



26 November 2019

Talisman Mining Limited 2019 Annual General Meeting Chairman's Address

*To be delivered at the Company's Annual General Meeting to be held at 12 noon, Tuesday
26 November 2019.*

Good afternoon ladies and gentlemen,

Welcome to the Annual General Meeting of Talisman Mining for the 2019 Financial Year.

Your company has had another active 12 months in which we maintained our disciplined approach to capital allocation and delivering returns to you, our shareholders, whilst continuing to evolve our asset portfolio. The period was bookended by two key transactions, starting with the completion of the sale of our 30% share of the Springfield Joint Venture and followed more recently by the divestment of the Sinclair Nickel Project. Our exploration team continued to advance the staged testing of targets within the Lachlan Project in NSW and we added to our asset base with the cost-effective entry into the high-grade Lucknow Gold Project in NSW in August 2019.

On top of these developments, the major highlight for the year was completing the return of approximately \$41 million to our shareholders following the sale of our share of the Springfield Joint Venture to Sandfire Resources NL. This return was achieved by paying a fully franked special dividend of 6.375 cents per share in December 2018, followed by a 15.625 cent per share capital return in February 2019. This structure was deemed to be the most tax effective and equitable way to return excess capital to shareholders, leaving the business with a strong working capital position to support our growth initiatives.

Over the year the Lachlan Project in New South Wales has been a core part of this strategy. As I reported to shareholders last year, Talisman has secured access to more than 3,000km² of tenements which are prospective for copper-gold, gold and base metal deposits. Through a three-stage process of reconnaissance, target development and targeted drilling we have been progressively testing the most prospective areas across this extensive land position.

The most advanced of these targets is the 100% owned Blind Calf and Dunbars high-grade copper lode system located in the Southern Region of the Lachlan Project where multiple existing or interpreted high-grade copper lodes remain untested at depth and open along strike. Our most recent drilling, completed towards the end of the financial year, further enhanced the prospectivity of this region through the identification of five new, untested down-hole electromagnetic conductors that warrant follow-up drilling and will be tested as part of targeted RC and diamond drill programs in early 2020 and beyond.





Regionally, geochemical and geophysical surveying continues to be successful in identifying new targets. These reconnaissance activities over the last year have focussed largely on the Southern and Central regions of the Lachlan Project where a number of new targets identified during the calendar year are currently being tested. We look forward to reporting further results later this year.

Elsewhere in NSW, we entered into a farm-in for the high-grade Lucknow Gold Project just after the end of the financial year which I will briefly discuss. The Lucknow Goldfield was one of the earliest goldfields to be mined commercially in Australia and has some of the highest mined grades reported globally. While historic production records are incomplete, our best estimate is approximately 400,000 ounces at a grade in excess of 100 g/t Au was produced from the field¹. The opportunity to apply modern exploration techniques and test potential extensions to the high-grade ore shoots at Lucknow for the first time was compelling and we are working hard to have our first round of diamond drilling commence early in 2020.

During the period we received a number of approaches in relation to our Sinclair Nickel Project which was a catalyst for the Company undertaking a review of strategic options for the asset. By applying our consistent, value-based decision-making framework, the Board ultimately determined the best interests of Talisman shareholders was served by agreeing to divest the asset to Saracen Mineral Holdings. Consideration for the divestment was \$10 million cash and a 2% Net Smelter Return (NSR) royalty over any metal production from the Sinclair tenements, plus a 2% NSR royalty over any future non-precious metal production from Saracen's Waterloo Nickel Project, which is currently on care and maintenance. Additionally, the rehabilitation liability and contingent payment to Xstrata were also transferred to Saracen. The terms of the Sinclair transaction were finalised in September 2019 and it was completed the following month.

The Sinclair and Waterloo NSR royalties further increase our portfolio of royalties. In addition to these assets, Talisman also holds a 1% NSR royalty over any copper and gold mined and processed from the Springfield JV beyond the mine plan for the Monty deposit when the asset was sold, plus a 1% gross revenue royalty over the Wonmunna and Uaroo iron ore projects which were sold in 2011. Australian Aboriginal Mining Corporation (AAMC), the current owners, have renamed Wonmunna the First iron Project. AAMC has been successful in securing an Iron Ore Sales and Purchase Agreement with Fortescue Metals Group and are seeking to bring the project into production in 2020 following recently securing a \$27 million debt package and the completion of an equity raising currently in progress².

The completion of the Springfield and Sinclair divestments has left the business well capitalised to continue our exploration and business development activities throughout 2020. From a business development perspective, we have a clear framework for considering new opportunities which have potential to create value for Talisman shareholders. Our primary focus remains on gold and base metal exploration, advanced exploration and development projects within Australia, a style of asset

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

² For full details refer to the AAMC website aaminingcorp.com.au





from which we have delivered shareholder value previously and where we believe opportunities continue to exist.

I would like to welcome our new Director, Peter Benjamin, who is attending his first Talisman AGM today. Peter joined as a Non-Executive Director in July 2019 and brings a wealth of geological and executive management to the Talisman Board. His experience spans Managing Director roles for smaller ASX-listed explorers and developers, through to senior geological management roles at major companies including Iluka Resources and Newcrest Mining. I commend the contribution Peter has already made to the Board and in supporting our exploration team and look forward to his ongoing involvement as a Talisman Director.

Finally, I would like to extend my appreciation to the Company's employees, executives and contractors for their efforts throughout the year. I would also like to thank Talisman shareholders for their continued support and reiterate your Board's ongoing disciplined and value-focussed approach towards managing your company.

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

Thank you.

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 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/t³. 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.

³ NSW DIGS report, First Annual Exploration Report EL5770, 2001 - R00030162

