



22 February 2019

Capital Return of \$29M to Shareholders

- Capital Return by equal capital reduction to all shareholders of 15.625 cents per share (\$29 million).
- Record date for the Capital Return Thursday 28th February 2019 and payment date Friday 8th March 2019.
- Capital Return follows payment in December 2018 of a fully franked special dividend of 6.375 cents per share (\$11.8 million).
- Upon completion of the Capital Return, Talisman will have returned cash of 22 cents per share (\$40.9 million) to shareholders via a combination of fully franked special dividend and Capital Return payments following the sale of the Company's 30% interest in the Springfield Project.
- Talisman will retain approximately \$13.4 million to fund active exploration programs at the Lachlan Copper-Gold Project and Sinclair Nickel Project.

Talisman Mining Ltd (ASX: TLM, **Talisman** or the **Company**) is pleased to provide an update on the proposed capital return to shareholders following the sale of its 30% interest in the Springfield Exploration and Monty Mining Joint Ventures (**Springfield Project**).

Following a period of consultation and the receipt of tax and legal advice, the Board of Talisman has resolved to return 15.625 cents per share to Talisman shareholders. This will be a return of part of the paid up share capital of the Company to shareholders by way of an equal reduction of capital in accordance with sections 256B and 256C of the Corporations Act (**Capital Return**).

After making the Capital Return, Talisman will have returned cash of 22 cents per share (\$40.9 million) to shareholders by way of a fully franked special dividend (paid in December 2018) and the Capital Return.

In making the decision the Board has given due consideration to a number of factors such as the outcome of operating and development activities, regulatory developments and general market and economic conditions. The Company believes the Capital Return fulfils the Board's intention of returning a majority of the proceeds of the sale of the Springfield Project to shareholders while also retaining sufficient funding to undertake planned exploration activities aimed at creating further value for shareholders.

Talisman shareholders will retain an investment in a well-capitalised company with an estimated cash balance of approximately \$13.4 million, which provides appropriate capital for active exploration planned across the Lachlan Cu-Au Project in NSW (**Lachlan Project**) and the Sinclair Nickel Project (**Sinclair**) in Western Australia throughout 2019 and 2020.





Through the Lachlan Project, the Company has control of more than 3,000km² in the Lachlan Fold region of NSW providing a tremendous opportunity to create value for shareholders.

The Blind Calf-Dunbars high-grade copper lode system within the Lachlan Project is a high priority target where drilling has defined a copper bearing sheared quartz lode system that remains untested at depth. Multiple new target areas have also been identified for testing in the immediate Blind Calf area including high-grade parallel lodes in the immediate vicinity of the Blind Calf-Dunbars copper lode (*refer ASX announcement dated 14 February 2019*).

Talisman has also identified numerous other exploration targets at the Lachlan Project that are considered to have the potential to host significant gold or base metal mineralisation and will undertake staged systematic exploration to test this pipeline of exploration targets.

Exploration activities at Sinclair are planned to continue in a cost effective and targeted way in the near mine and wider regions of Sinclair. In addition to the exploration focus, Talisman will continue to advance a “development ready” strategy for Sinclair through scenario planning and desktop assessment (*refer ASX announcement dated 18 February 2019*).

Shareholders also retain leverage to potential mineral inventory upside at the Monty Cu-Au Mine and future discoveries across the broader Springfield Project via the ongoing Springfield royalty.

Capital Return

The Capital Return of 15.625 cents per fully paid ordinary Talisman share has been approved by the Board and will be immediately progressed. The total amount to be paid to shareholders under the Capital Return is approximately \$29 million.

The current timetable for the return is as follows:

- Trading in Shares on an “ex return of capital” basis starts: 27 February 2019
- Record date: 28 February 2019
- Entitlement paid to shareholders: 8 March 2019

The Company has been engaged with the Australian Taxation Office (**ATO**) since late October and is in the process of obtaining a Class Ruling from the ATO to be issued in relation to the Capital Return. The Company is seeking confirmation from the ATO on behalf of shareholders that the full amount of the Capital Return will be treated as a return of capital for tax purposes (as opposed to a dividend). Details of the tax treatment of the Capital Return will be released to shareholders once the Class Ruling has been issued by the ATO.

All shareholders are advised to seek their own financial and taxation advice in relation to the Capital Return and Talisman makes no comment in relation to the tax circumstances or tax liabilities of individual shareholders.

Payment Details

Talisman shareholders are not required to take any action in order to facilitate the return. Payment of the return will be satisfied either by sending a cheque to those persons who are shareholders as at the record date or credited to the nominated bank account of those shareholders that have an existing direct credit authority recorded with the Company’s share registry at the record date.





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 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 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.

