



28 October 2019

Lachlan Project Update

RC drill program to commence at five high-grade gold-in-soil targets across the Lachlan Copper-Gold Project, NSW

Highlights

Regional Drill Testing

- Drill contractor appointed and drill rig mobilised for commencement of drilling at the Lachlan Project by the end of October 2019.
- **2,600 metre Reverse Circulation (RC) program across five priority gold targets**, including:
 - **A large high-grade gold-in-soil anomaly at the Harding's Prospect, extending over 1km with a peak of +500ppb Au**
 - **Twin parallel high-grade gold-in-soil anomalies at +2km Melrose Prospect with a peak of +400ppb Au**
 - **Gold-in-soil anomalies along the Mineral Hill corridor at Kaolin Shaft and Brooklyn**
 - **A large gold-in-soil anomaly at Blind Calf Au prospect**
- Subject to results, potential exists to extend the campaign with approval received from the NSW Department of Planning and Energy (DPE) for a total of ~8,000 metres across the five prospects.

Blind Calf

- Application submitted to DPE to drill **three diamond drill holes at high-grade Blind-Calf copper lodes** to retest the extensional targets from the July 2019 program following completion of regional RC drill testing.
- Application close to submission to RC drill test **five downhole electromagnetic conductors** identified across Blind Calf region from July 2019 drill program.

Regional Exploration

- Commencement of **extensive program of soil sampling** across multiple prospective reconnaissance targets.





Lachlan Copper-Gold Project

Talisman Mining Ltd (ASX: TLM, **Talisman**) advises that an RC drilling program is set to commence across five high priority gold-in soil anomalies identified from recent reconnaissance work across the Southern region of the Lachlan Cu-Au Project (**Lachlan Project**) in NSW (*Appendix 1*).

This RC program is the first drill testing of geochemical anomalies identified from a regional sampling campaign earlier in the 2019 calendar year. It is the next step in Talisman's systematic geological approach of effectively identifying and testing a pipeline of high-potential exploration opportunities at the Lachlan Project where there is potential for the discovery of multiple styles of mineralisation.

MJ Drilling has been appointed as drill contractor and has mobilised a drill rig to site with RC drilling set to commence by the end of October 2019.

An extensive program of soil sampling has also commenced across multiple prospective reconnaissance targets including the Melrose Prospect where gold assay results have identified an anomaly extending over 2.2km. The anomaly remains open to the north and returned a peak assay value of **+400ppb Au** (0.4 g/t Au) in soils¹.

RC Drill Testing of strong gold-in-soil anomalies

The program consists of an estimated 2,600m of RC drilling in 24 holes across five target areas including:

- **A large high-grade gold-in-soil anomaly** at the **Harding's Prospect**, extending over 1km with a peak of **+500ppb Au¹** (*see Figure 1*)
- **Twin parallel high-grade gold-in-soil anomalies** at the **+2km Melrose Prospect** with a peak of **+400ppb Au¹** (*see Figure 2*)
- **Gold-in-soil anomalies** along the Mineral Hill corridor at **Kaolin Shaft** and **Brooklyn¹** (*see Figure 3*)
- **A large gold-in-soil anomaly** at the **Blind Calf Au prospect¹** (*see Figure 4*)

Importantly, the drill programs submitted to and approved by the NSW DPE allow a maximum of 8,000 metres across approximately 50 RC drill holes within certain parameters. This provides scope for additional drilling (under the terms and conditions of the approved work programs) within or following the forthcoming campaign which will be determined by results.

