



**TALISMAN  
MINING LIMITED**

ASX Code: TLM

**RIU Explorers' Conference**

February 2015



**Growth and Opportunity in Nickel and Copper**

Dan Madden, Chief Financial Officer



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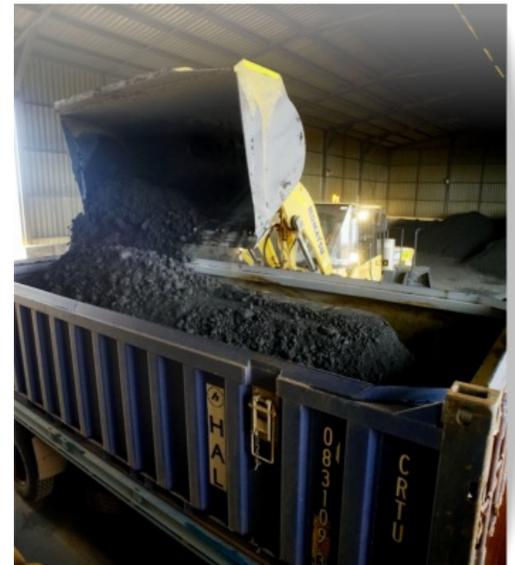
## Competent Person's Statement

Information in this presentation that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Graham Leaver, who is a member of the Australasian Institute of Geoscientists. Mr Leaver is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit 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 Leaver consents to the inclusion in this presentation of the matters based on information in the form and context in which it appears.

# Overview – Platform for Growth



- Exceptional record of capital management
- Last capital raising was in February 2010 – 5 years ago
- Four significant enabling transactions completed in past four years:
  - Successful **divestment** of **Wonmunna iron ore project** for \$34M cash in 2011, plus shares and a 1% gross revenue royalty
  - **Sale** of title to **non-core Pilbara iron ore tenements** to FMG for \$0.55M in 2012 – with retention of royalty rights
  - Progressed an active VMS exploration program over several years in Bryah Basin before negotiating a **\$15M JV** with Sandfire Resources in late 2013 on **Doolgunna Projects**
  - Recently completed ‘counter-cyclical’ \$8M **acquisition** of **Sinclair Nickel Project** from Glencore
- Prudent & disciplined approach to managing risk and adding value in tough times



**A new focus and outstanding growth potential in nickel**



- Quality projects in world-class mineral provinces
- Experienced Board and Management
- Positioned to “add value”

## Capital Structure

Shares on Issue	131.5M
Unlisted Options	6.25M
Market Cap (at 15c)	~\$19M
Cash (post Sinclair completion)	~\$6M

## Other Assets

Ochre Group Holdings Limited	5.9%
Wonmunna Iron Ore Project Royalty	1.0%

## Board

Alan Senior (Chairman) – ex Jubilee Mines

Gary Lethridge (*Managing Director*) – ex Jubilee Mines & LionOre

Brian Dawes (Non Executive Director) – ex Jubilee Mines & LionOre

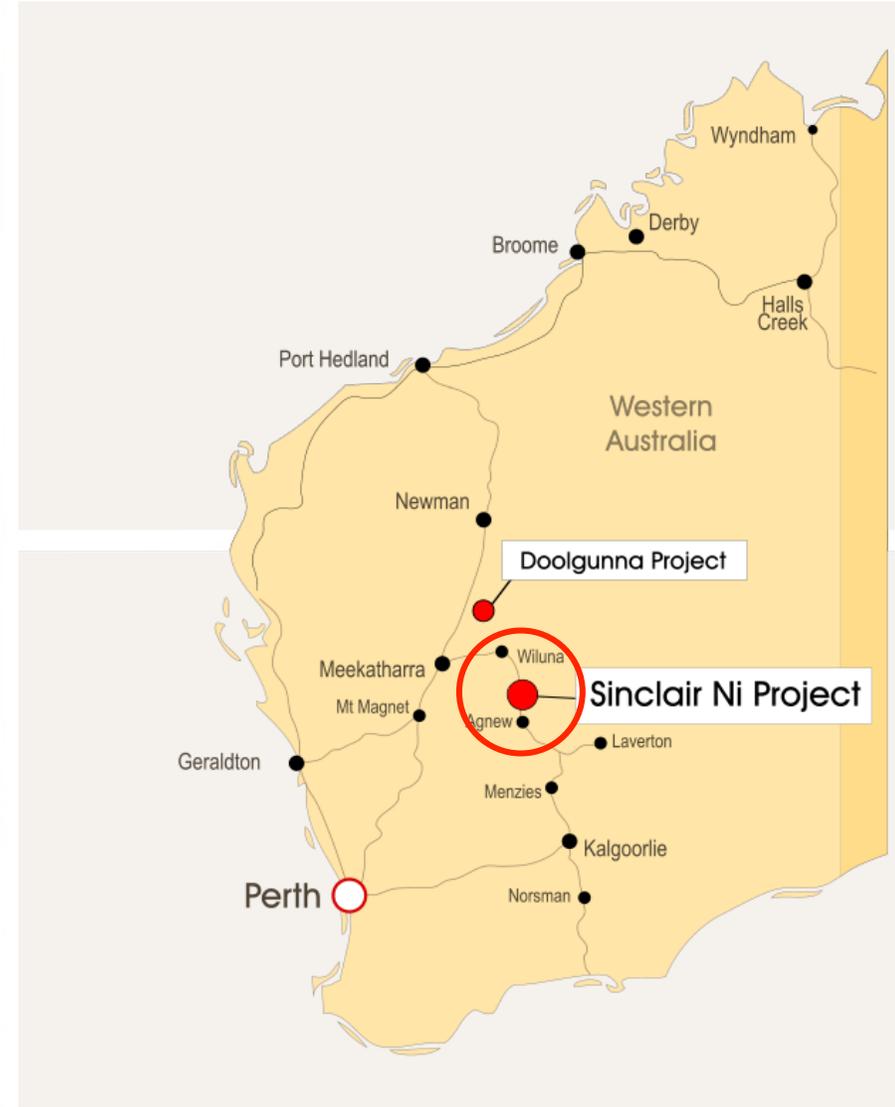
Karen Gadsby (Non-Executive Director) – ex North Ltd



