



17 April 2020

March 2020 Quarterly Activities Report

Response to COVID-19

- **Field operations suspended** to ensure safety and wellbeing of all employees and contractors as a result of the evolving COVID-19 pandemic
- Temporary **reduction in Director's fees and Executive salaries** and all employees working from home on a reduced working week from the start of April 2020

Lachlan Copper-Gold Project

- **Diamond drilling completed at Blind Calf** with assay results expected in April 2020
- Initial observations from diamond drill holes at the Blind Calf Prospect have **extended mineralisation and upgraded prospectivity** with:
 - **Multiple zones/lenses of copper sulphides intercepted in all holes**
 - **Host structure and sulphide mineralisation intersected approximately 100m down dip** from previous drilling
- Reverse circulation (**RC**) drilling targeting gold-in-soil anomalies at the Lachlan Project in NSW completed early in the quarter at four of the five targeted prospects:
 - RC drilling at the **Melrose Gold Prospect** returned numerous zones of elevated gold anomalism, including **1m @ 2.03g/t Au** from 65m (MGRC0004)
 - Further assessment of Melrose Gold and other prospects to be undertaken as part of a technical review in the June quarter of 2020
- NSW Department of Planning, Industry and Environment (**NSW DPIE**) **approved drilling programs on hold** at the Blind Calf regional downhole electromagnetic targets, Blind Calf Au, Cumbine Au and Noisy Ned multi-element prospects
- **Approval received** from NSW DPIE for **auger drilling programs** to target **extensions of existing soil anomalies** in areas of moderate transported cover, as well as **new target areas**

Lucknow Gold Project

- **Approval received** from NSW DPIE for Talisman's **maiden drill campaign** at the **high-grade Lucknow Gold Project** where historic production was in excess of **400,000 ounces at an average estimated mined grade of +100 g/t gold**
- Upcoming program to consist of **diamond drilling targeting interpreted high-grade gold lode offset position**
- Commencement of drill program postponed pending the requirement for greater certainty on the COVID-19 pandemic





Response to COVID-19

The health and well-being of our people is central to Talisman Mining Limited's (ASX: TLM, **Talisman**) approach to business and we are committed to ensuring a safe workplace for our employees and contractors. This principle is at the forefront during normal business conditions and has become even more heightened following the impact of the COVID-19 virus.

As a result of the rapidly evolving situation, including interstate travel restrictions aimed to limit the spread of COVID-19 infections, Talisman determined that all exploration field operations in NSW be suspended in late March 2020.

Talisman implemented a work from home protocol for all employees and field staff have been reassigned to bring forward a planned geological review of all projects following the significant amount of new data collected in the December 2019 and March 2020 quarters.

The suspension of field activities means planned upcoming drilling programs will now be delayed at the high-grade Lucknow Gold Project, Blind Calf regional downhole electromagnetic (**DHEM**) targets, Blind Calf Au, Cumbine Au and Noisy Ned multi-element prospects. These programs all have NSW DPIE approval and can be reinstated at a time of Talisman's choosing.

Talisman is continually monitoring the COVID-19 situation including all government advice and protocols to ensure we maintain the safety of our workplaces for all our employees and contractors. The resumption of field activities, including drilling operations, remain subject to the ability to be executed safely and sensibly. Any update on the expected timing of proposed work programs will be communicated to shareholders.

Lachlan Copper-Gold Project

During the quarter Talisman finalised a RC drill program and completed a diamond drill program at its Lachlan Copper-Gold Project (**Lachlan Project**) in NSW (Appendix 2) targeting gold-in-soil anomalies with RC drilling and the high grade Blind Calf Prospect with diamond drilling.

Blind Calf-Dunbars Copper Lode System - Diamond Drilling

In July 2019, RC drilling increased the footprint of the known and interpreted high-grade core in the Blind Calf-Dunbars Copper Lode System including:

- **10m @ 4.32% Cu** from 176m including **4m @ 7.68% Cu** from 180m (BCRC0029)¹

Two deeper RC holes drilled during July 2019 (BCRC0019 and BCRC0022) targeting the down-plunge extension to the lode system were affected by significant lift and did not intersect the target area.

Approval from the NSW DPIE was received in late 2019 for the drilling of diamond holes to test the previously targeted down-plunge extension of the system. Drilling commenced in late January 2020 and was interrupted by multiple rain events throughout February and March. Diamond drilling of four holes in the current programme has now been completed² (*Figure 1*).

¹ Refer ASX announcement dated 9 September 2019 for full details.

² Refer ASX announcement dated 26 March 2020 for full details.





Figure 1: Blind Calf-Dunbars drill collar plan showing position of the completed diamond drill holes, including the Long Section position

Initial observations from logging of the available core has shown a highly complex deformed rock package of fine to medium grained sediments, with brecciated quartz sulphide veining (*Figure 2*), boudinage quartz sulphide veining, sulphide stringer veins and disseminated sulphide through the host sedimentary rock package.

BCDD001 was extended well beyond the initial planned end of hole depth to a final depth of 350m, intersecting multiple zones of sulphide mineralisation.

Whilst assay results are yet to be received, the deep copper sulphide intersections have increased the observed down-dip extension of the interpreted main mineralised structure at Blind Calf some 80-100m beyond any previous intersections (*Figure 3*).

This has significantly upgraded the prospectivity of the Blind Calf-Dunbars copper lode system and provides encouragement to continue to further pursue the high-grade copper mineralisation encountered to date, both down plunge and down dip.





