



ASX Media release – 09 January 2018

Further NSW Gold and Base Metals Tenure Secured

Farm-in and Purchase Agreement for two prospective exploration projects.

Expands strategic land package in the Lachlan Fold Belt to 2,360km².

Highlights

- Talisman expands its control over **highly prospective gold and base metal region in the central Lachlan Orogen** of New South Wales
- Talisman to earn up to **80%** of Bacchus Resources Pty Ltd (“**Bacchus**”) **copper-gold and base metal projects** through \$2.3M on-ground expenditure over four years
- Talisman to acquire **100%** interest in Kidman Resources Ltd’s (ASX: **KDR** “**Kidman**”) **Crowl Creek copper-gold project** for \$250,000
- **Growing Strategic Landholding** in the highly prospective Canbelego-Mineral Hill Rift Zone
- Multiple **copper, gold and zinc** exploration targets identified from historic exploration data and **drill-ready targets** in an underexplored belt
- Initial on-ground **exploration to commence in early January 2018** including geophysical and geochemical sampling, prior to drill testing following regulatory approvals

Talisman Mining Ltd (ASX: **TLM**; “**Talisman**”) is pleased to advise that it has significantly expanded its landholding in the prospective Lachlan Fold Belt of New South Wales through a farm-in agreement with private company Bacchus Resources Pty Ltd (“**Bacchus**”) and a purchase agreement with Kidman Resources Ltd (ASX: **KDR**; “**Kidman**”). Under the new agreements, Talisman may earn up to an 80% interest in the Bacchus’ gold and base metal projects and will acquire a 100% interest in the Kidman copper-gold projects.

Both projects are complementary and contiguous with Talisman’s existing 100% owned NSW exploration tenements and the previously announced Peel Mining Ltd (ASX: **PEX**; “**Peel**”) Joint Venture where Talisman is earning up to a 75% interest. The agreements are an important further step in Talisman’s project generation program which identified the Gilmore Suture of the Lachlan Fold Belt as an underexplored, highly mineralised region with an opportunity to secure a large scale land package for a relatively low cost.



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Talisman's combined tenement package now represents a significant strategic landholding covering a strike length of approximately 160km along the Gilmore Suture (Figure 1) which host the high-grade Mt Boppy, Bobadah and Mineral Hill gold, copper and base metal mines.