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# Sinclair Nickel Project



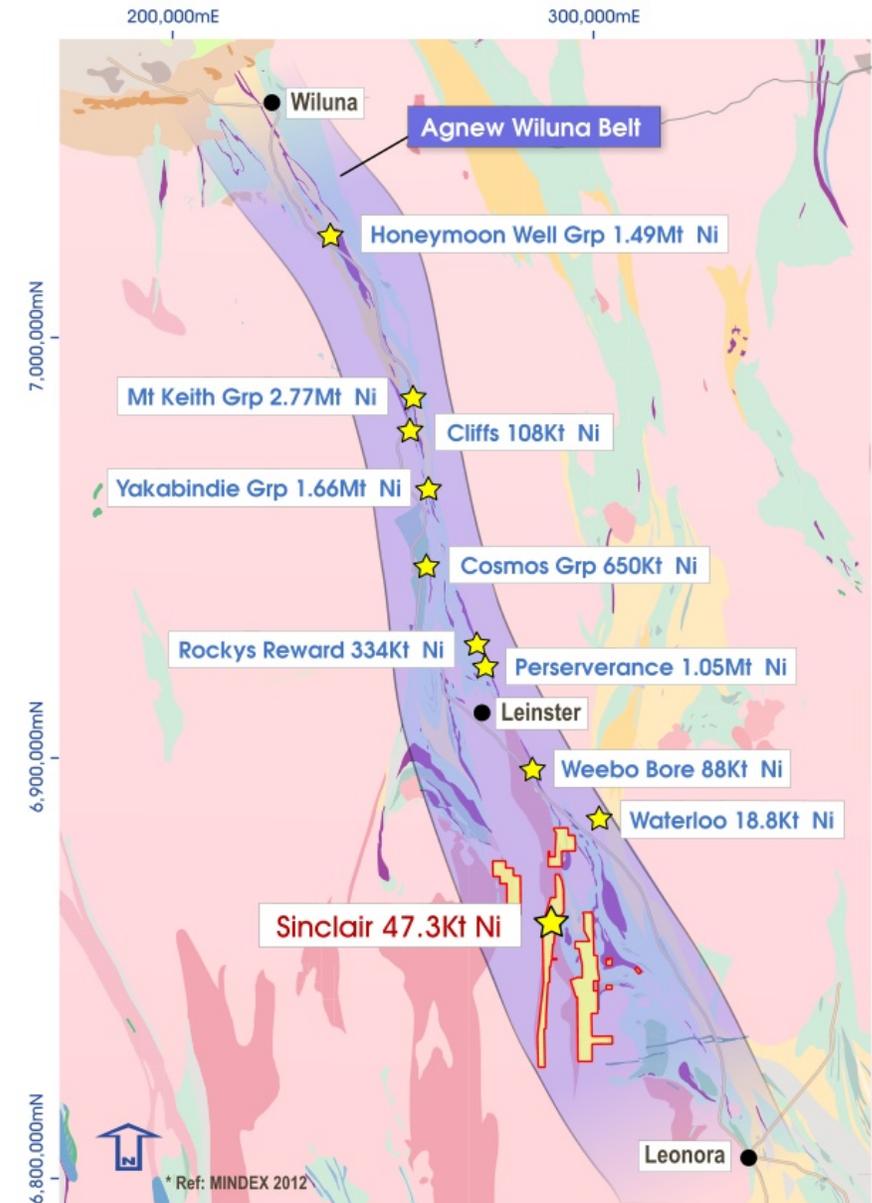
A counter-cyclical opportunity in nickel

# Sinclair Nickel Project – A Transformational Acquisition



- **Sinclair Nickel Project:**

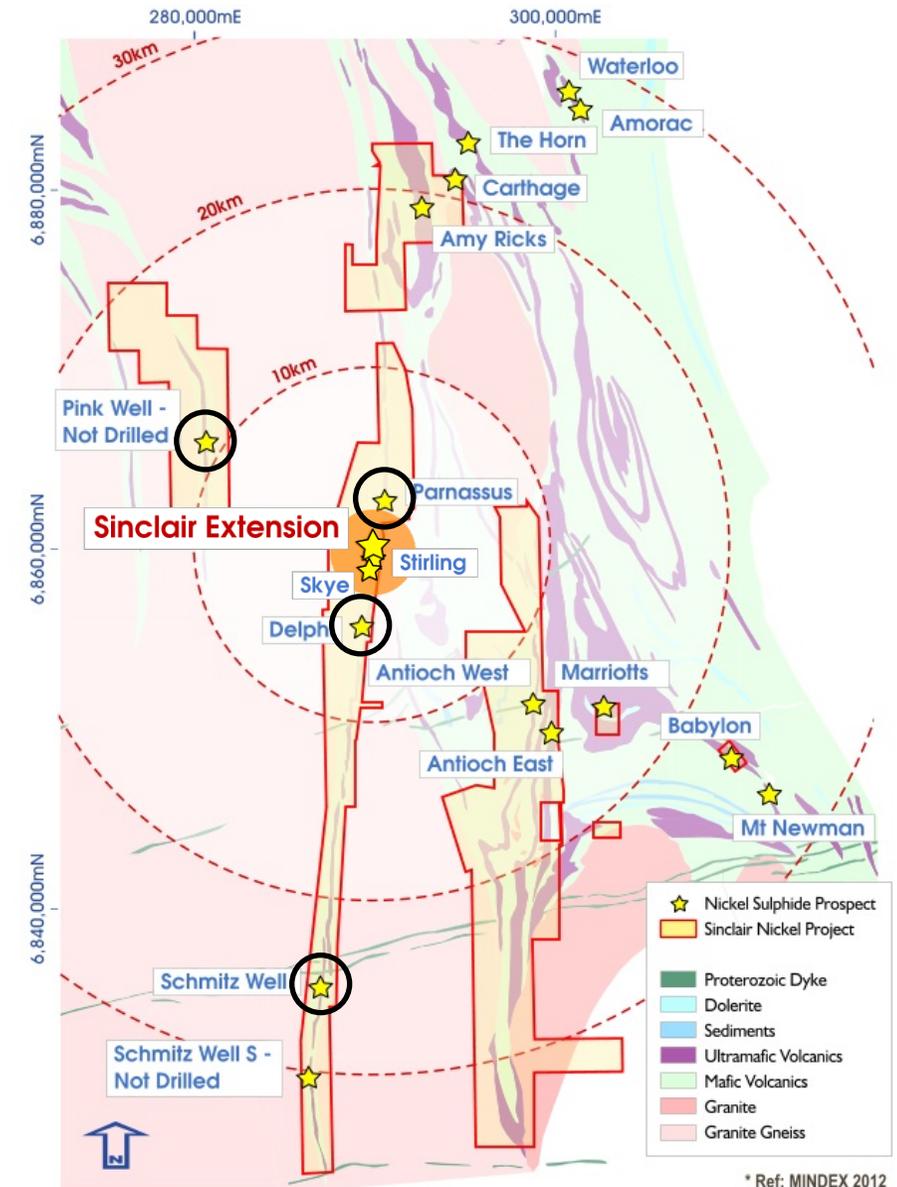
- *An advanced WA nickel sulphide project*
  - *Secured via Sale & Purchase Agreement with Glencore in October 2014*
  - *\$8M cash consideration, funded from Talisman cash reserves, plus \$2M contingent production payment*
  - *Acquisition completed on 4 February 2015*
- Located within the southern portion of the prolific, world-class Agnew-Wiluna Greenstone belt
  - One of the world's premier nickel provinces with reported production of over **9Mt of nickel** and numerous world-class deposits



