



27 August 2020

Diamond Drilling Update – Lucknow Gold Project, NSW

Key Points:

- Maiden diamond drilling program completed at the Lucknow Gold Project in NSW targeting the interpreted high-grade lode offset position of the historical Lucknow gold mine.
- Second diamond hole, LUDD0002, completed to a depth of 471.4m, with the lower portion of the hole intersecting quartz veining in the targeted Darcy Lode position to the west of, and below, the historical workings.
- Assays returned low-grade gold mineralisation with the mineralised zones interpreted to represent the more distal extensions of the main gold lodes.
- LUDD0002 also intersected a zone of quartz veining and strong foliation, which is interpreted to represent the flat-lying fault that has offset the main lode controlling stratigraphy, as well as an ultramafic unit and the andesite contact.
- The recent drilling, supported by a structural and geological interpretation, suggests that the ultramafic stratigraphy and prospective contact has been offset to the north-west by a sinistral fault – indicating a potential target to the north-west of recent drilling.
- Review underway to identify potential future drill targets in the corridor to the north-west along the Lucknow Fault, where there is evidence of gold mineralisation in areas of minimal previous exploration (*Figure 1*).

Further to its announcement of 24 July 2020, **Talisman Mining Ltd (ASX: TLM**, “Talisman” or the “Company”) advises that its maiden two-hole diamond drilling program at the high-grade Lucknow Gold Project in NSW has now been completed with all assays received.

The program was designed to test the interpreted fault off-set position of the historical gold lodes at Lucknow (where historical production was in excess of 400,000oz at an estimated average mined grade of +100g/t gold¹) and represents the first drilling program to be completed by any explorers into this target area (*Figure 1*).

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





Geological interpretations based on drilling by previous explorers and historical mine records show an easterly-dipping contact between an ultramafic unit and an andesitic volcanic. Mine records indicate that the bonanza grade gold mineralisation occurs within east-west trending lodes within the andesite footwall unit. The bonanza grades occur as steeply plunging shoots at or near the andesite-ultramafic contact.

Moving to the west away from the contact results in a gradual decrease in gold grades and vein mineralogy, with historical mine plans showing that stoping extended out approximately 150m from the contact in some areas (*Figure 1*).

The gold lodes and the ultramafic contact at Lucknow are interpreted to have been truncated and offset by a sub-horizontal fault at a depth of ~240m below surface. A three-dimensional model of the geology was constructed by Talisman to help define drill targets and support the position of the interpreted horizontal fault.