The observed mineralisation in BCDD001 and BCD003 has shown both ductile (shear) and brittle deformation (brecciation). The mineralisation is associated with quartz veining which shows evidence of ductile deformation (boudinage quartz veining with chalcopyrite noted in low strain pressure shadows (*Figure 2*) and brittle deformation (hydraulic breccia). The different structural styles of the observed mineralisation, ranging from ductile to brittle, is interpreted to be a result of the interaction with the different host rock lithologies.



Figure 2: Blind Calf Prospect – BCDD001: Boudinage quartz sulphide vein, with sulphide mineralisation in low strain pressure shadows of quartz boudins

The significance of these recent observations from the diamond drill core logging in respect to potential future drilling targets is still to be fully understood. However, what is becoming apparent is that broader high-grade zones of mineralisation are interpreted to be associated with the intersection of the main late stage host structure and the coarser grained greywacke units. Selected core has been cut and sampled for analysis and is currently being processed at ALS laboratories in Orange. First results are anticipated to be received in April 2020.

BCDD002 was abandoned at 80 metres due to significant deviation of the hole dip and azimuth and step out hole (BCDD004) was completed at the original target position of BCDD002. BCDD0004 intersected the Blind Calf host structure at the interpreted target depth. All drill core has been processed and sent for assay, with results anticipated over the coming months.

Ongoing detailed structural and lithochemical analysis of the drill core will further add to the understanding of the main controls to mineralisation, and aid in targeting the next phase of step-out diamond drilling.



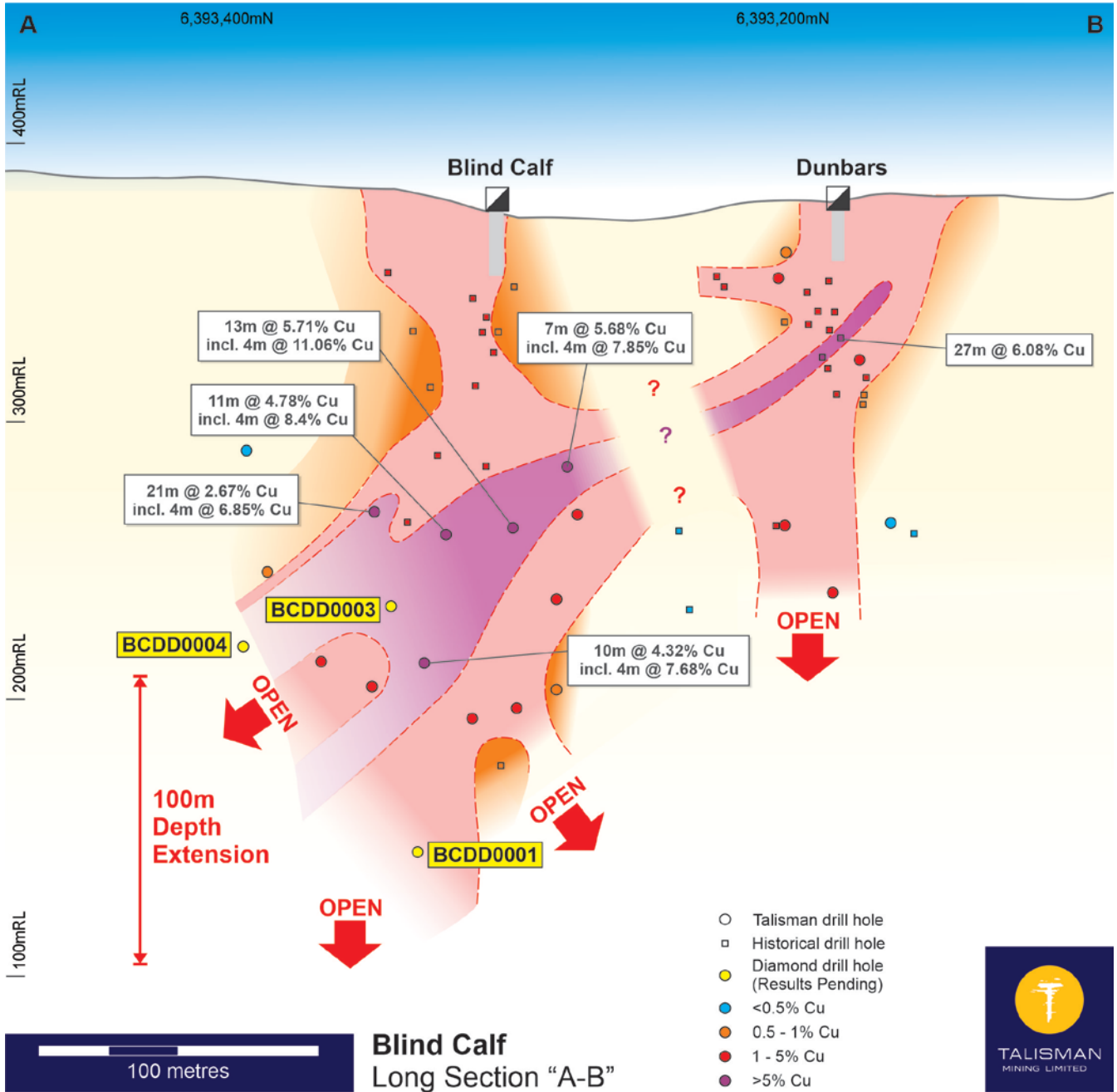


Figure 3: Blind Calf-Dunbars long section showing proposed diamond drill hole targets and previously reported Talisman and historic drill holes³.