¹ Refer to ASX announcement dated 22 July 2019 for full details



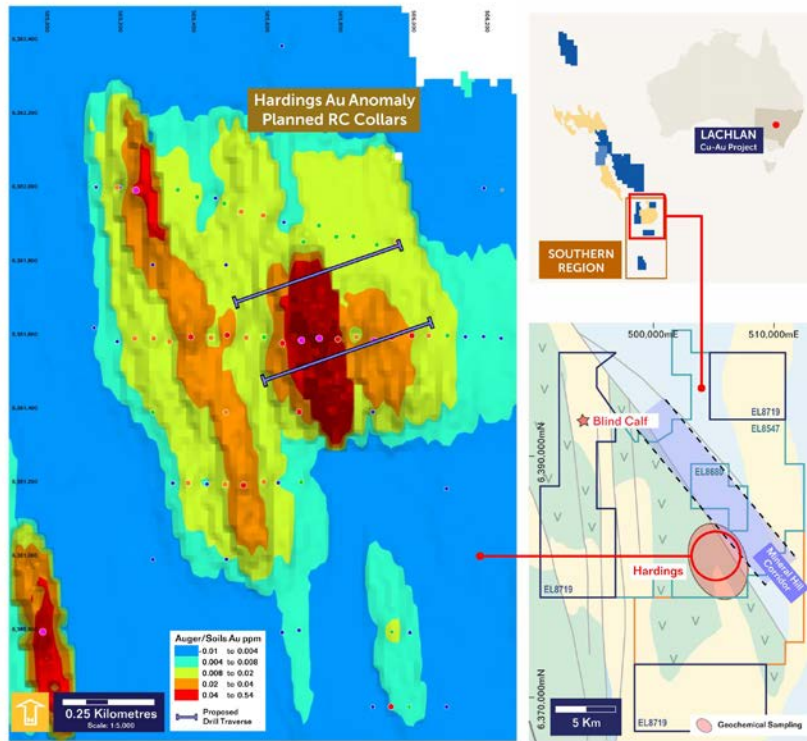


Figure 1: Harding's gold-in-soil anomaly (peak +500ppb Au) location², showing proposed first pass RC drill traverses.

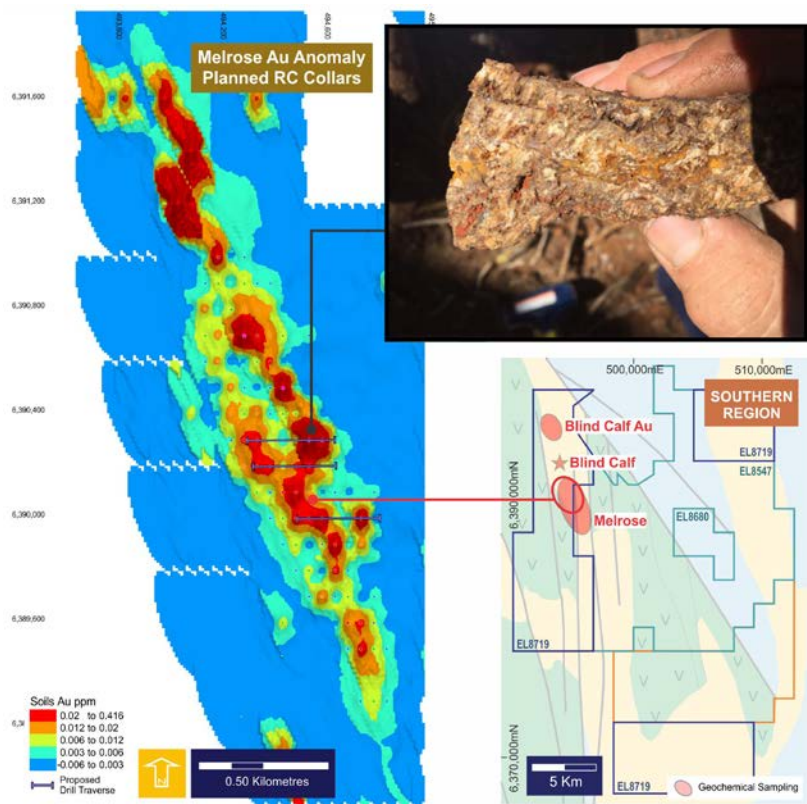


Figure 2: Melrose gold-in-soil anomaly (peak +400ppb Au) location², showing proposed first pass RC drill traverses.

