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## **TALISMAN MINING LIMITED**

**ABN 71 079 536 495**

### **NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM**

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**TIME:** 10.00am (WST)

**DATE:** 30 October 2012

**PLACE:** Celtic Club  
48 Ord Street  
West Perth, Western Australia 6005

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9380 4230.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 30 October 2012 at:

Celtic Club  
48 Ord Street  
West Perth, Western Australia 6005

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### HOW TO VOTE

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Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

### VOTING IN PERSON

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Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

### VOTING BY A CORPORATION

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A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the share registry of the Company – [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### VOTING BY PROXY

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- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, for the purposes of Resolution 1 (Adoption of the Remuneration Report) and Resolution 4 (Re-approval of Executive and

Employee Option Plan) , where a Restricted Voter is appointed as your proxy, that person generally will not cast your vote on Resolution 1 or 4 if you have not directed them how to vote on that Resolution or, if the proxy is the Chair of the Meeting, unless the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. These rules are explained in this Notice.

- If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of the Remuneration Report) or Resolution 4 (Re-approval of Executive and Employee Option Plan) by marking either "For", "Against" or "Abstain" for that item of business.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

- To be effective, proxies must be lodged by 10.00am (WST) on 28 October 2012. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:

**by post using the pre-addressed envelope provided with this Notice;**

by post to Talisman Mining Ltd C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;

**in person to 1A Homebush Bay Drive, Rhodes NSW 2138;**

by faxing a completed proxy form to +61 2 9287 0309; or

online - [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
Select 'Investor Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

**The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, by facsimile, or online and by 10.00 am (WST) on 28 October 2012, being not later than 48 hrs before the commencement of the meeting. If facsimile transmission is used, the power of attorney must be certified.**

#### **SHAREHOLDERS WHO ARE ENTITLED TO VOTE**

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00 pm (AEDT) (4.00pm WST) on 28 October 2012.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10.00 am (WST) on 30 October 2012 at the Celtic Club, 48 Ord Street, West Perth, Western Australia 6005.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

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### AGENDA

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#### 1. ANNUAL REPORT

To receive and consider the financial report of the Company together with the reports of the directors and the auditor for the financial year ended 30 June 2012.

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#### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the financial year ended 30 June 2012 be adopted”.*

The vote on this Resolution is advisory only and does not bind the Company or the directors. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

**Voting Exclusion:**

*Corporations Act Voting Exclusion*

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter whose remuneration details appear in the remuneration report for the financial year ended 30 June 2012. However, the Company need not disregard a vote if it is cast on behalf of a person who is entitled to vote:

- (a) and the proxy is appointed by writing and the appointment specifies how the proxy is to vote on the proposed resolution; or
- (b) if the appointment does not specify how the proxy is to vote (undirected proxy), **the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair of the Meeting to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.**

**The Chair of the Meeting will vote any undirected proxies to vote in favour of Resolution 1.**

**If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either “For”, “Against” or “Abstain” for that item of business.**

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#### 3. RESOLUTION 2 – RE-ELECTION OF MR ALAN SENIOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, Mr Alan Senior, a director of the Company who retires in accordance with clause 13.2 of the Company’s constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company”.*

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#### 4. RESOLUTION 3 – RE-ELECTION OF MR GRAEME CAMERON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, Mr Graeme Cameron, a director of the Company who retires in accordance with clause 13.4 of the Company’s constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company”.*

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**5. RESOLUTION 4 – RE-APPROVAL OF EXECUTIVE AND EMPLOYEE OPTION PLAN**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9), section 260C(4) of the Corporations Act and for all other purposes, approval is given to the issue of Options under the Talisman Mining Limited Executive and Employee Option Plan (EEOP) as detailed in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:**

The EEOP was first approved by shareholders in November 2006 and was subsequently re-approved in November 2009. The EEOP is designed to provide an incentive to key people to achieve the long term objectives and improve the performance of the Company and also to attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its Directors and employees. Approval is sought pursuant to ASX Listing Rule 7.2 (Exception 9) so that Options issued pursuant to the Scheme are not included in the Company’s 15% capacity for the purposes of ASX Listing Rule 7.1. If approved, this approval under ASX Listing Rule 7.2 (Exception 9) will last for three years. Please refer to the Explanatory Statement for further details.

