

# 2021

ANNUAL REPORT



TALISMAN  
MINING LIMITED



Historic Millers Shaft at the Blind Calf Prospect (EL 8719)

# Corporate Directory

## Directors

Mr Kerry Harmanis	Non-Executive Chairman (appointed 15 July 2020)
Mr Jeremy Kirkwood	Non-Executive Director
Mr Brian Dawes	Non-Executive Director
Mr Peter Benjamin	Non-Executive Director

## Company Secretary

Mr Alex Neuling

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Perth, Western Australia 6000

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## Share Registry

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Level 12, QV1 Building  
250 St Georges Terrace  
Perth, Western Australia 6000

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## Securities Exchange Listing

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Perth, Western Australia 6000

ASX Code: TLM

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# Letter from the Chairman

Dear Talisman Shareholder,

I am pleased to present Talisman's 2021 Annual Report and to reflect on what has been a year of consolidation, emerging opportunity, active exploration and, at times, frustration for our company.

One of the key highlights of the year was the receipt in April 2021 of our first royalty payment from Mineral Resources, the operator of the Womunna iron ore mine in the Pilbara region, where we are entitled to an uncapped 1% gross revenue royalty on all metals produced and sold on a monthly basis.

During the second half of the 2021 financial year, Mineral Resources ramped up production at Womunna to its currently designed rate of 5 million tonnes per annum. As a result, Talisman received \$1.3 million in royalty payments for the first three months of sales.

While the amount received under this royalty is sensitive to iron ore prices, which have fallen recently, the potential ongoing royalty stream puts Talisman in a unique funding position for a junior exploration company – with a strong cash position (\$9.9 million at year-end), a streamlined asset base and an ongoing income stream to underpin our exploration and growth endeavours.

In my inaugural Chairman's Letter last year, I outlined a two-pronged strategy to pursue exploration at our prospective exploration assets in the Lachlan Fold Belt in NSW in parallel with a search for new growth opportunities in the gold and base metals sector.

During the year, our business development team exhaustively reviewed a wide range of potential acquisition or farm-in opportunities. However, we have yet to find one that meets our stringent hurdles in terms of being value-accretive and delivering genuine long-term returns for our shareholders. Our team is continuing the search.

In parallel with this, we commissioned an independent geological review of our Lachlan copper-gold project in NSW by the highly respected consulting geologist Dr Jon Hronsky OAM. This confirmed that our Lachlan project is well positioned within one of the world's most highly endowed metallogenic mineral provinces in the Cobar Basin of NSW.

His review resulted in the identification of a number of compelling new gold and base metal conceptual targets both on existing tenure and an adjoining vacant ground. As result, Talisman secured additional ground to cover these targets, increasing our overall landholding in the region to approximately 4,000 square kilometres.

During the year, we also simplified the commercial arrangements relating to the Lachlan copper-gold project by making a \$1.1 million cash payment to a former farm-in partner to secure 100% ownership of a number of tenements. Separately, we divested our non-core NSR royalties over the Springfield copper-gold project and the Sinclair and Waterloo nickel projects, realising cash proceeds of \$1.75 million.

These transactions have streamlined our asset base and underlined our focus on our core NSW exploration assets.

Despite the considerable challenges associated with the escalation and subsequent waves of the COVID-19 pandemic in Australia – particularly the outbreaks in NSW and Victoria which resulted in border closures and significant restrictions on the movement of people and equipment across Australia – we were able to complete a number of field exploration programs during the year.

These included geochemical mapping and sampling, Reverse Circulation (RC) percussion drill programs targeting gold-in-soil anomalies, follow-up diamond drilling programs at the Lucknow gold project and down-hole electromagnetic surveys at our base metal projects.

Unfortunately, due to the significant increase in exploration activities in NSW (and Australia generally), turnaround times for assay results have increased significantly across the industry.

At the time of finalising this report, we were awaiting assay results from our maiden drilling program to test the large Cumbine soil anomaly, a new gold target identified by our exploration team from a ground-up review of historical and new data. We were also assay awaiting results from RC drilling at the Noisy Ned copper-lead-zinc prospect and we had submitted drilling applications for a maiden RC drill program to test the Carpina North gold prospect.

Elsewhere within the package, we reported results from limited RC drilling at the Blind Calf copper prospect and completed down-hole EM surveys (with results awaited) and completed our maiden diamond drilling program at the Lucknow gold project.

We will shortly commence an extensive VTEM survey over our entire tenement package in order to further evaluate some of the conceptual target areas identified by Dr Hronsky.

Thanks to our robust balance sheet and potential ongoing income stream from the Womunna royalty, we are in a solid position to further accelerate exploration and, in the event of a discovery, rapidly scale-up our drilling.

In conclusion, I would like to extend my sincere thanks to Shaun Vokes for his diligent stewardship of the Company during the year, including the safe execution of our exploration programs in NSW, the consolidation of our key assets and the recruitment of additional talented individuals to our exploration team – including highly experienced geologist Russell Gregory as Exploration Manager.

The Board was unanimous in endorsing Shaun's appointment as Chief Executive Officer on a fixed-term basis in September, having done a great job as Interim CEO since September last year.

I would also like to thank my fellow Directors, as well as the Company's small but loyal and hard-working team of employees and contractors for their efforts throughout the year. My sincere thanks also to my fellow shareholders for your continued support.

I am confident Talisman has the quality of tenure and sufficient cash to make a breakthrough discovery – which we all know has the potential to deliver outstanding returns to our shareholders. As the flow of results begins to increase and the pace of our exploration begins to step-up, we are all looking forward to making strong progress in the year ahead.

Yours faithfully,



Kerry Harmanis

Chairman

# Review of Operations

## Overview

During the past financial year, Talisman Mining Limited (**Talisman** or the **Company**) continued to progress exploration activities at its highly prospective Lachlan Copper Gold (**Lachlan Project**) and Lucknow Gold (**Lucknow Project**) Projects, both in New South Wales (**NSW**), despite the ongoing impacts of the global COVID-19 pandemic. In addition, the Company's business development team continued to review new potential precious and base metals growth opportunities in Australia.

Talisman maintained rigorous health and safety protocols across its exploration sites and corporate office throughout the year to ensure the safety and well-being of all employees and contractors whilst continuing to undertake exploration activities. In response to the recent COVID-19 outbreaks on the Australian east coast, Talisman implemented additional protocols including regular COVID-19 testing and accommodating and/or sourcing our site exploration workforce from local regional areas wherever practicable to minimise any potential COVID-19 impacts to our workforce and our local communities. The Company continues to monitor the incidence of COVID-19 across Australia with respect to potential impacts on its current work activities.

During the second half of calendar 2020 the Company announced several key changes to both its board of directors and senior management. Kerry Harmanis, one of Western Australia's most successful mining executives and a major shareholder and strong supporter of Talisman since 2007, succeeded Jeremy Kirkwood as Chairman of Talisman, with Mr Kirkwood remaining on the board as a Non-Executive Director. Additionally, in November 2020, both Karen Gadsby and Dan Madden resigned from the Talisman board to pursue other interests. Experienced mining executive Shaun Vokes was appointed Interim Chief Executive Officer in September 2020 and assumed the Chief Executive Officer's role on a permanent fixed-term basis in July 2021.

In April 2021 the Company announced that it had received the first royalty payment from the operator of the Wonmunna Iron Ore Mine (**Wonmunna**) in the Pilbara region of Western Australia. Talisman is entitled to an uncapped 1% gross revenue royalty on all metals produced and sold from Wonmunna monthly. During the last half of the financial year the operator of Wonmunna progressed iron ore production to its currently designed 5 million tonnes per annum rate, and as a result, Talisman's received \$1.3 million in royalty payments for the first 3 months of iron ore sales. The potential ongoing Wonmunna royalty revenue stream

places the Company in a unique funding position for a junior exploration company, allowing Talisman to aggressively pursue ongoing systematic exploration at its Lachlan and Lucknow Projects.

Also, during the past financial year, Talisman undertook to consolidate ownership of tenure associated with its Lachlan Project and rationalise its non-core asset portfolio via the sale of three net smelter return (**NSR**) royalties. The Company announced in April 2021 that it had simplified its commercial arrangements on a number of Lachlan Project tenements by making a \$1.1 million cash payment to its farm-in partner to secure 100% ownership of these tenements. Separately, the Company also divested its NSR royalties over the Springfield Copper Gold Project, and the Sinclair and Waterloo Nickel Projects which realised cash proceeds of \$1.75 million. These transactions allowed the Company to streamline its asset portfolio, crystallising value from non-core assets and further strengthening its financial position while at the same time providing it with a clear exploration focus at the Lachlan Project.

In May 2021 the Company announced the results of an independent review of mineral prospectivity within the NSW Cobar Basin. The review confirmed that Talisman's Lachlan Project tenement portfolio is well positioned within what is a well-endowed metallogenic province and identified several compelling gold and base metal conceptual targets on existing tenure. The review also identified a number of potential opportunities on vacant ground which the Company subsequently secured. Talisman now has control of approximately 4,000km<sup>2</sup> of exploration tenure in this highly prospective exploration region.

During the financial year, exploration activities progressed at the Lachlan Project with several geochemical/mapping programs completed and a number of reverse circulation (**RC**) percussion drill programs undertaken targeting gold-in-soil anomalies and down-hole electromagnetic base metals conductors. Unfortunately, due to a significant increase in exploration activities in NSW (and in Australia generally) turnaround times for assay results have significantly increased which has delayed field activities and follow-up work on several targets.

The Company also completed its maiden drilling program at the Lucknow Project during the past financial year. Whilst the drilling intersected low-grade gold mineralisation in the targeted area, a subsequent structural and geological interpretation suggested that the ultramafic stratigraphy and prospective contact has been offset to the north-west by a sinistral fault. The Company is currently progressing a review of this interpretation to identify potential future drill targets at Lucknow targeting this north-western corridor.

## Lachlan Copper-Gold Project

Talisman's Lachlan Project area covers over 4,000km<sup>2</sup> of exploration tenure (including both granted tenure and tenure under application) in the highly prospective Cobar Basin region of NSW (Figure 1). The Cobar Basin is a well-established mining district with several large gold and base metal mines including Aurelia Metal's Peak and Hera Mines, Glencore's CSA Mine and CBH's Endeavour Mine. The area also hosts Aurelia Metal's recent Federation polymetallic discovery and Peel Mining's Mallee Bull, Wagga Tank and Southern Nights discoveries.

Talisman's exploration strategy at the Lachlan Project is focused on an extensive strike extent along large-scale regional geological structures which are critical to the formation of mineral deposits in the Cobar Basin. Proximity to the margins of major basin faults as well as deep seated regional basement lineament structures and zones of high strain (e.g., the eastern Cobar Basin margin) are an important factor for mineral deposit formation and are considered to be priority target areas for exploration.

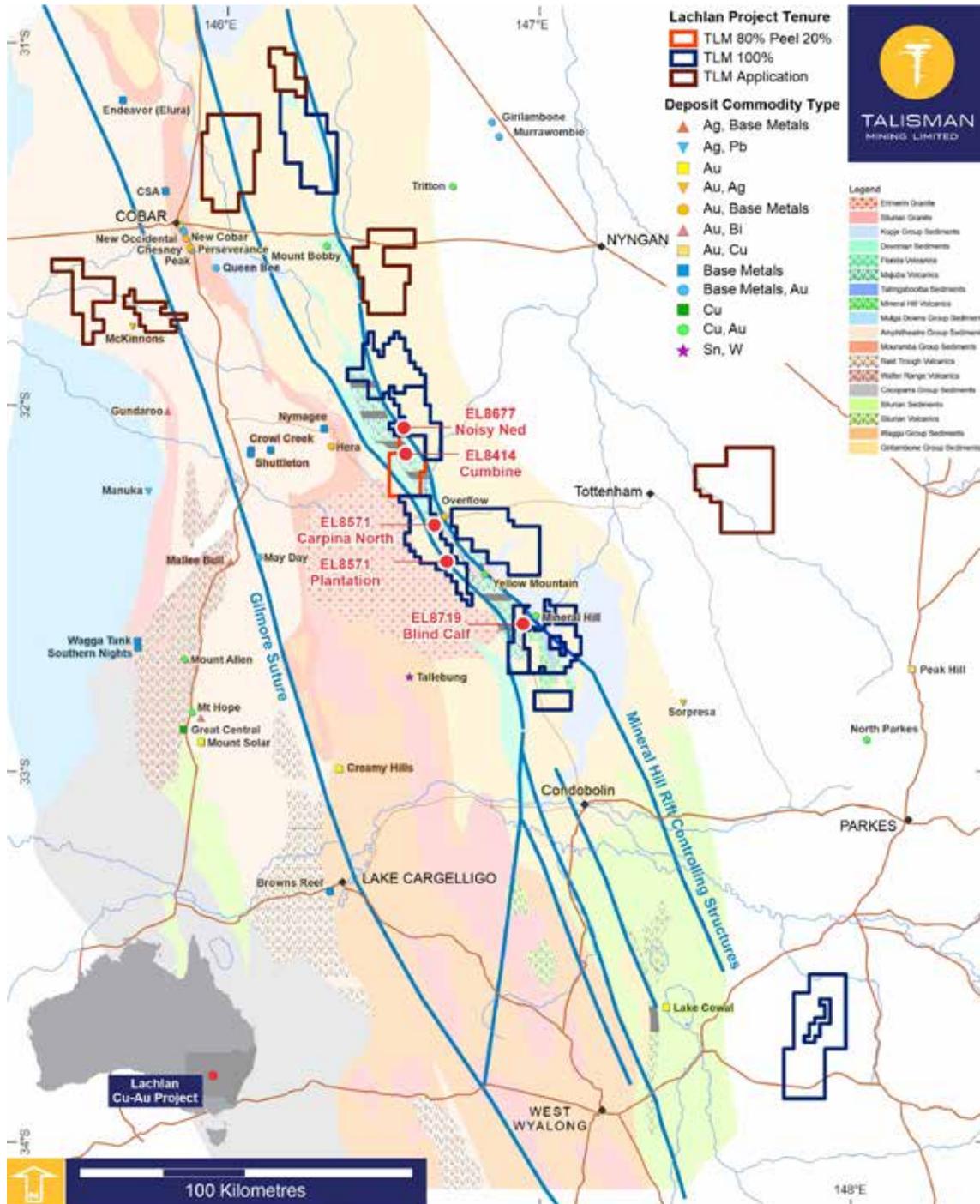


Figure 1: Talisman's Lachlan Cu-Au Project, showing key tenements, nearby mines and prospects and underlying geology.

Major basement lineaments within the region show a strong control on mineralisation with numerous deposits occurring at the intersections of these lineaments with major structures. It is considered that the area of Talisman's Lachlan Project has the potential to host a variety of deposit types including low sulphation epithermal gold and base metal deposits (similar to the Mineral Hill deposit), structurally controlled gold deposits (similar to the Mt Boppy deposit), structurally controlled copper deposits (similar to the Blind Calf deposit), Cobar style gold and base metal deposits, as well as skarn deposits.

The Company has identified multiple gold and base metal mineralisation exploration targets at its Lachlan Project and systematic exploration activities including reconnaissance mapping, soil sampling, RC percussion drilling and geophysical surveys progressed during the financial year testing high-priority targets.