² Refer to Appendix 1 for Tenement details



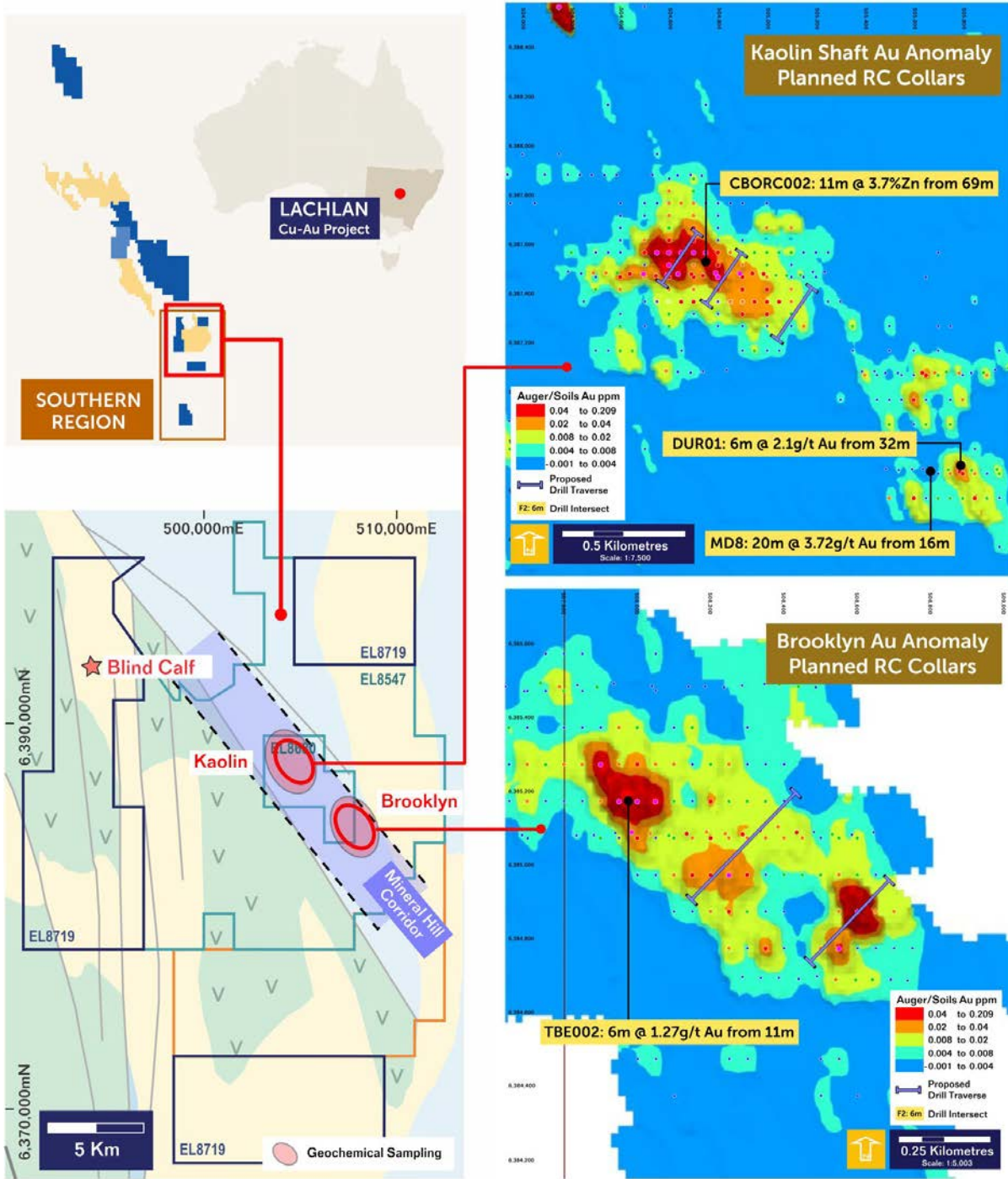


Figure 3: Brooklyn-Kaolin Shaft Trend gold-in-soil anomaly³, showing historic drill intersections and proposed first pass RC drill traverses.