**Voting Exclusion:**

*ASX Listing Rules Voting Exclusion*

The Company will disregard any votes cast on Resolution 4 by any Director of the Company and any associate of a Director of the Company. However, the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or,
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*Corporations Act Voting Exclusion*

The Company will disregard any votes cast on Resolution 4 by a Restricted Voter as a proxy. However, the Company need not disregard a vote if it is cast on behalf of a person who is entitled to vote:

- (a) and the proxy is appointed by writing and the appointment specifies how the proxy is to vote on the proposed resolution; or
- (b) if the appointment does not specify how the proxy is to vote (undirected proxy), **the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.**

**The Chair of the Meeting will vote any undirected proxies to vote in favour of Resolution 4.**

**If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either “For”, “Against” or “Abstain” for that item of business.**

**DATED: 20 SEPTEMBER 2012**

**BY ORDER OF THE BOARD**



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**DANIEL MADDEN  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00am (WST) on 30 October 2012 at the Celtic Club, 48 Ord Street, West Perth, WA 6005.

The purpose of this Explanatory Statement is to provide information which the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. ANNUAL REPORT

Section 317 of the Corporations Act requires the reports of the directors and of the auditors and the Annual Report, including the financial statements to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements.

Shareholders, as a whole, will be given the opportunity to raise questions on the reports and the statements and will be provided with a reasonable opportunity to ask questions or make comments on the management of the Company at the Annual General Meeting. Questions asked of the Auditor will be limited to those relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Company's 2012 Annual Report is available at [www.talismanmining.com.au](http://www.talismanmining.com.au). Those holders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

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### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires that a resolution that the Remuneration Report be adopted and be put to a vote of Shareholders at the Company's Annual General Meeting. The vote on this resolution is advisory only to the Company and does not bind the Board or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Remuneration Report is set out in and forms part of the Director's Report within the Annual Report and is available on the Company website at [www.talismanmining.com.au](http://www.talismanmining.com.au). The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
  - discusses the relationship between such policy and the Company's performance; and
  - sets out remuneration details for each member of Key Management Personnel.
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**3. RESOLUTION 2 – RE-ELECTION OF MR ALAN SENIOR**

Clause 13.2 of the Constitution provides that at each Annual General Meeting one-third of the Directors shall retire from office. Mr Alan Senior retires from office in accordance with this requirement and being eligible offers himself for re-election by Shareholders as a Director of the Company, with effect from the end of the meeting.

Mr Senior is an engineer with over 36 years experience in design and project development and extensive experience at all stages of projects from pre-feasibility through to commissioning and operation, for plants handling and processing of iron ore, gold, copper, bauxite, uranium, and coal. Mr Senior worked as a designer on major expansion projects for Mt Newman Mining (now BHPB) and Hamersley Iron (now CRA). Mr Senior was a non-executive Director of Jubilee Mines NL up until its purchase by Xstrata. Before joining the board of Jubilee in 2003, he led the team which completed the feasibility study for the Cosmos Nickel project and its successful implementation, later followed by the transition from open cut to underground mining. Mr Senior graduated from the West Australian Institute of Technology (Curtin University) with an Associateship in Mechanical Engineering in 1968 and is a Fellow of the Institution of Engineers Australia and a Fellow of the Australian Institute of Mining and Metallurgy.

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**4. RESOLUTION 3 – RE-ELECTION OF MR GRAEME CAMERON**

Mr Cameron was appointed as Technical Director of the Company by the Directors of the Company on 17 November 2011.