**Cumbyne Prospect (EL8414- Talisman 80%)**

The Cumbyne Gold Prospect (**Cumbyne**) was initially identified by Talisman following a review of historical wide-spaced soil sampling<sup>1</sup> and RC percussion drilling conducted by previous explorers. Historical RC percussion drilling at

Cumbyne intersected significant gold mineralisation (3 metres at 3.2 g/t Au in TMW005<sup>2</sup>) while more recent RC percussion drilling by Talisman also intersected significant gold mineralisation including 7 metres at 1.95 g/t Au from 109m in CURC0003<sup>3</sup>.

During the second quarter of the financial year Talisman completed a two-hole 488m reconnaissance RC percussion drilling program at Cumbyne to provide further information on the potential scale of the exploration opportunity. This drilling intersected fine grained volcanoclastic and medium grained felsic volcanic lithologies as well as gold mineralisation in both holes (including 13 metres at 1.11 g/t Au from 238m in CURC0006<sup>3</sup>). The gold mineralisation is hosted predominantly within a medium grained felsic volcanic lithology and has a strong association with quartz veining, pyrite and sericite alteration.

Based on these encouraging results, Talisman subsequently undertook a mapping and infill soil sampling program the results of which delineated a coherent +20ppb gold anomaly covering a total strike extent of 650 metres (Figure 2)<sup>4</sup>. The sampling also identified several smaller anomalies to the east and west of the main central anomaly.

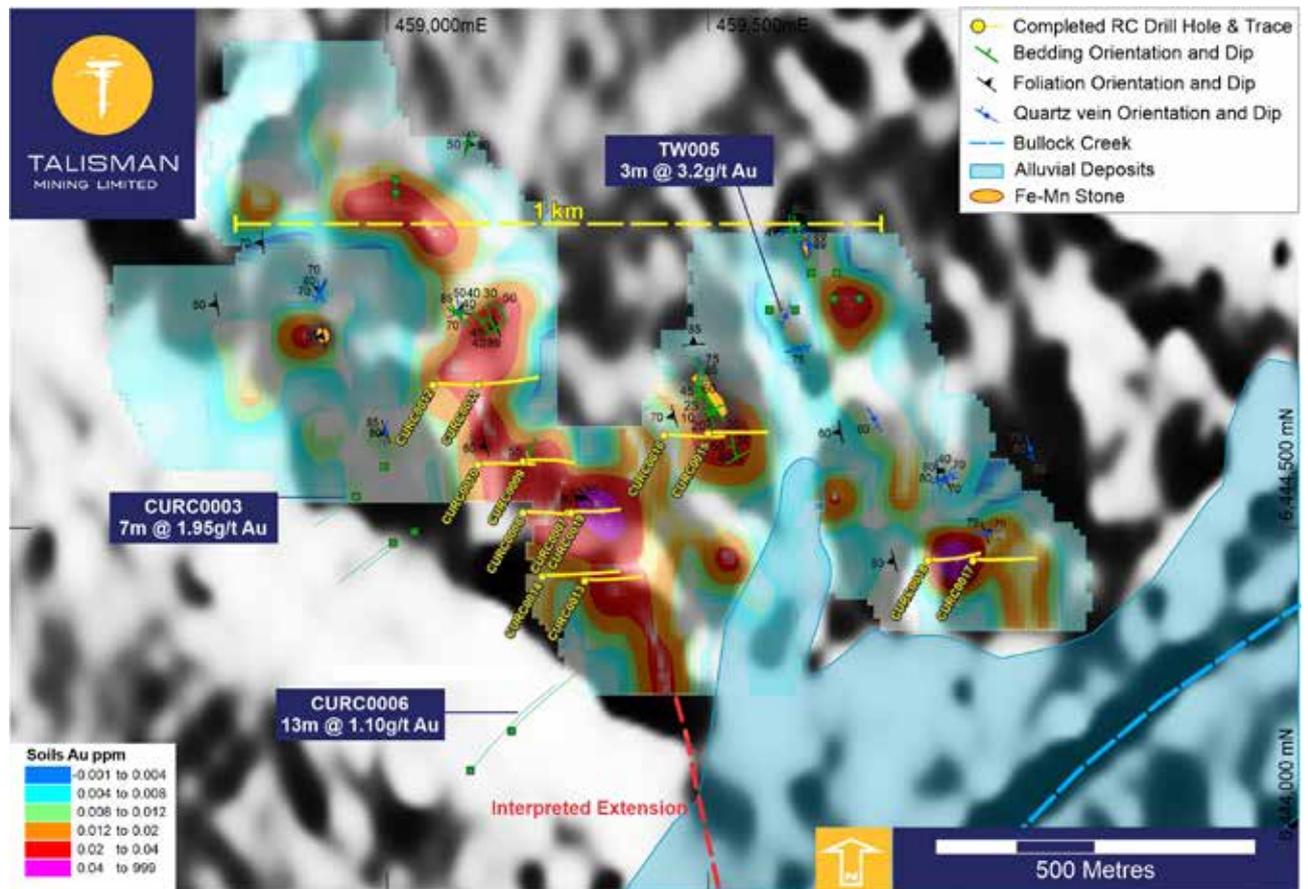


Figure 2: Cumbyne Gold Prospect showing gold-in-soil anomaly over 1VD magnetic image, historic drilling<sup>1,2</sup> and completed RC drilling.

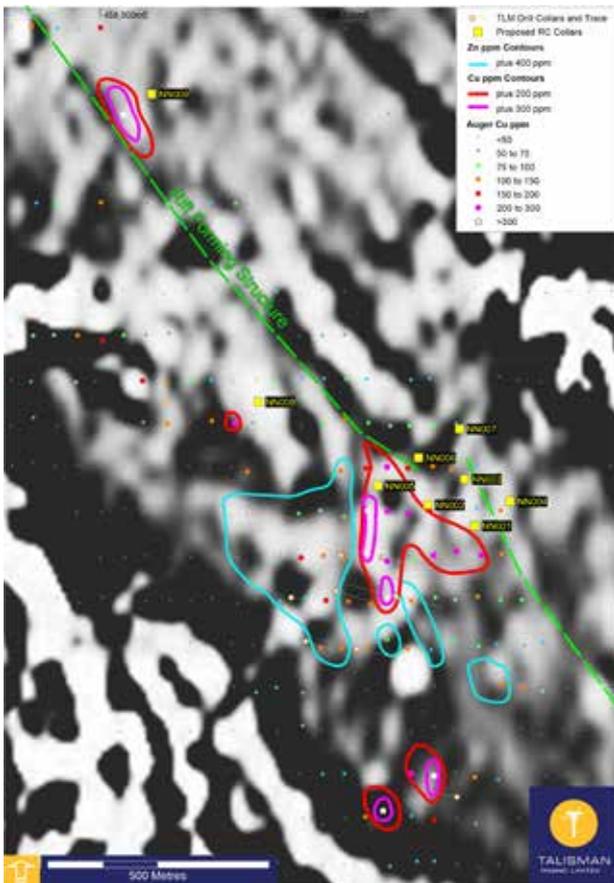
1 NSW DIGS report R00030150  
 2 Refer Talisman ASX announcement dated 30 November 2018 for full details including JORC tables.  
 3 Refer Talisman ASX announcement dated 01 December 2020 for full details including JORC tables.  
 4 Refer Talisman ASX announcement dated 19 April 2021 for full details including JORC tables.

The size and overall tenor of the Cumbine soil anomaly together with the results from past drilling, provided Talisman with sufficient positive data to proceed with a 13-hole 2,424-metre RC percussion drilling programme. This drill programme was subsequently completed after the end of the financial year (Figure 2)<sup>5</sup>. Drilling intersected felsic volcanic and sedimentary lithologies as well as sericite-silica alteration, quartz veining and disseminated pyrite in several holes. This style of alteration is indicative of mineralising hydrothermal fluids moving through the rock mass. All samples have been submitted for analysis and assay are pending.

**Noisy Ned Prospect (EL8677)**

During the financial year, Talisman completed additional interpretive work on earlier exploration activities undertaken at the Noisy Ned Prospect, which had previously identified a strong base metal anomaly from auger sampling as well as copper, lead and zinc mineralisation in bedrock from previous RC percussion drilling<sup>2</sup>.

As a result of this analysis, Talisman identified a significant high-priority copper anomaly and subsequent to the end of the financial year, commenced a 9-hole RC percussion drilling programme targeting the strongest part of the copper anomalism and bedrock mineralisation (Figure 3)<sup>5</sup>.



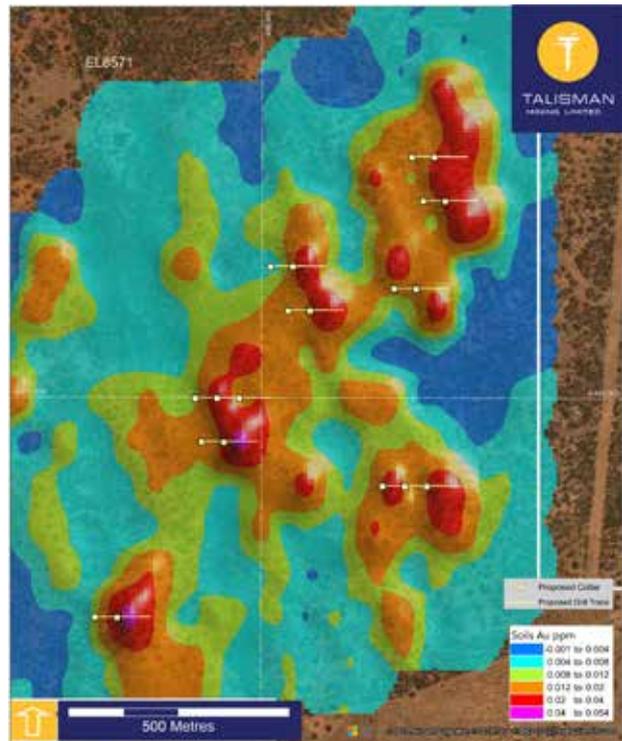
**Figure 3:** Noisy Ned Cu prospect showing zinc and copper anomalism, previous RC percussion drilling and proposed RC percussion drill-hole locations.

**Carpina North and Plantation Prospects (EL8571)**

As part of Talisman’s continued systematic regional exploration activities, extensive campaigns of soil geochemical sampling were undertaken during the financial year over areas mapped as having suitable regolith profiles. This rapid and cost-effective sampling technique provides Talisman with an efficient mechanism to assist vectoring of potential targets suitable for follow-up drilling.

During the financial year, Talisman completed an in-fill soil sampling program at the Carpina Ridge North Gold Prospect (Carpina North). The program was undertaken on a 100m x 50m sample spacing with a total of 185 samples collected, sieved, and the minus 177-micron fraction submitted for gold and multi-element analysis using an aqua regia digest and an ICP-MS finish.

The sample assay results delineated a +20ppb gold anomaly covering a total area of 1km x1.5km (Figure 4). Given the significant scale and tenor of this anomaly, subsequent to the end of the financial year, Talisman submitted a drilling application to the NSW Resources Regulator for a 20-hole RC percussion drill program totalling 3,200 metres<sup>5</sup> with drilling to commence in the 2021/22 financial year as soon as approval is granted.



**Figure 4:** Carpina North gold prospect showing soil anomaly and proposed RC percussion drill-hole locations.

In addition to the Carpina North Prospect, during the financial year Talisman also completed a soil sampling program at the Plantation Gold Prospect (Plantation) utilising a 200m x 50m sample spacing. A total of 550 samples were collected, sieved, and the minus 177-micron fraction submitted for gold and multi-element analysis using an aqua regia digest and an ICP-MS finish.

5 Refer Talisman ASX announcement dated 28 July 2021 for full details including JORC tables.

The sampling at Plantation identified two discrete gold-in-soil anomalies (Figure 5) which will require in-fill sampling to better define the geometry and extent of the anomalies<sup>6</sup>. It is anticipated that in-fill sampling will be undertaken in the first quarter of the 2021/22 financial year.

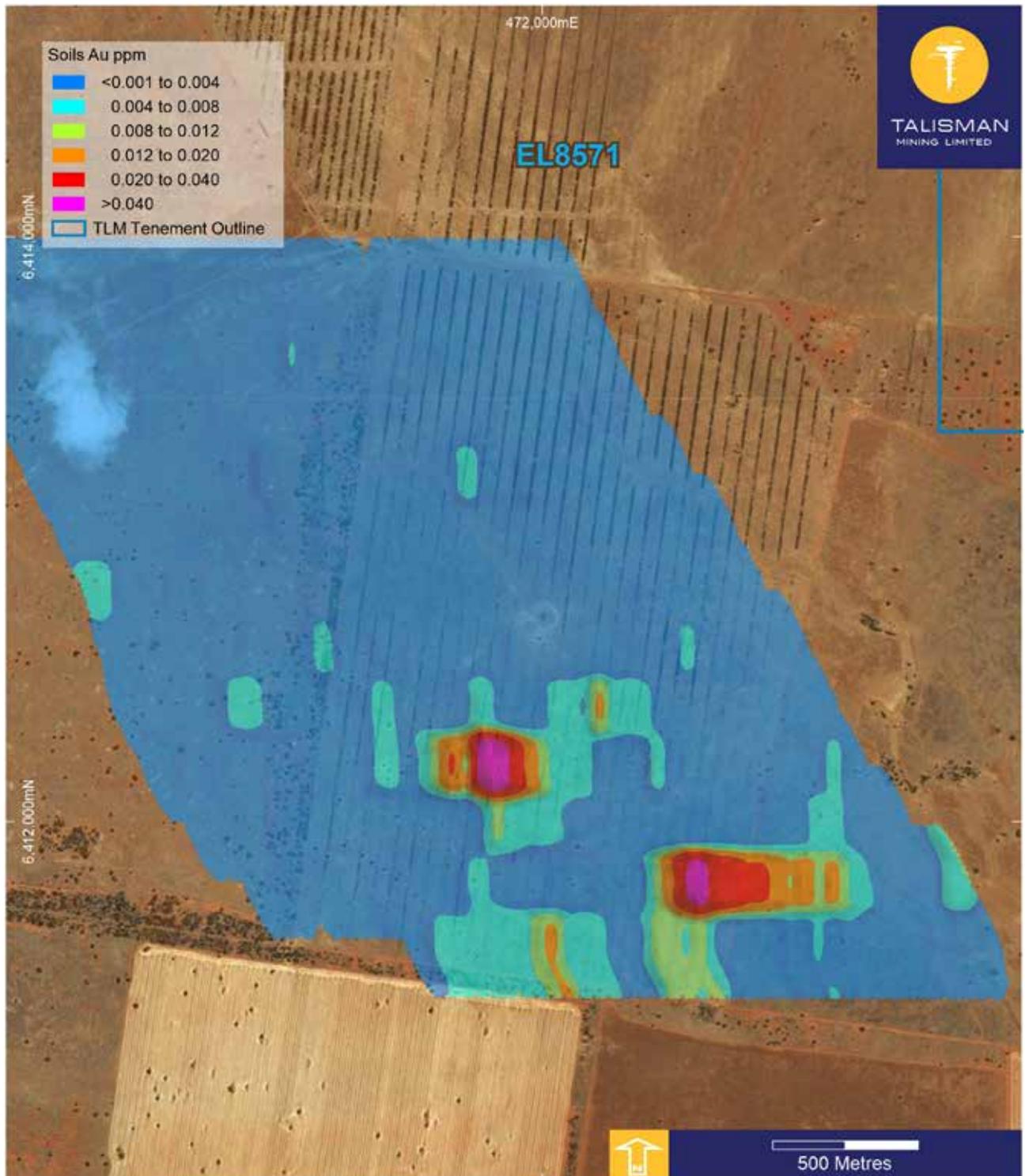


Figure 5: Plantation Gold Prospect showing gold-in-soil anomaly over aerial photo.