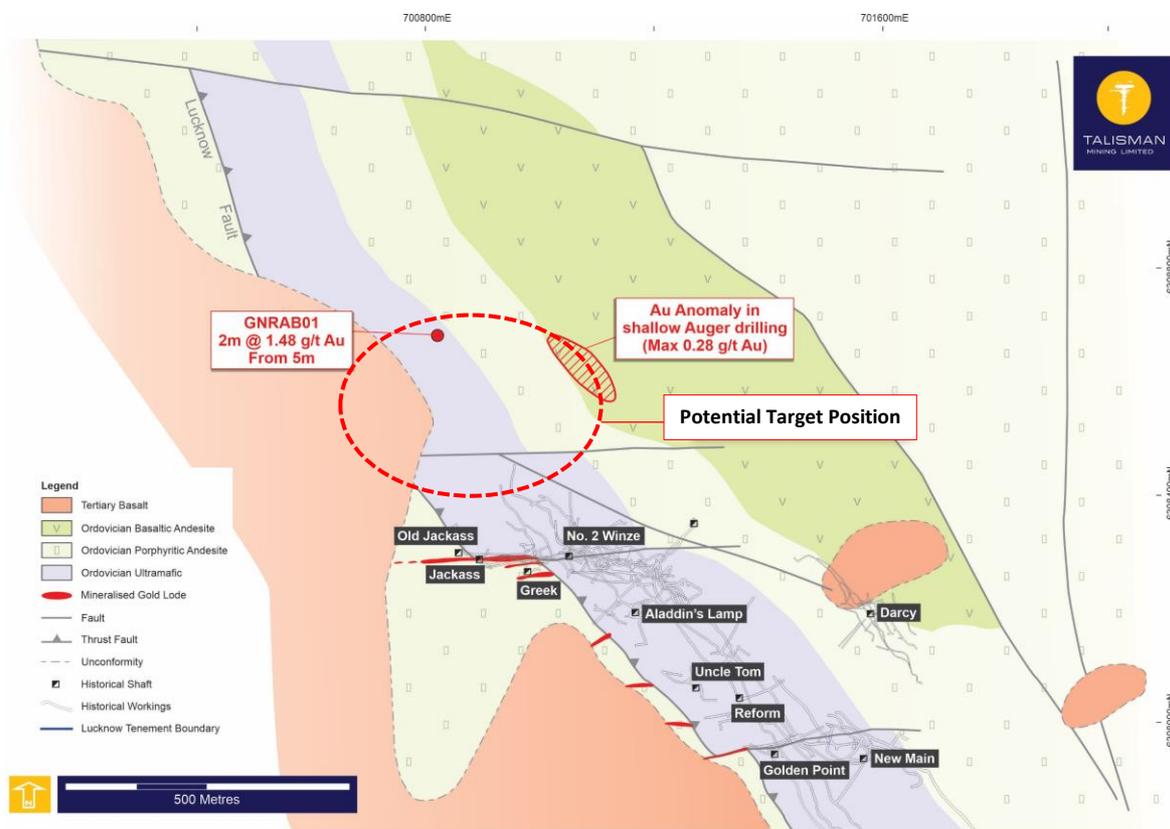


Figure 1: Lucknow Project mine shaft locations and simplified geology.

LUDD002

The second diamond hole (LUDD002), which was designed to test the area to the west of historical stoping in the Darcy Shaft, was completed at an end-of-hole depth of 471.4m (*Table 1*). The hole intersected a zone of strong foliation and quartz veining from 297m to 303m down-hole, which is interpreted to represent the flat-lying fault that has offset the main lode controlling stratigraphy.





Below this flat-lying structure, LUDD002 intersected the ultramafic/komatiitic unit and the komatiite-andesite contact at ~322.7m and, below that, the footwall andesite unit to the end of the hole at 471.4m. The hole also intersected a zone of quartz veining and sulphides from 370.14m to 371.0m, which is interpreted to represent the footwall extension to the historical Darcy lode mineralisation (*Figures 2-4*).