In accordance with clause 13.4 of the Company's constitution, a Director appointed to the Board must not hold office (without re-election) beyond the next general meeting of the Company. Accordingly, Mr Cameron retires from office and, being eligible, offers himself for election as a Director of the Company.

Mr Cameron is a Geologist with over 20 years experience in the mineral exploration industry. During this period he has held senior management positions at Falcon Minerals, AngloGold Ashanti, Geoinformatics Exploration and Sons of Gwalia, exploring for large precious and base metal systems in Australia, Canada, South America and Indonesia. Mr Cameron has been involved in the discovery and development of several Precambrian gold and nickel deposits in the West Australian Goldfields, and the Tanami region of the Northern Territory. Mr Cameron holds a BSc (Honours) in Geology and Geophysics from the University of Western Australia, an MSc from Edith Cowan University and is a Member of the Australian Institute of Mining and Metallurgy.

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**5. RESOLUTION 4 – RE-APPROVAL OF EXECUTIVE AND EMPLOYEE OPTION PLAN (EEOP)**

In general terms, ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1. The Plan was last approved by Shareholders at the 2009 Annual General Meeting on 23 November 2009.

Resolution 4 seeks Shareholder approval for the Company to have the capacity to issue Options under the "Executive and Employee Option Plan" (EEOP) as an exception to ASX Listing Rule 7.1 in accordance with ASX Listing Rule 7.2 (Exception 9). Furthermore, if Resolution 4 is passed, ASX Listing Rule 7.2 (Exception 4) will exempt any shares that are issued on the conversion of EEOP Options that are issued under this approval from ASX Listing Rule 7.1.

The purpose of the EEOP is to recognise the ability and efforts of the Directors, employees and long term contractors of the Company who have contributed to the success of the Company; provide an incentive to Directors, employees and long term contractors to achieve the long term objectives of, and improve the performance of the Company; attract persons of experience and ability to the Company and foster and promote loyalty between the Company and its Directors, employees and long term contractors.

In order to take advantage of the exemption from ASX Listing Rule 7.1 contained in ASX Listing Rule 7.2 (Exception 9) and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the EEOP as an exemption from ASX Listing Rule 7.1.

**The Company is not seeking approval for the issue of EEOP Options to any Director or an associate of a Director.** Since the introduction of the EEOP, there have been no EEOP Options issued to any Director. Options that have been issued to Director's in past years have been issued on terms and conditions outside of the EEOP and with separate Shareholder approval under the ASX Listing Rules. Although Directors are eligible to participate in the EEOP, the Board does not currently intend to use the EEOP for any future award of Options to any Director.

The passing of this resolution will provide approval for the giving of financial assistance to the acquisition of Shares on the conversion of EEOP Options pursuant section 260C(4) of the Corporations Act.

For the purpose of exception 9 of Listing Rule 7.2:

- (a) 3,087,500 EEOP Options have been issued under the EEOP since the date of the last shareholder approval of the EEOP (on 23 November 2009). No Shares have been issued on the exercise of EEOP Options during this period;
- (b) a summary of the key terms of the EEOP is set out in Annexure A to the Explanatory Statement; and
- (c) A voting exclusion statement is included in the Notice of Meeting under Resolution 4.

A copy of the EEOP for 2012 will be available for inspection at the Meeting venue immediately prior to and during the Meeting.

The Directors unanimously recommend that Shareholders vote in favour of this Item.

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## 6. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9380 4230 if they have any queries in respect of the matters set out in these documents.



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## GLOSSARY

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**\$** means Australian dollars.

**AEDT** means Australian Eastern Daylight Savings Time.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of Directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** has the meaning given in the Corporations Act.

**Company** means Talisman Mining Limited (ABN 71 079 536 495).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current Directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Key Management Personnel** has the meaning given in the Corporations Act.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the explanatory statement.