6 Refer Talisman ASX announcement dated 6 May 2021 for full details including JORC tables.

**Blind Calf Prospect (EL8719)**

The Blind Calf Prospect includes several north-south trending mineralised structures which cover a total strike extent of 800m. To date, most of the exploration drilling has been directed towards the Blind Calf and Dunbars structures, where high-grade copper mineralisation has been intersected in bedrock drilling.

Structural and alteration mapping completed during 2019 identified three main mineralised corridors at Hilltop, Blind Calf-Dunbars and Engine – all trending in a north-south orientation (Figure 6).

Chalcopyrite is the primary copper-bearing sulphide mineral at the Blind Calf Prospect, with very little pyrite or other sulphide minerals present. As a result, the grade of the primary copper mineralisation has a strong correlation with the chalcopyrite content. While chalcopyrite is a low-conductance sulphide mineral, down-hole electromagnetic (EM) surveys are a very effective tool for detecting high-grade copper mineralisation in proximity to drill holes.

Talisman has previously completed several RC percussion drill holes targeting the mineralised corridors at Hilltop and Engine with subsequent down-hole EM surveys detecting conductors at several locations (Figure 6)<sup>7</sup>. The EM conductors are interpreted to represent primary chalcopyrite mineralisation and four EM conductors were selected for testing, with a four-hole 652-metre RC percussion drilling program completed during the financial year<sup>8</sup>.

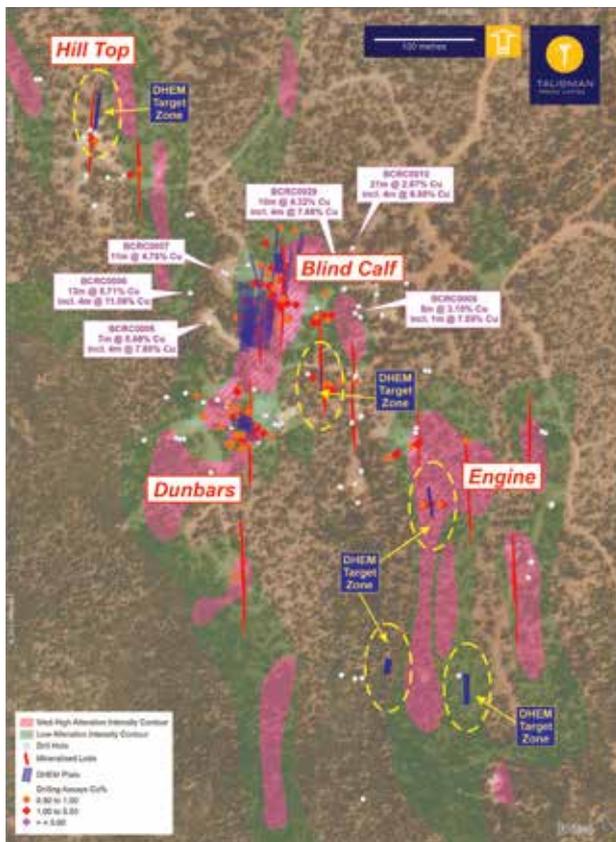


Figure 6. Blind Calf Prospect area showing alteration mapping and DHEM target zones for proposed RC drilling<sup>9</sup>.

Assay results from this drilling confirmed the presence of mineralisation approximately 100 metres to the south-east of the Blind Calf/Dunbars copper lode system, below the historical Engine workings, which has previously returned significant intervals of high-grade copper mineralisation.

The drilling encountered low-level copper mineralisation as well as a high-grade copper and gold intersection in BCRC0035, with assays of:

- 1m at 1.03% Cu from 127m; and
- 2m at 2.42g/t Au from 127m (incl. 1m at 3.97g/t Au)<sup>8</sup>.

These results, together with recent and historical mining and drilling results, indicate a prospective NW-SE trending corridor with extensive copper mineralisation extending from the Hilltop Shaft to the Windlass Shaft (Figure 7). The copper mineralisation at the prospect is hosted within a deformed sequence of Ordovician sedimentary lithologies, including shale, siltstone, and wacke units. The mineralisation is structurally controlled and forms an en echelon array of roughly north-south trending lenses (Figure 7).

Ongoing exploration in the 2021/22 financial year will include detailed soil sampling as well as geological and structural mapping with the objective of gaining a better understanding of the larger mineralising system. Down-hole EM surveys have been completed on holes BCDD0004, and BCRC0035 to BCRC0038 and interpretation of the results is in progress. Results of this analysis will be released as soon as they are available.

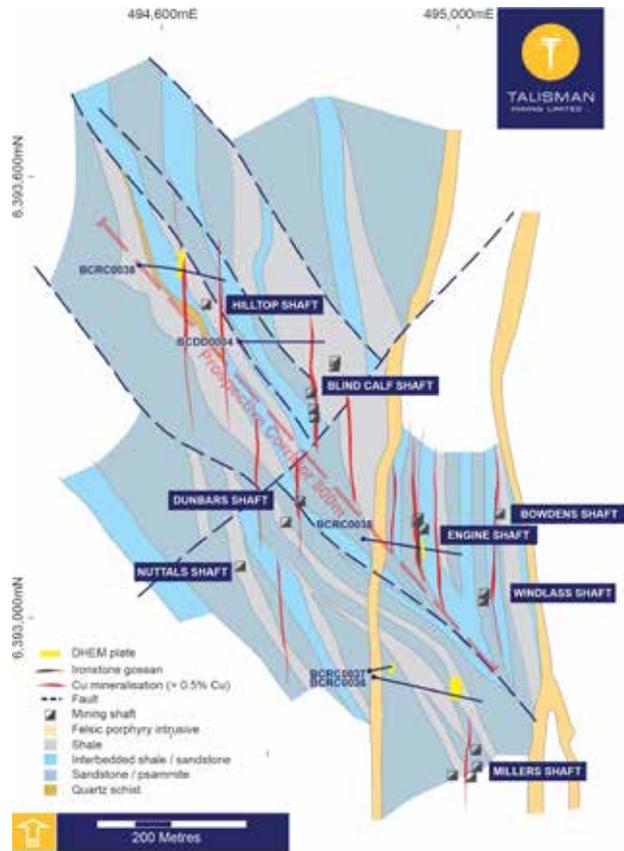


Figure 7: Blind Calf Prospect geological interpretation showing recent drilling, tested down-hole EM (DHEM) conductors and drill holes<sup>10</sup> proposed for DHEM surveys.

7 Refer Talisman ASX announcement dated 9 September 2019 for full details including JORC tables.  
 8 Refer Talisman ASX announcement dated 22 February 2021 for full details including JORC tables.  
 9 Refer ASX announcements dated 5 July 2018, 30 November 2018 and 9 September 2019 for full details of drill hole intersections.  
 10 Refer Talisman ASX announcements dated 26 March 2020 and 22 February 2021 for full details including JORC tables.

## Lucknow Gold Project

Talisman's Lucknow Project is located approximately 11kms southeast of the NSW town of Orange and is centred on the historic Lucknow Goldfield which was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia.

In October 2020, Talisman successfully fulfilled its earn-in obligations under an exploration farm-in agreement with privately owned Lucknow Gold Ltd (**LGL**) in relation to the Lucknow Project and earned a 51% interest in the project<sup>11</sup>. As a result, Talisman B Pty Ltd (**TLMB**), a 100%-owned subsidiary of Talisman, has formed an unincorporated joint venture with LGL. TLMB is manager of the joint venture. Both parties are now required to contribute funds to future activities on the Lucknow Project based on their percentage interest (TLMB 51% and LGL 49%) to maintain their respective interests. Standard dilution clauses apply to the parties' interests and, should a party's interest dilute to below 10%, it will automatically convert to a net smelter royalty of 1.0%.

During the financial year Talisman completed its maiden two-hole diamond drilling program at the Lucknow Project. Based on Talisman's geological interpretation of historical data, the gold lodes and the ultramafic contact at the Lucknow Project are interpreted to have been truncated and offset by a sub-horizontal fault at a depth of approximately 240m below surface. The maiden program was designed to test the interpreted fault offset position of the historical gold lodes at the Lucknow Project and represented the first drilling program by any explorer into this target area.

The first diamond drill hole (LUDD0001) was completed to a final depth of 621.5m. It intersected a highly fractured zone which is interpreted to represent the flat-lying fault that has offset the main lode controlling stratigraphy but did not intersect the targeted ultramafic contact due to what appears to be a second cross-cutting fault.

The lower portion of the hole intersected stringer/sulphide mineralisation in carbonate-rich zones at depth in the targeted position, to the west of and below the historical Lucknow Mine workings. These zones are interpreted to represent the more distal extensions of the main gold lodes, with significant intersections received including<sup>12</sup>:

LUDD0001: 0.81m @ 2.34 g/t Au from 467.1m  
 Inc: 0.14m @ 4.10 g/t Au from 467.1m  
 0.45m @ 1.34 g/t Au from 491.5m

The second diamond hole (LUDD0002), 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<sup>13</sup>. 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, LUDD0002 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 (*Figure 8* and *Figure 9*). The hole returned low grade gold mineralisation in the interpreted target zone (0.86m at 0.26g/t Au from 370.14m)<sup>13</sup>.

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 10*) and will be a focus of further geological interpretation and review to inform potential future drilling.

<sup>11</sup> Refer to ASX announcement dated 20 October 2020 for full details.

<sup>12</sup> Refer Talisman ASX announcement dated 24 July 2020 for full details including JORC tables.

<sup>13</sup> Refer Talisman ASX announcement dated 27 August 2020 for full details including JORC tables.

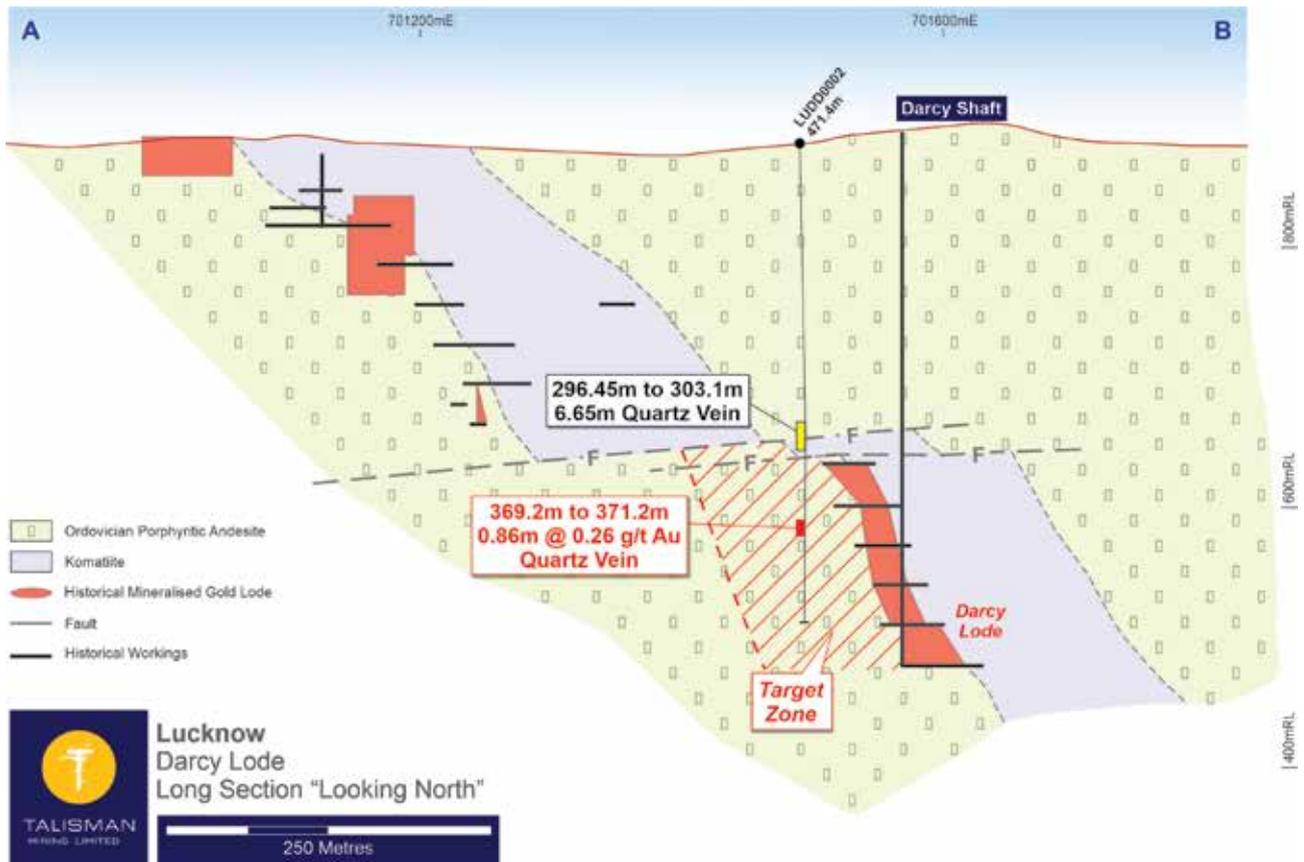


Figure 8: Long-section view (looking north) through Darcy Lode showing interpreted pierce point of hole LUDD0002.