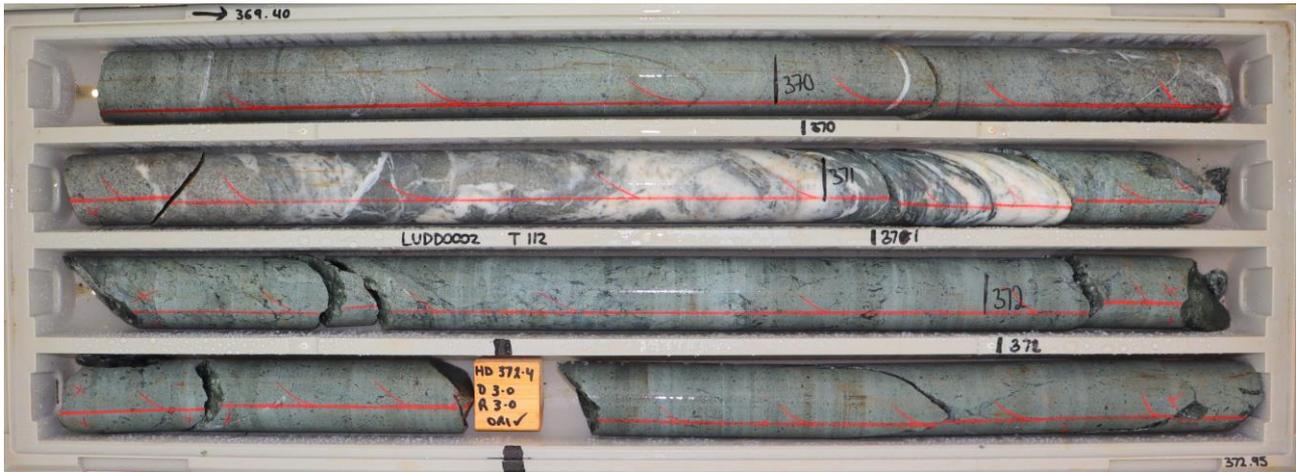


Figure 2: LUDD0002 core photo showing Darcy Lode quartz vein.

The hole returned low grade gold mineralisation in the interpreted target zone (0.86m at 0.26g/t Au from 370.14m).

All assays have now been received for LUDD0002 with a small number of assays outstanding for LUDD001.

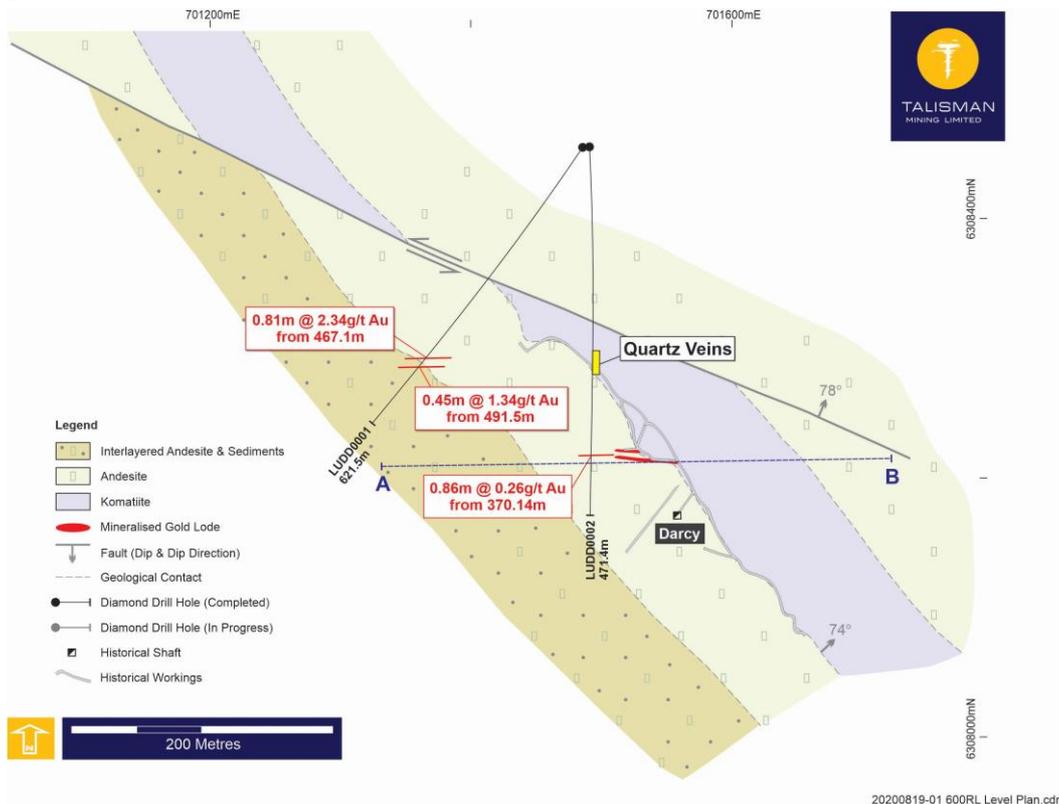


Figure 3: Composite plan view (600mRL), showing interpreted geology and completed TLM drill holes.