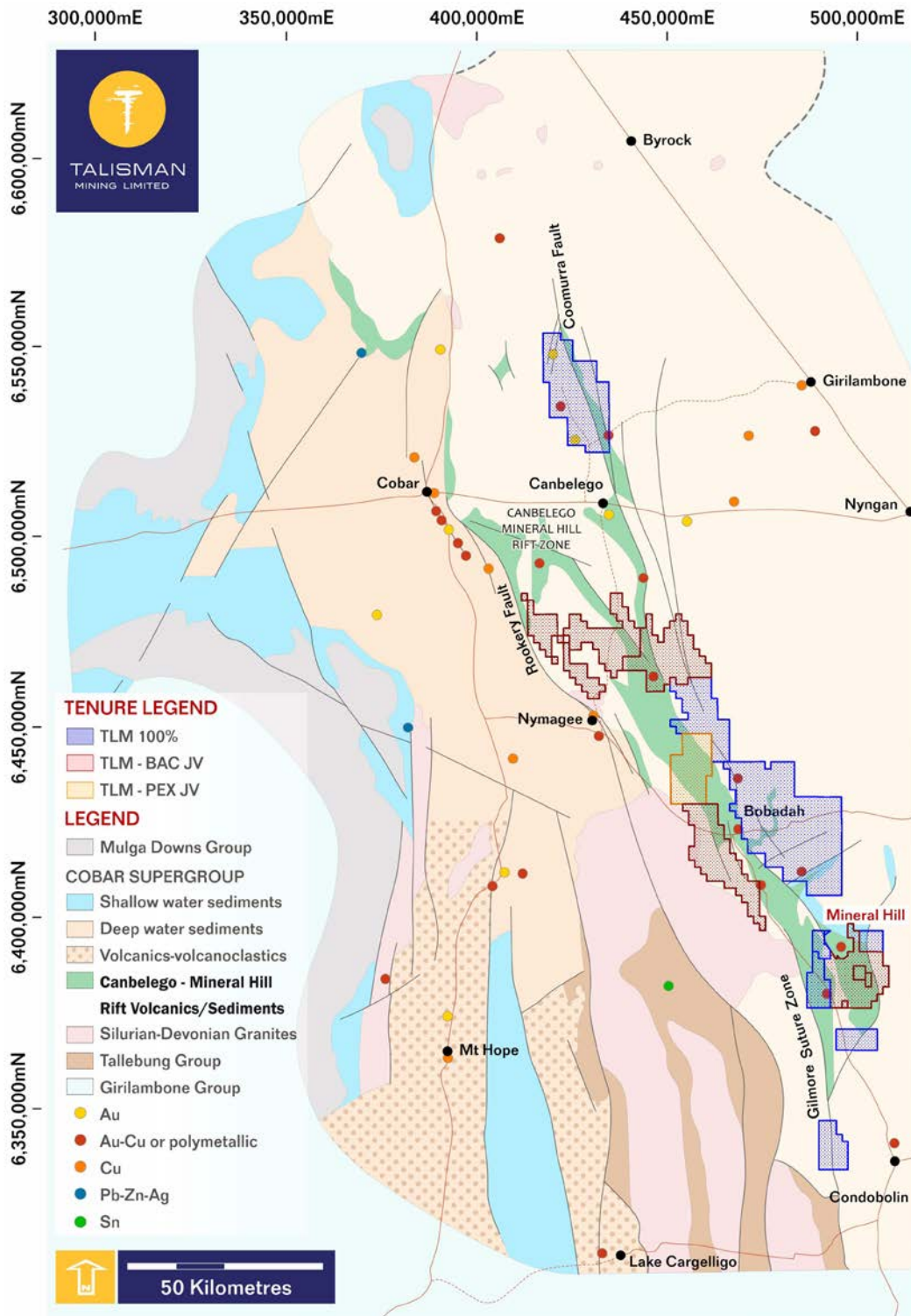


Figure 1: NSW Lachlan Project Tenure simplified regional geology and structure





Bacchus – Farm-in Agreement

Bacchus is a privately-owned exploration company with a primary focus on the exploration and potential development of the Wollwonga Gold Project in the Pine Creek Orogeny of the Northern Territory.

Bacchus' NSW tenure – subject of the Farm-in Agreement with Talisman – straddles the regionally significant Gilmore Suture Zone. It is contiguous with, and to the north of, Talisman's existing 100% owned Lachlan Projects and immediately adjacent to the south along strike of the Mineral Hill polymetallic mine (*Figure 1*).

Under the terms of the Farm-in Agreement, Talisman has the right to earn up to an **80% interest** in six granted exploration licences (*Table 1*) covering an area of approximately **1,067km²** held by Bacchus in the Lachlan Fold Belt through on-ground expenditure of **\$2.3M** over a **four year period**.

In accordance with the Farm-in Agreement, Talisman will undertake a staged farm-in with expenditure planned as follows:

- Talisman to spend \$1.3M in the first 36 months from commencement to earn a 51% interest
- Should Talisman elect to continue, Talisman to spend a further \$1M over 12 months to earn an 80% interest

Once Talisman has earned its final interest in the licenses held by Bacchus, a formal joint venture will be entered into which provides that Bacchus will be free carried for 10% of its joint venture interest until a decision to mine. Post a decision to mine, Bacchus can then elect to contribute or Talisman has a right to acquire Bacchus' interest in the joint venture for 95% of fair value as agreed by the joint venture participants. In addition, at the end of the farm-in period, Talisman will transfer to Bacchus a 20% interest in the three granted exploration licences (EL8615, EL8659, and EL8677) that Talisman currently holds on a 100% basis. Bacchus's interest in these tenements will form part of the formal joint venture and as such Bacchus will contribute to expenditure on the terms outlined above.

Crowl Creek Project – Purchase Agreement

The Crowl Creek Project comprises a total of six granted exploration licences (*Table 1*) covering an area of approximately **278km²**, which are adjacent to, and west of, the Mineral Hill polymetallic mine. Crowl Creek covers the same stratigraphic sequence and a parallel structure to the Mineral Hill deposit host structure (*Figure 1*) and is highly prospective for low-sulphidation epithermal and orogenic precious and base-metals mineralisation.

Talisman has entered into an agreement to purchase a **100% interest** in the **Crowl Creek Project** from Kidman for consideration of **\$250,000**.

Under the terms of the agreement, the consideration of \$250,000 is payable upon formal renewal, transfer and registration of the tenements from Kidman to Talisman by the NSW Department of Industry Division of Resources and Energy.





Initial Exploration Activities

The Lachlan Fold Belt projects represent a new strategic exploration focus for Talisman where it has secured an interest in a 2,360km² ground position in the underexplored, highly mineralised, central and eastern Lachlan Orogen. Talisman will focus its exploration efforts on the identification of copper-gold and base metal mineralisation, targeting sulphide-rich deposits associated with major structures (“**Cobar-style**”); Volcanic Associated Massive Sulphide (“**VAMS**”) base metal deposits; and high and intermediate sulphidation epithermal gold deposits.

