

ASX Media Release – 10 November 2016

Talisman Mining Limited 2016 Annual General Meeting

Chairman's Address

*To be delivered at the Company's Annual General Meeting to be held at
10:00am, Thursday 10 November 2016.*

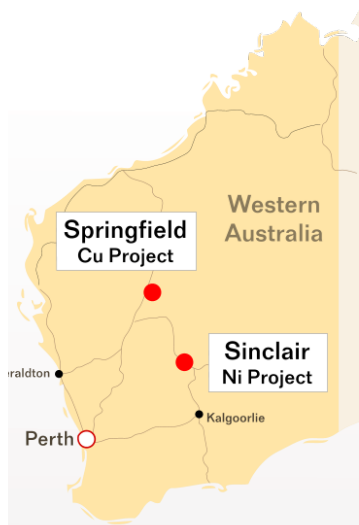
The 2016 Financial Year has been significant for Talisman Mining. During this period the Company has delivered a maiden copper-gold mineral resource at Monty and continued its systematic exploration programs in the wider Springfield Joint Venture and at the wholly owned Sinclair nickel project. These activities have left the Company in a strong position as we move towards a development decision for the high-grade Monty deposit and continue to progress the counter-cyclical nickel exploration opportunity at Sinclair.

We have also experienced a number of Board and management changes during the year. Alan Senior stepped down as Chairman after eight years but remains a Non-Executive Director and I would like to thank Alan for his services as Chairman and continued support and contribution. There have been many changes in the Company over that period. I joined the Board on 1 April this year and was elected Chairman. Dan Madden was appointed as Managing Director in July 2016 after initially being Acting Chief Executive following Gary Lethridge's unexpected resignation as Managing Director. I would also like to take this opportunity to thank Gary, for his efforts and guidance for the seven year period up to April this year.

I will start by making some brief comments regarding our two key assets, the Springfield Joint Venture and Sinclair Project. Dan will provide a presentation on our recent activities and an outlook for the year ahead following the meeting.

The Monty copper-gold discovery, located in Western Australia's Bryan Basin on the Springfield tenements, was undoubtedly a major breakthrough for Talisman and our Joint Venture partner Sandfire. Monty is the first significant deposit to be discovered outside of the immediate DeGrussa mine environment and provides strong validation that the Volcanic Massive Sulphides exploration model whereby deposits occur in multiple cluster or camps is applicable to the Doolgunna field.

Less than 18 months ago the discovery hole for Monty was drilled and after 42,000 metres of drilling, the Joint Venture reported a maiden mineral resource estimate for Monty in April 2016. The resource estimated the high-grade deposit contains almost 100,000 tonnes of copper and 55,000 ounces of gold. The average resource grade of 9.4% Cu and 1.6g/t Au ranks Monty as one of the highest grade copper deposits discovered globally in recent decades and provides Talisman with tremendous confidence in the exceptional exploration potential of the Springfield joint venture ground.



Board of Directors

Jeremy Kirkwood

Non-Executive Chairman

Dan Madden

Managing Director

Alan Senior

Non-Executive Director

Brian Dawes

Non-Executive Director

Karen Gadsby

Non-Executive Director

Contact Details

Telephone:

+61 8 9380 4230

Email:

info@talismanmining.com.au

Website:

www.talismanmining.com.au

Capital Structure

Shares on Issue:

185,699,879 (TLM)

Options on Issue:

2,400,000 (Unlisted)

Project development studies on the Monty Deposit have progressed rapidly and a Feasibility Study that aims to maximise its value through optimising the development pathway is well advanced. This study is scheduled for completion the first quarter of 2017 and, subject to the outcome of the study, a decision to proceed with development is expected to be made soon afterwards.

Since the completion of the Monty resource, activities on the Springfield Joint Venture tenements have moved beyond the immediate Monty Deposit to focus both along the 5km long Monty trend and more broadly within the Homer and Southern Volcanics prospects. Together with Sandfire, we look forward to advancing these work programs and achieving continued exploration success.

