



28 June 2018

## *US\$3M Working Capital Facility*

Talisman Mining Ltd (ASX: **TLM, Talisman**) is pleased to advise it has reached agreement with Taurus Mining Finance Fund (**TMFF**) for a US\$3 million working capital facility (the **Facility**) to support Talisman's current exploration activities and general working capital.

Talisman previously advised it has reached an in-principle agreement with Sandfire Resources NL (**Sandfire**), its partner in the Springfield Mining Joint Venture and Springfield Exploration Joint Venture (collectively the **Springfield JV**), to acquire Talisman's 30% interest in the Springfield JV (see ASX announcement 8 June 2018).

Part of the consideration to be received by Talisman from Sandfire for the proposed acquisition of Talisman's interest in the Springfield JV is A\$72.3 million cash. The proposed acquisition remains subject to several conditions including shareholder approval and is not expected to be completed until the middle of the September quarter 2018.

Funds from the Facility will be used to maintain current and planned activity levels on Talisman's Lachlan gold and base metal exploration project (**Lachlan Project**) in NSW and the Sinclair nickel project in WA and for general working capital purposes.

The Facility can be repaid at Talisman's election without penalty and any drawn amount of the Facility will be repaid from the proceeds of the sale of its share of the Springfield JV, subject to the satisfaction of all conditions.

The Facility has been structured with an expiry date of 30 June 2020, providing Talisman with sufficient flexibility should the proposed sale of its share of the Springfield JV not complete for any reason.

Key terms of the Facility include:

- an interest rate of 6.75% payable quarterly in arrears;
- Lenders are Taurus Mining Finance Fund L.P. and Taurus Mining Finance Annex Fund L.P.
- security over Talisman's shares in its 100% owned subsidiaries, Haverford Holdings Pty Ltd and Talisman Nickel Pty Ltd;
- security over all of the assets of Talisman's subsidiary Haverford Holdings Pty Ltd including its interest in the Lachlan Project;
- a facility and commitment fee typical for a facility of this type; and
- representations, warranties, undertakings, events of default and review events typical for a facility of this nature

Talisman expects to make an initial US\$1 million drawdown of the Facility by the end of the month.

### **Ends**

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## About Talisman Mining

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman holds a 30% interest in the Springfield Joint Venture with Sandfire Resources NL (70% and JV manager). Springfield is located in a proven VMS province in Western Australia's Bryah Basin and contains multiple prospective corridors and active exploration activities. Springfield hosts the high-grade Monty copper-gold deposit which is located 10 kilometres from Sandfire's DeGrussa operations. Monty is one of the highest-grade copper-gold discoveries made globally in recent decades and a Feasibility Study on its development was completed in March 2017. The Feasibility Study highlighted the strong technical and financial viability of Monty. The Monty deposit is currently under development and Talisman has secured project debt financing for 100% of its share of pre-production capital costs.

Talisman also holds 100% of the Sinclair Nickel Project located in the world-class Agnew-Wiluna greenstone belt in WA's north-eastern Goldfields. The Sinclair nickel deposit, developed and commissioned in 2008 and operated successfully before being placed on care and maintenance in August 2013, produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% nickel. Sinclair has extensive infrastructure and includes a substantial 290km<sup>2</sup> tenement package covering more than 80km of strike in prospective ultramafic contact within a 35km radius of existing processing plant and infrastructure.

Talisman has also secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of 100% owned Exploration Licenses and through separate earn-in Joint Venture and tenement purchase agreements. The Cobar/Mineral Hill region is a richly mineralised district that hosts several base and precious metal mines including the CSA, Tritton, and Hera/ Nymagee mines. This region contains highly prospective geology that has produced many long-life, high-grade mineral discoveries. Talisman has identified a number of areas within its own and Joint Venture tenements that show evidence of base and precious metals endowment which have had very little modern systematic exploration completed to date. Talisman believes there is significant potential for the discovery of substantial base metals and gold mineralisation within this land package.

## Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