³ Refer ASX announcements dated 26 February 2018, 5 July 2018, 30 November 2018 and 9 September 2019 for full details of drill hole intersections.





RC Drilling

Following an extension to the planned RC drilling at the Melrose Gold Prospect, drilling recommenced in early January 2020 following the Christmas/New Year break. Drilling at the Hardings, Brooklyn, Kaolin Shaft and Melrose Gold Prospects (*Figure 4*) has now been completed with all assays returned⁴. Planned RC drilling at the Blind Calf Au Prospect, has been delayed until the recommencement of field activities post the COVID-19 suspensions.

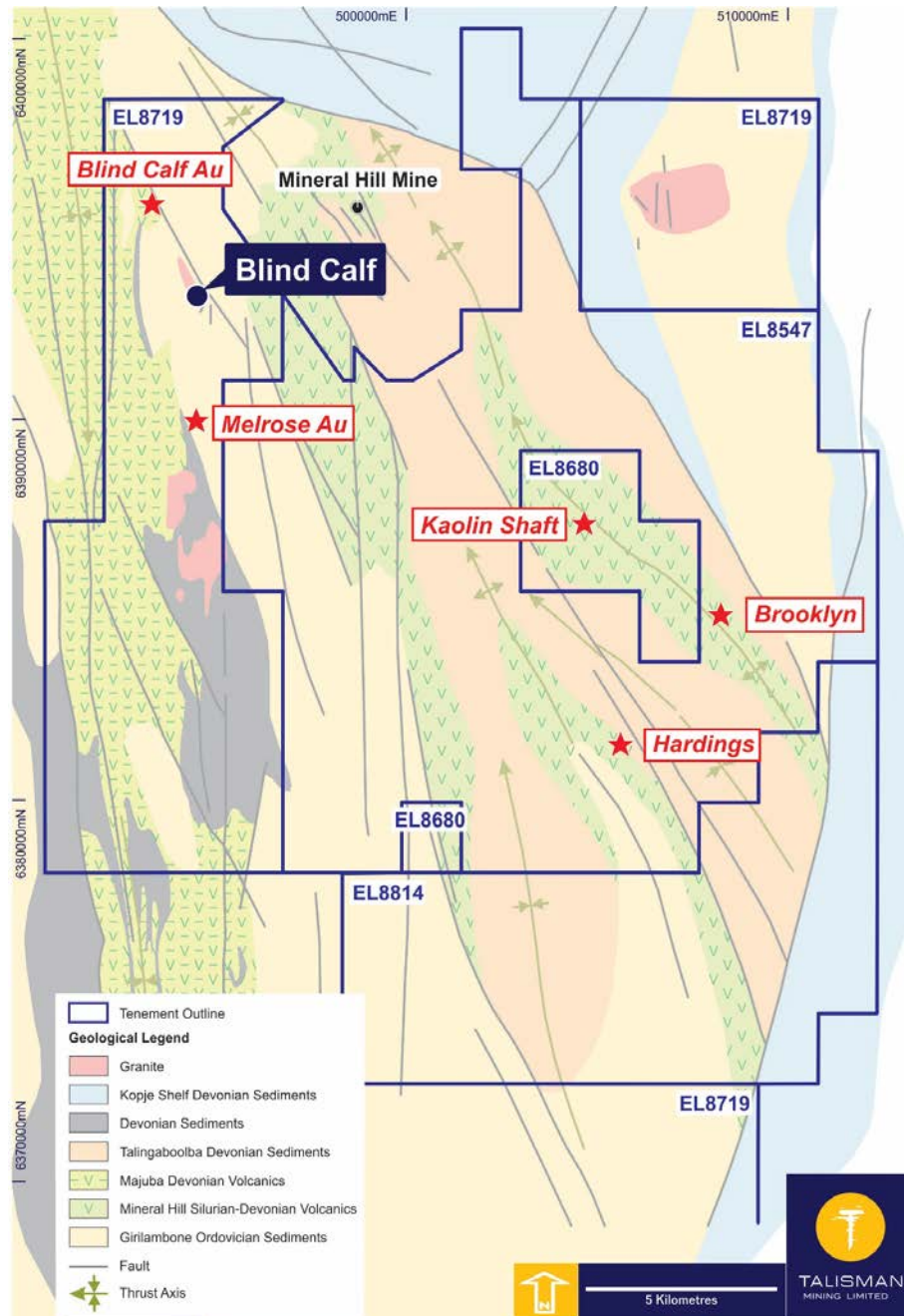


Figure 4: RC Drilling Campaign - Prospect location map⁵

⁴ Refer ASX announcement dated 24 January 2020 for full details.

⁵ Refer to Appendix 1 and Appendix 2 for Tenement details.





Harding's Prospect (EL8547)

Gold assay results from geochemical sampling in mid-2019 identified an anomaly at the Harding's Prospect (Figure 4) extending over 1km, with a peak assay value of +500ppb Au (0.5g/t Au) in soils⁶. Surface verification identified a sequence of sub-cropping highly altered volcanic rocks, which are interpreted to represent a continuation of the Mineral Hill volcanic sequence.

A single drill traverse of four holes for 555m was completed across the peak of the gold-in-soil anomaly. Drilling encountered siliceous volcanic tuffaceous rocks with minor thin quartz veining and sulphides (pyrite) noted on drilling. Results from assays have shown thin isolated zones of elevated gold mineralisation, with one intersection consistent with the surface geochemical anomalism. Gold assays returned were less than 0.5g/t Au and are not considered significant by Talisman⁷.

