31 August 2018

Sinclair Nickel Project
Talisman Maiden JORC Mineral Resource

Highlights

- Maiden Talisman **Indicated and Inferred Resource** of **720,000t @ 2.3% Ni** for **16,200t**[1] of contained nickel
  - o **Indicated Mineral Resource** of **250,000t @ 2.4% Ni,** for **6,000t**[1] of constrained Ni representing remnant mineralisation adjacent to existing mine workings
  - o **Inferred Mineral Resource** of **460,000t @ 2.2% Ni**, for **10,200t**[1] of contained Ni representing extensional mineralisation
- **Exploration Target** based on extensional drilling of the continuation of the Sinclair down-plunge mineralisation from 500m metres beyond existing underground mine infrastructure.

Figure 1: Sinclair Nickel Mine, looking south toward Skye/ Stirling

Talisman Mining Ltd (ASX: **TLM, Talisman**) is pleased to announce the completion of a Mineral Resource Estimate (**MRE**) at its 100% owned Sinclair Nickel Project.

The Sinclair Nickel Project has extensive, well-maintained infrastructure including an existing 350ktpa sulphide flotation processing plant, airstrip, camp and accommodation facilities. The Sinclair nickel mine was developed and commissioned in 2008 and operated successfully before being placed on care and maintenance in August 2013, having produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% Ni.

[1] JORC Mineral Resources quoted at a 1.5% Ni cut-off. Differences in quoted numbers may occur due to rounding.

Talisman recently commenced work to assess the potential for a MRE to be defined in accordance with the JORC Code from known mineralisation at the Sinclair nickel mine extension and remnants. Further potential for nickel mineralisation exists at other targets in the near mine region which the Company will continue to assess with cost effective targeted drilling programs.

Resources are based on historic reverse circulation (**RC**) and diamond drilling completed by Xstrata Nickel Australasia Operations Pty Ltd (**XNAO**) and incorporate remnant nickel sulphide mineralisation adjacent to existing mine development, and extensional mineralisation continuing immediately down plunge of existing mine workings.

The MRE process resulted in a *JORC Indicated and Inferred Resource* of **720,000t @ 2.3% Ni** for **16,200t** of contained nickel.

The MRE is based on a recently completed re-interpretation of the massive and disseminated/ stringer sulphide mineralisation at the Sinclair deposit by Talisman's geological team. The MRE was completed by an independent consultant, in conjunction with the Talisman team.

The Sinclair deposit comprises an elongated body of massive and heavily disseminated sulphide mineralisation with a shallow plunge of around 20 degrees to the north (*Figure 2*). The previous underground operation mined the deposit to around 445m below surface.

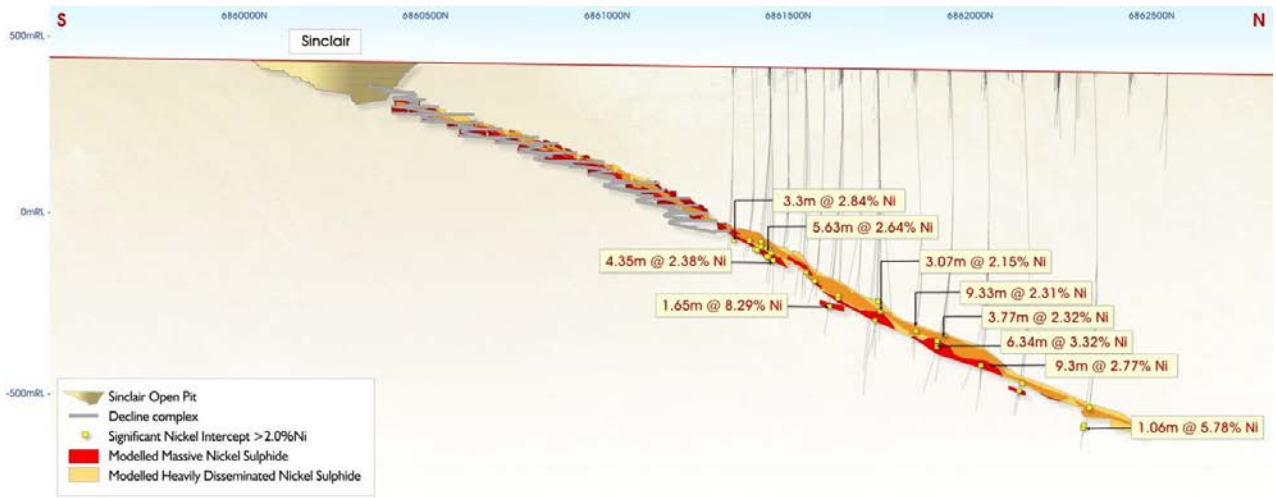

Figure 2: Sinclair Nickel deposit longitudinal projection with mine development showing mineralised Ni drill intercepts greater than 2% Ni beyond the limit of existing mine development[2]

Nickel mineralisation at the Sinclair deposit continues beyond the current underground mine infrastructure and has been identified in drilling for a further 1,200m down-plunge from the end of previous mining development *(Figure 3*). The first 500m of this continuation has been drilled at a sufficient density to enable a JORC Inferred Resource classification (*Figure 4*).

