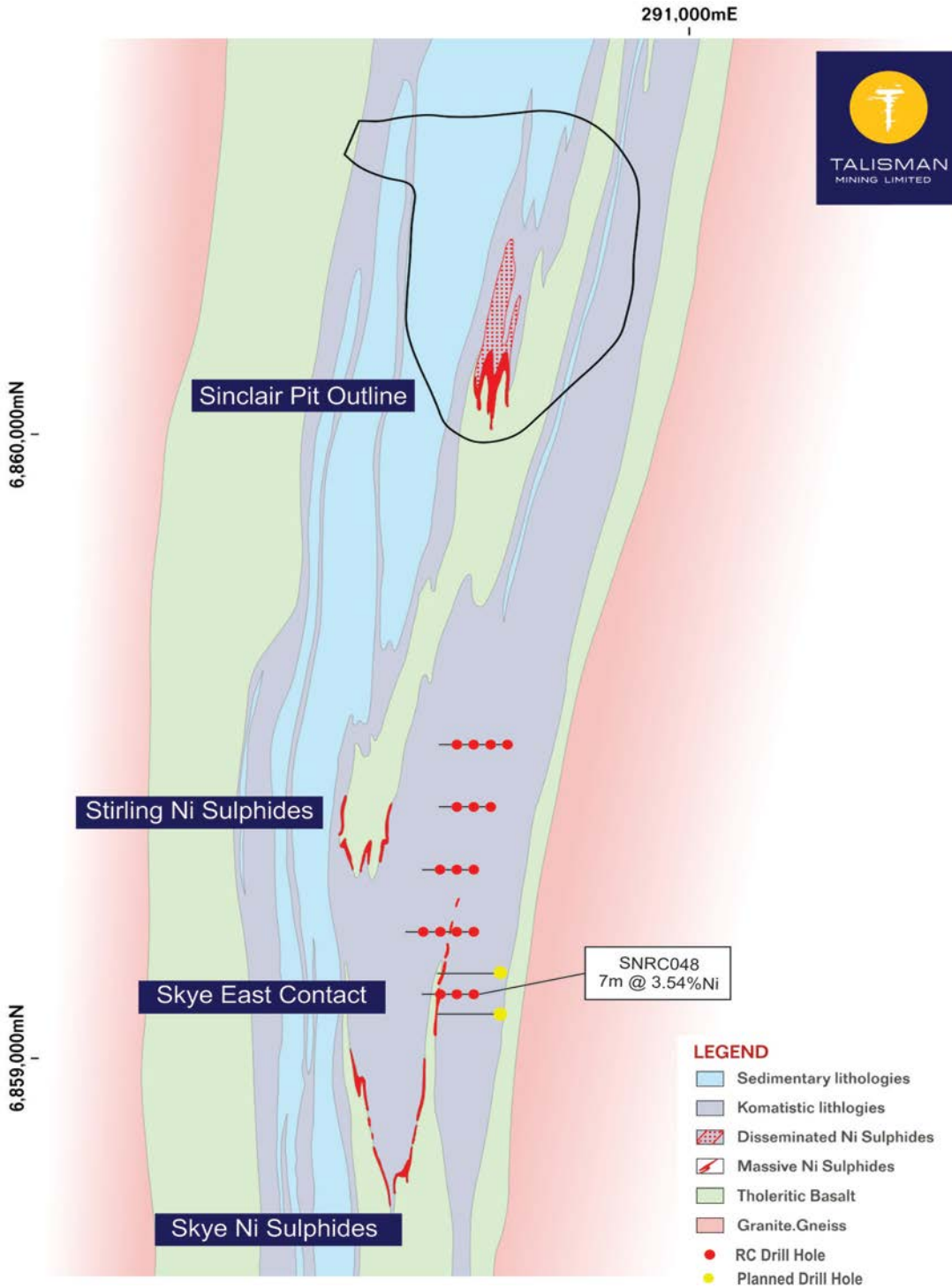


Figure 1: Sinclair Nickel Project – Skye East contact position showing previously completed shallow RC drilling.

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 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 290km² 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 announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation compiled by Mr Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is a full-time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of 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 has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

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.





Appendix 1 Sinclair Nickel Project tenure