# Sinclair Nickel Project – Overview



- Highly prospective tenement package extending over 300km<sup>2</sup>
- Sinclair acquisition includes:
  - Sinclair Nickel Mine (on care & maintenance)
  - Extensive near-new infrastructure (including 300ktpa Concentrator)
  - Existing deposit with drill-defined extensions
  - Outstanding exploration upside
- Main focus along Sinclair ultramafic belt
- Multiple exploration targets within 30km of Sinclair (including on parallel ultramafic belts)



# Sinclair Nickel Project – Background



## Project History

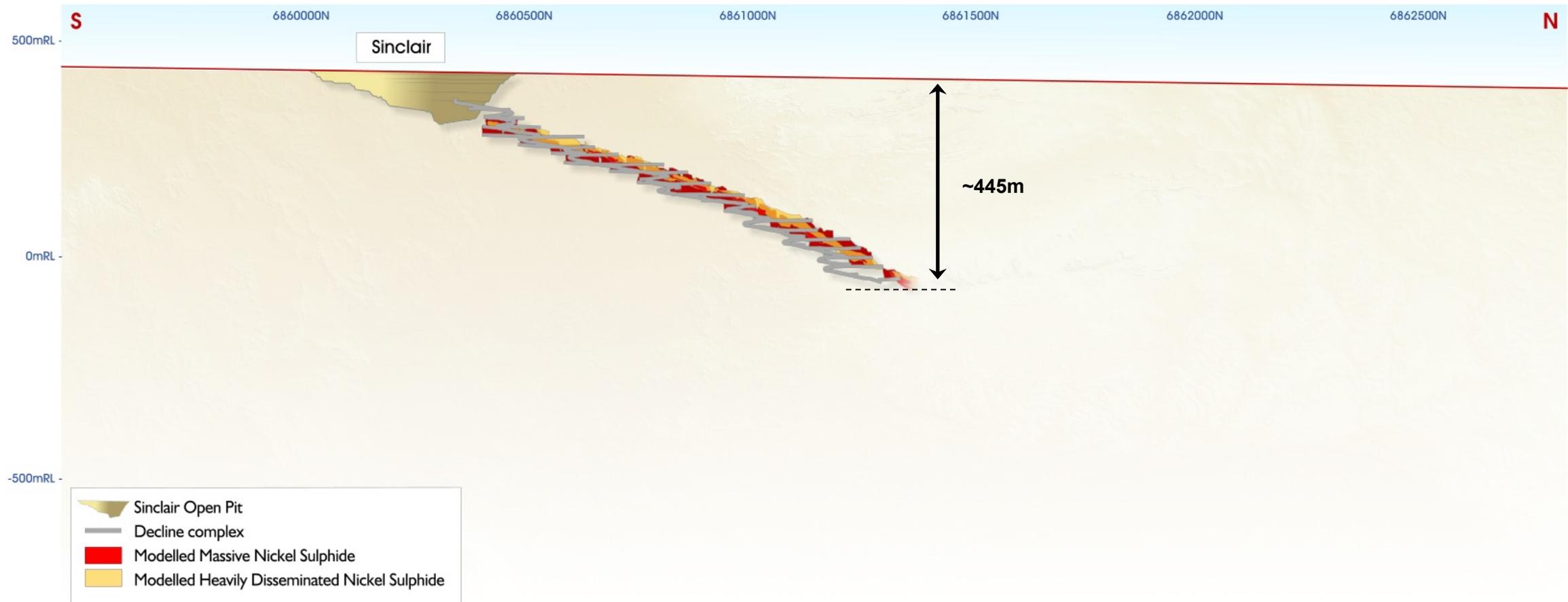
- Discovered by Jubilee Mines NL in October 2005
- Developed in 2008 / 2009 by Xstrata
- Historical Sinclair mine production:
  - *1.58 Mt @ 2.44% Ni for 38,500t of contained Ni*
- Placed on care and maintenance by Glencore in August 2013

## Project Knowledge & Capability

- 5 ex-Jubilee Mines NL personnel
- Geology: *Exploration Manager was part of Jubilee Mines' 2005 Sinclair exploration discovery team & then initial Sinclair Mine Geology Manager*
- Operations / Studies: *General Manager – Sinclair Nickel Project commenced mid-February 2015*