[2] Refer Talisman ASX Announcement dated 20th October 2014

Further to the north the continuation of the Sinclair deposit down-plunge mineralisation has only limited drilling for a further 700m on a 100-200m spaced drill pattern (*Figure 2 & Figure 3*), and this mineralisation forms an **Exploration Target** ranging between approximately **670,000t @ 2.0% Ni** for **13,700t** of contained nickel and **790,000t @ 2.5% Ni** for **19,900t** of contained nickel. The Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

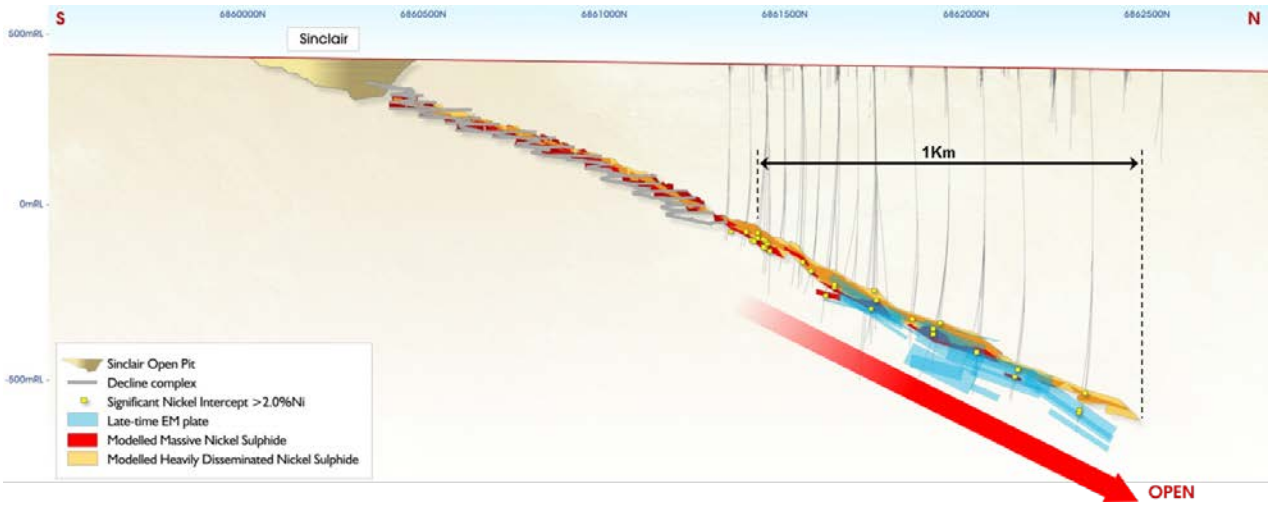

Figure 3: Sinclair nickel deposit longitudinal projection with mine development showing mineralised nickel drill intercepts greater than 2% Ni beyond the limit of existing mine development.