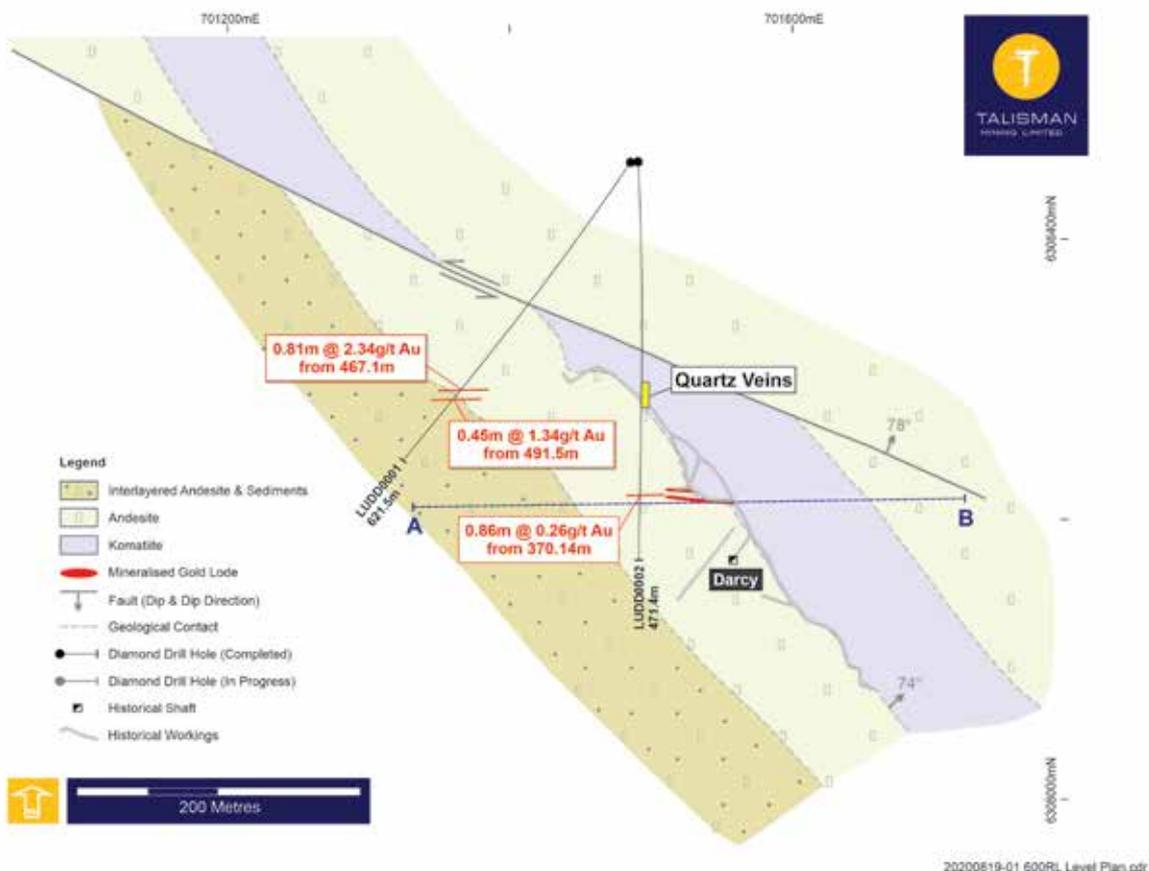


Figure 9: Composite plan view (600mRL), showing interpreted geology and completed TLM drill holes.

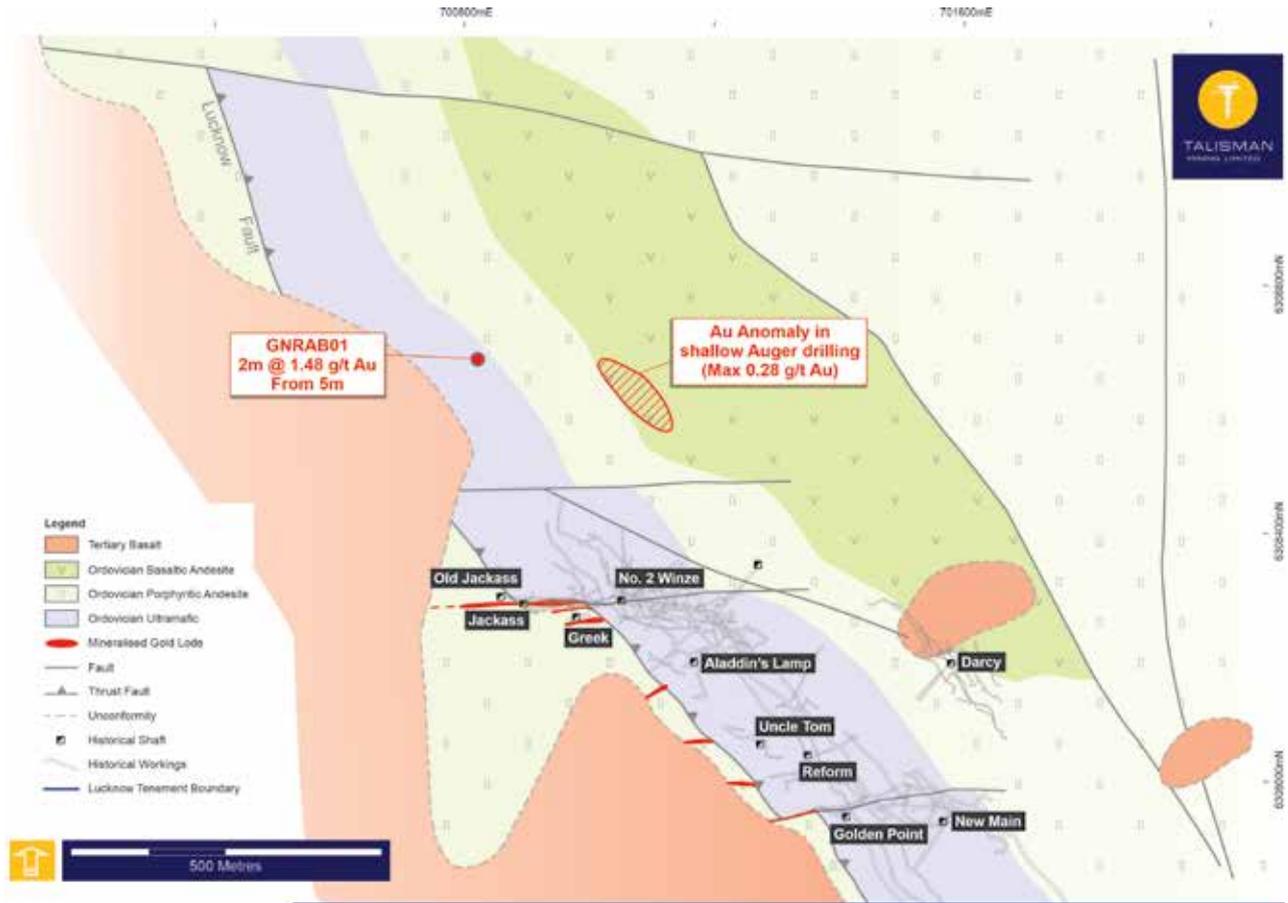


Figure 10: Lucknow Project mine shaft locations and simplified geology.

### Competent Persons' Statement

Information in this report that relates to Exploration Results and Exploration Targets is based on information completed by Mr Russell Gregory, who is a member of the Australasian Institute of Geoscientists. Mr Gregory is a full-time employee of Talisman Mining Limited 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gregory consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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 report may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Limited's current

expectations, estimates and assumptions about the industry in which Talisman Mining Limited operates, and beliefs and assumptions regarding Talisman Mining Limited'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 Limited. 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 Limited 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.

## TENEMENT SCHEDULE

As at date of report

Project / Tenement	Location and Blocks (Area)	Tenement Status	Talisman Equity (%)	Expiry Date	Joint Venture Partner
<b>LACHLAN PROJECT</b>	NSW				
EL8615	(726km <sup>2</sup> )	Granted	100%	07-07-23	N/A
EL8659	(373km <sup>2</sup> )	Granted	100%	18-10-23	
EL8677	(193km <sup>2</sup> )	Granted	100%	08-12-23	
EL8414	(174km <sup>2</sup> )	Granted	80%	02-12-24	Peel Mining Ltd
EL8547	(205km <sup>2</sup> )	Granted	100%	03-04-22	N/A
EL8571	(258km <sup>2</sup> )	Granted	100%	23-05-22	
EL8658	(256km <sup>2</sup> )	Granted	100%	13-10-22	
EL8680	(20km <sup>2</sup> )	Granted	100%	08-12-22	
EL8719	(191km <sup>2</sup> )	Granted	100%	27-03-24	
<b>OTHER</b>	NSW				
EL8451	(276km <sup>2</sup> )	Granted	80%	16-07-25	Peel Mining Ltd
EL 8977	(463km <sup>2</sup> )	Granted	100%	11-05-23	N/A
<b>LUCKNOW PROJECT</b>	NSW				
EL6455	(29km <sup>2</sup> )	Granted	51%	28-08-21	Lucknow Gold Ltd

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement can be found on the Company's website at [www.talismanmining.com.au/about-us/corporate-governance.html](http://www.talismanmining.com.au/about-us/corporate-governance.html) under the heading marked "Corporate Governance Statement".

The following governance-related documents can also be found on the Company's website:

### Company Purpose & Values

#### Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Committee

#### Constitution

- Constitution of Talisman Mining Limited

#### Board

- Code of Conduct
- Policy and Procedure for the Selection and (Re) Appointment of Directors
- Process for Performance Evaluation

### Compliance, Controls and Policies

- Risk Management Policy
- Continuous Disclosure Policy
- Securities Trading Policy
- Diversity Policy
- Remuneration Policy
- Whistleblower Policy
- Anti-Bribery and Anti-Corruption Policy

### Shareholder Communication

- Shareholder Communication and Investor Relations Policy

# Directors' Report

Your Directors present their report together with the financial statements of the Group consisting of Talisman Mining Limited and the entities it controlled for the financial year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

## Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

### Kerry Harmanis

Non-Executive Chairman  
15 July 2020 – current

#### Chairman (Non-Executive/Non-Independent)

Kerry Harmanis joined the Talisman board on 15 July 2020 and is one of Western Australia's most successful mining executives and investors. Kerry has been a major shareholder and strong supporter of Talisman since 2007 and currently holds an 18% stake in the Company.

With a career spanning more than 40 years in the Australian exploration and mining industry, Kerry was the founder and Executive Chairman of Jubilee Mines NL, a highly successful West Australian nickel miner which he established in 1987.

Through a combination of exploration success, focused project development and operational consistency, Jubilee Mines grew to become one of the most successful mid-tier miners on the ASX until its acquisition by Xstrata for A\$3.1 billion in October 2007.

During this period, Kerry led a highly successful geological and operational team which helped Jubilee set new benchmarks on the ASX for shareholder returns in the resource sector.

In the 3 years immediately before the end of the financial year, Kerry did not serve as a Director of any other ASX listed entities.

### Daniel Madden

BComACC, ACA, Governance Institute of Australia  
Managing Director  
1 July 2016 – 1 September 2020  
Non-Executive Director  
2 September 2020 – 4 November 2020

#### Managing Director (Executive/Non-Independent)

Dan Madden was appointed as Managing Director on 1 July 2016 and had been with Talisman since 2009 in his previous roles as Chief Financial Officer and Company Secretary. Dan has more than 17 years' experience in the resource sector, including Xstrata Nickel Australasia, Jubilee Mines NL and Perilya Ltd.

He graduated from the University of Birmingham with a degree in Commerce and Accounting before joining Deloitte in the UK and Australia. He is an Associate Member of the Institute of Chartered Accountants of England and Wales and a member of the Governance Institute of Australia.

Dan resigned as Managing Director on 1 September 2020, and as a Non-Executive director on 4 November 2020.

### Jeremy Kirkwood

BCom ANU  
Non-Executive Director  
15 July 2020 – current  
Non-Executive Chairman  
April 2016 – 15 July 2020

#### Non-Executive Director (Independent)

Jeremy Kirkwood joined Talisman in April 2016 and has extensive experience in corporate strategy, investment banking and global capital markets and provides invaluable strategic input and guidance to the Company's board and management team.

Jeremy is a principal of Pilot Advisory Group and was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock. He has primarily worked in public markets, undertaking merger and acquisitions and capital raisings for companies principally in the metal and mining, energy and infrastructure sectors.

In the 3 years immediately before the end of the financial year, Jeremy joined Joyce Corporation Ltd (ASX:JYC) as a Non-Executive Director on 14 January 2020 and was appointed Chairman on 1 December 2020. In February 2018 he was appointed as the Chairman of Kin Mining Ltd (ASX:KIN) where he remained until his resignation on 24 July 2019.

Jeremy is the Chair of the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience, Jeremy is considered qualified to hold these responsibilities.

**Brian Dawes**

B. Sc. Mining, MAusIMM  
 Non-Executive Director  
 17 June 2009 – current

**Non-Executive Director (Independent)**

Brian is a mining engineer with extensive international mining industry experience. He holds a BSc in Mining from the University of Leeds in the United Kingdom and is Member of the Australasian Institute of Mining and Metallurgy.

Brian's diverse expertise covers all key industry aspects from exploration through the discovery, feasibility, funding, approvals, project construction, commissioning, operations, optimisation, logistics, marketing, and closure phases. This includes site management and corporate responsibilities in a diversity of challenging and successful underground and open pit operations across many commodities and geographies; mainly in copper, gold, nickel, zinc and lead, and iron ore. Prior to joining Talisman, Brian held senior positions with Jubilee Mines NL, Western Areas, LionOre Australia, WMC, Normandy Mining, and Aberfoyle.

In the 3 years immediately before the end of the financial year, Brian has served as a non-executive director of Kin Mining Ltd (ASX: KIN) since 20 February 2018.

Brian serves on the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience and being financially literate, Brian is considered qualified to hold these responsibilities.

**Karen Gadsby**

B. Comm., FCA, MAICD  
 Non-Executive Director  
 3 April 2008 – 4 November 2020

**Non-Executive Director (Independent)**

Karen is a professional Non-Executive Director with over 30 years' finance and commercial experience across several sectors.

She worked as an Executive for North Ltd throughout Australia for 13 years including at Robe River Iron Associates and Energy Resources of Australia Ltd.

Karen resigned as a Non-Executive Director on 4 November 2020.

**Peter Benjamin**

B.Sc. (Hons), Grad Dip (Exploration), (Bus Admin), GAICD, MAusIMM, FAIM  
 Non-Executive Director  
 24 July 2019 – current

**Non-Executive Director (Independent)**

Peter is a geologist with over 40 years' experience in senior exploration, project, operational and executive management roles for both junior and mid-tier resource companies. These roles have included significant experience in the development and subsequent operations for open pit and underground precious, base metal and bulk mineral mines throughout Australia. Peter has extensive experience in managing and implementing exploration strategies which have led to the successful and ongoing discoveries and delineation of new mineral resources and ore reserves. Peter has previously held senior management roles at Iluka Resources Limited, Shaw River Manganese Ltd and Kalamazoo Resources Limited. Peter is now a consultant for the resources industry, mainly focusing on gold, base metals and mineral sands.

In the 3 years immediately before the end of the financial year, Peter was managing director at Kalamazoo Resources Ltd (ASX: KZR) from July 2015 until his resignation in July 2018. He also served as a non-executive director of Capricorn Resources Limited (ASX: CMM) from November 2018 to March 2019.

Peter is a member of the Audit, Nomination and Remuneration Committees. With his extensive geological and senior exploration management experience, Peter is considered qualified to hold these responsibilities.

**Company Secretary**

**Alex Neuling**

BSc, FCA (ICAEW), FCIS  
 Company Secretary  
 1 May 2016 – current

**Company Secretary**

Alex Neuling is a Chartered Accountant and Chartered Secretary with extensive corporate and financial experience including as Director, Chief Financial Officer and / or Company Secretary of various ASX-listed companies in the mining, mineral exploration, oil & gas and other sectors.

Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting which provides company secretarial and financial management consultancy services to a variety of ASX-listed and other companies.

## Principal activities

The principal activity of Talisman Mining Limited during the course of the financial year was exploration for base metals and other minerals, including copper, copper-gold, gold and nickel.

## Review of operations and future developments

A detailed review of operations during the financial year and commentary on future developments is set out in the section titled "Review of Operations" in this Annual Report.

## Dividends

The Directors resolved that no dividend be paid for the year.

## Financial performance and financial position

### Financial performance

During the financial year, the Group reported an operating loss after tax of \$2.2 million (2020: loss after tax \$4.8 million). The Group reported an operating loss after tax from continuing operations of \$3.9 million (2020: loss after tax \$7.5 million).

