



TALISMAN MINING LIMITED

ABN 71 079 536 495

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

TIME: 12:00 pm (WST)

DATE: Wednesday, 4 November 2020

PLACE: The Celtic Club
48 Ord Street,
West Perth,
WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9380 4230.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

Talisman Mining Limited (the “Company”, “Talisman”) advises that the Annual General Meeting (“AGM”) of the Company is scheduled to be held on Wednesday, 4 November 2020 at 12 midday (WST) at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

Whilst we would usually welcome all Shareholders who wish to attend the AGM in person, in light of the current COVID-19 pandemic, we do not encourage in person attendance this year.

In accordance with the temporary modifications to the Corporations Act (Coronavirus Economic Response) Determination (no. 1) 2020 Shareholders will be able to watch the AGM via a live webinar with a synchronised video and slide presentation. Shareholders may submit questions to the Talisman Board to be answered at the AGM. Questions must be submitted via email to jen.cunningham@talismanmining.com.au and must be received by 5pm WST on 2 November 2020. Details of how to access the webinar will be published on the ASX closer to the date of the Meeting.

Shareholders will be able to listen to the proceedings at the AGM, and to view the slides presented during the meeting via an audio webcast facility. Arrangements for access to the broadcast, with the ability to ask questions, can be made by contacting the Company via email to jen.cunningham@talismanmining.com.au at least two business days before the AGM.

No arrangements will be made for direct voting via virtual attendance hence Shareholders are strongly encouraged to vote by lodging a proxy appointing the Chairman before 12:00 pm (WST) on 2 November 2020, using the instructions set out in the Notice of Meeting.

A representative of the Company’s auditor will be available at the meeting to answer questions

relevant to the audit of the annual accounts for the year ended 30 June 2020. In addition, the Company is happy to accept and answer questions submitted at least two business days prior to the AGM by email to jen.cunningham@talismanmining.com.

The health and safety of our Shareholders, personnel and other stakeholders is our highest priority. Whilst Shareholders are able to attend the AGM in person, in line with the current WA Government requirements the Company will be practicing social distancing with a minimum of 2 square metres per person required in the AGM venue and a spacing of at least 1.5 metres between seating. Due to the capacity limitations, any Shareholders who wish to attend in person are requested to confirm their attendance to the Company by email to jen.cunningham@talismanmining.com.au.

Alcohol based sanitizer will be available at the entrance to the AGM. If you are feeling unwell or have been in recent contact with someone who has or suspects they may have been exposed to COVID-19, you should not attend the AGM.

The situation regarding COVID-19 is evolving rapidly and we encourage Shareholders to monitor the ASX and the Company’s website for any future updates in relation to the AGM that may need to be provided.

We thank our Shareholders for their cooperation

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12.00 pm (WST) on Wednesday, 4 November 2020 at:

The Celtic Club
48 Ord Street
West Perth Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

Shareholders can vote by either:

- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, on-line, by post, or by facsimile; or
- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote. Please note, however that in light of the current COVID-19 pandemic, the Company does not encourage in person attendance this year.

VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the share registry of the Company – www.linkmarketservices.com.au.

VOTING BY PROXY

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.

The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

A proxy need not be a shareholder and can be either an individual or a body corporate.

Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

To be effective, proxies must be lodged by **12 pm (WST) on 2 November 2020**. Proxies lodged after this time will be invalid.

Proxies may be lodged using any of the following methods:

- by post to Talisman Mining Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- in person to 1A Homebush Bay Drive, Rhodes NSW 2138;
- by faxing a completed proxy form to +61 2 9287 0309; or
- online - www.linkmarketservices.com.au Select 'Investor Login' and enter the holding

details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, by 12:00 pm (WST) on 2 November 2020, being not later than 48 hours before the commencement of the Meeting. If facsimile transmission is used, the power of attorney must be certified.

VOTING PROHIBITION BY PROXY HOLDERS

A vote on Resolution 1 must not be cast:

(a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or

(b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or

(b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00 pm (AEDT) (4.00pm WST) on 2 November 2020.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Shareholders will be held at 12.00 pm (WST) on Wednesday, 4 November 2020 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2020, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report as contained in the annual financial report for the financial year ended 30 June 2020"

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- (iii) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (A) – the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (B) – the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

RESOLUTION 2 – RE-ELECTION OF MR BRIAN DAWES

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 6.14 of the Constitution and for all other purposes, Mr Brian Dawes, Director, retires by rotation and being eligible, is re-elected as a Director."

RESOLUTION 3 – ELECTION OF MR KERRY HARMANIS AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 6.21 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Kerry Harmanis, who was appointed to the Board since the previous annual general meeting of the Company, retires as a Director, and being eligible having offered himself for re-election, is re-elected as a Director.”

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass the following as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast:

- (a) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or;
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or,
- (c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) – the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) – the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

DATED: 23 SEPTEMBER 2020

BY ORDER OF THE BOARD

ALEX NEULING, COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 12.00 pm (WST) on Wednesday, 4 November 2020 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. ANNUAL REPORT

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company's 2020 Annual Report is available at www.talismanmining.com.au. Those holders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

2.1. General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2. Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the Company who were in office when the Directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

2.3. Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRIAN DAWES

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Brian Dawes retires from office in accordance with these requirements and being eligible offers himself for re-election by Shareholders as a Director of the Company, with effect from the end of the Meeting.

Brian Dawes B. Sc. Mining, MAusIMM

Non-Executive Director (Independent) 17 June 2009 - current

Mr Dawes is a mining engineer with extensive international mining industry experience. He holds a BSc in Mining from the University of Leeds in the United Kingdom, and is Member of the Australasian Institute of Mining and Metallurgy.