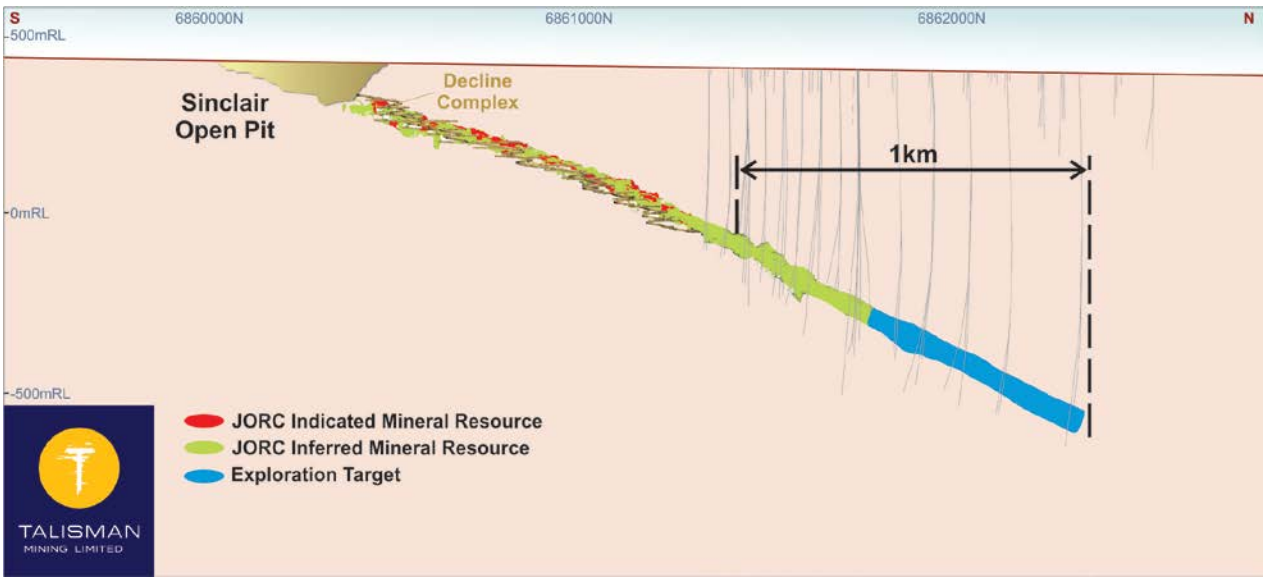

Figure 4: Sinclair Nickel Project – Mineral Resource Estimate: Resource Classification.

Mineral Resource Estimate

A summary of the material information used to estimate the Mineral Resource is presented in accordance with JORC. A more detailed description is contained in Appendix 2. The MRE is presented below at a selection of grade cut-offs in Table 1.

	JORC Category - Indicated		
Grade Cut-off (Ni %)	**Tonnage**	**Ni %**	**Ni t**
0.5	370,000	2.0	7,400
1.0	350,000	2.1	7,300
1.5	***250,000***	***2.4***	***6,000***
2.0	140,000	2.9	4,100

	JORC Category - Inferred		
Grade Cut-off (Ni %)	**Tonnage**	**Ni %**	**Ni t**
0.5	1,080,000	1.6	17,200
1.0	910,000	1.7	15,900
1.5	***460,000***	***2.2***	***10,200***
2.0	180,000	2.9	5,400

Table 1: Sinclair Nickel Project - Mineral Resource Estimate Grade Cut-off

Geology and Mineralisation

The style of mineralisation at the Sinclair Nickel Project is Type-I Archean Komatiite hosted nickel sulphide deposits. These deposits, similar to those found throughout the greater Norseman-Wiluna Greenstone Belt, are accumulations of nickel sulphides at the base of Komatiite lava channel flows that occurred over 2.5-2.8 billion years ago.

Drilling Techniques

Both diamond drilling and RC drilling have been employed at the Sinclair Nickel Project. Surface diamond drill-holes were completed using wedge drilling techniques and both HQ and NQ2 diameter core was collected for logging and sampling purposes. RC drilling is completed with a face sampling hammer of nominal 140mm size.

Sampling and Sub-Sampling Techniques

Sampling techniques employed at the Sinclair Nickel Project include saw cut diamond drill core (DD) samples in NQ2 size, sampled on geological intervals (0.2 m to 2 m) and cut into half (NQ2) core to give sample weights under 3 kg. RC drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples.

Sample Analysis Method

Samples were submitted to ALS Chemex Laboratories for analysis. Drill samples were crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 1g charge for 4-acid digest with an ICP-MS or AAS finish.

Estimation Methodology

Ordinary Kriging (OK) was selected as the most appropriate method for estimating nickel for the Sinclair deposit. A block size of 5mE x 12.5mN x 2.5mRL was selected as an appropriate block size for estimation based on the drill spacing, geometry of mineralisation and the likely potential future underground mining methods. The interpretation was approximated to a lower cut-off grade of 1.0% Ni and areas of massive sulphide internal to this cut-off were also modelled. One metre composites were generated and the estimation employed hard boundaries throughout. A search neighbourhood was applied parallel to the strike and dip with parameters derived as a function of variogram parameters and average sample spacing. A multi-pass estimation strategy was defined and no top cut has been applied to the data for the purposes of the OK nickel estimates. Bulk density was assigned to the mineralisation by a regression formula based on the relationship between bulk density and nickel percentages. Waste rock has been assigned a bulk density of 2.78t/m^3.

Classification

The Mineral Resource classification into Indicated and Inferred categories is based on good confidence in the geological and grade continuity. Areas within mine infrastructure and proximal to it have been classified as Indicated based on reasonable prospects of eventual extraction as described under 'Mining factors or assumptions' in Appendix 2 Table 3. Remaining material has been classified as Inferred to approximately 21,680mN. Paucity of drilling to the north of this precludes classification of grade estimates.

Reporting Cut off Grades

The preferred reporting cut-off grade for the Sinclair MRE is 1.5% Ni. This cut-off grade is estimated to be the minimum grade required for economic extraction and is similar to that used when the Sinclair nickel mine was in operation.

Exploration Target

	Exploration Target		
	Tonnage	**Ni %**	**Ni t**
Lower - 10%	670,000	2.0	13,700
Upper +10%	790,000	2.5	19,900

Table 2: Sinclair Nickel Project – Exploration Target approximate range

The Exploration Target as described above has been derived from a grade estimate process identical to the MRE described above. The Exploration Target is presented above in Table 2 and is presented as an approximate range (±10%) of grades and tonnes around a median at a 1.5% Ni cut-off. The grade estimates that form the basis for the Exploration Target remain unclassified due to insufficient drilling north of 21,680mN.

