



5 June 2020

Lucknow Drilling and Corporate Update

Diamond drilling at Lucknow gold project to begin this month

Highlights

Lucknow High-Grade Gold Project

- First diamond drill testing of the Lucknow Gold Project by Talisman to begin in mid-June 2020
- Planned diamond drilling will **target an interpreted high-grade gold lode offset position** at Lucknow where historic production was in excess of **400,000 ounces at an average estimated mined grade of +100 g/t gold** (*Figure 1*)

Corporate Update

- Resumption of exploration drilling and ongoing business development activities have warranted the staged lifting of a number of measures put in place from the start of April 2020 in response to the COVID-19 pandemic:
 - A reduced Senior Executive Team has returned to a full-time working week on pre COVID-19 salaries.
 - Director Fees have reverted to pre COVID-19 levels.
 - Staged return to work for remaining work force expected over the coming weeks in line with anticipated workflows.
- **Measures remain in place across the corporate office and exploration sites** to protect the safety and wellbeing of all employees and contractors during the evolving COVID-19 pandemic



Figure 1: Visible gold in calcite sample taken from the historic Darcy mine at the Lucknow Gold Project in NSW





Lucknow Gold Project

Following the postponement in April of planned drill testing of the interpreted high-grade Lucknow Gold Mine extensions (*Figure 2 & 3*) at the Lucknow Gold Project (*Appendix 1*) due to the COVID-19 pandemic, Talisman has continued to communicate with its drilling contractor and monitor operating conditions. Talisman believes it is now safe and practical to undertake its initial diamond drill testing at Lucknow which is expected to begin in mid-June 2020.

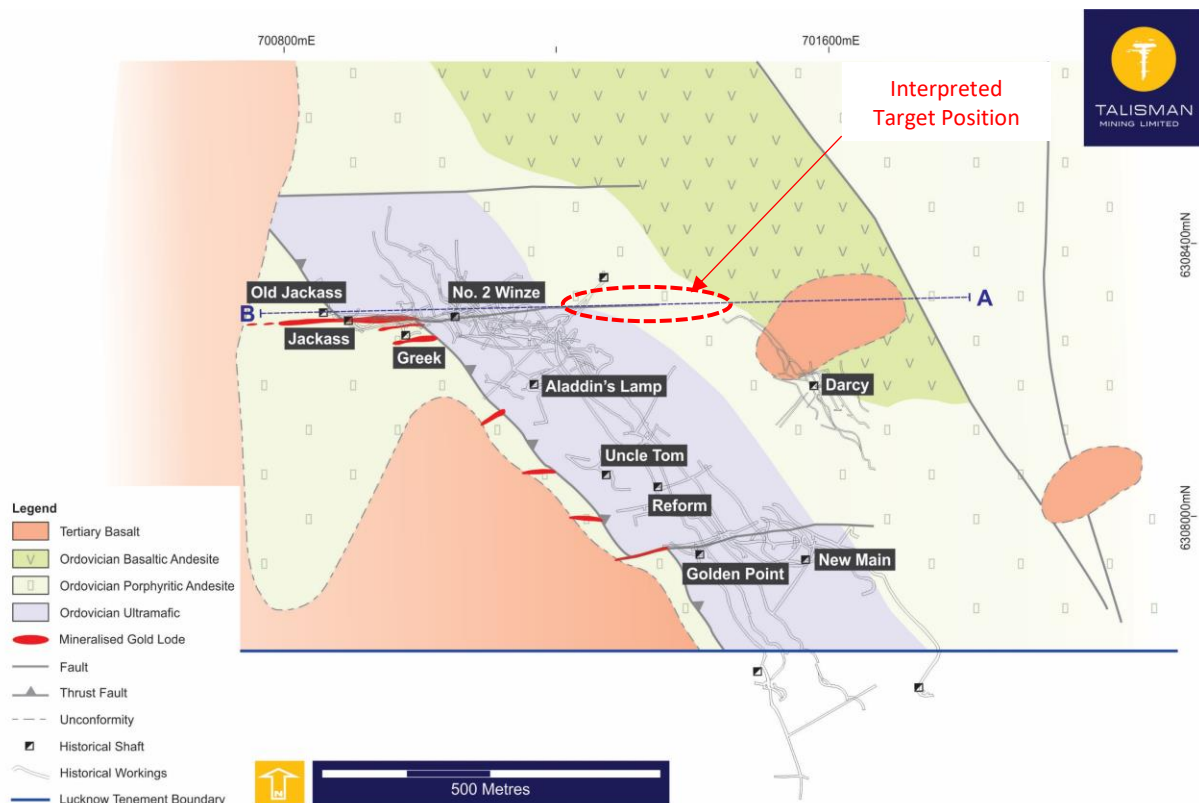


Figure 2: Lucknow Project mine shaft locations and simplified geology.

Gold mineralisation at Lucknow is intimately associated with the major NNW trending Lucknow Fault which dips 60 to 70° to the northeast. The fault separates hanging wall serpentinite from the footwall volcanic rocks. The volcanic rocks of the Oakdale Formation on the footwall are competent and subject to brittle deformation, whereas the hanging wall serpentinite is far less competent, and more subject to ductile deformation.