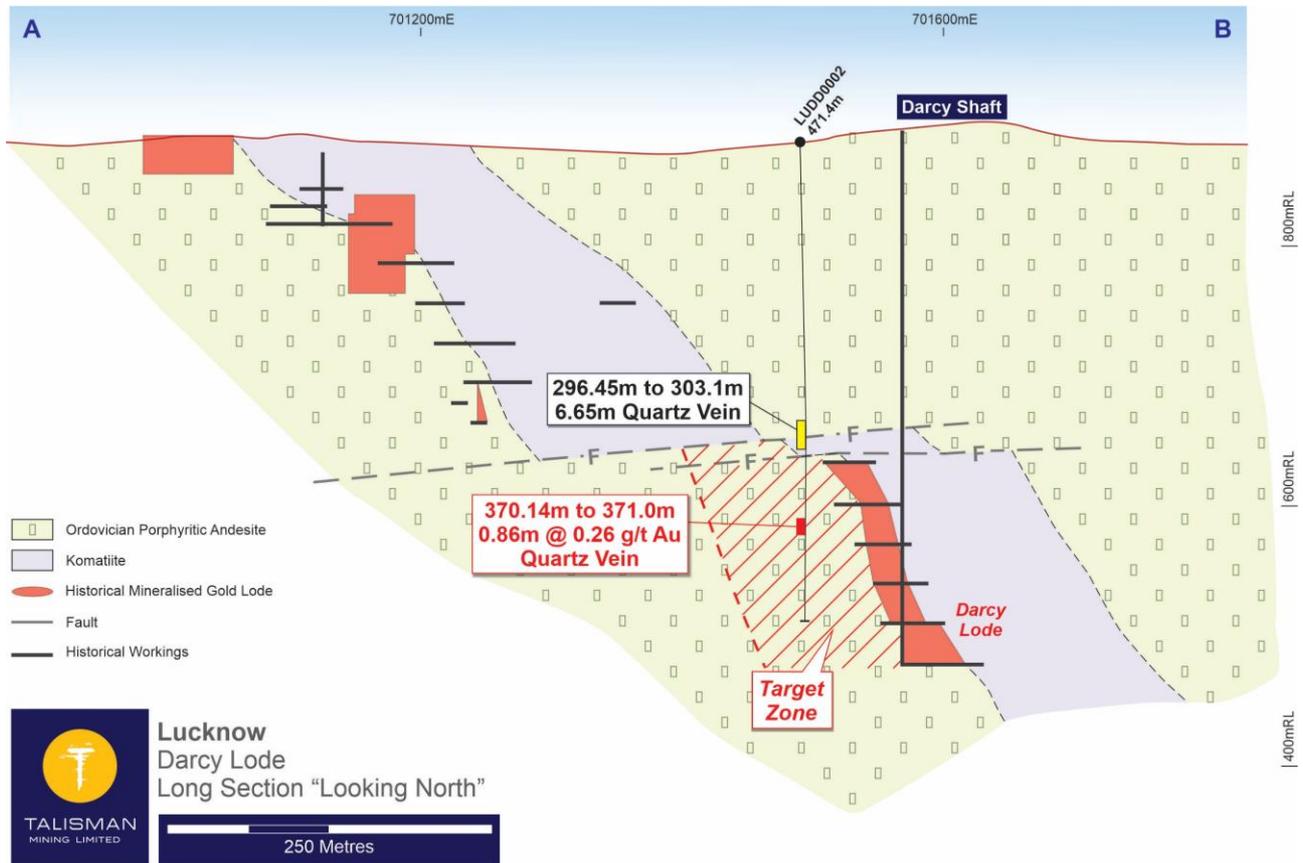


Figure 4: Long-section view (looking north) through Darcy Lode showing interpreted pierce point of hole LUDD0002.