The Exploration Target is based on actual drilling results with a total of 13 informing drillholes in a total of 5 drill sections. Drillhole spacing in this area ranges from 100m to 200m sectional spacing with two or three drillholes in each section. Drillhole spacing on-section varies between approximately 25m to 50m. The geological interpretation therefore remains conceptual in nature due to considerable uncertainty regarding both geological and grade continuity of the mineralisation.

The Exploration Target grades and tonnes were estimated via Ordinary Kriging (OK) and a block size of 5mE x 12.5mN x 2.5mRL was selected. A mineralisation interpretation was based on a lower cut-off grade of 1.0% Ni and the estimation employed hard boundaries throughout. A search neighbourhood was applied parallel to the strike and dip and no top cut has been applied to the data. Bulk density was assigned to the mineralisation by a regression formula based on the relationship between bulk density and nickel percentages.

Infill drilling of a sufficient density to enable a JORC Inferred Resource classification is required to test the validity of the Exploration Target and an assessment of the quantum of drilling and most cost-effective way to carry out the drilling is currently underway and expected to be completed in the 2018 calendar year. The quantum of drilling is anticipated to be in the region of approximately 20 drill holes on existing and new drill sections, to close drill density to approximately 50m section spacing. Drilling could be undertaken from surface or from underground (assuming access to underground infrastructure is re-established). Potential drilling will follow completion of the assessment, the exact timing of which will be dependent on the prioritisation of other exploration activities, allocation of capital and outlook for the nickel sulphide market at that time.

Potential Resource Upside

Historic underground mining by XNAO in some of the final mining levels yielded significant increases in mineralised volume compared with the geological model (as defined by surface diamond drilling). These additions were realised where the vertical extent of mineralisation was greater than could be identified with 15-20m spaced drilling from surface.

Future close spaced drilling, coupled with downhole electromagnetic surveys (**DHEM**), has the potential to define additional high-grade shoots associated with tight folding and remobilized massive nickel sulphides along the Sinclair deposit extension.

In addition, there is a strong correlation between DHEM responses and nickel sulphide mineralisation at the Sinclair deposit, demonstrating that DHEM surveys are an effective tool in identifying higher-grade massive nickel sulphides. Multiple DHEM plates within the Sinclair deposit extension support the continuity of the mineralisation and the potential to identify additional mineralisation down-plunge and along strike from the existing mineral inventory (*Figure 3*).

It is Talisman's opinion that the existing historical broadly-spaced drilling traverses across the mine extensions are sufficiently wide to have missed potentially significant high-grade shoots of massive sulphide mineralisation. Due to the complexity of the Sinclair ore body, drilling needs be closely-spaced in order to better define these higher-grade shoots associated with tight folding and remobilised massive sulphide.

Next Steps

The Sinclair Project is a regionally strategic asset that continues to provide a number of value generating options that are under assessment.

The Indicated and Inferred Resources provide a solid base for a nickel metal inventory that has growth potential from the identified Exploration Target and other near mine opportunities such as Skye and Stirling (*Appendix 1*). Talisman expects to continue an ongoing assessment of these

opportunities in a cost effective and targeted way as part of its overall exploration strategy which will also be focused on other targets in the near mine and wider regions of the Sinclair Nickel Project.

The changing fundamentals of the nickel sulphide market, driven by the emerging demand for battery metals, is resulting in an improving market outlook for sulphide nickel in the medium term, evidenced by the growing interest amongst the investment community in the up and coming battery material sector. Whilst ultimately better supply-demand dynamics and commodity prices are required before Talisman could engage in a potential production pathway, the unique combination of Sinclair's existing nickel resources supported by immediate exploration potential, with success, offers optionality to fast-track a return to production, subject to prevailing nickel prices. In addition to the exploration focus, Talisman will continue to advance a "development ready" strategy for the Sinclair Nickel Project over the coming months through scenario planning and desktop assessment.

Alongside this activity will be the ongoing evaluation of all pathways aimed at maximising value to Talisman shareholders from this highly strategic nickel asset and comprehensive surface infrastructure.

Ends

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Competent Person's Statement

Information in this ASX release that relates to Exploration Results and Exploration Targets is based on information completed by Mr Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is a full-time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposits 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 Greenaway consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Information in this announcement that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, Principal geologist of the firm International Resource Solutions Pty Ltd, which specialises in mineral resource estimation, evaluation and exploration. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Wolfe has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

About Talisman Mining

Talisman Mining Limited (ASX:TLM, Talisman) 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^2 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 its own Exploration Licenses and through separate farm-in 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 Lachlan Cu-Au Project 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.

