



ASX Media Release – 05 May 2017

Debt Finance Mandate Executed

Debt sufficient for Talisman's share of Monty

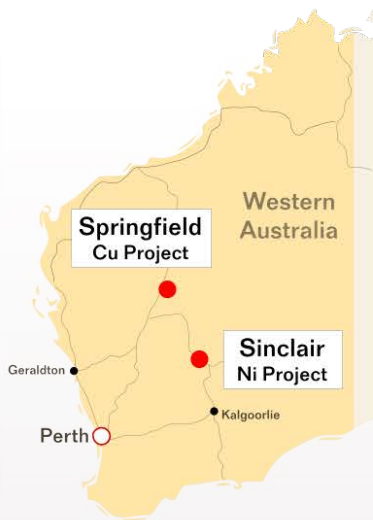
Talisman Mining Ltd (ASX: TLM) (**Talisman** or the **Company**) advises that it has mandated Taurus Mining Finance Fund (**Taurus**) to provide debt finance facilities of approximately A\$23 million to fully cover Talisman's share of forecast pre-production costs for the development of the Monty Copper-Gold Project ("**Monty**" or "**the Project**").

The mandate was awarded following a competitive process culminating in final discussions with a shortlist of potential financiers, including major Australian banks and other typical resource project lenders, following the recent release of the Monty Feasibility Study. Talisman engaged Noah's Rule Pty Ltd, a specialist debt and market risk advisory company, to assist in the review of potential funding options.

The selection of Taurus as preferred debt provider was driven by a combination of factors including a highly competitive overall cost of debt, finance facilities covering the full forecast pre-production cost, no mandatory commodity price hedging requirement and flexibility in relation to early repayment and other key terms. A risked cost of capital analysis also indicated that the Taurus package was competitive in comparison to the range of available alternative funding structures.

Execution of final finance facility agreements remains conditional upon satisfactory completion of due diligence and payment of associated facility costs and fees. Subject to satisfaction of these remaining conditions, Talisman expects final agreements to be executed by the end of the current quarter.

Completion of the debt financing will remove one of the final hurdles to facilitate the development of Monty. The final significant outstanding item is regulatory approvals that are expected in mid-CY2017. First production from Monty is forecast to take place in the December quarter 2018.



Board of Directors

Jeremy Kirkwood
Non-Executive Chairman

Dan Madden
Managing Director

Alan Senior
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Non-Executive Director

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Capital Structure

Shares on Issue:
185,699,879 (TLM)

Options on Issue:
10,505,000 (Unlisted)

Commenting on the mandating of Taurus, Talisman Managing Director Dan Madden said:

“We are very pleased to have achieved another key milestone needed to start development at Monty by mandating Taurus as our preferred financier for Talisman’s share of development capital. This selection followed a detailed engagement process with a wide range of potential project financiers. While conventional bank finance was expected to be available, and on attractive terms, Taurus was able to bring a competitive funding solution that importantly avoids any requirement for mandatory price hedging or specific equity issuance to accompany the project financing.”

Adding to Mr Madden’s comments, Taurus Director Michael Davies said:

“We are excited to be involved with such a high-quality project as Monty. The Monty Feasibility Study has been done to a high standard and Talisman’s commercial arrangements with a reputable and proven operator give us the comfort to provide the funding package to support the development of the Project. We look forward to working closely with Talisman towards finalising the finance facility agreements.”

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About Talisman Mining:

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company’s aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman holds a 30% interest in the Springfield Joint Venture with Sandfire Resources NL (70% and JV manager). Springfield is located in a proven VMS province in Western Australia’s Bryah Basin and contains multiple prospective corridors and active exploration activities. Springfield hosts the high-grade Monty copper-gold deposit which is located 10 kilometres from Sandfire’s DeGrussa operations. Monty is one of the highest-grade copper-gold discoveries made globally in recent decades and a Feasibility Study on its development was completed in March 2017. The Feasibility Study highlighted the strong technical and financial viability of Monty.

Talisman also holds 100% of the Sinclair Nickel Project located in the world-class Agnew-Wiluna greenstone belt in WA’s north-eastern Goldfields. The Sinclair nickel deposit, developed and commissioned in 2008 and operated successfully before being placed on care and maintenance in August 2013, produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% nickel. Sinclair has extensive infrastructure and includes a substantial 290km² tenement package covering more than 80km of strike in prospective ultramafic contact within a 35km radius of existing processing plant and infrastructure.

Forward-Looking Statements

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