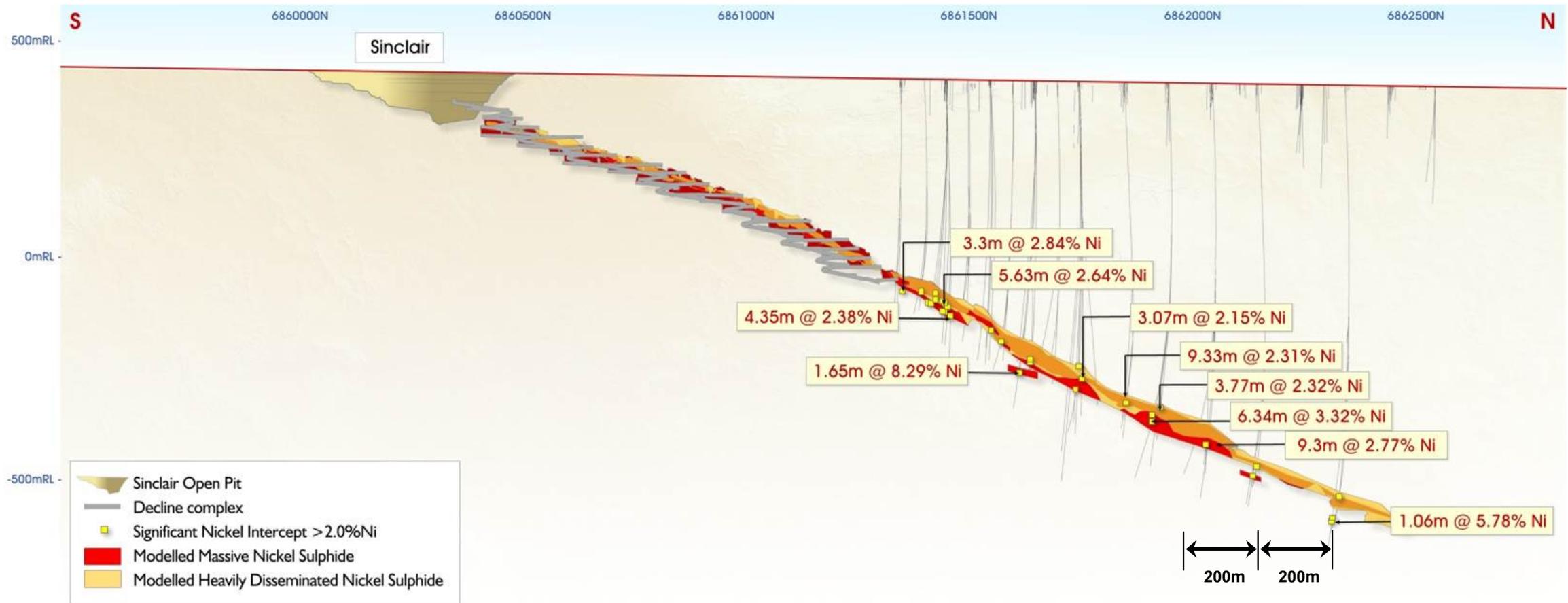


# Sinclair Nickel Project – Deposit and Mine Development



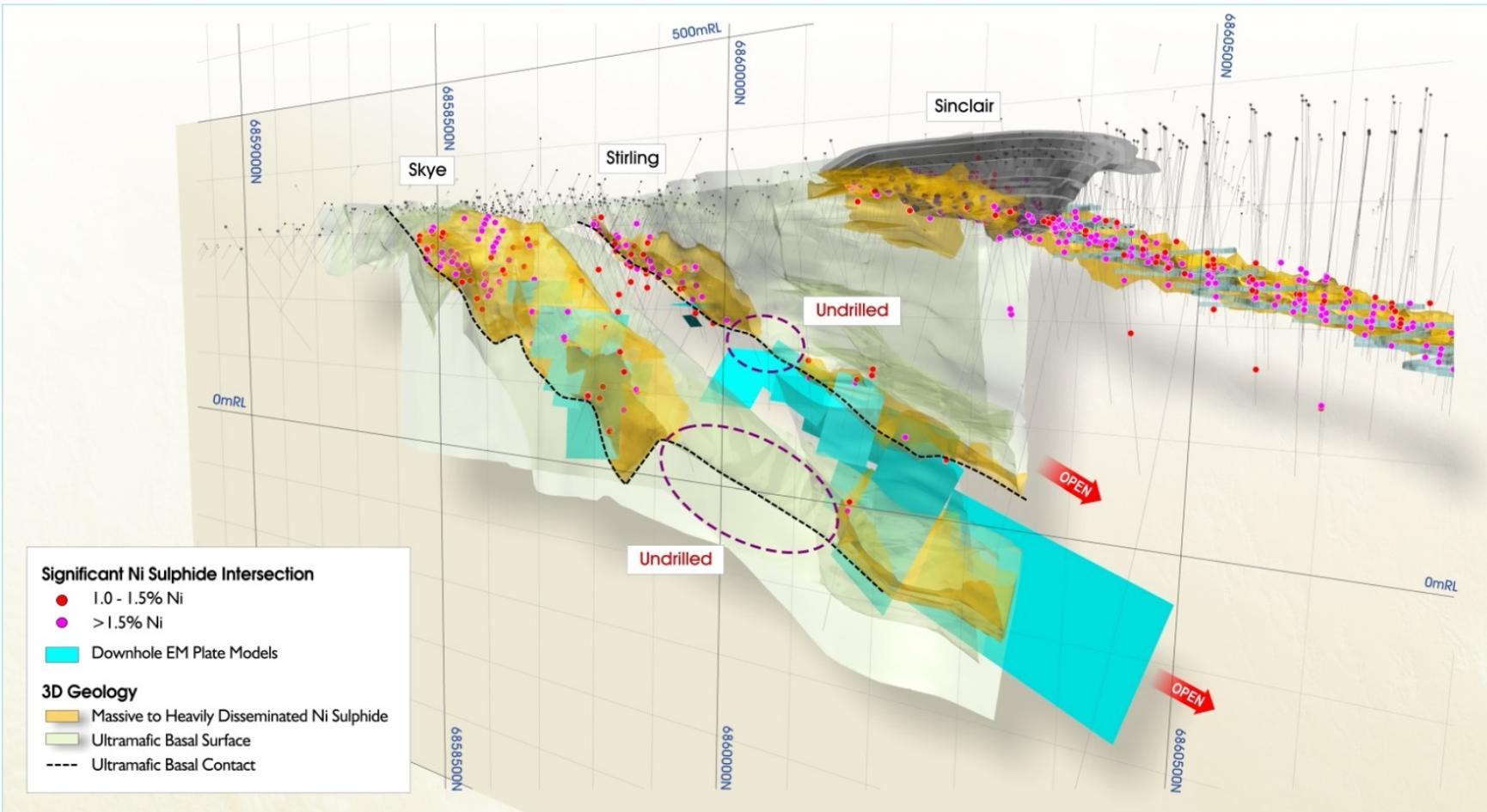
- Sinclair deposit comprises an elongated body of massive to disseminated sulphide mineralisation with a shallow plunge of around 20 degrees which was mined to ~445m below surface