Brooklyn-Kaolin Shaft Prospects (EL8680 & EL8547)

Gold assay results from regolith sampling undertaken in mid-2019 along the southeast extension of the Mineral Hill Corridor highlighted multiple gold-in-soil anomalies⁶. The area contains numerous historic workings and is hosted by altered volcanic rocks. The Kaolin Shaft and Brooklyn Prospects were two high-priority drill targets along this trend (Figure 4, Figure 5 & Figure 6).



Figure 5: Brooklyn Prospect RC drill collar location plan⁸

⁶ Refer to ASX announcement dated 22 July 2019 for full details.

⁷ Refer ASX Announcement dated 19 December 2019 for full details.

⁸ Refer to Appendix 1 and Appendix 2 for Tenement details.





Two drill traverses were undertaken at these two areas. Assay results received from the Brooklyn Prospect showed broad zones of low-level gold anomalism (>0.25 g/t Au) encountered across the western most drill hole BKRC0001, including two narrow zones at >0.5g/t Au⁷. BKRC0002 and BKRC0003 did not return any significant results⁴.

As previously announced⁴, assay results from the one hole completed at the Kaolin Shaft Prospect returned elevated base metal (lead and zinc) anomalism, with the best result being:

- **2m @ 2.95% Zn** from 50m including **1m @ 4.77% Zn** from 50m (KSRC0001).

Further work on these prospects will be subject to the results of potential future DHEM surveys.

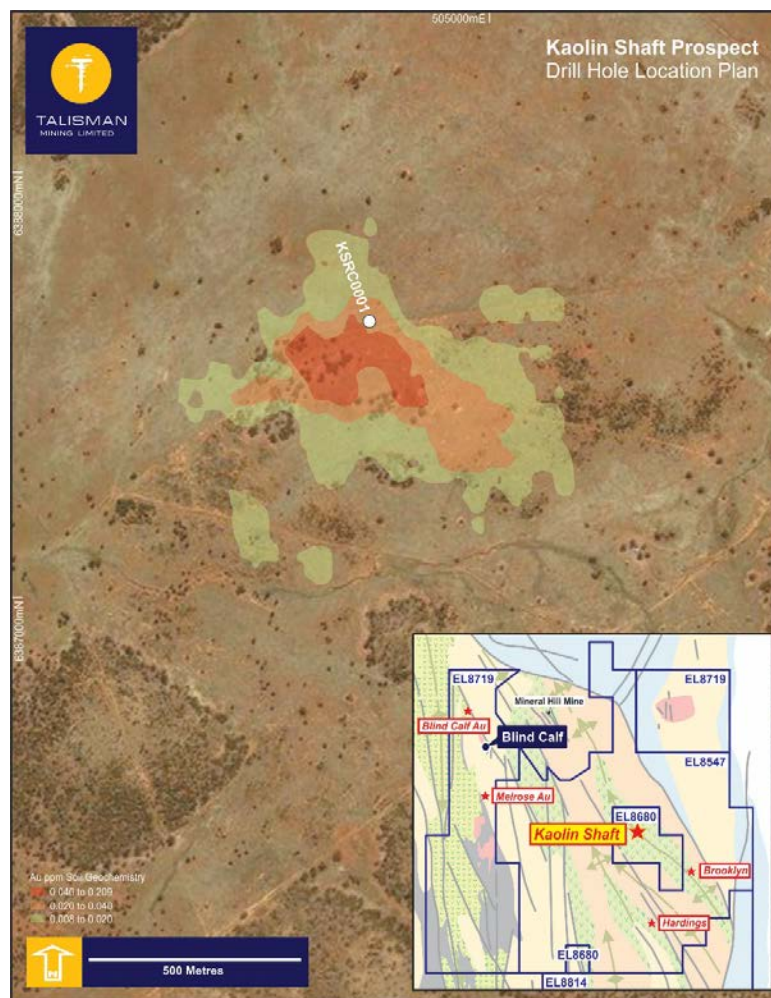


Figure 6: Kaolin Shaft Prospect RC drill collar location plan⁹

⁹ Refer to Appendix 1 and Appendix 2 for Tenement details.





Melrose Prospect (EL8719)

Gold assay results from initial sampling at the Melrose Prospect identified an anomaly (Figure 7) extending over 1.5km and returned a peak assay value of +400ppb Au (0.4g/t Au) in soils⁶. Surface verification identified a strongly altered gossanous unit and quartz veining in a sequence of altered volcanic rocks. Further geochemical sampling undertaken in recent months has extended this geochemical anomaly from 1.5km to more than 2.8km¹⁰.

Assay results have confirmed geological observations, returning broad low-level gold anomalism, with moderate grade mineralisation associated with zones of more intense veining. The best result was from hole MGRC0004 which returned **1m @ 2.03 g/t Au from 65m⁴**.