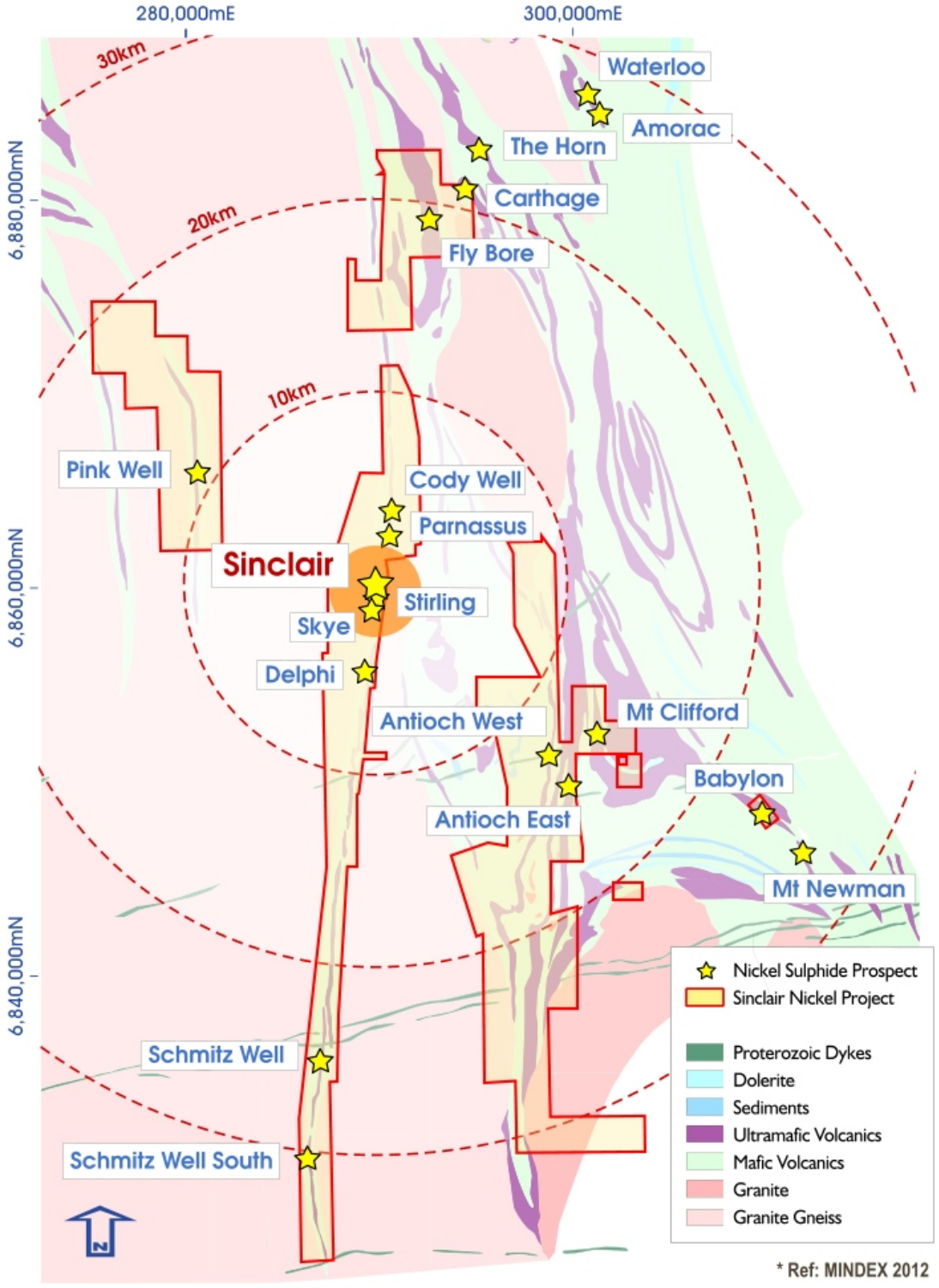
Forward-Looking Statements

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.