# Sinclair Nickel Deposit Extension



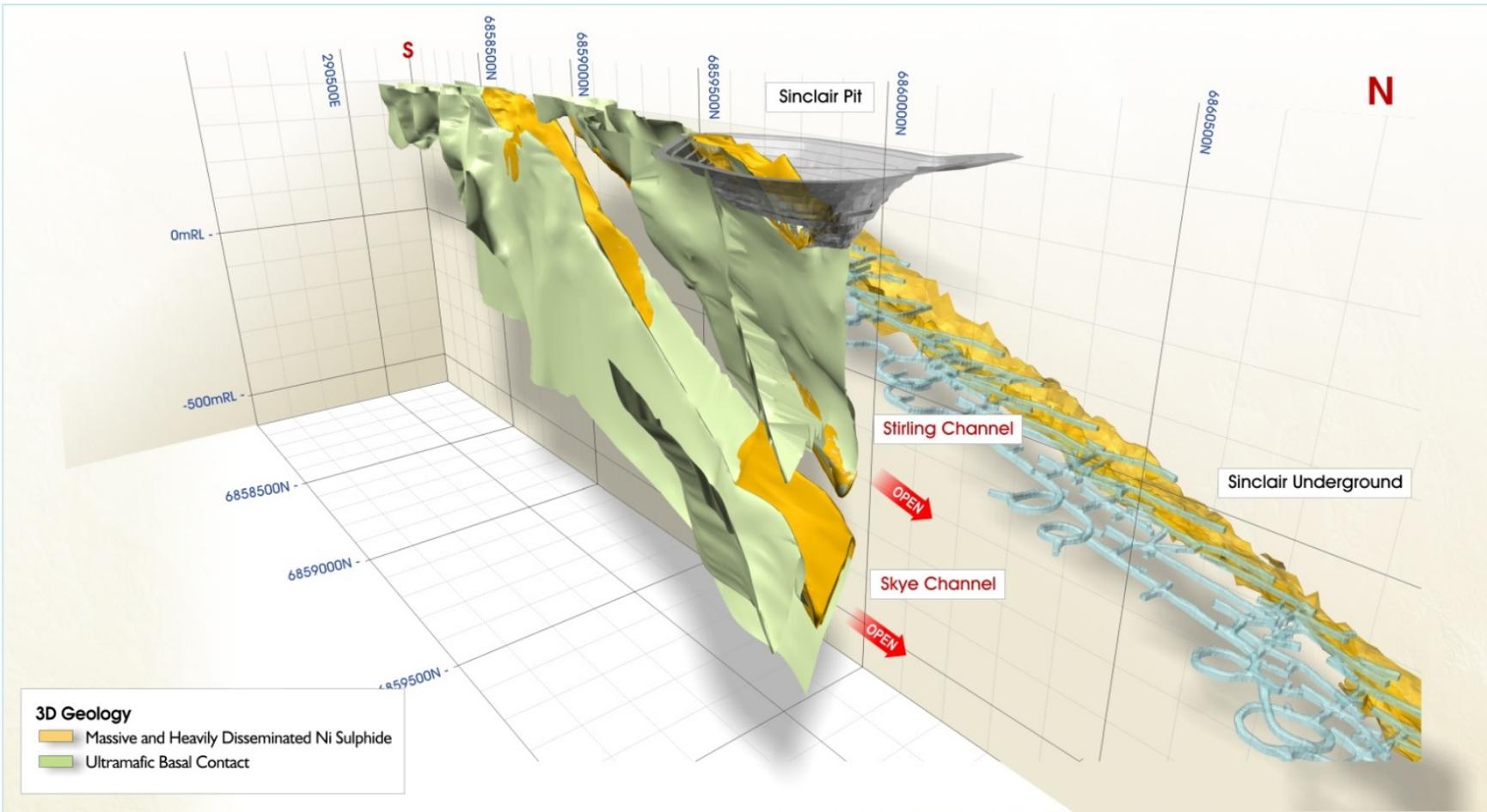
- Wide-spaced drilling of the Sinclair Deposit for 1km beyond current mine development has returned significant intersections\* Refer Talisman ASX Release 20<sup>th</sup> October 2014
- Modelling and evaluation work of Sinclair Deposit extension underway
- Broader exploration plan under development

# Near-Mine Exploration Opportunity – Skye & Stirling



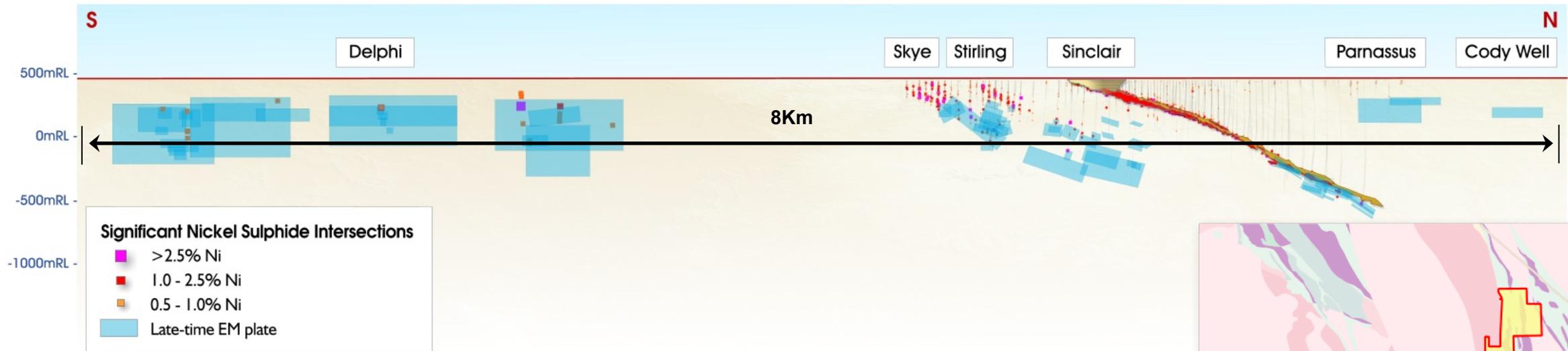
- **Skye and Stirling** – two parallel, mineralised ultra-mafic channels (similar to Sinclair) with greater ultra-mafic volumes
- Numerous significant mineralised intercepts from relatively broad spaced historical drilling
- Late-time EM plates identified directly below the Sinclair Trend
- Significant near-mine exploration potential with several highly prospective areas not yet tested by drilling

# Skye & Stirling – Exploration Targeting Underway

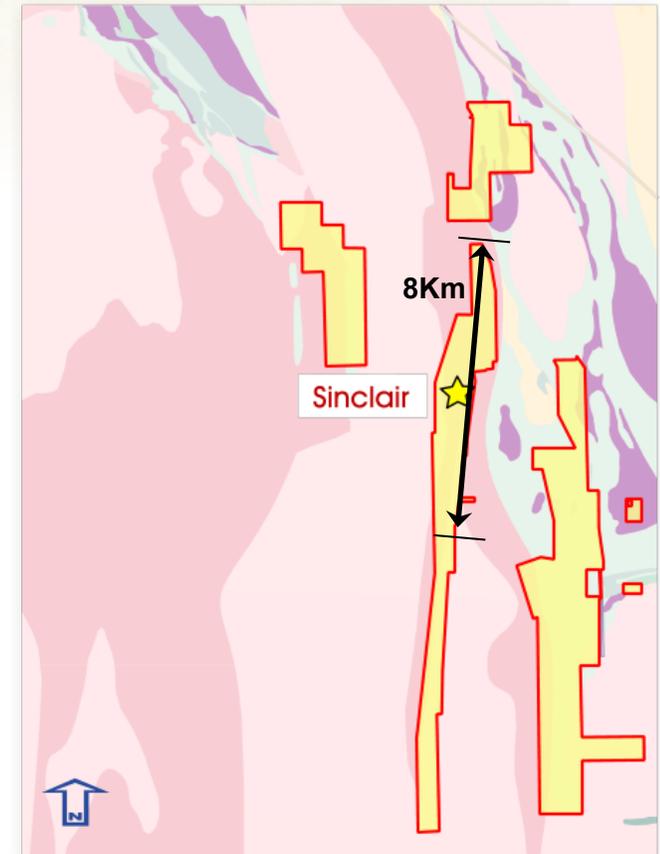


- Talisman, in association with SRK, have built 3D geological models of Skye and Stirling
- Newexco have re-processed and reviewed historical EM data
- Integration of these datasets is underway to identify optimal exploration target positions