³ Refer to Appendix 1 for tenement details



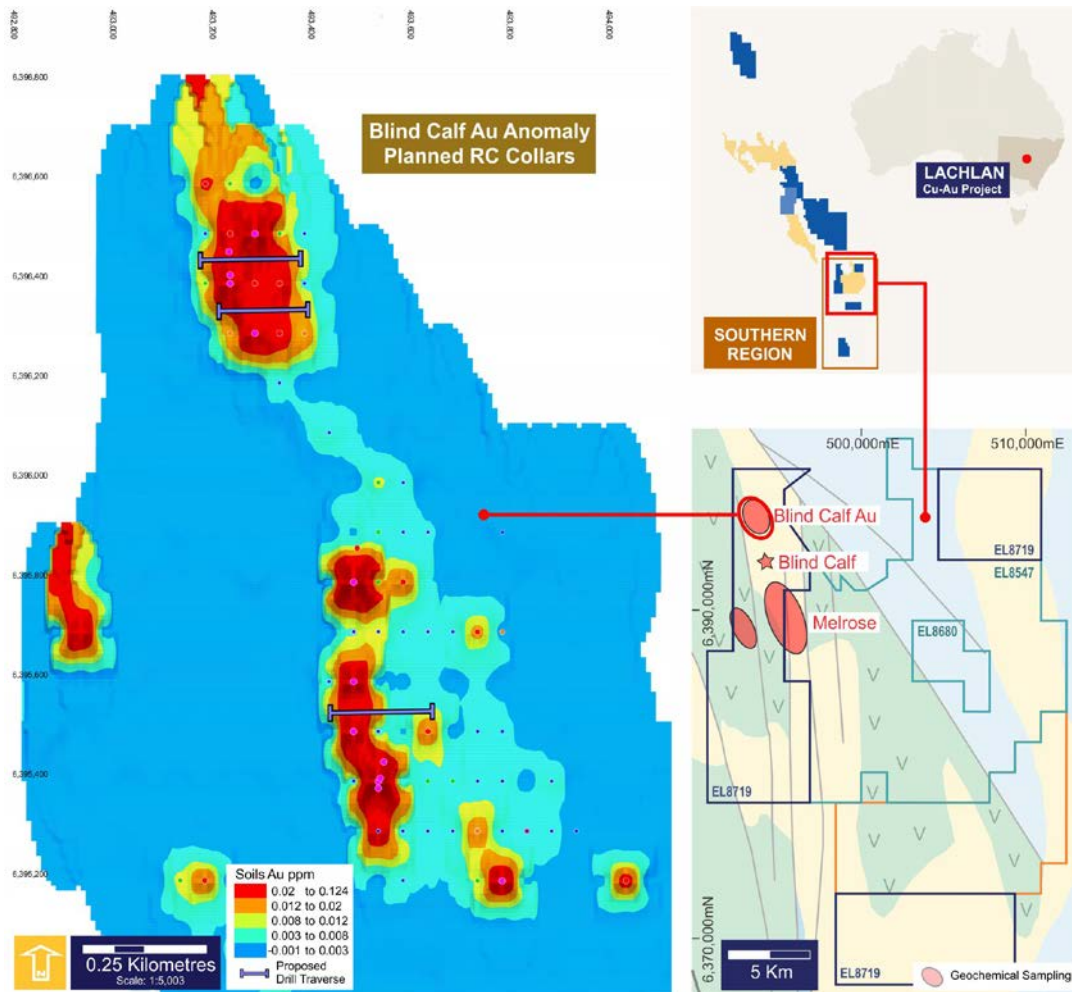


Figure 4: Blind Au gold-in-soil anomaly location⁴, showing proposed first pass RC drill traverses

Blind Calf RC Drilling

RC drilling in July 2019 increased the footprint of the known and interpreted high-grade core in the Blind Calf-Dunbars copper lode system (*TLM ASX Announcement 9 September 2019: Lachlan Project Exploration Update*) including:

- **10m @ 4.32% Cu** from 176m including **4m @ 7.68% Cu** from 180m (BCRC0029)⁵

However, two deeper RC holes focused on the down-plunge extension to the Blind Calf lode were affected by significant lift and were ineffective at testing the target area.