Brian's diverse expertise covers all key industry aspects from exploration through the discovery, feasibility, funding, approvals, project construction, commissioning, operations, optimisation, logistics, marketing, and closure phases. This includes site management and corporate responsibilities in a diversity of challenging and successful underground and open pit operations across many commodities and geographies; mainly in copper, gold, nickel, zinc and lead, and iron ore. Prior to joining Talisman, Brian held senior positions with Jubilee Mines NL, Western Areas, LionOre Australia, WMC, Normandy Mining, and Aberfoyle.

In the 3 years immediately before the end of the financial year, Brian was appointed as a non-executive director of Kin Mining Ltd (ASX: KIN) on Feb 2018.

Brian serves on the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience and being financially literate, Brian is considered qualified to hold these responsibilities.

If elected the Board considers Brian Dawes will be an independent director.

The Board supports the re-election of Brian Dawes and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF MR KERRY HARMANIS AS A DIRECTOR

Clause 6.6 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 6.21 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Harmanis was appointed to the position of non-executive Director on 15 July 2020 and will retire in accordance with clause 6.21 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Kerry Harmanis – LLB

Non-Executive Director 15 July 2020 - current

Mr Harmanis is one of Western Australia's most successful mining executives and has been a major shareholder and strong supporter of Talisman since 2007 and currently holds an 18% stake in the Company.

Mr Harmanis was the founder and Executive Chairman of Jubilee Mines, a highly successful West Australian nickel miner which he established in 1987. Through a combination of exploration success, focused project development and operational consistency, Jubilee Mines grew to become one of the most successful mid-tier miners on the ASX until its acquisition by Xstrata in October 2007 for A\$3.1 billion.

During this period, Mr Harmanis led a highly successful geological and operational team which helped Jubilee set new benchmarks on the ASX for shareholder returns in the resource sector.

The Board considers that Mr Harmanis is a non-independent Director.

The Board supports the election of Mr Harmanis and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

5.1. General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$19.49 M (based on the number of Shares on issue and the closing price of Shares on the ASX on 1 October 2020).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being Shares (ASX Code: TLM).

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of eligible votes cast by Shareholders must be in favour of Resolution 4 for it to be passed.

5.2. Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of

the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 1 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
	Issue Price (per Share)	\$0.0575 50% decrease in Share Price	\$0.115 Issue Price	\$0.1725 50% increase in Issue Price
186,628,385 (Current Variable A)	Shares issued - 10% voting dilution	18,662,839	18,662,839	18,662,839
	Funds raised	\$1,073,113	\$2,146,226	\$2,924,773
279,942,578 (50% increase in Variable A)	Shares issued - 10% voting dilution	27,994,258	27,994,258	27,994,258
	Funds raised	\$1,462,387	\$2,924,773	\$4,387,160
373,256,770 (100% increase in Variable A)	Shares issued - 10% voting dilution	37,325,677	37,325,677	37,325,677
	Funds raised	\$1,949,849	\$3,899,697	\$5,849,546

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 186,628,385 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 1 October 2020.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(b) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration and intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such acquisitions), continued exploration on the Company's current projects, and / or for general working capital purposes. The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(c) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(d) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 24 November 2019 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

(e) Compliance with ASX Listing Rules 7.1A.4 and 3.10.54

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3. Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

6. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9380 4230 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 5.1 of the Explanatory Statement.

AEDT means Australian Eastern Daylight Savings Time.

Annual General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Talisman Mining Limited (ABN 71 079 536 495).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the explanatory statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option, Director Option or Employee Option as the context requires.

Related Body Corporate has the meaning given in the Corporations Act.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.



Talisman Mining Limited
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5 October 2020

Dear Shareholder,

Talisman Mining Limited (**Company**) advises that its 2020 Annual General Meeting (**AGM**) will be held on Wednesday, 4 November 2020. (Meeting) at The Celtic Club, 48 Ord Street, West Perth, WA 6005.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (**NOM**) to Talisman shareholders (**Shareholders**). Instead a copy of the NOM can be viewed and downloaded online at the following link: <https://www.talismanmining.com.au/investor-centre/asx-announcements/> .

With regards to the COVID-19 pandemic, the Company will adhere to all social distancing measures prescribed by government authorities at the Meeting, and all Shareholders will need to ensure they comply with protocols. We are concerned for the safety and health of Shareholders, staff and advisers, so we have therefore put in place certain measures including social distancing requirements and limiting non-Shareholder visitors.

A copy of our Proxy Form is enclosed for convenience. Proxy votes may be lodged by any of the below methods:

- by post to Talisman Mining Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- in person to 1A Homebush Bay Drive, Rhodes NSW 2138;
- by faxing a completed proxy form to +61 2 9287 0309; or
- online - www.linkmarketservices.com.au Select 'Investor Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Whilst we would usually welcome all Shareholders who wish to attend the AGM in person, in light of the current COVID-19 pandemic, we do not encourage in person attendance this year.

In accordance with the temporary modifications to the Corporations Act (Coronavirus Economic Response) Determination (no. 1) 2020 Shareholders will be able to watch the AGM via a live webinar with a synchronised video and slide presentation. Shareholders may submit questions to the Talisman Board to be answered at the AGM. Questions must be submitted via email to jen.cunningham@talismanmining.com.au and must be received by 5pm WST on 2 November 2020. Details of how to access the webinar will be published on the ASX closer to the date of the Meeting.

No arrangements will be made for direct voting via virtual attendance hence Shareholders are strongly encouraged to vote by lodging a proxy appointing the Chairman before 12:00 pm (WST) on 2 November 2020, using the instructions set out in the Notice of Meeting.

Yours Sincerely

Talisman Mining Limited
Alex Neuling
Company Secretary