# Sinclair Trend – A Pipeline of Exploration Opportunities



- Sinclair Trend offers along strike discovery opportunity for at least 8km
- Limited historical drilling outside of immediate near-mine area
- Priority Sinclair Trend exploration prospects are:
  - *Delphi (North & South);*
  - *Parnassus; and*
  - *Cody Well*



# Summary – Fast-Track Development Potential



- Sinclair has extensive infrastructure:
  - *Open pit, decline and underground mine*
  - *300ktpa concentrate plant*
  - *200-person accommodation village*
  - *Administration buildings and stores*
  - *Exploration office and core yard*
  - *Mining contractor facilities*
  - *Mobile fleet*
- A re-commencement of operations at Sinclair, subject to near-mine exploration success, has the potential for:
  - *Reduced capital intensity; and*
  - *Fast-tracked transition to production*





- Finalise matters relating to transfer of Project ownership:
  - *Stamp duty assessment*
  - *Tenement transfers*
- Key steps to enable commencement of initial drilling program:
  - *Complete data compilation and assessment (underway)*
  - *Define initial drill targets (underway)*
  - *Submit exploration POW's*
- Commence evaluation of broader strategic development options (underway)



Commence maiden drill program by mid-2015



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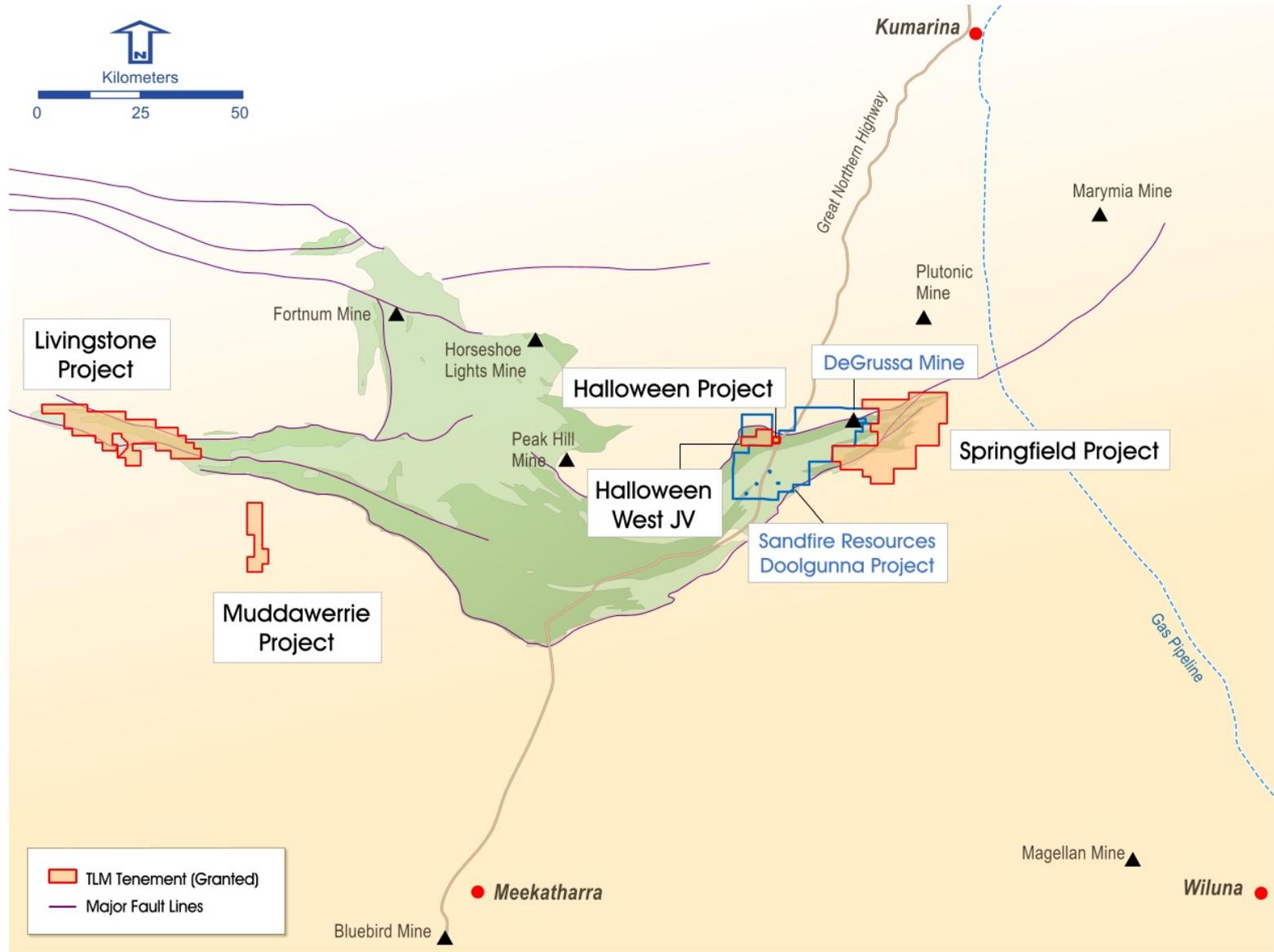
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# Doolgunna Copper-Gold Projects