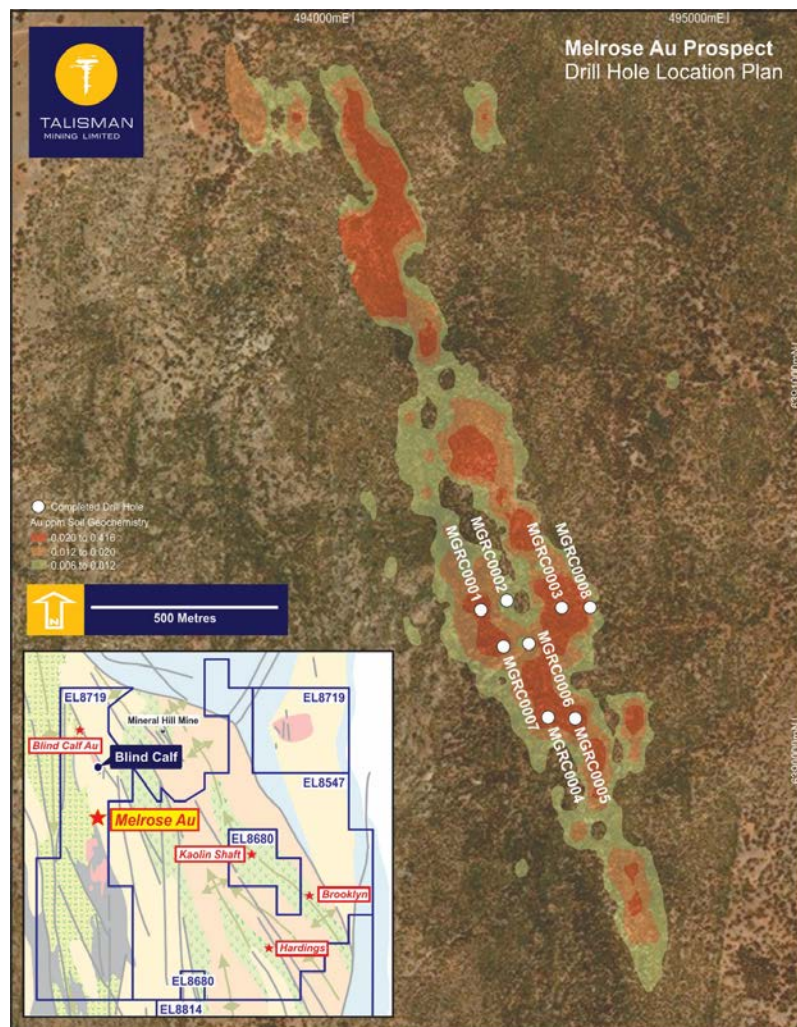


Figure 7: Melrose Gold prospect RC drill collar location plan¹¹

Further assessment of the Melrose Prospect is underway as part of a technical review and ranking of all Prospects and targets to be undertaken in the June quarter of 2020.

¹⁰ Refer to ASX announcement dated 26 November 2019 for full details.

¹¹ Refer to Appendix 1 and Appendix 2 for Tenement details.





Lucknow Gold Project

During the quarter Talisman received approval from the NSW DPIE for diamond drilling to target interpreted extensions to the high-grade Lucknow Gold Mine. There has been no previous drilling to target this interpreted fault offset position (*Figure 8 & Figure 9*).

Drilling was scheduled to commence in April immediately following the completion of diamond drilling at Blind Calf, however due to the evolving COVID-19 pandemic, Talisman has postponed the commencement of this drilling. Talisman will continue to closely monitor the COVID-19 situation and will prioritise the commencement of the Lucknow diamond drilling as soon as it safe and practical to do so.



Figure 8: Lucknow Project mine shaft locations and simplified geology.

Gold mineralisation is intimately associated with the major NNW trending Lucknow Fault (*Appendix 3*) which dips 60 to 70° to the northeast. The fault separates hanging wall serpentinite from the footwall volcanic rocks. The volcanic rocks of the Oakdale Formation on the footwall are competent and subject to brittle deformation, whereas the hanging wall serpentinite is far less competent, and more subject to ductile deformation.

It is interpreted that the jog in the Lucknow Fault caused dilation, and the formation of east-west trending, vertical fractures in the footwall. These fractures contain the quartz plus calcite high grade gold bearing veins at Lucknow. The veins are zoned such that away from the Lucknow Fault contact they consist of barren quartz, moving to calcite plus quartz, then calcite only. Historic gold mineralisation is localised at the intersection of steep dipping east-west quartz plus pyrite+/-calcite veins, and the ultramafic-dacite contact along the Lucknow Fault. Bonanza grade gold mineralisation occurs as steeply plunging shoots.





Talisman will target the interpreted fault offset extensions of the high-grade Lucknow gold mineralisation with two diamond drill holes.