Talisman has applied to the NSW DPE to modify its existing activity approval to incorporate three new diamond holes from existing drill pads where the previous deep RC drill holes failed to intersect the targeted positions. Subject to DPE approval, these diamond holes may be drilled at the end of the upcoming RC drill campaign.

In addition to the drilling of the Blind Calf-Lode in July 2019, Talisman undertook first pass RC drill testing of several interpreted parallel lode systems proximal to the Blind Calf Lode which

⁴ Refer to Appendix 1 for Tenement details

⁵ Refer to ASX announcement dated 9 September 2019 for full details.





identified five DHEM conductors in untested interpreted mineralised lodes. An RC drill program is currently being prepared for imminent submission to the DPE to test these conductors.

Regional geochemical sampling

An extensive soil geochemical sampling campaign encompassing collection of more than 3,000 samples has commenced. This reconnaissance program is focused on testing a number of Stage 1 targets across the Lachlan Project area with the aim of identifying new high priority targets for drill testing in 2020.

The campaign will extend to the northwest of the Melrose Prospect which lies within Talisman's 100% tenure. Gold assay results have identified an anomaly at the Melrose Prospect (*Figure 2*) extending over 2.2km which remains open to the north and returned a peak assay value of +400ppb Au (0.4 g/t Au) in soils⁶. Surface verification of this gold anomaly has identified a strongly altered gossanous unit and quartz veining in a sequence of altered volcanic rocks.

Ends

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⁶ Refer to ASX announcement dated 22 July 2019 for full details





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 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.

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. 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.

Competent Person's Statement

Information in this announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation compiled 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 has reviewed the contents of this announcement 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.

No new information that is considered material is included in this document. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

Forward-Looking Statements

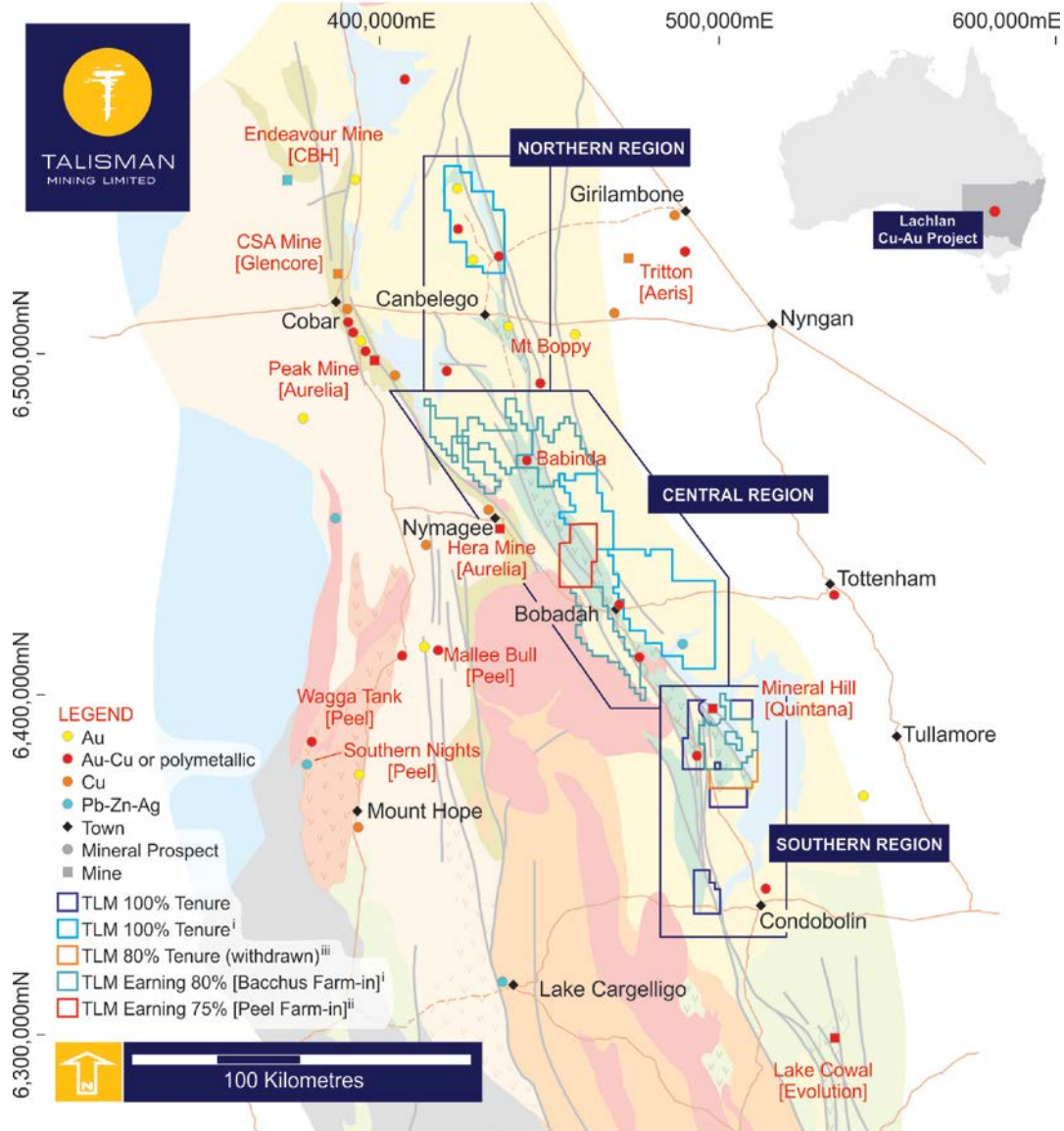
This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding 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.