Exposure to Potential New Copper-Gold Discoveries in a World-Class VMS Province

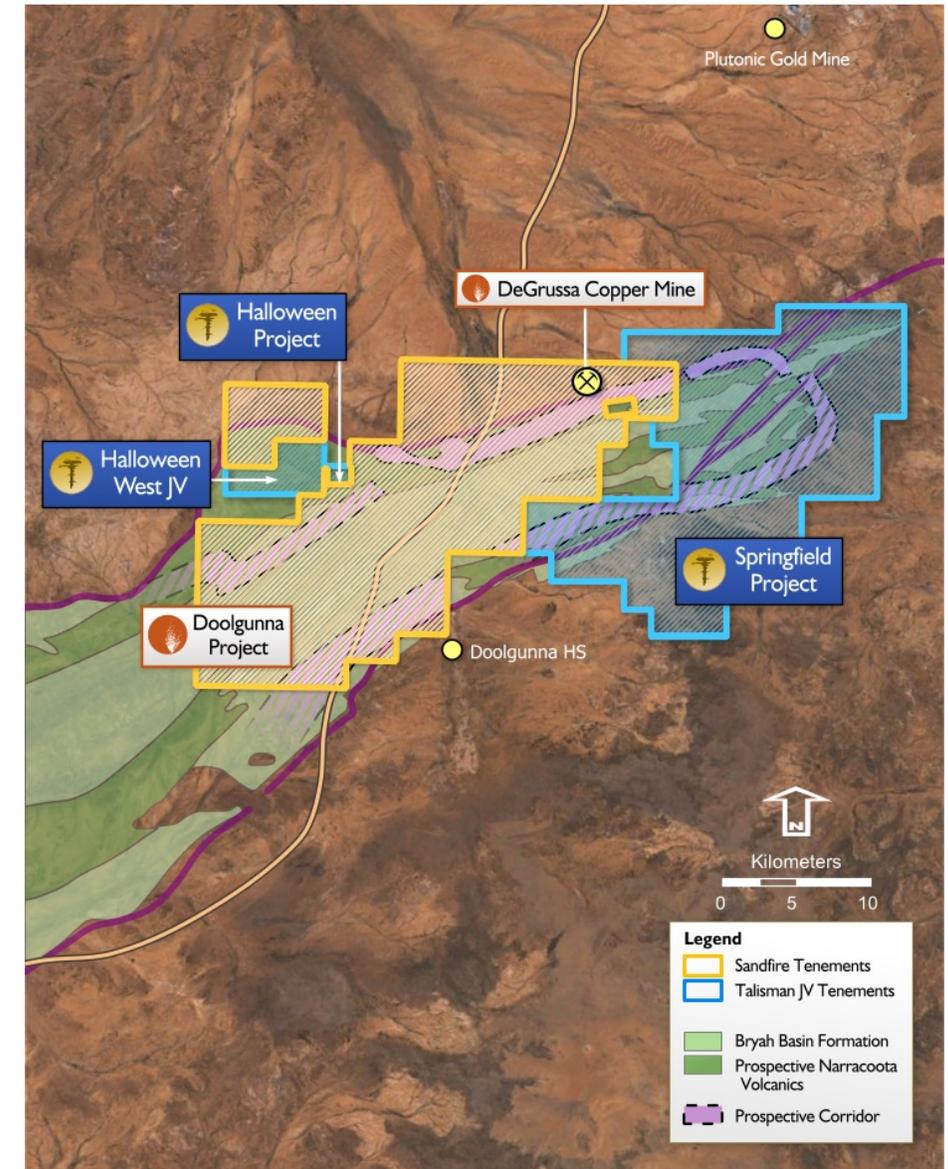
# Talisman Doolgunna Project Locations



# Doolgunna Projects Overview

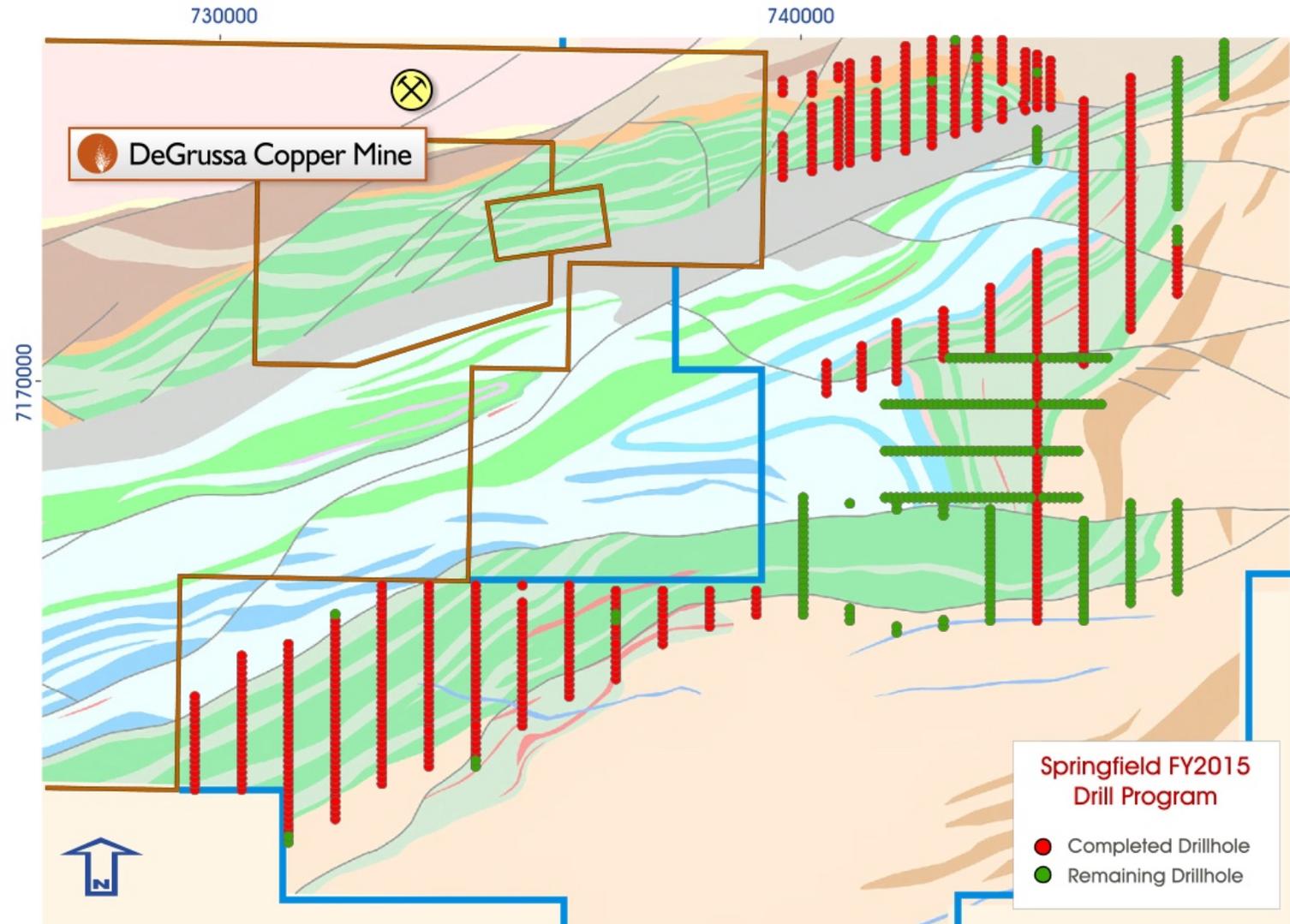


- Projects located in an emerging copper province hosting the world-class, high-grade DeGrussa Copper-Gold Mine
- \$15 million farm-in joint venture agreed with Sandfire in late December 2013
- Sandfire to spend a minimum of \$5m in first 2 years
  - *First phase of ground-based exploration by Sandfire commenced June 2014 delivering significant encouragement*
  - *2014 deep diamond drill hole along strike confirmed presence of DeGrussa stratigraphy at Springfield Project*
- Extensive multi-pronged exploration programs continuing to gather data to define robust drill targets





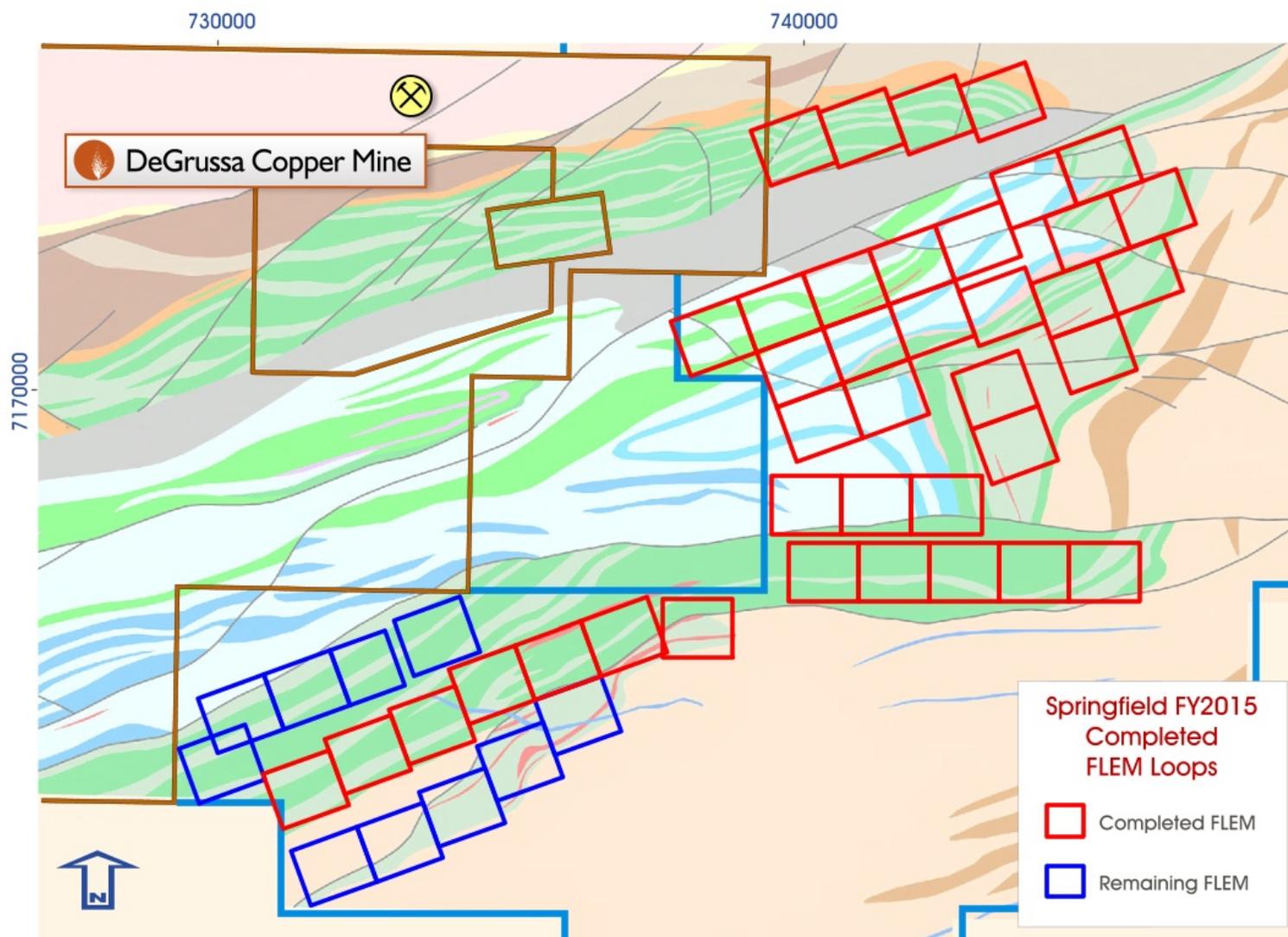
- Sandfire continue to conduct extensive geochemical aircore drilling programmes across the prospective sequence at Springfield
- Drilling at Springfield in 2014 by Sandfire:
  - **285 aircore holes for 20,099 metres; and**
  - **1 diamond hole (1,099 metres) to test a FLEM / DHEM anomaly**
- Aircore drilling recommenced in January 2015 with approximately 500 holes for 30,000m currently planned





- In 2014, Sandfire:
  - *Undertook 24 1km x 1km high-powered FLEM surveys over part of the prospective sequence; and*
  - *Re-surveyed 20 historical Talisman drill holes*
- Extensive geophysical programmes continue in 2015:
  - *25 1km x 1km high powered FLEM surveys currently underway/planned*
  - *Anomalies identified by larger loops may be followed up by smaller FLEM surveys*

**Extensive ground-based exploration underway to generate drill targets**





- **Considered growth strategy has now delivered real opportunity for value creation on two fronts:**

## 1. Nickel Sulphides

- *Sinclair Nickel Project acquisition provides transformational opportunity*
- *Significant “walk-up” exploration potential in near-mine environment*
- *Targeted drilling planned to commence by mid-2015*
- *Potential for low capital intensity and fast-track transition to production*

## 2. Copper-Gold

- *Doolgunna Projects currently free-carried and managed by Sandfire Resources*
- *Exposure to significant and active exploration programs on Springfield Project adjacent to DeGrussa Copper Mine – drilling and EM ongoing*
- *Data collection and integration process anticipated to deliver robust drill targets during 2015*





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