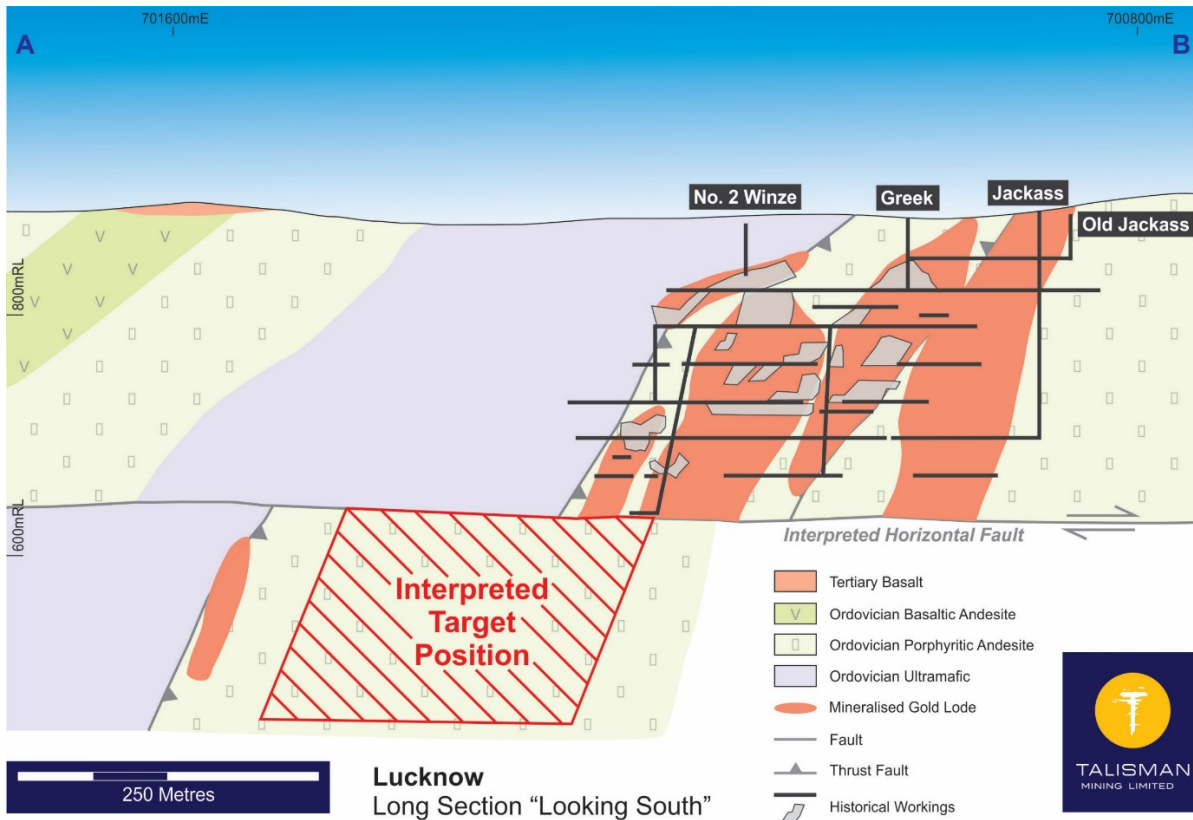


Figure 9: Lucknow Project interpreted long section, showing the interpreted faulted offset mineralisation target position.

Corporate

Cash Balance

As at 31 March 2020, Talisman had \$14.2 million cash available for its operating and investing activities.

Payments to related parties of the entity and their associates

In accordance with Section 6.1 of the March 2020 quarter Appendix 5B, Talisman provides the following in relation to payments made during the quarter to related parties:

<u>Description</u>	<u>\$A'000</u>	<u>Explanation</u>
Directors Fees	159	Short term and post-employment benefits paid to executive and non-executive directors





51% Earn-In completed under Farm-In on Bacchus Tenements

As previously announced to the ASX¹², Haverford Holdings Ltd (**Haverford**), a 100% owned subsidiary of Talisman, entered into a Farm-In Agreement (**FIA**) with Bacchus Resources Pty Ltd (**Bacchus**) over certain Lachlan Cu-Au Project tenements. Under the terms of the FIA, Haverford can earn up to an 80% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding on-ground exploration expenditure in two stages. Haverford has now completed the first stage of earn-in in accordance with the FIA by sole funding \$1.3M of on-ground exploration expenditure and has earned a 51% legal and beneficial interest in the Bacchus Tenements.

Haverford has subsequently elected to continue to earn into the Bacchus Tenements to potentially acquire a further 29% legal and beneficial interest (being a cumulative 80% interest) in the Bacchus Tenements by sole funding a further \$0.6M of third-party exploration costs (**Second Earn-In Expenditure**) before 17 February 2021 (**Second Earn-In Period**). If Haverford does not incur the Second Earn-In Expenditure by the end of the Second Earn-in Period, Haverford will retain its 51% interest in the Bacchus Tenements but will not earn any additional interest.

Regardless of whether Haverford incurs the Second Earn-In Expenditure, at the end of the Second Earn-In Period Bacchus is entitled to receive a 20% interest in certain Haverford Tenements (being EL8615, EL8659 and EL8677) which are included as part of the Lachlan Cu-Au Project.

At the end of the Second Earn-In Period and once Haverford's final interest is known, a formal joint venture will be entered into in relation to the Bacchus Tenements and the Haverford Tenements which provides that Bacchus will be free carried for 10% of its joint venture interest until a decision to mine. Post a decision to mine, Bacchus can then elect whether to contribute or not. If Bacchus elects not to contribute, Haverford shall acquire Bacchus' interest in the joint venture for 95% of fair value as agreed by the joint venture participants or determined by an expert.

Ends

For further information, please contact:

Dan Madden – Managing Director
on +61 8 9380 4230

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

Name of Director or Secretary authorising lodgement:
Shaun Vokes
Joint Company Secretary

¹² Refer TLM ASX Announcements dated 9 January 2018 and 26 March 2020 for full details.





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 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.

Talisman has also entered into a farm-in with privately-owned Lucknow Gold Limited in relation to the Lucknow Gold Project (EL6455) in New South Wales. The Lucknow Goldfield was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. Historic production records at the Project are incomplete, however in excess of 400,000 ounces of gold has reportedly been produced at grades of 100 to 200 g/t gold¹³. Very little modern exploration has been completed outside of the existing mine workings and Talisman intends to undertake a program of geochemical surface sampling and mapping at the Project ahead of a drilling program to test for potential down plunge extensions of the high-grade gold ore shoots and repeat structures throughout the Project area.

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.