Revenue for the year of \$1.4 million (2020: \$0.2 million) consisted primarily of royalty income from an uncapped 1% gross revenue royalty applicable to all metals produced and sold from the Wonmunna Iron Ore Mine.

During the financial year the Company completed royalty sale and purchase agreements with Northern Star Resources Limited (ASX: NST, Northern Star), for the purchase of the NSR (net smelter return) royalties over the Sinclair and Waterloo Nickel Projects in Western Australia and with Sandfire Resources Limited (ASX: SFR, Sandfire) for the purchase of the NSR royalty over the Springfield Copper Gold Project. These two transactions realised cash consideration of \$0.75 million and \$1 million respectively.

### Financial position

As at 30 June 2021, the Group had net assets of \$11.2 million (2020: \$13.3 million) including \$9.9 million of cash and cash equivalents (2020: \$12.9 million).

## Subsequent events

Mr Shaun Vokes was appointed as Chief Executive Officer of the Company on 2 July 2021 and Mr Russell Gregory was appointed Exploration Manager commencing on 2 August 2021.

## Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, eleven board meetings, two audit committee meetings, one remuneration committee meeting and one nomination committee meeting were held.

Directors	Board of directors		Audit committee		Remuneration committee		Nomination committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Kerry Harmanis	10	10	2	2	1	1	1	1
Jeremy Kirkwood	11	11	2	2	1	1	1	1
Daniel Madden	4	4	1	1	-	-	-	-
Brian Dawes	11	11	2	2	1	1	1	1
Karen Gadsby	4	4	1	1	-	-	-	-
Peter Benjamin	11	11	2	2	1	1	1	1

Note: Executive Directors attending committee meetings during the year attended all or part of the meeting by invitation of the relevant Committee.

## Directors' shareholdings

The following table sets out each Director's relevant interest in shares, and options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares Number	Share Options Number
Kerry Harmanis	33,859,138	-
Jeremy Kirkwood	419,000	1,666,666
Brian Dawes	353,333	1,166,666
Peter Benjamin	170,058	1,166,668

## Share options

### Share options granted to Directors and key management personnel

At the date of this report, share options granted to the Directors and key management personnel of the Company and the entities it controlled as part of their remuneration are:

Directors and senior management	Number of options granted	Issuing Entity	Number of ordinary shares under option
Kerry Harmanis	-	N/A	-
Jeremy Kirkwood	1,666,666	Talisman Mining Limited	1,666,666
Brian Dawes	1,166,666	Talisman Mining Limited	1,166,666
Peter Benjamin	1,166,668	Talisman Mining Limited	1,166,668

Details of all unissued shares or interests under option as at the date of this report are:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	11-Nov-16	31-Oct-21	40,000	\$0.46	\$0.32	30-Jun-19
Talisman Mining Limited	11-Nov-16	31-Oct-21	40,000	\$0.50	\$0.32	30-Jun-20
Talisman Mining Limited	7-May-19	31-Oct-21	2,500,002	\$0.14	\$0.04	30-Apr-20
Talisman Mining Limited	27-Nov-19	31-Oct-21	194,444	\$0.14	\$0.03	30-Nov-20
Talisman Mining Limited	7-May-19	31-Oct-21	2,499,999	\$0.16	\$0.04	30-Apr-20
Talisman Mining Limited	27-Nov-19	31-Oct-21	194,444	\$0.16	\$0.03	30-Nov-20
Talisman Mining Limited	7-May-19	31-Oct-21	2,499,999	\$0.18	\$0.04	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-21	194,444	\$0.18	\$0.03	30-Nov-20
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,335	\$0.14	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.14	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,331	\$0.16	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.16	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,334	\$0.18	\$0.04	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,448	\$0.18	\$0.04	30-May-21

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

## Remuneration Report

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Talisman Mining Limited for the financial year ended 30 June 2021 and is included on page 20.

## Environmental regulations

The Group's environmental obligations are regulated under both State and Federal legislation. Performance with respect to environmental obligations is monitored by the Board of Directors and subjected from time to time to government agency audits and site inspections. No significant or material environmental breaches have been notified by any government agency during the year ended 30 June 2021.

## Indemnification and insurance of officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 25 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

## Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 26 and forms part of this Directors' report for the year ended 30 June 2021.

## Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

## Rounding off of amounts

The Company has applied the relief available to it in ASIC Legislative Instrument 2016/191, and accordingly certain amounts included in this report and in the financial report have been rounded off to the nearest \$1,000 (where rounding is applicable), under the option available to the Company under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

# Remuneration Report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Talisman Mining Limited for the year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

## Key Management Personnel details

The key management personnel of Talisman Mining Limited during the year were:

### Directors

<b>Kerry Harmanis</b>	Non-Executive Chairman <i>(Appointed 15 July 2020)</i>
<b>Jeremy Kirkwood</b>	Non-Executive Director <i>(Resigned as Chairman 15 July 2020, Non-Executive Director from 15 July 2020)</i>
<b>Daniel Madden</b>	Managing Director Non-Executive Director <i>(Resigned as Managing Director on 1 September 2020, resigned as a Non-Executive Director on 4 November 2020)</i>
<b>Brian Dawes</b>	Non-Executive Director
<b>Karen Gadsby</b>	Non-Executive Director <i>(Resigned as Non-Executive Director on 4 November 2020)</i>
<b>Peter Benjamin</b>	Non-Executive Director

### Other Key Management

<b>Anthony Greenaway</b>	General Manager – Geology <i>(Resigned 7 August 2020)</i>
<b>Shaun Vokes</b>	Interim Chief Executive Officer <i>(Appointed 2 September 2020)</i> Chief Executive Officer <i>(Appointed 2 July 2021)</i>
<b>Russell Gregory</b>	Exploration Manager <i>(Appointed 2 August 2021)</i>

Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year end.

## Key Management Personnel (excluding Non-Executive Directors)

The Board is responsible for determining the remuneration policies for the Group, including those affecting Executive Directors and other key management personnel. The Board may seek appropriate external advice to assist in its decision making.

The Company's remuneration policy for Executive Directors and key management personnel is designed to promote superior performance and long-term commitment to the Group. The main principles of the policy when considering remuneration are as follows:

- Executive Directors and key management personnel are motivated to pursue long term growth and success of the Group within an appropriate control framework;
- interests of key leadership are aligned with the long-term interests of the Company's shareholders; and
- there is a clear correlation between performance and remuneration.

The remuneration policy for Executive Directors and other key management personnel has three main components, fixed remuneration, long term incentive and a potential discretionary bonus.

### Fixed remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Remuneration Committee has access to external, independent advice where necessary.

Executive Directors and other key management personnel are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in the remuneration for key management personnel tables for the years ended 30 June 2021 and 30 June 2020.

### Long term incentives

To align the interests of key management personnel with the long-term objectives of the Group and its shareholders, the Group's policy, having regard to the stage of development of its assets, is to issue share options under the shareholder approved 'Executive and Employee Equity Plan' (EEEP) and at the discretion of the Board, subject to shareholder approval for Directors. The issue of share options as remuneration represents cost effective consideration to Directors and key management personnel for their commitment and contribution to the Group and are used as a strategic tool to recruit and retain high calibre personnel. Options issued during the year vest at various periods during the life of the options and value is only realised by Directors and key management personnel upon growth at various premiums to the 5-day volume weighted share of the Company's share price from the date of the grant of the options.

Vesting conditions relating to the performance of the Group are not considered appropriate having regard to the stage of development of the Group's assets.

### Potential discretionary bonus

A potential discretionary bonus may be paid to Executive Directors and other key management personnel. Any potential bonus paid is at the discretion of the Remuneration Committee and will typically be made in recognition of contribution to the Group's performance and other significant efforts of Executive Directors and key management personnel in applicable and appropriate circumstances. For the financial year ended 30 June 2021, there were no discretionary bonuses paid or recommended by the Remuneration Committee.

### Non-Executive Directors

The Group's Non-Executive Directors receive fees (including statutory superannuation) for their services and the reimbursement of reasonable expenses. The fees paid to the Group's Non-Executive Directors reflect the demands on, and responsibilities of, the Directors. They do not receive any retirement benefits (other than compulsory superannuation). The Board decides annually the level of fees to be paid to Non-Executive Directors with reference to market standards.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Group's development. Such options vest across the life of the option and are primarily designed to provide an incentive to Non-Executive Directors to remain with the Group. Options issued to Non-Executive Directors are subject to shareholder approval.

A Non-Executive Directors' fee pool limit of \$300,000 per annum was originally approved by the shareholders at the

General Meeting on 19 May 2008 and re-approved at the 30 June 2016 General Meeting. For the financial year ended 30 June 2021, this pool was utilised to a level of \$186,150 (inclusive of superannuation). There was no fee paid for the 2021 financial year to the Chairman whilst each Non-Executive Director was paid \$50,000 per annum (excluding statutory superannuation).

### Key terms of employment contracts

Remuneration and other terms of employment of Directors and key management personnel are formalised in an employment contract. The major provisions of the agreements related to the remuneration are set out below.

Key Management Personnel	Term of Agreement	Key Agreement Terms	Notice Period
Shaun Vokes	Three years (appointed 2 July 2021)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to six months' base salary.	3 months
Russell Gregory	Ongoing employment agreement (appointed 2 August 2021)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to three months' base salary.	3 months

Remuneration for Executive Directors and key management personnel consists of a base salary, superannuation and performance incentives. Long term performance incentives may include options granted at the discretion of the Board subject to obtaining the relevant approvals. The remuneration of the Chief Executive Officer is recommended to the Board by the Remuneration Committee. Remuneration of key management personnel (excluding Non-Executive Directors) is recommended annually by the Remuneration Committee in consultation with the Managing Director or equivalent.

## Remuneration of key management personnel

Details of the nature and amount of each element of the remuneration for key management personnel during the year are set out in the following tables:

	Short-term employee benefits			Post-employment benefits	Long service leave accrual	Share-based payment	Total	% of compensation linked to performance
	Salary & fees	Bonus	Non-monetary	Super-annuation		Options <sup>(vii)</sup>		%
	\$	\$	\$	\$	\$	\$	\$	%
<b>2021</b>								
<b>Directors</b>								
Kerry Harmanis <sup>(i)</sup>	-	-	-	-	-	-	-	-
Jeremy Kirkwood	52,500	-	-	4,987	-	8,786	66,273	13.26%
Daniel Madden <sup>(ii)</sup>	333,350	-	6,468	24,937	57,083	26,360	448,198	5.88%
Brian Dawes	36,950	-	-	17,800	-	6,151	60,901	10.10%
Karen Gadsby <sup>(iii)</sup>	17,500	-	-	1,663	-	6,151	25,314	24.30%
Peter Benjamin <sup>(iv)</sup>	50,000	-	-	4,750	-	24,200	78,950	30.65%
<b>Executives</b>								
Shaun Vokes <sup>(v)</sup>	274,323	-	-	26,061	-	-	300,384	-
Anthony Greenaway <sup>(vi)</sup>	134,192	-	-	2,679	-	8,786	145,657	6.03%
	898,815	-	6,468	82,877	57,083	80,434	1,125,677	
<b>2020</b>								
<b>Directors</b>								
Jeremy Kirkwood	73,333	-	-	6,967	-	67,813	148,113	45.78%
Daniel Madden <sup>(ii)</sup>	336,428	-	20,200	31,961	15,455	203,444	607,488	33.49%
Brian Dawes	45,834	-	-	4,354	-	47,470	97,658	48.61%
Karen Gadsby <sup>(iii)</sup>	45,834	-	-	4,354	-	47,470	97,658	48.61%
Peter Benjamin <sup>(iv)</sup>	42,625	-	-	4,049	-	31,016	77,690	39.92%
<b>Executives</b>								
Shaun Vokes <sup>(v)</sup>	356,904	25,000	-	28,869	-	63,456	474,229	13.38%
Anthony Greenaway <sup>(vi)</sup>	264,047	-	-	25,084	-	67,813	356,944	19.00%
	1,165,005	25,000	20,200	105,638	15,455	528,482	1,859,780	

(i) Kerry Harmanis was appointed as non-executive Chairman on 15 July 2020. Under the terms of his appointment, Mr Harmanis has elected not to receive a salary or be issued with any shares in his role.

(ii) Daniel Madden ceased employment as Managing Director on 1 September 2020 and resigned as a non-executive director on 4 November 2020.

(iii) Karen Gadsby resigned as a Non-Executive Director on 4 November 2020.

(iv) Peter Benjamin was appointed as a Non-Executive Director on 24 July 2019.

(v) Ceased employment as Chief Financial Officer and Joint Company Secretary 30 April 2020. Salary and fees for 2020 include termination payments. Appointed as interim Chief Executive Officer 2 September 2020 and as Chief Executive Officer on 2 July 2021.

(vi) Ceased employment 7 August 2020.

(vii) The value of share-based payments shown in the table are non-cash values based on an accounting valuation calculated under the Black Scholes option pricing method. The values above represent the accounting expense recorded over the vesting period of the options. The options were granted in the 2019 financial year, with the exception of options granted to Peter Benjamin in November 2019.

## Share-based remuneration granted as compensation

No options were granted as remuneration during the current financial year.

## Exercised

No options granted as compensation in the current and/or prior year were exercised.