Appendix 1

Sinclair Nickel Project tenure



Appendix 2

JORC Tables Section 1, 2 & 3

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Drilling cited in this report by both Talisman Mining Ltd and historically by Xstrata Nickel Australasia Operations Pty Ltd (XNAO) between 2007 and 2012. • Sampling techniques employed at the Sinclair Nickel Project (SNP) include saw cut diamond drill core (DD) samples in NQ2 size sampled on geological intervals (0.2 m to 2 m), cut into half (NQ2) core to give sample weights under 3 kg. Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples, • Samples were crushed, dried and pulverised (total prep) to produce a 1g sub sample for analysis by four acid digest with an ICP/OES or AAS finish.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Surface diamond drill-holes at the SNP were completed using wedge drilling techniques with up to 4 daughter holes drilled from a single parent drill hole. Both HQ and NQ2 diameter core was collected for logging and sampling purposes. RC drilling is completed with a face sampling hammer of nominal 140mm size. • All drill holes were routinely surveyed using downhole NSG Gyroscope survey tools. • All drill core was routinely orientated where possible at nominal 6m intervals using an EzyMark-OriBlock core orientation system.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• SNP diamond core recoveries were logged and recorded in the SNP Datashed database. Historic core recoveries exceed 95%. • RC sampling is good with almost no wet sampling in the project area. • Diamond core was reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths were checked against the depth given on the core blocks and rod counts were routinely carried out by the drillers. No known relationship exists between sample recovery and grade and no sample bias is known.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples and is considered to be representative across the intercepted geological units. • Logging is both qualitative and quantitative depending on the field being logged. • All drill-holes are logged in full to end of hole. • DD core is routinely photographed digitally.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• SNP diamond core is HQ and NQ2 size, sampled on geological intervals (0.2 m to 1.2 m), cut into half (NQ2) or quarter (HQ) core to give sample weights under 3kg Samples were selected to weigh less than 3kg to ensure total preparation at the pulverization stage. • RC samples are split using a cone or riffle splitter. A majority of RC samples are dry. On occasions that wet samples are encountered they are dried prior to splitting with a riffle splitter. • Samples were submitted to ALS Chemex Laboratories for preparation. The sample preparation follows industry best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 1g charge for 4-acid digest with an ICP-MS or AAS finish. • QAQC protocols for all diamond drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 25 with a minimum of 2 per batch. OREAS and Geostats standards were selected on their grade range and mineralogical properties. • All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis by XNAO. • Duplicate samples were inserted at a frequency of 1 in 25, with placement determined by Ni grade and homogeneity. • Sample size is considered appropriate for nickel sulphide mineralisation
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• SNP drill samples were submitted to ALS Chemex Laboratories in Perth for multi-element analysis using a 1g charge with a multi-acid digest and ICP-MS or AAS finish (OG62). Analytes include Al, Fe, Mg, Mn, S, Ti, Ag, As, Co, Cr, Cu, Ni, Pb, V, Zn, Zr. • QAQC protocols for all drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 33 with a minimum of two per batch. OREAS and Geostats standards are selected on their grade range and mineralogical properties.

Criteria	JORC Code explanation	Commentary
		• All drill assays are required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines. • All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis. Historic results for all standards and duplicates indicate most performing well within the two standard deviation limit. • Lab checks (repeats) occurred at a frequency of 1 in 25. These alternate between both the pulp and crush stages. • Portable XRF instruments are used only for qualitative field analysis. No portable XRF results are reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intercepts have been verified by alternate company personnel • No twinned holes are being drilled as part of this program. • Logging and sampling data is captured and imported using Maxwell LogChief software. • All drill-hole, sampling and assay data is stored in a SQL server (Datashed) database. Assay data is reviewed via DataShed, QAQCR and other customised software and databases. Datashed software has numerous validation checks which are completed at regular time intervals. • Primary assay data is always kept and is not replaced by any adjusted or interpreted data.
Location of data points	• *Accuracy and quality of surveys used to locate drill-holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historic drill collars locations were picked up by SNP Mine Surveyors. • Talisman drill collar locations are pegged using a hand held GPS and picked up by an independent survey contractor after completion of the drill hole. • All drill holes were routinely surveyed using downhole NSG Gyroscope survey tools. • The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 51 (MGA).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill spacing at SNP was nominally 200m x 25m. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The orientation of drilling is designed to intersect either geophysical targets or geological targets at high angle in order to best represent stratigraphy. • No significant orientation based sampling bias at SNP is known at this time. Drill-holes may not necessarily be

Criteria	JORC Code explanation	Commentary
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	oriented perpendicular to intersected stratigraphy or mineralisation. All reported intervals are down-hole intervals, not true widths.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored at the SNP mine site prior to submission under the supervision of the Senior Project Geologist. Samples were transported to ALS Chemex Laboratories Perth by an accredited courier service.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews of the sampling techniques and data have been completed.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The SNP is held 100% by Talisman Nickel Pty Ltd, a wholly owned subsidiary of Talisman Mining Ltd. • There are no known Native Title Claims over the SNP. • All tenements are in good standing and there are no existing known impediments to exploration or mining.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Sinclair Nickel Deposit was discovered in 2005 by Jubilee Mines NL drill testing a ground EM anomaly. • M37/1275 hosts the Sinclair Nickel Mine which was operated by XNAO from 2007-2013 and produced approximately 38,500 tonnes of contained nickel metal. • Exploration work on has included diamond, RC and Air Core drilling, ground and down-hole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The SNP lies within the Archean aged Norseman-Wiluna Greenstone Belt. • The Sinclair Nickel Deposit is an example of an Archaean-aged komatiite-hosted nickel deposit, with massive nickel-iron sulphides hosted at or near the basal contact of high-MgO ultramafic lava channels with footwall basaltic volcanic and sedimentary rocks.

