

Rule 5.5

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

TALISMAN MINING LIMITED

ABN

71 079 536 495

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(456)	(891)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(365)	(657)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	190	330
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(631)	(1,218)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(21)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	2
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	(19)
1.13	Total operating and investing cash flows (carried forward)	(631)	(1,237)

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1.13	Total operating and investing cash flows (brought forward)	(631)	(1,237)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(631)	(1,237)
1.20	Cash at beginning of quarter/year to date	15,446	16,052
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	14,815	14,815

Payments to directors of the entity and associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	185
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration to Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	8,700*
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	9,000

**Includes anticipated \$7.95million payment for acquisition of Sinclair Nickel Project (see ASX release dated 20/10/14 -Talisman acquires Sinclair Nickel Project)*

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8,335	176
5.2 Deposits at call	6,480	15,270
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	14,815	15,446

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1 Interests in mining tenements relinquished, reduced or lapsed	Shelby				
	E52/2499		100%	0%	
	E52/2500		100%	0%	
	E52/2519		100%	0%	
	E52/2628		100%	0%	
	E52/2629		100%	0%	
	E52/2634		100%	0%	
	Milgun				
	E52/2281		100%	0%	
	E52/2708		100%	0%	
	Killara				
	E51/1643	Application	0%	0%	
E51/1662	Application	0%	0%		
E51/1663	Application	0%	0%		
6.2 Interests in mining tenements acquired or increased	Sinclair				
	E36/650		0%	0%	
	E37/538		0%	0%	
	E37/903		0%	0%	
	E37/1012		0%	0%	
	L36/198	Talisman entered into a binding agreement to acquire the Sinclair Nickel Project and associated tenements from Xstrata Nickel Australasia Operations on 21 October 2014.	0%	0%	
	L37/175		0%	0%	
	M36/444		0%	0%	
	M36/445		0%	0%	
	M36/446		0%	0%	
	M37/362		0%	0%	
	M37/383		0%	0%	
	M37/384		0%	0%	
	M37/385		0%	0%	
	M37/386		0%	0%	
	M37/424		0%	0%	
	M37/426		As at 31 December 2014 the acquisition remains subject to Ministerial Consent and as such the transfer of title had not taken place at the end of the December 2014 quarter. Consequently interest at the end of the quarter is shown as 0%	0%	0%
	M37/427			0%	0%
	M37/590			0%	0%
	M37/692			0%	0%
	M37/735			0%	0%
	M37/816	0%		0%	
	M37/818	0%		0%	
	M37/819	0%		0%	
	M37/1063	0%		0%	
	M37/1089	0%		0%	
	M37/1090	0%		0%	
	M37/1126	0%		0%	
	M37/1127	0%		0%	
	M37/1136	0%		0%	
	M37/1137	0%		0%	
	M37/1148	0%		0%	
M37/1168	0%	0%			
M37/1223	0%	0%			
M37/1275	0%	0%			
P37/7228	0%	0%			
P37/7233	0%	0%			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	131,538,627	131,538,627		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	250,000	-	Exercise price \$1.02	Expiry date 31/07/2015
	250,000	-	\$1.13	31/07/2015
	250,000	-	\$1.41	31/07/2015
	250,000	-	\$1.53	31/07/2015
	562,500	-	\$0.43	31/10/2016
	562,500	-	\$0.51	31/10/2016
	562,500	-	\$0.60	31/10/2016
	562,500	-	\$0.69	31/10/2016
	750,000	-	\$0.41	31/10/2017
	750,000	-	\$0.49	31/10/2017
	750,000	-	\$0.56	31/10/2017
	750,000	-	\$0.64	31/10/2017
7.8 Issued during quarter	750,000	-	\$0.41	31/10/2017
	750,000	-	\$0.49	31/10/2017
	750,000	-	\$0.56	31/10/2017
	750,000	-	\$0.64	31/10/2017
7.9 Exercised during quarter	-	-	-	-

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7.10	Expired during quarter	400,000	-	\$0.69	31/12/2014
		400,000	-	\$0.73	31/12/2014
		400,000	-	\$0.78	31/12/2014
		400,000	-	\$0.83	31/12/2014
		400,000	-	\$0.85	31/12/2014
		750,000	-	\$0.72	31/10/2014
		750,000	-	\$0.80	31/10/2014
		750,000	-	\$1.00	31/10/2014
		750,000	-	\$1.12	31/10/2014
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Daniel Madden
Company Secretary

Date: 29 January 2015



Print name: Daniel Madden

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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