Both the Bacchus and Crawl Creek Project tenements are complementary to Talisman’s existing 100% owned tenure in NSW and the Peel JV Project (see *AGM presentation 23 November 2017*) in the Canbelego-Mineral Hill Rift zone (*Figure 1*). Through building this landholding, Talisman has established itself as a major player in this highly prospective region.

Talisman is well advanced in compiling a considerable dataset of geochemical data for its NSW tenements and has identified many existing gold, copper and base metal anomalies defined by historic soil, auger and rock chip sampling. In addition, Talisman has successfully negotiated and signed nine land access agreements enabling on-ground exploration to commence on its 100% owned tenure early in early 2018.

The Talisman team has scheduled a second field trip to meet and negotiate land access with local landowners on the new Bacchus farm-in tenements, and complete field reconnaissance work in preparation for proposed on-ground exploration activities.

Previous exploration by Kidman and earlier companies at Crawl Creek have identified a number of areas of copper-gold and base metal mineralisation, of a similar nature to the adjacent Mineral Hill mine. Talisman’s first steps will be to evaluate and validate the historic data prior to on-ground testing of these high priority drill targets.

Talisman is proposing to complete detailed surface geophysical surveys over the structures known to host gold and copper mineralisation in the region, as well as a first-pass systematic shallow auger geochemical sampling program to clarify and better define the anomalies identified in the limited sporadic historical sampling. This work is scheduled for the first quarter of the 2018 calendar year.

In conjunction with this work, Talisman will work with the relevant authorities to obtain the necessary regulatory approvals to undertake drilling activities to test a number of compelling drill-ready targets located on the Bacchus farm-in tenure, Talisman’s 100% owned tenure and the Peel JV tenure.

The Company is continuing to develop planned exploration activities in this prospective region and anticipates providing a further update on exploration activities and strategy for 2018 and beyond early in the March 2018 quarter.



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On executing the Bacchus and Kidman agreements, Talisman Managing Director, Dan Madden, commented:

“Securing control of these two projects consolidates Talisman’s position in the highly mineralised Lachlan Fold Belt and provides an exciting new front for gold and base metal exploration activities.

“Talisman has secured its large 2,360km² position for minimal upfront cost and near-term capital commitment. The focus of expenditure on the NSW projects will be into the ground, with on-ground activities starting in early 2018 and our first drill program anticipated late in the March quarter 2018.

“The Lachlan Fold Belt projects fit neatly alongside the ongoing active exploration program being undertaken at the Springfield Joint Venture in Western Australia where we believe significant upside potential remains.”

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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. The Monty deposit is currently under development and Talisman has secured project debt financing for 100% of its share of pre-production capital costs.

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.



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Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

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.

Table 1: Tenement Summary – NSW Lachlan Fold Belt

Holder	Tenement ID	Grant Date	Expiry Date	Units	Area	Comment
Haverford	EL8615	07/07/2017	07/07/2023	250	725.8 km ²	TLM 100%
Haverford	EL8659	18/10/2017	18/10/2023	127	372.8 km ²	TLM 100%
Haverford	EL8677	08/12/2017	08/12/2023	66	192.2 km ²	TLM 100%
Peel	EL8414	02/12/2015	02/12/2018	60	174.4 km ²	TLM earning up to 75%
Bacchus	EL8547	03/04/2017	03/04/2022	74	205.1 km ²	TLM earning up to 80%
Bacchus	EL8571	23/05/2017	23/05/2022	89	258.2 km ²	TLM earning up to 80%
Bacchus	EL8638	31/08/2017	31/08/2022	66	192.5 km ²	TLM earning up to 80%
Bacchus	EL8657	10/10/2017	10/10/2017	46	134.2 km ²	TLM earning up to 80%
Bacchus	EL8658	13/10/2017	13/10/2022	88	256.6 km ²	TLM earning up to 80%
Bacchus	EL8658	08/12/2017	08/12/2022	7	20.3 km ²	TLM earning up to 80%
Crowl Creek	EL7523	03/05/2010	03/05/2018	30	86.5 km ²	TLM to acquire 100%
Crowl Creek	EL7537	05/05/2010	05/05/2018	9	25.3 km ²	TLM to acquire 100%
Crowl Creek	EL7538	05/05/2010	05/05/2018	12	34.7 km ²	TLM to acquire 100%
Crowl Creek	EL7806	13/07/2011	13/07/2018	2	1.3 km ²	TLM to acquire 100%
Crowl Creek	EL7820	08/08/2011	08/08/2018	24	69.4 km ²	TLM to acquire 100%
Crowl Creek	EL7821	08/08/2011	08/08/2018	21	60.7 km ²	TLM to acquire 100%