## Forfeited / lapsed / cancelled options during the year

Number granted	Number forfeited/lapsed/ cancelled during the year	Financial Year Granted
Jeremy Kirkwood	833,334	FY18/19
Daniel Madden	2,500,000	FY18/19
Brian Dawes	583,334	FY18/19
Karen Gadsby	583,334	FY18/19
Peter Benjamin	583,332	FY18/19
Shaun Vokes	833,334	FY18/19
Anthony Greenaway	833,334	FY18/19

## Other Information

### Shares held by Key Management Personnel

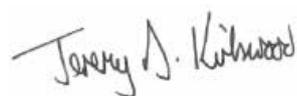
	Opening balance at 1 July Number	Balance on appointment Number	Shares received on exercise of options Number	Acquired on-market Number	Balance on resignation Number	Closing balance at 30 June Number	Balance held nominally Number
<b>2021</b>							
<b>Directors</b>							
Kerry Harmanis	-	33,859,138	-	-	N/A	33,859,138	-
Jeremy Kirkwood	419,000	-	-	-	N/A	419,000	-
Daniel Madden	50,000	-	-	-	(50,000)	-	-
Brian Dawes	353,333	-	-	-	N/A	353,333	20,000
Karen Gadsby	311,334	-	-	-	(311,334)	-	-
Peter Benjamin	101,093	-	-	68,965	N/A	170,058	-
<b>Executives</b>							
Shaun Vokes	-	-	-	308,767	N/A	308,767	-
Anthony Greenaway	-	-	-	-	-	-	-
	1,234,760	33,859,138	-	377,732	(361,334)	35,110,296	20,000
<b>2020</b>							
<b>Directors</b>							
Jeremy Kirkwood	419,000	-	-	-	N/A	419,000	-
Daniel Madden	50,000	-	-	-	N/A	50,000	-
Brian Dawes	353,333	-	-	-	N/A	353,333	20,000
Karen Gadsby	311,334	-	-	-	N/A	311,334	66,667
Peter Benjamin	-	-	-	101,093	N/A	101,093	-
<b>Executives</b>							
Shaun Vokes	-	-	-	-	-	-	-
Anthony Greenaway	-	-	-	-	N/A	-	-
	1,133,667	-	-	101,093	-	1,234,760	86,667

**Options held by Key Management Personnel**

	Opening balance at 1 July Number	Granted as remuneration Number	Options Exercised Number	Options Lapsed / Cancelled / Forfeited Number	Balance on resignation Number	Closing balance at 30 June Number	Vested but not exercisable Number	Vested during the year Number	Vested and exercisable at 30 June Number
<b>2021</b>									
<b>Directors</b>									
Kerry Harmanis	-	-	-	-	N/A	-	-	-	-
Jeremy Kirkwood	2,500,000	-	-	(833,334)	N/A	1,666,666	-	833,333	1,666,666
Daniel Madden	7,500,000	-	-	(2,500,000)	(5,000,000)	-	-	2,500,000	5,000,000
Brian Dawes	1,750,000	-	-	(583,334)	N/A	1,166,666	-	583,333	1,166,666
Karen Gadsby	1,750,000	-	-	(583,334)	(1,166,666)	-	-	583,333	1,166,666
Peter Benjamin	1,750,000	-	-	(583,332)	N/A	1,166,668	-	583,336	1,166,668
<b>Executives</b>									
Shaun Vokes	1,666,667	-	-	(833,334)	N/A	833,333	-	-	833,333
Anthony Greenaway	2,500,000	-	-	(833,334)	(1,666,666)	-	-	833,333	1,666,666
	19,416,667	-	-	(6,750,002)	(7,833,332)	4,833,333	-	5,916,668	12,666,665
<b>2020</b>									
<b>Directors</b>									
Jeremy Kirkwood	2,500,000	-	-	-	N/A	2,500,000	-	1,666,667	1,666,667
Daniel Madden	7,500,000	-	-	-	N/A	7,500,000	-	5,000,000	5,000,000
Brian Dawes	1,750,000	-	-	-	N/A	1,750,000	-	1,166,667	1,166,667
Karen Gadsby	1,750,000	-	-	-	N/A	1,750,000	-	1,166,667	1,166,667
Peter Benjamin	-	1,750,000	-	-	N/A	1,750,000	-	583,332	583,332
<b>Executives</b>									
Shaun Vokes	2,500,000	-	-	(833,333)	(1,666,667)	-	-	1,666,667	1,666,667
Anthony Greenaway	2,500,000	-	-	-	N/A	2,500,000	-	1,666,667	1,666,667
	18,500,000	1,750,000	-	(833,333)	(1,666,667)	17,750,000	-	13,916,667	13,916,667

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



**Jeremy Kirkwood**  
Non-Executive Director

Perth, 23 September 2021

# Auditor's Independence Declaration



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Talisman Mining Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
23 September 2021

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

L Di Giallonardo  
Partner

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# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

To the members of Talisman Mining Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Talisman Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Joint Operations</b> Refer to Note 20</p>	
<p>During the year the Group entered into two joint arrangements, the 51% jointly controlled Lucknow Gold Project and the 75% jointly controlled Mt Walton Project.</p> <p>These joint arrangements are both joint operations and the Group proportionately consolidates its share of the assets, liabilities, revenue and expenses of the Lucknow Gold Project and the Mt Walton Project.</p> <p>This is considered to be a key audit matter as it is material to the users of the financial statements, the accounting was complex and it involved the most communication with management.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Reviewing the agreements to understand their key terms;</li> <li>- Establishing that joint control existed and considering the type of joint arrangement in existence;</li> <li>- Ensuring that the joint arrangements were accounted for in accordance with AASB 11 <i>Joint Arrangements</i>;</li> <li>- Verifying the existence and fair value of assets and liabilities in the joint operations on formation; and</li> <li>- Assessing the appropriateness of the disclosures included in the financial report.</li> </ul>

*Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on the Remuneration Report**

##### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Talisman Mining Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.



*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*HLB Mann Judd*

**HLB Mann Judd  
Chartered Accountants**

**Perth, Western Australia  
23 September 2021**

*L Di Giallonardo*

**L Di Giallonardo  
Partner**

## CONSOLIDATED STATEMENT OF Financial Position

AS AT 30 JUNE 2021

	Note	30 Jun 21 \$ '000	30 Jun 20 \$ '000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	9,900	12,937
Trade and other receivables	8	1,333	305
<b>Total Current Assets</b>		<b>11,233</b>	<b>13,242</b>
<b>Non-Current Assets</b>			
Other receivables	8	13	120
Property, plant and equipment	9	201	282
Right-of-use assets	10	-	82
Intangible assets	11	19	47
Deferred exploration and evaluation expenditure	12	-	-
<b>Total Non-Current Assets</b>		<b>233</b>	<b>531</b>
<b>Total Assets</b>		<b>11,466</b>	<b>13,773</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	304	379
Provisions	15	-	56
Lease liabilities	14	-	86
<b>Total Current Liabilities</b>		<b>304</b>	<b>521</b>
<b>Total Liabilities</b>		<b>304</b>	<b>521</b>
<b>Net Assets</b>		<b>11,162</b>	<b>13,252</b>
<b>Equity</b>			
Issued capital	16	31,966	31,966
Reserves	17	646	765
Accumulated losses	17	(21,450)	(19,479)
<b>Total Equity</b>		<b>11,162</b>	<b>13,252</b>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF

# Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 Jun 21 \$ '000	30 Jun 20 \$ '000
<b>Continuing operations</b>			
Revenue	2	28	204
Other income	2	1,365	25
Exploration expenditure expensed as incurred	12	(2,858)	(3,860)
Employee benefits expense	2	(1,279)	(2,004)
Legal and corporate advisory expenses	2	(382)	(1,010)
Administrative expenses		(498)	(621)
Occupancy expenses	2	(65)	(49)
Finance costs		(13)	(6)
Depreciation and amortisation expense		(215)	(224)
<b>Loss before income tax expense from continuing operations</b>		<b>(3,917)</b>	<b>(7,545)</b>
Income tax expense	3	-	-
<b>Loss after tax from continuing operations</b>		<b>(3,917)</b>	<b>(7,545)</b>
<b>Discontinued operations</b>			
Profit after tax from discontinued operations	5	1,750	2,742
<b>Net loss for the year</b>		<b>(2,167)</b>	<b>(4,803)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(2,167)</b>	<b>(4,803)</b>
<b>Earnings / (loss) per share:</b>			
From continuing and discontinued operations:			
Basic loss per share (cents per share)	6	(1.16)	(2.58)
Diluted loss per share (cents per share)	6	(1.16)	(2.58)
<b>From continuing operations:</b>			
Basic loss per share (cents per share)	6	(2.10)	(4.05)
Diluted loss per share (cents per share)	6	(2.10)	(4.05)

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF

# Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

		30 Jun 21	30 Jun 20
		\$ '000	\$ '000
	Note	inflows/(outflows)	
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,989)	(2,799)
Payments for exploration and evaluation		(3,066)	(5,199)
Finance costs		(13)	(6)
Recovery of exploration costs on sale of subsidiary		-	390
Interest received		28	204
Government grants		68	50
Royalty receipts		1,289	-
Net cash used in operating activities	7	(4,683)	(7,360)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(24)	(115)
Proceeds from disposal of property, plant and equipment		6	4
Proceeds from disposal of entity (net of sale costs)	5	-	9,868
Proceeds from disposal of royalty rights	5	1,750	-
Net cash provided by investing activities		1,732	9,757
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	14	(86)	(78)
Net cash used in financing activities		(86)	(78)
Net (decrease)/increase in cash held		(3,037)	2,319
Cash previously classified as available for sale		-	27
Cash and cash equivalents at the beginning of the year		12,937	10,591
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>9,900</b>	<b>12,937</b>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF

# Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital \$ `000	Accumulated Losses \$ `000	Share-based Payments Reserve \$ `000	Total Equity \$ `000
<b>Balance at 1 July 2020</b>	<b>31,966</b>	<b>(19,479)</b>	<b>765</b>	<b>13,252</b>
Loss for the year	-	(2,167)	-	(2,167)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(2,167)</b>	<b>-</b>	<b>(2,167)</b>
Recognition of share-based payments	-	-	92	92
Unlisted options forfeited	-	-	(15)	(15)
Unlisted options lapsed	-	196	(196)	-
<b>Balance at 30 June 2021</b>	<b>31,966</b>	<b>(21,450)</b>	<b>646</b>	<b>11,162</b>
<b>Balance at 1 July 2019</b>	<b>31,866</b>	<b>(14,753)</b>	<b>240</b>	<b>17,353</b>
Loss for the year	-	(4,803)	-	(4,803)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(4,803)</b>	<b>-</b>	<b>(4,803)</b>
Shares issued during the year	100	-	-	100
Recognition of share-based payments	-	-	648	648
Unlisted options forfeited	-	-	(46)	(46)
Unlisted options lapsed	-	77	(77)	-
<b>Balance at 30 June 2020</b>	<b>31,966</b>	<b>(19,479)</b>	<b>765</b>	<b>13,252</b>

The accompanying notes form part of these financial statements.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

## Note 1- Statement of Significant Accounting Policies

Talisman Mining Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "TLM") and incorporated and operating in Australia.

The Company's Registered Office and its principal place of business are as follows:

Suite 1 Ground Floor / 33 Colin Street  
West Perth  
Western Australia 6005

The nature of the operations and principal activities of the Company are described in the Directors' Report.

### SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Talisman Mining Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated as permitted by the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

#### (b) Adoption of new and revised standards

##### Standards and Interpretations applicable to 30 June 2021

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

##### Standards and interpretations in issue not yet mandatory or early adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue but not yet mandatory for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue but not yet mandatory on the Group and, therefore, no change is necessary to Group accounting policies.

No other new standards, amendments to standards and interpretations are expected to affect the Group's consolidated financial statements.

#### (c) Statement of compliance

The financial report was authorised for issue on 23 September 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

**(d) Significant accounting estimates and judgements**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

**Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising a Black Scholes model, using the assumptions detailed in Note 18.

**Ore reserve and resource estimates**

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves [the JORC Code]). Reserves determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure.

In estimating the remaining life of the mine for the purposes of amortisation and depreciation calculations, due regard is given, not only to remaining recoverable metals contained in proved and probable ore reserves, but also to limitations which could arise from the potential for changes in technology, demand, and other issues which are inherently difficult to estimate over a lengthy time frame.

Where a change in estimated recoverable metals contained in proved and probable ore reserves is made, depreciation and amortisation is accounted for prospectively.

The determination of ore reserves and remaining mine life affects the carrying value of a number of the Group's assets and liabilities including deferred mining costs and the provision for rehabilitation.

**(e) Going concern**

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

**(f) Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights in an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

## Note 2: Revenue and Expenses

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

### Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

### Royalty income

Royalty income represents the right to receive revenues from metals produced and sold by the operator of the mines in which the Group owns a royalty interest and are generally structured as a percentage of the gross revenue received by the producer for metals sold. The Group records revenue

when control of the metals sold pass from the producer to the purchaser under the producers' relevant sales contracts.

### Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

Government grants are presented as other income in the statement of profit or loss and other comprehensive income.

### Revenue

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Bank interest	28	204
	28	204

### Other Income

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Government grants	68	25
Royalty income	1,289	-
Other Income	8	-
	1,365	25

### Other Expenses

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Loss for the year includes the following expenses:		
Non-cash share based payment expense	77	602
Other employee benefits	1,202	1,402
Operating lease rental expense	65	49

### Legal and Corporate Advisory Expenses

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Corporate advisory fees	307	196
Other legal fees	75	814
	382	1,010

### Note 3: Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible

temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

R&D tax rebates are presented with the government grant approach. The credit will be recognised in profit before tax over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. These periods will then depend on whether the R&D costs are capitalised or expensed as incurred.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

	30 Jun 21	30 Jun 20
	\$'000	\$'000
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:		
Accounting loss before income tax	(2,167)	(4,803)
Income tax expense / (benefit) calculated at 26% (2020: 30%)	(563)	(1,441)
Non-deductible expenses	20	183
Tax losses and deferred tax balances not recognised	543	1,258
Income tax benefit reported in the statement of comprehensive income	-	-

	30 Jun 21	30 Jun 20
	\$`000	\$`000
<b>Unrecognised deferred tax balances</b>		
Deferred tax assets comprise of:		
Tax losses carried forward	4,273	4,288
Impairment of financial assets	39	45
Provisions	14	55
Other deferred tax balances	-	25
	4,326	4,413
Deferred tax liabilities comprise of:		
Exploration expenditure capitalised	-	-
Other deferred tax balances	-	26
	-	26
Income Tax expense not recognised directly in equity during the year	-	-

The Company's unused tax losses arising in Australia are available indefinitely for offset against future taxable profits, subject to the Company passing the regulatory tests for continued use of the tax losses.

#### Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

#### Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## Note 4: Segment Reporting

Talisman management has determined the operating segments based on the reports reviewed by the Board for strategic decision making. The Group operates in one geographical segment, being Australia and has identified the following continuing operating segment: Regional Exploration.

The discontinued operation in the prior period is identified as the Sinclair operation and represented the Group's 100% interest in the Sinclair Nickel Project (**Sinclair**) until 11 October 2019 when Talisman sold its interest to Saracen Mineral Holdings Ltd (**Saracen**). Refer to Note 5.

The Group's board and Exploration Manager are responsible for budgets and expenditures relating to the Group's Regional Exploration activities. Regional Exploration activities do not normally derive any income. Should a project generated by Regional Exploration activities commence generating income or lead to the development of a mining operation, that operation would then be disaggregated from Regional Exploration and become reportable in a different segment.

## Segment Results

	Continued Operations	Discontinued Operations	Unallocated Items	Consolidated
	Regional Exploration	Springfield and Sinclair		
	\$ '000	\$ '000	\$ '000	\$ '000
<b>30 June 2021</b>				
Segment revenues / income	-	1,750	1,393	3,143
Segment profit / (loss) before income tax expense	(2,946)	1,750	(971)	(2,167)
Segment assets	1,070	-	10,396	11,466
Segment liabilities	(189)	-	(115)	(304)
<b>30 June 2020</b>				
Segment revenues / income	-	-	229	229
Segment profit / (loss) before income tax expense	(3,840)	2,742	(3,705)	(4,803)
Segment assets	512	-	13,260	13,772
Segment liabilities	(48)	-	(472)	(520)

### Note 5: Discontinued Operations and Assets and Liabilities Classified as Held for Sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale

continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

During the prior year, the Group completed a Share Sale Agreement with Saracen Nickel Pty Ltd, a wholly owned subsidiary of Saracen Mineral Holdings Limited (Saracen), where Saracen acquired Talisman Nickel Pty Ltd, the subsidiary which held the Company's interest in the Sinclair Nickel Project on a debt-free and cash-free basis. Completion occurred on 11 October 2019. The 30 June 2020 financial report disclosed a profit after tax of \$2.742 million from this discontinued operation. At 30 June 2019, the Group had assets classified as held for sale of \$16.123 million and liabilities directly associated with assets held for sale of \$9.139 million in relation to Talisman Nickel Pty Ltd.

During the 2021 financial year, the Group completed royalty sale and purchase agreements with Northern Star Resources Limited (ASX: NST) for the purchase of the net smelter return (NSR) royalties over the Sinclair and Waterloo Nickel Projects in Western Australia and with Sandfire Resources Limited (ASX: SFR) for the purchase of the NSR royalty over the Springfield Copper-Gold Project also in Western Australia. These two transactions realised cash consideration of \$0.75 million and \$1.0 million respectively.