⁷ NSW DIGS report, First Annual Exploration Report EL5770, 2001 - R00030162





Appendix 1 Lachlan Copper- Gold Project tenure



- i. As previously announced to the ASX⁸, Haverford Holdings Ltd (Haverford), a 100% owned subsidiary of Talisman, has entered into a Farm-In Agreement (Farm-in) with Bacchus Resources Pty Ltd (Bacchus) over certain Lachlan Cu-Au Project tenements. In accordance with the terms of the Farm-in:
 - Haverford can earn up to an 80% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding \$2.3M of on-ground exploration expenditure over four years; and
 - Should Haverford earn an interest in the Bacchus Tenements, Bacchus is entitled to receive a 20% interest in the Haverford Tenements (EL8615, EL8659 and EL8677). Should Haverford not earn an interest in the Bacchus Tenements, Bacchus may elect to take a 20% interest in the Haverford Tenements.
 - Should Haverford earn into the Bacchus Tenements, a formal joint venture will be entered into which provides that Bacchus will be free carried for 10% of its joint venture interest until a decision to mine. Post a decision to mine, Bacchus can then elect whether to contribute or not, if Bacchus elects not to contribute, Haverford shall acquire Bacchus' interest in the joint venture for 95% of fair value as agreed by the joint venture participants
- ii. As previously announced to the ASX⁹, Haverford has entered into a Farm-In Agreement (Farm-in) with Peel Mining Limited (ASX:PEX) over PEX's Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the Peel Tenements). In accordance with the terms of the Farm-in, Haverford can earn up to a 75% interest in the Peel Tenements by sole funding \$0.7M of on-ground exploration expenditure over five years.
- iii. Talisman and its subsidiary Haverford entered into a joint venture with Bacchus in relation to EL8814. Talisman and Haverford have given notice to withdraw from this joint venture and are progressing with the transfer of their joint venture interest to Bacchus. Haverford will continue to be the registered holder of EL8814 until this process has been completed.

⁸ Refer Talisman ASX announcement "Further NSW Gold and Base Metals Tenure Secured" 09 January 2018.

⁹ Refer Talisman ASX announcement "AGM Presentation" 23 November 2017.

