



30 November 2018

Talisman Mining Limited 2018 Annual General Meeting Chairman's Address

*To be delivered at the Company's Annual General Meeting to be held at 12 noon, Friday
30 November 2018.*

Good afternoon ladies and gentlemen,

Welcome to the Annual General Meeting of Talisman Mining for the 2018 Financial Year.

In the past year your business has achieved much, culminating in the sale of our 30% share in the Springfield Project Joint Venture to our joint venture partner Sandfire Resources NL. This transaction for our share of the Springfield JV, which included the Monty-Copper Gold Mine, while we continued our low-cost accumulation of highly prospective ground in NSW highlights our value-driven approach towards business development. We will continue to assess opportunities to create value for our shareholders, both from within and outside our current asset portfolio.

The Springfield JV sale generated a gross headline A\$72.3 million cash payment (before being reduced by debt repayments and other costs) and delivered substantial, immediate value in excess of the Feasibility Study forecast pre-tax cash flows for Monty¹. Sandfire's effective assumption of the 2.25% Gross Revenue Royalty on Monty with Taurus also provided additional value for Talisman. Furthermore, the 1% NSR Royalty obtained by Talisman provides exposure to any future upside from production or discovery outside the current Monty mine plan.

As previously announced, Talisman is proposing to distribute to shareholders up to A\$46.5 million of the cash received from the Talisman A Pty Ltd share sale transaction. This is expected to leave shareholders with an investment in an appropriately capitalised company with exploration and development assets across the Lachlan Project in NSW and Sinclair Nickel Project in Western Australia.

We are continuing to work on the structure and implementation of a proposed distribution to shareholders as fast as practically possible. In conjunction with our legal and tax advisers, Talisman anticipates a combination of a dividend and equal capital reduction to be an efficient structure to distribute these funds. This proposed method of distribution is subject to regulatory matters – including receipt of a class ruling on the capital return from the Australian Taxation Office – and is subject to a final Board decision and general market conditions.

Talisman currently has sufficient available franking credits which would allow a potential dividend (if declared or determined) of up to A\$11.8 million to be fully franked.

We have made good progress to being able to pay a potential dividend and will provide details imminently. We also continue to work towards being in a position to be able to undertake a potential capital return in the first quarter of the 2019 calendar year.

¹ Refer Talisman ASX announcement "Monty Feasibility Study Results" dated 6 April 2017





The Company is now appropriately capitalised to continue its growth strategy. One of the key parts of this future growth strategy is our Lachlan Project in New South Wales. At the start of FY18 Talisman made its first strategic move into the Lachlan Fold region based on the outcomes of a large targeting exercise by our exploration team. Talisman now controls a land package of more than 3,000km² prospective for copper-gold, gold and base metal deposits. This low-cost entry gives us a fantastic opportunity to create value for shareholders.

Our team is adopting a methodical approach to exploration in NSW to ensure targets are identified and properly tested in a cost-effective manner. We have already advanced a number of historic targets and generated multiple new targets of our own. The high potential of the area was clearly demonstrated by the number of targets generated and, critically, the results of our initial RC drilling programs with good widths of high-grade copper returned at the Blind Calf Prospect.

Activities at the Lachlan project will gather momentum during FY19 and I look forward to talking to you in 12 months about the outcomes.

How we've approached the Lachlan Project is consistent with our strategy of evaluating new projects in Australia that we believe represent an attractive opportunity for Talisman to seek to add value for its shareholders. We will continue these project generation and business development programs as part of our growth plans.

Alongside the Lachlan Project, our Sinclair Nickel Project remains a valuable strategic asset. We have continued our plan of generating and testing potentially high value new targets in a cost-efficient manner with drilling completed on a number of selected regional targets. Further work is planned into 2019, including at the recently identified new mineralisation at Skye East which is in close proximity to the Sinclair mine. The prospectivity, the valuable mining and processing infrastructure already established and growing strategic interest in nickel assets ensures Sinclair will receive a greater level of focus in FY19.

In summary, the last financial year was a period of great achievement for Talisman and I firmly believe we have created genuine value for our shareholders and placed the business into a position from where it has considerable potential to grow strongly in the coming years underpinned by a solid cash position. I thank Talisman's management team, my fellow Board members, contractors and consultants for their considerable efforts throughout the 2018 Financial Year.

I would also like to acknowledge the support of our shareholders in the Company's activities and we will continue to act diligently as the custodians of your investment.


Finally, I would like to thank Mr Alan Senior, a Non-Executive Director of the Company who will be retiring from the Board with effect from the AGM. Alan has been a Director of Talisman for over 10 years and has been a key part of the Company's transformation and growth during that period. Alan was Chairman from 2007 to 2016 during which time the Company successfully transacted on the Wonmunna Iron Project, acquired the Sinclair Project and discovered Monty as part of the Springfield Joint Venture. On behalf of the Board I would like to take this opportunity to thank him for his significant efforts and contribution to the Company during his tenure and to wish him all the best for the future.

I will now proceed with the formal part of today's meeting where the resolutions will be considered by shareholders.





Yours faithfully,


Jeremy Kirkwood.

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 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 290km² 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

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