



01 November 2018

## *Proposed Distribution to Shareholders*

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As previously announced, Talisman is proposing to distribute to shareholders up to A\$46.5 million of the cash received from the Talisman A Pty Ltd share sale transaction.

In conjunction with its legal and tax advisers, Talisman anticipates a combination of a dividend and equal capital reduction to be an efficient structure to return funds to shareholders. This proposed method of distribution is subject to regulatory matters (including receipt of a class ruling on the capital return from the Australian Taxation Office (**ATO**)) and subject to Board discretion.

Talisman currently has sufficient available franking credits which would allow a potential dividend (if declared or determined) of up to A\$11.8 million to be fully franked.

Talisman is progressing the potential dividend and equal capital reduction with a view to being able to make the distributions as soon as practically possible. As part of this process, Talisman is seeking a class ruling in relation to the tax treatment of a return of capital for shareholders from the ATO. Engagement with the ATO could only commence once the Talisman A Pty Ltd share sale transaction was completed and this process has now begun and is being expedited as fast as practically possible with the ATO. The potential dividend is also being analysed in conjunction with regulatory discussions to be held over the coming weeks regarding the potential capital return.

Talisman is working towards being in a position to pay a potential dividend in the current quarter and undertaking a potential capital return in the first quarter of the 2019 calendar year. A further update on the type, terms and conditions and relevant timetables for the proposed cash distribution will be provided, once further details have been determined and in accordance with applicable regulatory requirements.

Shareholders should note that the proposed distribution may change depending on a number of factors, such as the outcome of operating and development activities, regulatory developments, market and general economic conditions and the Board's discretion. Consequently, the Board reserves the right to alter the way the funds are applied. Investors are cautioned that there can be no guarantee that a distribution will occur, or of its timing, quantum or structure. Talisman makes no comment in relation to the tax circumstances or tax liabilities of Talisman shareholders.

### **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 290km<sup>2</sup> 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.

## 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.

