



11 October 2019

Completion of Divestment of Sinclair Nickel Project

Highlights

- All conditions precedent for the sale of the Sinclair Nickel Project to Saracen Mineral Holdings have now been satisfied and the transaction has been completed.
- Talisman has received the \$10 million cash payment and now has available cash resources of approximately \$17.5 million (equating to \$0.094 per share) to focus on its expanding exploration activities at the Lachlan Copper-Gold Project and Lucknow Gold Project in NSW and new project assessments.
- Talisman holds a 2% Net Smelter Return royalty for any future metal production from the Sinclair tenements and any future non-precious metal production from Saracen's Waterloo Nickel Project.

Talisman Mining Ltd (ASX: **TLM**; **Talisman** or **the Company**) advises it has completed the divestment of the Sinclair Nickel Project in Western Australia (**Sinclair**) to Saracen Nickel Pty Ltd, a wholly owned subsidiary of Saracen Mineral Holdings Ltd (ASX: **SAR**; **Saracen**) (the **Transaction**).

A binding Share Sale Agreement (**SSA**) for the Transaction was signed last month (*refer ASX announcement 27 September: Agreement to Divest the Sinclair Nickel Project*) and all conditions precedent, which were outstanding when the SSA was signed, have now been satisfied.

Following completion, Talisman has now received the full consideration for the Transaction of:

- \$10 million cash (subject to post-completion adjustments);
- a 2% Net Smelter Return (**NSR**) royalty for:
 - any future metal production from the Sinclair tenements; and
 - any future non-precious metal production from Saracen's Waterloo Nickel Project (**Waterloo**), which is currently on care and maintenance.

Completion of the Transaction leaves the Company in a strong financial position to continue exploration activities at the Lachlan Copper-Gold Project and Lucknow Gold Project in NSW and to pursue potential prospective exploration and advanced development gold and base metal opportunities in Australia and other low risk jurisdictions.

The transaction also leaves the Company exposed to any potential future production scenario from Sinclair and any potential future non-precious metal production from Saracen's Waterloo Nickel Project through the 2% NSR royalties. These royalties complement other royalties held by the Company that provide exposure to copper-gold and iron ore projects.





Ends

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About Talisman Mining

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's objective is to maximise value to shareholders through exploration, discovery and development or commercialisation of high value mineral resource opportunities in base and precious metals within Australia.

Talisman has 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 and is undertaking active exploration to test a number of these targets.

Talisman has also entered into a farm-in with privately-owned Lucknow Gold Limited in relation to the Lucknow Gold Project (EL6455) in New South Wales. The Lucknow Goldfield was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. Historic production records at the Project are incomplete, however in excess of 400,000 ounces of gold has reportedly been produced at grades of 100 to 200 g/t ¹. Very little modern exploration has been completed outside of the existing mine workings and Talisman intends to undertake a program of geochemical surface sampling and mapping at the Project ahead of a drilling program to test for potential down plunge extensions of the high-grade gold ore shoots and repeat structures throughout the Project area.

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.

¹ NSW DIGS report, First Annual Exploration Report EL5770, 2001 - R00030162