### Profit after tax from discontinued operations

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
<b>Financial performance of discontinued operations</b>		
Gain on disposal of subsidiary	-	3,168
Profit on sale of royalty	1,750	-
Exploration expenditure expensed as incurred	-	(245)
Care and maintenance expenses	-	(104)
Administrative expenses	-	(1)
Unwinding of discount on provisions	-	(76)
Profit before income tax	1,750	2,742
Income tax	-	-
Profit after income tax	1,750	2,742

### Cash flows

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Net cash flows from operating activities	-	(478)
Net cash flows from investing activities	1,750	9,868
Net cash flows from financing activities	-	451
Net cash flows	1,750	9,841

### Note 6: Earnings/Loss Per Share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The Group does not report diluted earnings per share on incurring an operating loss for the financial year, or in the event there are no dilutive potential ordinary shares in existence.

	30 Jun 21	30 Jun 20
	cents	cents
Basic loss per share	(1.16)	(2.58)
Diluted earnings per share	(1.16)	(2.58)
Basic loss per share from continuing operations	(2.10)	(4.05)
Diluted loss per share from continuing operations	(2.10)	(4.05)
	\$ '000	\$ '000
Net loss for the year	(2,167)	(4,803)
Net loss for the year from continuing operations	(3,917)	(7,545)
	Number	Number
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	186,628,385	186,318,883

## Note 7: Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
Cash at bank and on hand	1,160	1,357
Short-term deposits	8,740	11,580
	9,900	12,937

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

### Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
Profit / (loss) for the year after tax	(2,167)	(4,803)
<b>Adjustments for:</b>		
Gain on disposal of royalty rights/business	(1,750)	(3,168)
Working capital adjustment on disposal of business	-	390
Depreciation and amortisation	216	224
Unwinding discount rate on mine closure provision	-	76
Equity settled share-based payments	92	648
Unlisted options forfeited	(15)	(46)
Shares issued for expensed exploration expenditure	-	100
<b>Changes in net assets and liabilities</b>		
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables	(925)	35
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	(78)	(826)
Provisions	(56)	10
Net cash used in operating activities	(4,683)	(7,360)

## Note 8: Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 45 days. There are no receivables at balance date that are past-due.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making

contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

	30 Jun 21 \$ '000	30 Jun 20 \$ '000
<b>Current Assets</b>		
Goods and services tax recoverable	166	36
Other debtors	1,151	198
Prepayments	16	71
	1,333	305
<b>Non-Current Assets</b>		
Other debtors – security bonds	13	120
	13	120

## Note 9: Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Mine site plant and equipment	Units of Production
Office furniture and equipment	2–6 years
Motor vehicles	8–10 years
Leasehold improvements	10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

### Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

### Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	Consolidated				Total \$ `000
	Office furniture and equipment \$ `000	Leasehold improvements \$ `000	Plant and equipment \$ `000	Motor vehicles \$ `000	
<b>Year ended 30 June 2021</b>					
At 1 July 2020, net of accumulated depreciation	135	21	-	126	282
Additions	6	-	-	-	6
Disposals	(7)	-	-	-	(7)
Depreciation charge for the year	(50)	(7)	-	(23)	(80)
	84	14	-	103	201
<b>Year ended 30 June 2020</b>					
At 1 July 2019, net of accumulated depreciation	155	24	-	155	334
Additions	40	4	-	-	44
Depreciation charge for the year	(60)	(7)	-	(29)	(96)
	135	21	-	126	282
<b>At 30 June 2021</b>					
Cost or fair value	843	56	-	427	1,326
Accumulated depreciation	(759)	(42)	-	(324)	(1,125)
Net carrying amount	84	14	-	103	201
<b>At 30 June 2020</b>					
Cost or fair value	844	56	-	427	1,327
Accumulated depreciation	(709)	(35)	-	(301)	(1,045)
Net carrying amount	135	21	-	126	282

The carrying value of plant and equipment held under hire purchase contracts as at 30 June 2021 is nil (2020: nil).

## Note 10: Right-of-use Assets

### Carrying Value

	30 Jun 21 \$ `000	30 Jun 20 \$ `000
Cost	164	164
Accumulated depreciation	(164)	(82)
Carrying value at end of financial year	-	82

### Reconciliation

	30 Jun 21 \$ `000	30 Jun 20 \$ `000
Opening balance at start of financial year	82	-
Recognised on 1 July 2019 on adoption of AASB 16	-	164
Depreciation expense	(82)	(82)
Closing balance at end of financial year	-	82

## Note 11: Intangible Assets

### Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

### Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such

indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
<b>Software license</b>		
Cost	168	146
Accumulated amortisation	(149)	(99)
Carrying value at end of financial year	19	47

### Reconciliation

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Opening balance at start of financial year	47	55
Additions	22	36
Amortisation expense	(50)	(44)
Closing balance at end of financial year	19	47

## Note 12: Deferred exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- the existence of a mineral deposit has been established however additional expenditure is required to determine the technical feasibility and commercial viability of extraction and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- the exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in the statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Upon approval for the commercial development of an area of interest, exploration and evaluation assets are tested for impairment and transferred to 'Mine properties and development'. No amortisation is charged during the exploration and evaluation phase.

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
Costs carried forward in respect of areas of interest in the following phases:		
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of year	-	-
Expenditure incurred	2,858	3,860
	2,858	3,860
Exploration expensed as incurred	(2,858)	(3,860)
Carrying value at end of financial year	-	-

The recoupment of costs carried forward in relation to the areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or the sale of the respective areas.

	Life to date project expenditure expensed	Project Expenditure expensed in the period	Life to date project expenditure expensed	Project Expenditure expensed in the period
	30 Jun 21		30 Jun 20	
	\$ '000	\$ '000	\$ '000	\$ '000
Lachlan Copper	10,378	2,180	8,198	3,474
Lucknow	1,043	676	367	367
Other Exploration Expenses	111	2	109	19
	11,532	2,858	8,674	3,860

## Note 13: Trade and Other Payables

### Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

### Employee leave benefits

#### Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
<b>Current</b>		
Trade payables	210	202
Employee benefits	53	126
Other payables	41	51
	304	379

## Note 14: Lease liabilities

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Current liabilities	-	86
Non-current liabilities	-	-
	-	86

### Reconciliation

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Opening balance	86	-
Recognised on 1 July 2019 on adoption of AASB 16	-	164
Principal repayments	(86)	(78)
Closing balance	-	86

The Group leases office premises in Perth, Western Australia. The lease term is 3 years, expiring in July 2021.

Underlying assets serve as security for the related lease liabilities.

### Lease payments not recognised as a liability

Lease payments expensed during the period and thus not included in the measurement of the lease liability are as follows: (Note, the lease on office premises in Perth, Western Australia, ended as at the 30 June 2021)

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Short term leases	65	49

At 30 June 2021 the Group was committed to short-term leases, giving rise to total commitments of \$Nil (2020:\$88,820) at that date. Total cash outflow relating to leases for the period ended 30 June 2021 was \$ 86,179 (2020:\$84,123)

## Note 15: Provisions

### Employee benefits

The provision for employee benefits represents vested long service leave entitlements accrued.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
Current		
Employee benefits	-	56
	-	56

### Reconciliation

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
Balance at beginning of financial year	56	56
Long service leave arising during the year	1	15
Long service leave taken during the year	(57)	(15)
Balance at the end of financial year	-	56

## Note 16: Issued Capital

	30 Jun 21	30 Jun 20
	\$	\$
<b>Ordinary shares</b>		
Issued and fully paid	31,966,023	31,966,023

	30 Jun 21		30 Jun 20	
	Number	\$	Number	\$
<b>Movements in ordinary shares on issue</b>				
At 1 July	186,628,385	31,966,023	185,699,879	31,866,023
Issue of shares to Lucknow Gold <sup>(i)</sup>	-	-	928,506	100,000
At 30 June	186,628,385	31,966,023	186,628,385	31,966,023

Fully paid ordinary shares carry one vote per share and carry the right to dividend.

(i) On 30 October 2019 the Company issued 928,506 shares to Lucknow Gold Ltd ('Lucknow') in satisfaction of subsidiary Haverford Holdings Pty Ltd's obligation to pay the first \$100,000 to Lucknow pursuant to a Farm-In Agreement executed on 26 August 2019.

Ordinary shares entitled the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Share Options

The Company has one share-based payment option scheme under which options to subscribe for the Company's shares have been granted to certain Directors, other key management personnel and all employees, refer Note 18.

## Note 17: Reserves and Accumulated Losses

### Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 18 for further details of these plans.

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
<b>Accumulated Losses</b>		
Balance at beginning financial year	(19,479)	(14,753)
Net loss for the year	(2,167)	(4,803)
Transfer on unlisted options forfeited	196	77
Balance at end of financial year	(21,450)	(19,479)
<b>Reserves</b>		
Share-based payment reserve	646	765
Balance at end of financial year	646	765

Movement in this reserve is set out in the Statement of Changes in Equity.

## Note 18: Share-Base Payment Plans

### Executive and Employee Equity Plan ("EEEP")

The Group has an Executive and Employee Equity Plan ("EEEP") for executives and employees of the Group. In accordance with the provisions of the EEEP, as approved by shareholders at a previous Annual General Meeting, executives and employees may be granted options at the discretion of the Directors.

Each employee share option converts into one ordinary share of Talisman Mining Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is at the sole discretion of the Directors subject to the total number of outstanding options being issued under the EEEP not exceeding 5% of the Company's issued capital at any one time.

Options issued to Directors are not issued under the EEEP but are subject to approval by shareholders and attach vesting conditions as appropriate.

The contractual life of each option granted is 2 to 5 years. There are no cash settlement alternatives.

The following options lapsed during the financial year:

Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date	Number Lapsed
07-May-19	31-Oct-20	2,500,002	\$0.14	\$0.03	31-Oct-19	(2,500,002)
07-May-19	31-Oct-20	2,500,001	\$0.16	\$0.03	31-Oct-19	(2,500,001)
07-May-19	31-Oct-20	2,499,999	\$0.18	\$0.02	31-Oct-19	(2,499,999)
27-Nov-19	31-Oct-20	194,444	\$0.14	\$0.02	30-May-20	(194,444)
27-Nov-19	31-Oct-20	194,444	\$0.16	\$0.02	30-May-20	(194,444)
27-Nov-19	31-Oct-20	194,444	\$0.18	\$0.02	30-May-20	(194,444)

No options were issued during the financial year.

The following share-based arrangements were in place at the end of the financial year:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	11-Nov-16	31-Oct-21	40,000	\$0.46	\$0.32	30-Jun-19
Talisman Mining Limited	11-Nov-16	31-Oct-21	40,000	\$0.50	\$0.32	30-Jun-20
Talisman Mining Limited	7-May-19	31-Oct-21	2,500,002	\$0.14	\$0.04	30-Apr-20
Talisman Mining Limited	27-Nov-19	31-Oct-21	194,444	\$0.14	\$0.03	30-Nov-20
Talisman Mining Limited	7-May-19	31-Oct-21	2,499,999	\$0.16	\$0.04	30-Apr-20
Talisman Mining Limited	27-Nov-19	31-Oct-21	194,444	\$0.16	\$0.03	30-Nov-20
Talisman Mining Limited	7-May-19	31-Oct-21	2,499,999	\$0.18	\$0.04	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-21	194,444	\$0.18	\$0.03	30-Nov-20
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,335	\$0.14	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.14	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,331	\$0.16	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.16	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,334	\$0.18	\$0.04	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,448	\$0.18	\$0.04	30-May-21

The weighted average exercise price of each share option at the end of the financial year was \$0.16 (2020: \$0.16). The weighted average remaining contract life of each share option at the end of the financial year was 0.80 years (2020: 1.30 years).

There has been no alteration of the terms and conditions of the above share-based payment arrangements since grant date.

The following options were forfeited during the year:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	7-May-19	31-Oct-22	111,111	\$0.14	\$0.05	31-Oct-20
Talisman Mining Limited	7-May-19	31-Oct-22	111,111	\$0.16	\$0.05	31-Oct-20
Talisman Mining Limited	7-May-19	31-Oct-22	111,110	\$0.18	\$0.04	31-Oct-20

	30 Jun 21		30 Jun 20	
	Number	\$	Number	\$
<b>Movements in options over ordinary shares on issue</b>				
At 1 July	23,413,334	764,607	23,120,000	239,783
Directors' and employees' remuneration	-	91,856	1,750,000	648,209
Unlisted options forfeited	(333,332)	(14,544)	(1,166,666)	(46,029)
Unlisted options cancelled	-	-	-	-
Unlisted options lapsed	(8,083,334)	(196,375)	(290,000)	(77,356)
At 30 June	14,996,668	645,544	23,413,334	764,607

The fair value of options granted during the year was \$Nil (2020: \$53,861).

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

November 2019 Options	Option Tranche and Series								
	1a	1b	1c	2a	2b	2c	3a	3b	3c
Inputs into model									
Exercise price	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.14	\$ 0.16	\$ 0.18
Grant date share price (5 day VWAP)	\$0.089	\$0.089	\$0.089	\$0.089	\$0.089	\$0.089	\$0.089	\$0.089	\$0.089
Expected volatility	98%	98%	98%	98%	98%	98%	98%	98%	98%
Risk-free interest rate	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected life of options (years)	0.93	0.93	0.93	1.93	1.93	1.93	2.93	2.93	2.93

May 2019 Options	Option Tranche and Series								
	1a	1b	1c	2a	2b	2c	3a	3b	3c
Inputs into model									
Exercise price	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.14	\$ 0.16	\$ 0.18
Grant date share price (5 day VWAP)	\$0.088	\$0.088	\$0.088	\$0.088	\$0.088	\$0.088	\$0.088	\$0.088	\$0.088
Expected volatility	98%	98%	98%	98%	98%	98%	98%	98%	98%
Risk-free interest rate	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected life of options (years)	1.50	1.50	1.50	2.50	2.50	2.50	3.50	3.50	3.50

November 2016 Options	Option Tranche	
	4	5
Inputs into model		
Exercise price	\$ 0.62	\$ 0.66
Exercise price post capital return <sup>(i)</sup>	\$ 0.46	\$ 0.50
Grant date share price (5 day VWAP)	\$ 0.425	\$ 0.425
Expected volatility	113%	113%
Risk-free interest rate	1.77%	1.77%
Dividend yield (%)	Nil	Nil
Expected life of options (years)	5.00	5.00

(i) Exercise price adjusted after 15.625 cents per share return of capital on 8 March 2019. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

## Note 19: Financial Instruments

### (a) Introduction

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Capital risk
- Foreign currency risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the

management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's aim is to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (b) Categories of financial instruments

	30 Jun 21	30 Jun 20
	\$ '000	\$ '000
<b>Financial assets</b>		
Cash and cash equivalents	9,900	12,937
Receivables	1,346	425
	11,246	13,362
<b>Financial liabilities</b>		
Trade and other payables	304	379
Lease liabilities	-	86
	304	465

#### Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

### (c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings

of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually.