Turning now to our 100%-owned Sinclair Nickel Project: our strategy at Sinclair has been to pursue potential development opportunities based on the current known deposit and remnants in parallel with low-cost, targeted exploration activities aimed at discovering new nickel sulphide deposits.

The potential discovery of new nickel sulphide mineralisation at Delphi North in close proximity to the existing fully-developed mine, concentrator and associated surface infrastructure supports our strategy to unlock the value of this outstanding counter-cyclical nickel sulphide opportunity.

For most of the 2016 Financial Year activities at Sinclair centred on detailed desktop studies and low level, on-ground exploration activities. Re-interpretation of historic data and geophysical surveys were completed early in the financial year which identified a number of regional targets. In keeping with the subdued global nickel price outlook, we undertook a small targeted and cost efficient exploration drill campaign in October 2015 focused on several targets which successfully intersected massive nickel sulphides at the Delphi North prospect.

The encouraging results of our maiden campaign at Sinclair supported our belief that this region hosts a fertile mineralised environment that has the potential to contain significant nickel deposits. On this basis, we undertook a second campaign of RC and diamond drilling at Delphi, Delphi North and Schmitz Well which produced encouraging nickel sulphide intersections at all the prospects. Delphi North produced some spectacular results, including 9m at 4.2% nickel and 4m at 4.8% nickel. Follow-up down hole EM surveys of all diamond holes identified multiple conductors at Delphi and Delphi North.

The success of this campaign warranted immediate follow-up and a diamond rig is currently testing targets at Delphi North. In addition to the regional targeting work earlier in the financial year we more recently undertook a detailed remodelling exercise of the Sinclair Trend, an 8km fertile ultramafic basal contact in the near mine environment. This work identified multiple mineralised positions and a program of RC and diamond drilling is currently underway to test selected target horizons at Stirling, Sinclair North, Sinclair East and Parnassus. Again, this is a targeted and cost efficient program aimed at identifying new nickel sulphide deposits to fully leverage the valuable existing infrastructure at Sinclair.

Whilst we continue to operate in a challenging base metals market for resource companies, it was pleasing to see strong shareholder support for our March 2016 capital raising. We successfully raised \$16.7 million in a heavily oversubscribed placement that introduced a new substantial shareholder to Talisman and enhanced the Company's ability to execute our strategy for shareholders.

At financial year end our cash resources of \$20.2 million have placed us in a strong position to fund both continued exploration at the Springfield Joint Venture and potential near-term development of the Monty Deposit, progress our phased exploration programs at Sinclair and continue to pursue quality opportunities.

Our Board and management team continue to focus on the overriding need to manage our cash resources carefully and prudently and everything that has been achieved has been done with this in mind.



On behalf of the Board, I would like to thank the Company's dedicated team of staff and consultants – led by our Managing Director, Dan Madden – for their efforts, dedication and achievements during what has been a challenging and busy year. The Board is pleased with the manner in which Dan and his management team have taken to their new roles and worked cohesively for the benefit of the Company. We look forward to their continued hard-work and enthusiasm in the new financial year.

There remains much work to be undertaken associated with the ongoing exploration at Sinclair and the potential move towards the development of Monty and it will be another busy and challenging year for all. We will continue to act in an accountable manner, seeking to engage collaboratively and in a mutually beneficial way with all stakeholders. Our activities will always be underpinned by our commitment to a responsible approach to safety, environment and the communities where we operate.

Finally, I would also like to acknowledge the continued support of all our shareholders. Our role as custodians of your capital is of the of paramount importance to the Board and management and we take our responsibility to maximise the value of your investment very seriously. Your Company is in a strong financial position as we move forward to grow our business and extract value from our outstanding asset base and other potential quality opportunities. I believe that shareholders can look forward to the New Year and the future with enthusiasm and confidence.

Thank you.

For and on behalf of the Board

Alex Neuling
Company Secretary