Drill-hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill-holes:*
	  • *easting and northing of the drill-hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill-hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No new drill information is included in this report.
		• Historical results have been appropriately referenced.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths*	• Significant intersections reported from the SNP are based on greater than 0.5% Ni and may include up to 1m of internal dilution, with a minimum composite grade of 1% Ni. • Ni grades used for calculating significant intersections are uncut.

Criteria	JORC Code explanation	Commentary
	of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A minimum diamond core sample interval of 0.15m and a maximum interval of 1m is used for intersection calculations subject to the location of geological boundaries. • Length weighted intercepts are reported for mineralised intersections. • No metal equivalents are used in the intersection calculations.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Drill-holes relating to the SNP are reported as down hole intersections. True widths of reported mineralisation are not known at this time.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill-hole collar locations and appropriate sectional views.*	• Appropriate maps with scale are included within the body of the accompanying document.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The accompanying document is considered to represent a balanced report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• This report includes results from both historic and recent geophysical surveys. Results from these surveys are included in the body of this report. • Parameters for the Delphi Prospect surface electromagnetic survey include: o Configuration: Moving Loop EM (MLEM) o Line and station spacing: 200m x150m, infill 75m o TX Loop size: 300x300m double turn o Receiver: SMARTem o Sensor: High Temp SQUID • Parameters for the Delphi North Down Hole Electromagnetic (DHEM) Survey are provided Appendix 2 of this report
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned future work at the SNP includes geophysical surveys, re-logging of historic diamond drill core and RC and diamond drilling.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	• Drilling data used for the resource estimate is stored in a Datashed SQL database, provided to Talisman by XNAO. • The database contains all relevant drill hole location, survey, geological and assay data, in addition to sample QAQC information including repeat samples, field and laboratory standards. • Talisman has access to all original laboratory drill logs and assay reports. Random checks of sample, geology and assay data has been undertaken for the database as apart of Talisman's internal QAQC process.
	• *Data validation procedures used.*	• Data was further validated on import into Vulcan™ mining software. Random checks of assay data from drill hole to database were completed.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• The Competent Person for the resource estimate, Mr Brian Wolfe has not visited the Sinclair mine site.
	• *If no site visits have been undertaken indicate why this is the case.*	• The Talisman employees responsible for the current mineralisation and geology interpretation were previous employees at the SNP and are extremely familiar with the geology and mineralization and it was felt little additional benefit would be gained by a site visit.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• The confidence in the geological interpretation is considered good. The deposit is a massive to disseminated sulphide nickel deposit located in the Agnew-Wiluna Greenstone Belt.
	• *Nature of the data used and of any assumptions made.*	• Data used includes numerous campaigns of diamond drilling (surface and underground) and RC drilling. Additionally, the database contains aircore and RAB surface drilling which was not utilized in the context of the underground resource.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• The deposit is well constrained and predictable with clear boundaries which define the mineralised domains. Infill drilling has supported and refined the model and the current interpretation is thus considered to be robust. Mineralisation has been intersected to the north of the currently modelled area and this is of less certain continuity and of insufficient confidence to be included.

Criteria	JORC Code explanation	Commentary
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• Geological controls and relationships were used to define sub-domains. Key features are massive sulphides present in a deformed lithological contact zone.
	• *The factors affecting continuity both of grade and geology.*	• The SNP is a nickel deposit comprising massive to disseminated sulphide. The deposit has been defined on drilling to grade control spaced drilling and mining has been undertaken. Infill drilling has confirmed mineralisation models and the same style of mineralisation has been intersected in predictable locations to the north of the mined area.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource*	• The Mineral Resource area has dimensions of 1,600 m (north) by 90 m (east) and up to 50 m thick (elevation).
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• The Mineral Resource estimate was generated via Ordinary Kriging (OK). Mineralised domain interpretation was completed in-house by Talisman and further refined by the Competent Person. The interpretation was approximated to a lower cut-off grade of 1.0% Ni and areas of massive sulphide internal to this cut-off were also modelled. The interpretation was coded to the drill hole database and 1m length composites were generated within the mineralisation boundaries. Statistical evaluation was undertaken for Ni on the 1m composites and semivariograms were modelled. The semivariograms were input in preparation for kriging of the 1m composite data. Hard boundaries were applied to the kriging. A search neighbourhood was applied parallel to the strike and dip with radii of 90m, 30m and 15m in the strike, down dip and across strike directions respectively. Sample counts for the estimates were set at a minimum of 6 and a maximum of 8. Any blocks not estimated in the first estimation pass were estimated in a second pass with expanded search neighbourhoods and relaxed sample limits (minimum 2) to allow the domains to be fully estimated. Extrapolation of the drillhole composite data is generally limited to approximately 50m down dip. No top cut has been applied to the data for the purposes of the OK nickel estimates.