¹³ NSW DIGS report, First Annual Exploration Report EL5770, 2001 - R00030162





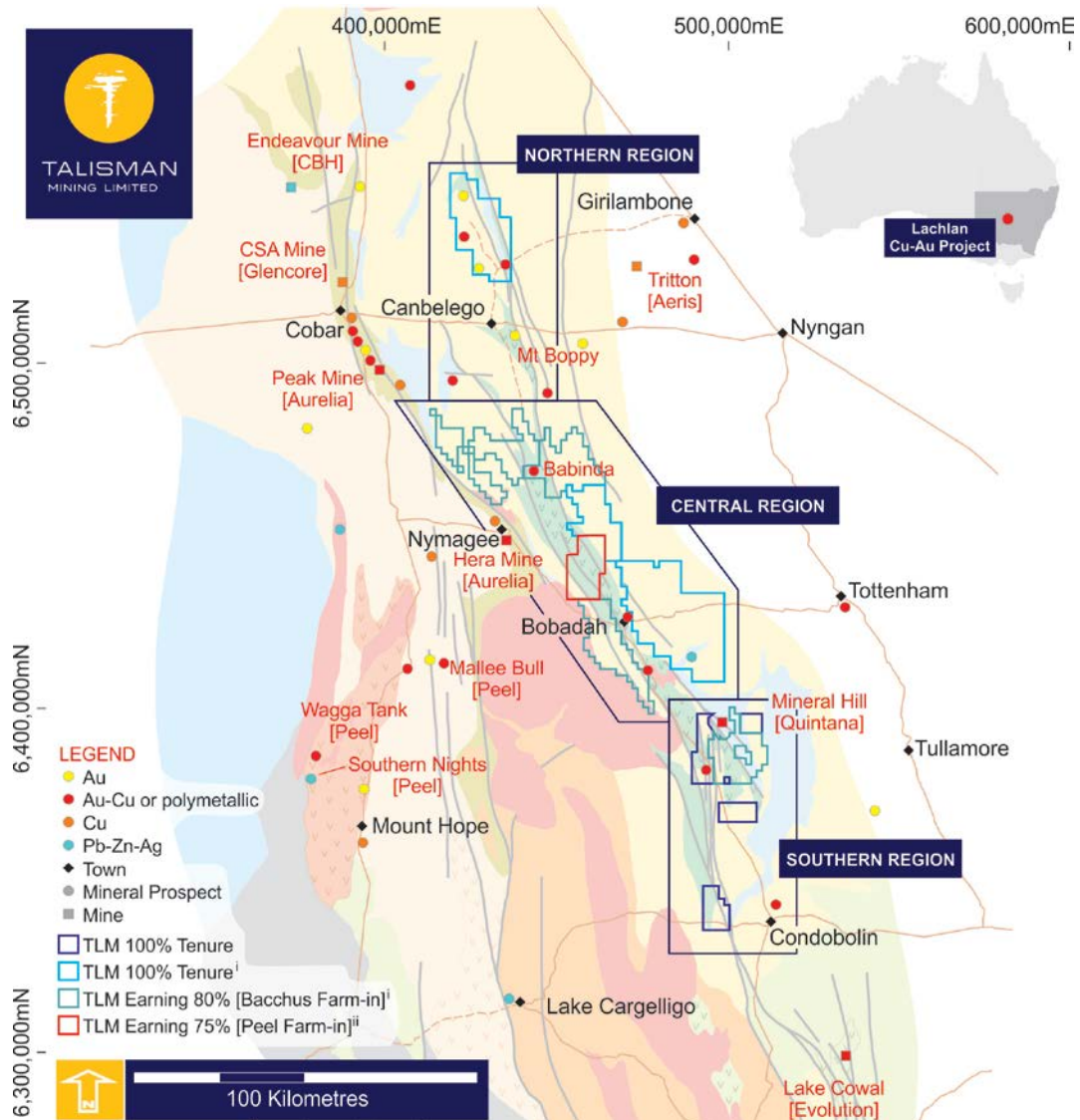
Appendix 1 Talisman Tenement Holdings

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	New South Wales					
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%	51%	51%	-	Bacchus Resources Pty Ltd (TLM earning up to 80%)
EL8571	(258km ²)	0%	51%	51%	-	
EL8638	(192km ²)	0%	51%	51%	-	
EL8657	(134km ²)	0%	51%	51%	-	
EL8658	(256km ²)	0%	51%	51%	-	
EL8680	(20km ²)	0%	51%	51%	-	
EL8718	(86km ²)	100%	100%	-	-	N/A
EL8719	(191km ²)	100%	100%	-	-	
EL8814	(92km ²)	80%	0%	-	80%	Bacchus Resources Pty Ltd
OTHER	NSW					
EL8451	(276km ²)	0%	0%	-	-	Peel Mining Ltd (TLM earning up to 75%)
LUCKNOW PROJECT	New South Wales					
EL6455	(29km ²)	0%	0%	-	-	Lucknow Gold Ltd (TLM earning up to 70%)





