



**TALISMAN
MINING LIMITED**

ASX Code: TLM



24th November 2014

COMPANY SNAPSHOT

Board of Directors

Alan Senior
Non-Executive Chairman

Gary Lethridge
Managing Director

Graeme Cameron
Technical Director

Brian Dawes
Non-Executive Director

Karen Gadsby
Non-Executive Director

Contact Details

**6 Centro Avenue
Subiaco, Western
Australia, 6008**

Telephone:
+61 8 9380 4230

Facsimile:
+ 61 8 9382 8200

Email:
info@talismanmining.com.au

Website:
www.talismanmining.com.au

Capital Structure

Shares on Issue:
131,538,627 (TLM)

Options on Issue:
4,250,000 (Unlisted)

ASX: TLM

Talisman Mining Limited 2014 Annual General Meeting

Chairman's Address

Please find attached a copy of the Chairman's Address to be delivered at the Company's Annual General Meeting to be held at 10.00am Monday 24 November 2014.

I am pleased to report on what has been a pivotal year for Talisman, dominated by two key developments which have put the Company in a strong position to create shareholder value.

In December 2013, the Company took a major step forward in the exploration of its Bryah Basin copper-gold projects by securing a \$15 million farm-in exploration joint venture with leading Australian copper producer Sandfire Resources.

Under this joint venture, Sandfire can earn up to 70 per cent of Talisman's interest in the Springfield, Halloween and Halloween West projects by spending a minimum of \$15 million on exploration over five-and-a-half years, with a minimum \$5 million expenditure commitment in the first two years plus a further \$5 million before any equity is earned.

The joint venture combines Sandfire's extensive regional geological knowledge base and financial capacity to fund deeper exploration and state-of-the-art VMS exploration capabilities with our own geological database and knowledge built up over the past four years. It gives Talisman free-carried exposure to one of the most comprehensive, technically sophisticated and well-directed VMS copper-gold exploration programs underway in the world.

Sandfire commenced ground-based exploration activities in June 2014 and is continuing a multi-pronged exploration program designed to generate robust DeGrussa-style exploration targets for drill testing. I am pleased to say that the collaboration has already proven to be successful in unlocking a number of exciting new VMS copper-gold target areas on our tenements.

Talisman Mining Ltd ABN 71079 536 495
6 Centro Avenue, Subiaco Western Australia 6008
www.talismanmining.com.au



The execution of the Sandfire joint venture farm-in enabled Talisman to pursue its own business development strategy with renewed vigour during the 2014 calendar year and we identified, reviewed and assessed many projects and corporate opportunities.

Our focus was targeted at advanced nickel or copper exploration projects with a pathway to potential production and I am pleased and excited to say that, as a direct result of these activities, we recently entered into an agreement with Xstrata Nickel Australasia Operations Pty Ltd to acquire the Sinclair Nickel Project in Western Australia. Nickel is a commodity which we as a Board and management team know well. It is also a commodity with attractive forward supply and demand fundamentals.

The acquisition consists of an upfront cash payment of \$8 million, which will be funded by Talisman's existing cash reserves, and a contingent deferred payment of \$2 million triggered by production recommencing at the Sinclair mine and processing plant within six years of transaction completion.

Sinclair is an advanced, quality nickel sulphide project located in the southern portion of WA's Agnew-Wiluna Greenstone Belt, one of the world's premier nickel provinces with over 9 million tonnes of reported contained nickel metal. It presents a unique combination of immediate exploration potential and optionality to return to production with relatively low pre-production costs. The plant and infrastructure which are part of the acquisition are currently under care and maintenance and in excellent condition.

Sinclair offers a number of exploration and resource definition opportunities including direct extensions of the known Sinclair deposit, advanced near-mine prospects and multiple regional prospects within a 30km radius of the mine. One of our core objectives in the future will be to pursue and unlock as much of this exploration potential as possible.

In light of the strong market outlook for nickel in the medium term, I believe that this project acquisition represents a transformational opportunity for Talisman with the potential to deliver significant growth and substantial value to the Company and its shareholders.

After giving due consideration the challenging market conditions which continue to confront the junior and mid-tier resource sector, the Company took further steps during the year to reduce corporate costs and overheads while ensuring that we have the appropriate blend of people and skills to progress our key assets.

Following a 10 per cent reduction in fixed remuneration for Directors and management during the 2014 financial year, Talisman's Directors have voluntarily agreed to a further 15 per cent reduction in their salary and superannuation benefits as a contribution to these cost-saving efforts.

As a result, Talisman remains in a strong financial position with approximately \$15 million in cash currently. This will enable us to complete the Sinclair acquisition and also fund the commencement of an exploration program at Sinclair in 2015.



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In conclusion, I would like to thank my fellow Directors and management team for their hard work during this difficult year. Our management team has concluded a joint venture with a high quality joint venture partner advancing exploration on our Bryah Basin tenements and successfully concluded our business development activities with the acquisition of an exciting nickel sulphide exploration/development project. We are very optimistic about the future for Talisman and we are looking forward to a very busy, active and successful year in 2015.

My sincere thanks also to our shareholders for their ongoing support.

Alan Senior
Chairman

For and on behalf of the Board,

Daniel Madden
Company Secretary