Criteria	JORC Code explanation	Commentary
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Talisman have not undertaken any previously published resource estimates for the Sinclair deposit. Unpublished mineral inventory estimates undertaken by previous owners are available and compare well to this estimate
	• *The assumptions made regarding recovery of by-products.*	• No by-products are assumed.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*	• Other elements have been estimated and comprise Cu, Co, Cr, Fe, S, As and MgO.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• The parent block size is 12.5mN x5mE x 2.5mRL, with sub-celling to 2.5mN x 1mE x 0.5mRL for domain volume resolution. The parent block size was chosen based on estimation methodology and also relates to a drill section spacing of 25m or less and an on-section drill spacing of approximately 10m or less. The search ellipse was oriented with axes rotated parallel to the mineralised bodies as previously described. • Search ellipse dimensions were chosen to encompass several drillholes up and down dip to ensure an adequate quality of estimation
	• *Any assumptions behind modelling of selective mining units.*	• Selective mining unit assumptions have not been considered
	• *Any assumptions about correlation between variables.*	• Statistical investigation has been undertaken as relates to Ni grade and non-grade variables described above an also density measurements. Sufficiently correlated variables have been estimated together with Ni. Other non-correlated or inverse correlated variables have been estimated separately.
	• *Description of how the geological interpretation was used to control the resource estimates.*	• The geological model domained the oxide, transitional and primary mineralization in addition to geological and structural zones. Ultimately only the fresh portion of the deposit was estimated therefore no consideration was given to these interpretations during the estimation.
	• *Discussion of basis for using or not using grade cutting or capping.*	• Top cutting of grades has not been determined necessary for the estimation of Ni grades at Sinclair.

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	• Swath plots have been used to determine the validity of block grades against input grades. Visual validation on a sectional and plan basis indicates good replication of input grades. Reconciliation data is available however has not been explicitly compared to the current model. Grade and tonnage depleted from the model approximately matches the published tonnage and grades of processed ore.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied*	• A 1.5% Ni cut-off grade was used to report the Mineral Resources. This cut-off grade is estimated to be the minimum grade required for economic extraction.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Sinclair deposit was previously mined as an open pit and subsequently an underground operation employing bench stoping and rockfill (cemented and uncemented) methods. • Where Mineral Resources are proximal to existing voids, an assessment of the status of these voids, the interaction of the Mineral Resources with these voids and their historical records have informed the likelihood of reasonable prospects for eventual economic extraction when considering their inclusion in this Mineral resource estimate. • Little potential exists to expand the open pit operations and it is assumed that any future underground mining would continue based on that previously undertaken. The assumption with respect to mining methods will be the subject of further studies.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The processing & concentrate facility constructed in 2008 still remains on site and is in a state of operational suspension, with an active care & maintenance program. This facility treated all ores previously mined from the Sinclair deposit and the metallurgical parameters from historic mining have been assumed as applicable to these Mineral Resources. • The validity of these assumptions will be verified via future metallurgical testing programs.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made*	• The Sinclair mine site has established waste dumps and tailings storage facilities as well as process water storage and treatment facilities that are the subject of a care & maintenance program. Preliminary assessments of these facilities indicate that they can be returned to active operations. • Any future operations that are not covered by existing approvals will be assessed prior to any recommencement of mining.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	• Dry bulk densities were determined by the Archimedes principle (immersion) where possible and by the pycnometer method which does not give a true dry bulk density reading. An extensive database exists with both types of readings included.
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit,*	• Bulk density has been estimated via a polynomial regression formula based on the correlation between nickel grades and density. The formula is given as:- density = (-0.0066*Ni%) + (0.2685*Ni%) + 2.7836
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density values were assigned as described above. For host rock to the mineralization, densities were assumed to be 2.78t/m3.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories*	• The Mineral Resource classification into Indicated and Inferred categories s based on good confidence in the geological and grade continuity. Areas within mine infrastructure and proximal to it have been classified as Indicated based on reasonable prospects of eventual extraction as described under ‘Mining factors or assumptions’. Remaining material has been classified as Inferred to approximately 21,680mN. Paucity of drilling to the north of this precludes classification of grade estimates.

Criteria	JORC Code explanation	Commentary
	• *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	• The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. • The validation of the block model shows good correlation of the input data to the estimated grades.
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource estimate appropriately reflects the view of the Competent Persons.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews have been initiated on the SNP Mineral Resource Estimate.
	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate*	• The relative accuracy of the Mineral Resource Estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.
	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used*	• The statement relates to global estimates of tonnes and grade.
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available*	• Production data is available however has not been exhaustively compared against the estimate. A global comparison is approximately correct.