Credit risk in other receivables is managed by the Group undertaking a regular risk assessment process including assessing the credit quality of the counterparty, considering its financial position, past experience and other factors. As there are a relatively small number of transactions, they are closely monitored to ensure payments are made on time. Credit risk arising from royalty receivables is managed by a contract that stipulates payment terms and penalties for default. The Group does not have any significant receivables which are past due or impaired at the reporting date and it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

**(d) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously

monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's and the Group's expected contractual maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial asset and liabilities based on the earliest date the Group can be required to repay. The tables include both interest and principal cash flows.

	Less than 1 month \$ `000	1 to 3 months \$ `000	3 months to 1 year \$ `000	1 to 5 years \$ `000	5+ years \$ `000	No fixed term \$ `000	Total \$ `000
<b>2021</b>							
<b>Financial Assets</b>							
Non-interest bearing	166	-	16	-	-	1,031	1,213
Variable interest rate	6,820	-	-	-	-	-	6,820
Fixed interest rate	-	3,080	120	13	-	-	3,213
	6,986	3,080	136	13	-	1,031	11,246
<b>Financial Liabilities</b>							
Non-interest bearing	264	-	40	-	-	-	304
Fixed interest rate	-	-	-	-	-	-	-
	264	-	40	-	-	-	304
<b>2020</b>							
<b>Financial Assets</b>							
Non-interest bearing	108	-	-	-	-	197	305
Variable interest rate	1,357	-	-	-	-	-	1,357
Fixed interest rate	-	11,580	-	120	-	-	11,700
	1,465	11,580	-	120	-	197	13,362
<b>Financial Liabilities</b>							
Non-interest bearing	253	-	126	-	-	-	379
Fixed interest rate	-	-	-	-	-	-	-
	253	-	126	-	-	-	379

**(e) Interest rate risk**

The Group is not exposed to interest rate risk on existing finance facilities as the Group's borrowings are at fixed interest rates for the respective terms of the facilities.

Some of the Group's assets are subject to interest rate risk but the Group is not dependent on this income.

**Interest rate sensitivity analysis**

The sensitivity analysis of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 50 basis points in interest rates taking place at the beginning of the financial year and held constant throughout the year.

At reporting date, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net loss would have reduced by \$34,100 (2020: net loss reduced by \$6,778).

**(f) Capital risk management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity only, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues and debt funding to meet the funding requirements of the Group.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

**(g) Foreign currency exchange rate risk management**

The Group undertakes certain borrowing transactions denominated in United States Dollars, hence exposures to exchange rate fluctuations arises.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at balance date are as follows:

	Consolidated			
	Liabilities		Assets	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
US Dollars	-	-	1	1

**Foreign currency sensitivity analysis**

The sensitivity analysis below details the Group’s sensitivity to an increase/decrease in the Australian dollar against the United States dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, including external loans within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower and adjusts their translation at balance date by a 1% increase in foreign currency rates.

A 1% increase in the currency rate is the sensitivity rate used when reporting foreign currency risk internally to management and represents management’s assessment of the possible change in foreign exchange rates.

At balance date, if foreign exchange rates had been 1% higher and all other variables were held constant, the Group’s

- net loss would increase by \$11 (2020: net loss increase of \$10) and
- equity reserves would increase/decrease by \$Nil (2020: \$Nil).

**Note 20: Joint Operations**

In November 2017, Haverford Holdings Pty Ltd (“Haverford”), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement (“FIA”) with Peel Mining Limited (ASX:PEX, “Peel”) over Peel’s Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the Peel Tenements) in the Cobar Basin region of New South Wales. During the financial year, and in accordance with the terms of the FIA, Haverford earned a 75% interest in the Peel Tenements and formed an unincorporated joint venture (the “Mt Walton JV”) with Peel. Haverford is the Joint Venture Manager. Subsequent to the formation of the Mt Walton JV, Peel elected to dilute part of its participating interest in the joint venture and both parties are now required to contribute funds to ongoing exploration activities on the Peel Tenements based on their participating interest (Haverford 80% and Peel 20%) in order to maintain their respective interests.

Additionally, in August 2019, Talisman B Pty Ltd (“TLMB”), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement (“Agreement”) with privately-owned Lucknow Gold Ltd (“LGL”) over LGL’s Lucknow Gold Project (EL6455) (Lucknow Project) in New South Wales. During the financial year, and in accordance with the terms of the Agreement, TLMB earned a 51% interest in the Lucknow Project and formed an unincorporated joint venture (the “Lucknow Gold JV”) with LGL. TLMB acts as manager of the joint venture. Both parties are now required to contribute funds to future activities on the Lucknow Project based on their participating interest (TLMB 51% and LGL 49%) in order to maintain their respective interests.

The Group is entitled to a proportionate share of the income received and bears a proportionate share of the operation’s expenses for each joint venture.

The joint operation accounts, which are proportionately consolidated based on the above equity percentages in the consolidated financial statements, are disclosed as follows:

Joint Operation	Operator	Jun 2021	Jun 2020
		Beneficial Interest	Beneficial Interest
Mt Walton JV	Haverford Holdings Pty Ltd	80%	-
Lucknow Gold JV	Talisman B Pty Ltd	51%	-

The Group’s interests in the assets/liabilities employed in the above Joint Operations are detailed below. The amounts are included in the financial statements under their respective asset categories.

<b>Mt Walton JV</b>	<b>30 Jun 21</b>	<b>30 Jun 20</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Cash and cash equivalents	461	-
Trade and other receivables	18	-
Total assets	479	-
<b>Liabilities</b>		
Trade and other payables	126	-
Total liabilities	126	-
Net assets	353	-
Carrying amount of interest in joint venture	353	-

<b>Lucknow Gold JV</b>	<b>30 Jun 21</b>	<b>30 Jun 20</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Cash and cash equivalents	23	-
Trade and other receivables	1	-
Total assets	24	-
<b>Liabilities</b>		
Trade and other payables	5	-
Total liabilities	5	-
Net assets	19	-
Carrying amount of interest in joint venture	19	-

The Joint Ventures have no contingent liabilities and capital commitments with the exception that in order to maintain current rights of tenure to exploration tenements, the Joint Ventures are required to perform exploration work to meet the activity obligation requirements specified by various State governments. These obligations are not provided for in the financial report and are payable as follows:

<b>Mt Walton JV</b>	<b>30 Jun 21</b>	<b>30 Jun 20</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Exploration expenditure</b>		
Within one year	112	-
After one year but not more than five years	304	-
Greater than five years	-	-
	416	-

<b>Lucknow Gold JV</b>	<b>30 Jun 21</b>	<b>30 Jun 20</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Exploration expenditure</b>		
Within one year	34	-
After one year but not more than five years	138	-
Greater than five years	4	-
	176	-

## Note 21: Commitments and Contingencies

### Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are not provided for in the financial report and are payable as follows:

	30 Jun 21	30 Jun 20
	\$'000	\$'000
<b>Exploration expenditure</b>		
Within one year	1,150	1,147
After one year but not more than five years	1,599	2,873
Greater than five years	279	-
	3,028	4,020

If the Group decides to relinquish certain exploration tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

### Contingencies

There are no material contingent liabilities or assets as at 30 June 2021 and no contingent liabilities or assets were incurred in the interval between the period end and the date of this financial report.

## Note 22: Related Party Disclosures

### Other transactions with key management personnel

No member of the key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

### Details of key management personnel

The key management personnel of Talisman Mining Limited during the year were:

#### Directors

<b>Kerry Harmanis</b>	Non-Executive Chairman	(appointed as Chairman 15 July 2020)
<b>Daniel Madden</b>	Managing Director	(resigned as Managing Director on 1 September 2020, resigned as a Non-Executive Director on 4 November 2020)
<b>Brian Dawes</b>	Non-Executive Director	
<b>Karen Gadsby</b>	Non-Executive Director	(resigned as Non-Executive Director on 4 November 2020)
<b>Peter Benjamin</b>	Non-Executive Director	
<b>Jeremy Kirkwood</b>	Non-Executive Director	(resigned as Chairman 15 July 2020, Non-Executive Director from 15 July 2020)

#### Executives

<b>Shaun Vokes</b>	Chief Financial Officer/ Co-Company Secretary	(resigned 30 April 2020)
	Interim Chief Executive Officer	(appointed 2 September 2020)
	Chief Executive Officer	(appointed 2 July 2021)
<b>Anthony Greenaway</b>	General Manager – Geology	(resigned 7 August 2020)

Key management personnel compensation is disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited.

The total remuneration paid to key management personnel of the Company and the Group during the year was as follows:

	30 Jun 21	30 Jun 20
	\$	\$
Short-term employee benefits	905,283	1,210,205
Post-employment benefits	82,877	105,638
Other long-term benefits	57,083	15,455
Share-based payments(i)	80,434	528,482
<b>Total key management personnel compensation</b>	<b>1,125,677</b>	<b>1,859,780</b>

(i) The value of share-based payments shown in the table above are non-cash values based on an accounting valuation calculated under the Black Scholes option pricing method.

## Note 23: Interest in Subsidiaries

The consolidated financial statements include the financial statements of Talisman Mining Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest		Investment	
		2021	2020	2021	2020
		%	%	\$	\$
Haverford Holdings Pty Ltd	Australia	100	100	68,000	68,000
Talisman B Pty Ltd	Australia	100	100	1	1

Talisman Mining Limited is the ultimate parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Details of transactions between the Group and other related entities are disclosed below.

## Note 24: Parent Entity Disclosures

The financial information for the parent entity, Talisman Mining Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

### Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

### Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Disclosures as at 30 June 2021 and for the year then ended in relation to Talisman Mining Limited as a single entity are noted below.

	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
<b>Assets</b>		
Current assets	10,176	12,871
Non-current assets	63	298
Total assets	10,239	13,169
<b>Liabilities</b>		
Current liabilities	115	392
Total liabilities	115	392
Net assets	10,124	12,777
<b>Equity</b>		
Issued capital	31,966	31,966
Share based payment reserve	646	765
Accumulated losses	(22,488)	(19,954)
Total equity	10,124	12,777

	Year ended	
	30 Jun 21	30 Jun 20
	\$ `000	\$ `000
Profit/(Loss) for the year	(2,730)	1,513
Other comprehensive income	-	-
Total comprehensive income	(2,730)	1,513

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. However, the parent entity itself is not responsible for any minimum exploration expenditure commitments.

## Note 25: Auditor's Remuneration

The auditor of Talisman Mining Limited is HLB Mann Judd. Remuneration received by the auditors:

	30 Jun 21	30 Jun 20
	\$	\$
Audit or review of the financial report	44,967	46,274
Other services - preparation of Fringe Benefit Tax Return	-	1,750
Total Remuneration of Auditors	44,967	48,024

## Note 26: Subsequent Events

Mr Shaun Vokes was appointed as Chief Executive Officer of the Company on 2 July 2021 and Mr Russell Gregory was appointed Exploration Manager commencing on 2 August 2021.

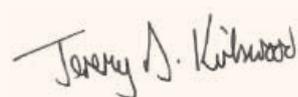
# Directors' Declaration

## Talisman Mining Limited

The Directors of the Company declare that:

1. the consolidated financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes are in accordance with the Corporations Act 2001, and:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Group;
2. the Chief Executive Officer of the Group has declared as required by Section 295A that:
  - a. the financial records of the Group for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
  - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors



**Jeremy Kirkwood**

23 September 2021

# Additional Securities Exchange Information

AS AT 21 SEPTEMBER 2021

## 1. Number of Holders of Equity Securities

### (a) Distribution of holders of equity securities

Range	No. of holders	Securities
1 to 1,000	156	73,778
1,001 to 5,000	490	1,524,654
5,001 to 10,000	415	3,489,017
10,001 to 100,000	836	32,187,727
100,001 and Over	290	149,353,209
Total	2,187	186,628,385

### (b) Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

### (c) Less than marketable parcel of shares

The number of shareholders holding less than a marketable parcel is 473 (holding a total of 806,487 shares) given a share value of \$0.135 cents per share.

### (d) Substantial Shareholdings

Ordinary Shareholders	Fully paid ordinary shares	
	Number	%
Mr Kerry Kyriakos Harmanis	33,859,138	18.14

Set out above is an extract from the Company's register of last substantial shareholder notices as received by the Company and/or lodged at the ASX. Shareholdings and percentages reported in the table are as reported in the most recent notifications received, however these may differ from current holdings as substantial holders are required to notify the Company only in respect of changes which act to increase or decrease their percentage holding by at least 1% of total voting rights.

## 2. Company Secretary

The name of the company secretary is Alexander Neuling.

### 3. Registered office and principal administrative office

Registered and principal administrative office:

Suite 1 Ground Floor, 33 Colin Street  
West Perth, Western Australia 6005  
Telephone +61 8 9380 4230

Registered securities are held at the following address:

Link Market Services Limited  
Level 12, QV1 Building  
250 St Georges Terrace  
Perth, Western Australia 6000

### 4. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

### 5. Restricted securities

There are no restricted securities or securities in voluntary escrow at the date of this report.

### 6. Twenty largest holders of ordinary shares

	Ordinary Shareholders	Number	%
1	HARMAN NOMINEES PTY LTD	11,111,111	5.95
2	TYCHE HOLDINGS PTY LTD	6,400,001	3.43
3	HARMANIS HOLDINGS PTY LTD	4,437,575	2.38
4	TYCHE HOLDINGS PTY LTD	3,850,000	2.06
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,779,472	2.03
6	BNP PARIBAS NOMINEES PTY LTD	3,555,917	1.91
7	TYCHE HOLDINGS PTY LTD	3,510,000	1.88
8	HARMANIS HOLDINGS PTY LTD	3,080,451	1.65
9	INVESTMENT HOLDINGS PTY LTD	2,500,000	1.34
10	MR JOHN FORD	2,136,768	1.14
11	GLADIATOR SECURITIES PTY LIMITED	2,003,643	1.07
12	ARGONAUT SECURITIES (NOMINEES) PTY LTD	2,000,000	1.07
13	SIREB PTY LTD	1,904,464	1.02
14	JETOSEA PTY LTD	1,885,796	1.01
15	MR PETER CHARLES WIGHAM	1,740,500	0.93
16	CITICORP NOMINEES PTY LIMITED	1,689,944	0.91
17	REGENT CORPORATION 2001 PTY LTD	1,590,860	0.85
18	MR BRIAN ERNEST ZUCAL & MR STEPHEN BRIAN ZUCAL	1,550,000	0.83
19	SYDNEY FUND MANAGERS LIMITED	1,500,000	0.80
20	TYCHE HOLDINGS PTY LTD	1,470,000	0.79

## 7. Unquoted equity securities

<b>Class</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>	<b>Number</b>	<b>Number of holders</b>
Unlisted options	0.46	31-Oct-21	40,000	3
Unlisted options	0.50	31-Oct-21	40,000	3
Unlisted options	0.14	31-Oct-21	2,694,446	15
Unlisted options	0.16	31-Oct-21	2,694,443	15
Unlisted options	0.18	31-Oct-21	2,694,443	15
Unlisted options	0.14	31-Oct-22	2,277,779	10
Unlisted options	0.16	31-Oct-22	2,277,775	10
Unlisted options	0.18	31-Oct-22	2,277,782	10

All options have no voting rights.

## 8. On-market buy back

At the date of this report the Company is not involved in an on-market buy-back.

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Early pastoralists hut, Truganini Pastoral Station south west of the Noisy Ned Prospect (EL 8677)



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