It is interpreted that the jog in the Lucknow Fault caused dilation, and the formation of east-west trending, vertical fractures in the footwall. These fractures contain the quartz plus calcite high grade gold bearing veins at Lucknow. The veins are zoned such that away from the Lucknow Fault contact they consist of barren quartz, moving to calcite plus quartz, then calcite only. Historic gold mineralisation is localised at the intersection of steep dipping east-west quartz plus pyrite+/-calcite veins, and the ultramafic-dacite contact along the Lucknow Fault. The bonanza grade gold mineralisation occurs as steeply plunging shoots.

Talisman will target the interpreted fault offset extensions of the high-grade Lucknow Project gold mineralisation with diamond drilling (*Figure 3*).



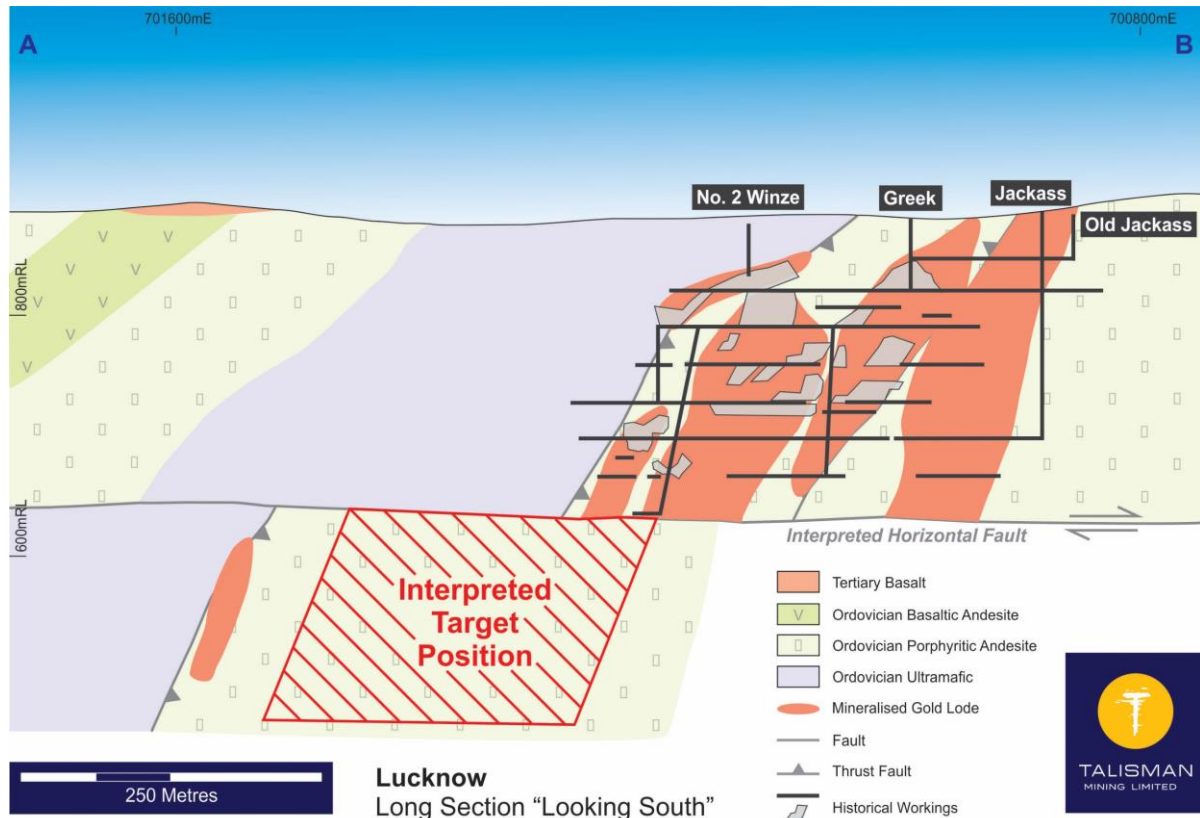


Figure 3: Lucknow Project interpreted long section, showing the interpreted faulted offset mineralisation target position.

Corporate Update

The health and well-being of our people is central to Talisman’s approach to business and we are committed to ensuring a safe workplace for our employees and contractors. This principle is at the forefront during normal business conditions and has become even more heightened since the emergence of the COVID-19 virus.

Talisman implemented a range of measures designed to ensure the safety of staff and contractors and protect the strength of the business since the start of April 2020, and has continued to closely monitor the situation including all government advice and protocols.

The ability to now resume exploration drilling and ongoing business development activities have warranted the staged lifting of a number of these measures across a downsized team. This includes:

- Return to a full-time working week on pre COVID-19 salaries for the reduced senior executive team (following departure of the CFO in April 2020)
- Director fees being reinstated to pre COVID-19 levels
- Staged return to work for remaining staff over the coming weeks in line with anticipated workflows.

Talisman will continue to monitor the COVID-19 situation closely and respond to any changes in conditions or regulations appropriately.





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/t gold¹. 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.

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





Appendix 1

Lucknow Gold Project tenure