Future Targets

The Lucknow Project remains prospective for the discovery of additional gold mineralisation, with the current geological interpretation suggesting that the prospective contact has been offset to the north-west by a sinistral fault which is trending north-west and dipping moderately to the north-east.

This newly interpreted target corridor to the north-west along the Lucknow Fault shows evidence of gold mineralisation in areas of minimal previous exploration (*Figure 1*) and will be a focus of further geological interpretation and review to inform potential future drilling.

Ends

For further information, please contact:

Dan Madden – Managing Director
on +61 8 93804230

Nicholas Read (Media inquiries)
on +61 419 929 046

Name of Director or Secretary authorising lodgement:
Dan Madden – Managing Director

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 gold. 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 Don Huntly, who is a member of the Australasian Institute of Geoscientists. Mr Huntly 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 Huntly 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.

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.





Table 1: Drill-hole information summary

Details and co-ordinates of Lucknow Gold Project diamond drill-hole collars completed during the period June to August 2020.

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Comment
LUDD0001	MGA94_Z55	-65 ⁰	210 ⁰	701,487	6,308,457	891	DD	621.5	Complete
LUDD0002	MGA94_Z55	-52 ⁰	178 ⁰	701,492	6,308,457	891	DD	471.4	Complete

Table 2: Diamond drill-hole assay intersections

Details of Lucknow Gold Project diamond drilling intersections received to date by Talisman are provided below.

Calculation of intersections for inclusion into this table are based at 0.5g/t Au cut-off, no more than 3m of internal dilution and a minimum composite grade of 0.5g/t Au

The listed intersections relating to the Lachlan Project, are reported as down hole intersections. True widths of the reported mineralisation are not known at this time.

Hole ID	Depth From (m)	Depth To (m)	Interval (down-Hole) (m)	Au (g/t)	Comments
LUDD0001	39.20	39.40	0.20	0.45	Hanging wall stringer
	297.16	297.40	0.24	0.52	Hanging wall stringer
	467.13	467.94	0.81	2.34	Footwall – Distal mineralisation
Including	467.13	467.27	0.14	4.10	
	491.55	492.00	0.45	1.13	Footwall – Distal mineralisation
LUDD0002	No significant results				





Appendix 1

Lucknow Gold Project tenure





Appendix 2 JORC Tables Section 1 & 2

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Drilling cited in this report was completed by Talisman B Pty Ltd, a wholly owned subsidiary of Talisman Mining Limited. Sampling techniques employed at the Lucknow Gold Project include <ul style="list-style-type: none"> auger bottom of hole sampling. Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling scoop for composite samples Diamond Drilling core is cut collected as individual ½ or ¼ core samples on 1m intervals or on geological criteria at sample intervals of no less than 20cm Sampling is controlled by Talisman protocols and QAQC procedures as per industry standard ½ core diamond samples are crushed to -2mm, split via rotary splitter to generate two 250g samples and pulverised (total prep) to produce a sub sample for base metal analysis by four acid digest with an ICP/AES and a 50g sub sample for gold analysis by fire assay. 2nd 250g sample is retained for repeat analysis if required. ¼ core diamond samples are crushed to -2mm, and pulverised (total prep) to produce a sub sample for gold analysis by four acid digest with an ICP/AES and a 50g sub sample for gold analysis by fire assay.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond core drilling was carried out using PQ and HQ diameter core with triple tube used in weather material, drill core was oriented for each 3 metres run where possible using a
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Accurate diamond core recovery is measured for each core run, with zones of core loss marked in drill logs. No known relationship exists between recovery and grade and no known bias exists.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. 	<ul style="list-style-type: none"> RC and diamond core logging records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples and is considered to be representative across the intercepted geological units. In addition all drill core is logged for recovery, RQD and other structural information.





Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill-holes are logged in full to end of hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> QAQC protocols for all auger sampling involved the use of Certified Reference Material (CRM) as assay standards. All QAQC controls and measures were routinely reviewed. Sample size is considered appropriate for low-level geochemical sample for base-metal and gold mineralisation
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometres, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> QAQC protocols for all diamond core sampling involved the use of CRM as assay standards. All assays are required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines. All QAQC controls and measures were routinely reviewed. Laboratory checks (repeats) occurred at a frequency of 1 in 25. Portable XRF instrument Bruker S1 Titan is used for qualitative and semi-quantitative field analysis of base-metals and rock type identification. <p>The PXRF instrument is routinely calibrated using a calibration standard. CRM samples are included at a frequency of 1:50 and field duplicate samples are included at a frequency of 1:50.</p> <p>No PXRF results are reported</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intercepts have been verified by alternate company personnel. Logging and sampling data is captured and imported using Ocris software. Assay data is downloaded directly from the Portable XRF machine, or uploaded directly from the CSV file provided by the laboratory. Primary laboratory assay data is always kept and is not replaced by any adjusted or interpreted data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill-holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Talisman diamond drill collar locations are pegged using a hand-held GPS. With final collar location surveys with sub-meter DGPS Downhole direction was measured using a TRUCORE UPIX gyroscopic survey tool at intervals of 20 metres downhole.





Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 55 (MGA).
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Drill spacing at the Lucknow -Gold Project varies depending on requirements No mineral resource is being reported for the Lucknow - Gold Project. No sample compositing has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Samples were taken according to observations at the time in the field.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Diamond core samples are processed and collected in the field and transported to the ALSGlobal laboratory in Orange NSW by Talisman Mining Ltd personnel.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No external audits or reviews of the sampling techniques and data have been completed.





Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Lucknow Gold Project currently comprises one granted exploration licence: <ul style="list-style-type: none"> EL6455 held by Lucknow Gold Ltd (“Lucknow”) with Talisman B Pty Ltd (“Talisman B”), a wholly owned subsidiary of Talisman, earning a 70% interest in the Lucknow Project, by spending a minimum of \$1.5M on exploration over four years and issuing \$250k worth of Talisman shares (to a maximum of 3,000,000 shares under certain conditions) to Lucknow. There are no known Native Title Claims over the Lucknow Gold Project. The Lucknow Gold Project tenement is in good standing and there are no existing known impediments to exploration or mining.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Lucknow Gold Project have been subject to exploration by numerous previous explorers. Exploration work on this project has included diamond, RC and RAB drilling, soil sampling, geological interpretation and other geophysics (magnetics, gravity).
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Lucknow Gold Project lies within the Central Lachlan Fold belt in NSW. The Lucknow Gold project lies within the Macquarie Arc in NSW The Lucknow Gold Project is considered prospective for epithermal and orogenic style precious metal mineralisation
Drill-hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill-holes: <ul style="list-style-type: none"> easting and northing of the drill-hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill-hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Relevant drill hole information is included in Table 1: and Table 2: Historical drilling intercepts have been appropriately referenced to source information.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer 	<ul style="list-style-type: none"> Significant intersections reported from the Lucknow Gold Project are based on greater than 0.5% Cu and/or 0.5g/t Au and may include up to 3m of internal dilution, with a minimum composite grade of 0.5% Cu and or 0.5g/t Au.





Criteria	JORC Code explanation	Commentary
	<p><i>lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Au grades used for calculating significant intersections are uncut. All results reported in this document have been derived from 1m split samples. Length weighted intercepts are reported for mineralised intersections.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Drill-holes relating to the Lucknow Gold Project are reported as down hole intersections. True widths of reported mineralisation are not known at this time.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill-hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Appropriate maps with scale are included within the body of the accompanying document.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Contouring of geochemical PXRF data provides an appropriate representation of the results The accompanying document is considered to represent a balanced report.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> All meaningful and material information is reported.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Planned future work at the Lucknow Gold Project includes auger sampling, RC/ diamond drilling, soil sampling and geophysical surveys.