**Option** means an option to acquire a Share.

**Related Body Corporate** has the meaning given in the Corporations Act.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**VWAP** means the volume weighted average price of Shares.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**ANNEXURE A – SUMMARY OF THE EEOP**

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A summary of the terms and conditions of the EEOP is set out below.

**1. Eligible Persons**

- 1.1. The Board may, from time to time, determine the extent to which eligible persons participate in the EEOP. An eligible person is a person who is permanent employee, Director, officer or contractor of the Company or a Related Body Corporate.

**2. Terms of the Offer of Options**

- 2.1. No monies will be payable for the issue of the EEOP Options.
- 2.2. The exercise price and expiry date of each EEOP Option will be determined by the Board from time to time, but prior to the issue of the EEOP Option.
- 2.3. Each EEOP Option shall convert to one Share on payment of the exercise price. All Shares issued upon the exercise of the EEOP Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for the Shares issued upon the exercise of the EEOP Options to be listed on ASX.
- 2.4. The Board may, in its absolute discretion, issue EEOP Options with performance hurdles, exercise conditions, forfeiture conditions or a combination thereof. Generally, EEOP Option holders will have 90 days to exercise the EEOP Options if they cease to be an eligible person. EEOP options will expire immediately on dismissal of the EEOP Option holder as an employee or contractor from the Company for cause. If an EEOP Option holder retires or ceases to be an eligible person due to their death or permanent disability, the EEOP Options will remain exercisable on their terms.
- 2.5. The performance hurdles or exercise conditions (if any) may be waived or varied by the Board in special circumstances, such as death or permanent disability of the EEOP Option holder or a change of control of the Company.
- 2.6. EEOP Options will not be listed for official quotation on ASX.

**3. Issues, Adjustments and Reorganisation**

- 3.1. While the Company is listed on the ASX any reorganisation or amendment of the EEOP Options is subject to the ASX Listing Rules. Should the Company cease to be listed on the ASX, then the Board has the discretion to reorganise or amend the terms of the EEOP Options subject to the rules of any other applicable securities exchange and the law.

**4. Maximum number of Securities**

- 4.1. The maximum number of EEOP Options that may be on issue under this Plan at any one time, when added to the number of Shares issued under all other employee or executive share or option plans of the Company in the previous 5 years, and any other options or convertible securities on issue under any other plan at that time, must not exceed 5% of the total number of Shares on issue from time to time. Options issued to Director's on terms and conditions outside of the EEOP are not included in this calculation.

**5. Termination**

The EEOP may be terminated, amended or suspended at any time by the Board. However, the termination of the plan will not affect or prejudice EEOP Options granted prior to the termination or suspension.

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**Talisman Mining Limited**  
ABN 71 079 536 495

## LODGE YOUR VOTE



**ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



**By mail:**  
Talisman Mining Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



**By fax:** +61 2 9287 0309



**All enquiries to: Telephone:** 1300 554 474 **Overseas:** +61 2 8280 7111



**X99999999999**

## SECURITYHOLDER VOTING FORM

I/We being a member(s) of Talisman Mining Limited and entitled to attend and vote hereby appoint:

### STEP 1

#### APPOINT A PROXY

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**the Chairman  
of the Meeting  
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:00am (WST) on Tuesday, 30 October 2012, at Celtic Club, 48 Ord Street, West Perth WA 6005** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

**The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

### STEP 2

#### VOTING DIRECTIONS

##### Resolution 1

Adoption of the Remuneration Report

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##### Resolution 3

Re-election of Mr Graeme Cameron

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##### Resolution 2

Re-election of Mr Alan Senior

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##### Resolution 4

Re-approval of Executive and Employee Option Plan

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☐
☐

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### STEP 3

#### IMPORTANT - VOTING EXCLUSIONS

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If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Item 4 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in calculating the required majority if a poll is called on this Item.

**The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4.**

### STEP 4

#### SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**TLM PRX202R**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Sunday, 28 October 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



**ONLINE** > [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



**by mail:**

Talisman Mining Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**