Appendix 2 Lachlan Copper- Gold Project tenure



- i. As previously announced to the ASX¹⁴, Haverford Holdings Ltd (Haverford), a 100% owned subsidiary of Talisman, has entered into a Farm-In Agreement with Bacchus Resources Pty Ltd (Bacchus) over certain Lachlan Cu-Au Project tenements (FIA). The terms of the FIA were amended by the parties on 18 February 2020 to include a number of clarifications.
In accordance with the terms of the FIA (as amended):
- Haverford was deemed to have earned a 51% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding \$1.3M of on-ground exploration expenditure within the required three-year period; and
 - Haverford could earn a further 29% interest in the Bacchus Tenements (being 80% in aggregate) by incurring a further \$0.6M of third-party exploration expenditure between 18 February 2020 and 17 February 2021 (Second Earn-In Period) on the Bacchus Tenements.
 - Bacchus is entitled to receive a 20% interest in the Haverford Tenements (EL8615, EL8659 and EL8677) at the end of the Second Earn-in Period; and
 - at the end of the Second Earn-In Period, a formal joint venture will be entered into in respect of both the Bacchus Tenements and the Haverford Tenements which provides that Bacchus will be free carried for 10% of its joint venture interest until a decision to mine. Post a decision to mine, Bacchus can then elect whether to contribute or not, if Bacchus elects not to contribute, Haverford shall acquire Bacchus' interest in the joint venture for 95% of fair value as agreed by the joint venture participants or determined by an expert
- ii. As previously announced to the ASX¹⁵, 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.

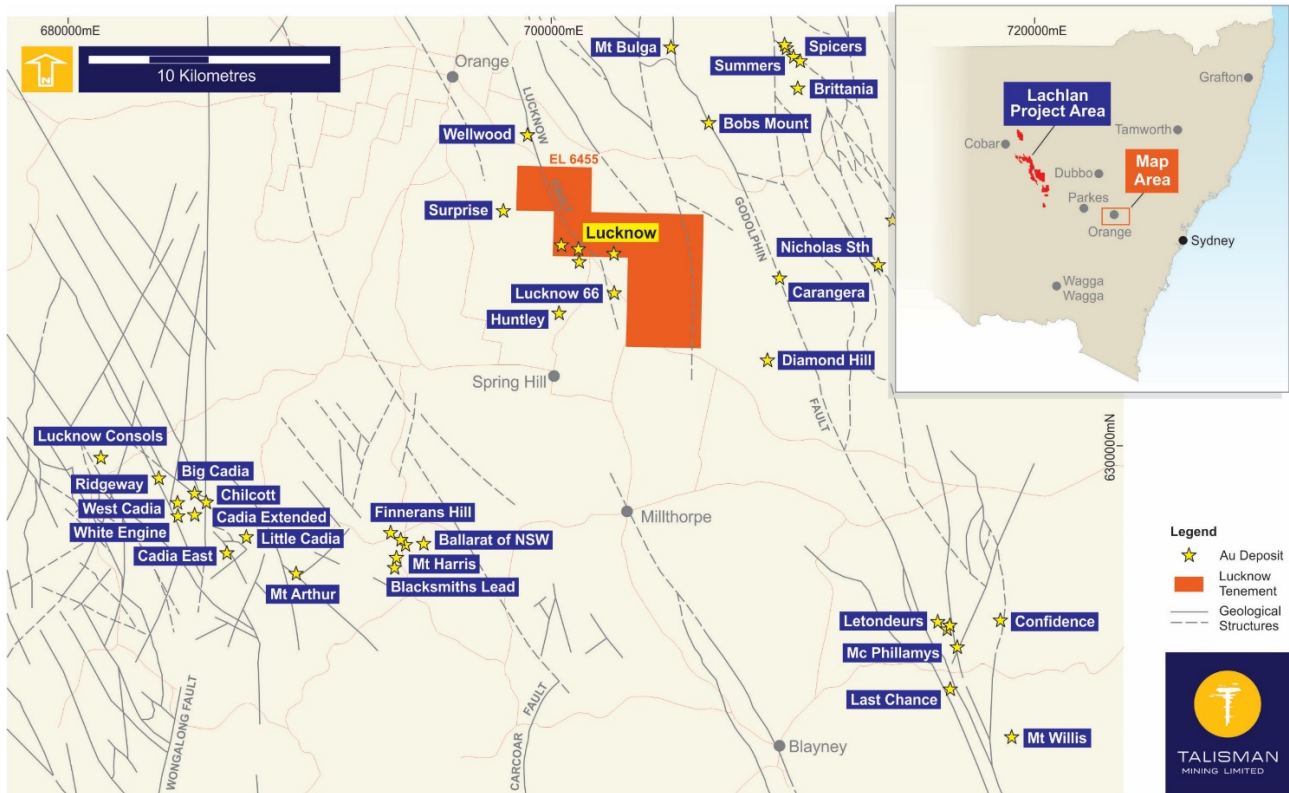
¹⁴ Refer Talisman ASX announcement "Further NSW Gold and Base Metals Tenure Secured" 09 January 2018.

¹⁵ Refer Talisman ASX announcement "AGM Presentation" 23 November 2017.





Appendix 3 Lucknow Gold Project tenure



i. As previously announced¹⁶, Talisman, through its 100% owned subsidiary Talisman B Pty Ltd (TLMB) entered into a farm-in agreement with privately-owned Lucknow Gold Ltd (**Lucknow Gold**) in relation to the Lucknow Project in New South Wales.

Under the terms of the Farm-In:

- TLMB the right to earn up to a 70% interest in the Lucknow Project (EL6455), by sole funding a minimum of \$1.5M on exploration over four years and issuing \$250k worth of Talisman shares (to a maximum of 3,000,000 shares under certain conditions) to Lucknow Gold.
- Should TLMB earn an interest in the Lucknow Project by meeting its sole funding commitments TMLB may elect to form an unincorporated exploration joint venture (EJV) and each party will contribute to future expenditure based on their participating interest in the EJV.

¹⁶ Refer ASX announcement dated 26 August 2019 for full details.

