



**TALISMAN  
MINING LIMITED**

ASX Code: TLM



**6<sup>th</sup> November 2015**

**COMPANY SNAPSHOT**

**Board of Directors**

**Alan Senior**

Non-Executive Chairman

**Gary Lethridge**

Managing Director

**Brian Dawes**

Non-Executive Director

**Karen Gadsby**

Non-Executive Director

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**Capital Structure**

**Shares on Issue:**

148,559,904 (TLM)

**Options on Issue:**

6,400,000 (Unlisted)

**ASX: TLM**



# Talisman Mining Limited 2015 Annual General Meeting

## *Chairman's Address*

*Chairman's Address to be delivered at the Company's Annual General Meeting to be held at 10.00am, Friday, 6 November 2015.*

At last year's Annual General Meeting, I outlined the two key developments which I said were likely to shape Talisman's future growth and success, namely the \$8 million acquisition of the Sinclair Nickel Project and the \$15 million farm-in with Sandfire Resources at our Doolgunna copper-gold projects in Western Australia.

After what has been a transformational year for the Company in many respects, I am pleased to report that both of these ventures have delivered on their early promise.

As a result, Talisman shareholders now have exposure to two exciting opportunities – one of Australia's most exciting new high-grade mineral discoveries at Springfield; and to a counter-cyclical nickel exploration opportunity at Sinclair.

These successes have been reflected in an almost 300 per cent increase in our market capitalisation over the past year – a pleasing result for shareholders considering the volatile and challenging market conditions which have bedevilled most resource stocks.

I would like to make some brief comments on both of these rapidly evolving areas of our business before handing over to our Managing Director, Gary Lethridge, for a more fulsome account of our activities during the year and the outlook for the year ahead.

Firstly, the Monty copper-gold discovery, located 10km east of the DeGrussa copper mine on our Springfield tenements, was without question a breakthrough development for Talisman and Sandfire, for the Doolgunna region, and possibly even as a catalyst for renewed investor interest in the junior exploration sector generally.

This exciting discovery was a direct result of Sandfire applying its extensive technical expertise and experience gained from the DeGrussa deposit and building on work conducted in this area by Talisman several years ago. The EM conductor targeted by Sandfire's discovery hole was identified from powerful down-hole electro-magnetic surveys launched from historical Talisman drill-holes.



Since the discovery, Sandfire has gone on to complete some 7,500 metres of diamond and 7,700 metres of Reverse Circulation drilling, so far delineating two mineralised horizons at Monty.

The Lower Horizon incorporates the high-grade massive sulphide mineralisation seen in the discovery holes which occurs as an individual primary lens with minor subordinate lenses, plus the recently discovered zone of bornite-bearing massive sulphides discovered along strike which includes an exceptional intersection of 21.6 metres at 34.4% copper.

The Upper Zone mineralisation is defined by a number of Reverse Circulation holes, with the initial geological interpretation suggesting that the mineralisation, and its host stratigraphy, is steep to sub-vertical in dip.

It is pleasing to note that Sandfire has recently advised the market that drilling operations at Monty will potentially speed up, paving the way for an intensive program of in-fill and resource delineation drilling over the coming months leading to a maiden JORC resource estimate anticipated late in the first quarter of 2016.

This estimate will provide the framework to commence a commercial evaluation of the discovery, with important implications for both companies.

Of course, the broader significance of the Monty discovery is that it provides strong validation that the DeGrussa VMS deposit is not the only deposit cluster within the Doolgunna field. Monty is the first significant accumulation of massive sulphides to be discovered outside of the immediate mine environment – but it is most unlikely to be the only one.

Further drilling will now be conducted along the entire 5km long prospective sequence which hosts the Monty discovery, and is expected to commence shortly at the Homer prospect, also located on our Springfield tenements 4km east of DeGrussa.

It is important to remember that it is still very early days for exploration in the broader Doolgunna field. The prospect of further high-grade, high-value discoveries flowing from this collaborative exploration effort is a tantalising prospect for Talisman, giving our shareholders an almost unparalleled opportunity to benefit from one of the most exciting exploration programs being conducted anywhere in the world today.

Secondly, the 100 per cent owned Sinclair Nickel Project. Our strategy at Sinclair has been to evaluate potential development opportunities based on the current known deposit and remnants in parallel with low-cost, targeted exploration activities aimed at discovering new nickel sulphide deposits.

The potential discovery of new nickel sulphide mineralisation in close proximity to the existing fully-developed mine, concentrator and associated surface infrastructure supports our strategy to unlock the value of this outstanding asset, which we believe represents a classic counter-cyclical opportunity in the nickel sulphide industry.

After completing the acquisition we commenced a regional exploration targeting exercise which has yielded almost immediate rewards, resulting in the identification of up to seven priority targets.

Our very first diamond drill hole at the Delphi North prospect, located 4km south of the Sinclair nickel mine, intersected several narrow zones of massive sulphides in close proximity to several historical intersections of massive nickel sulphide mineralisation.



Drilling is continuing and we believe these early exploration results represent just the first chapter in what could be a very exciting unfolding story at Sinclair.

The increase in Talisman's market capitalisation over the course of the year has been a pleasing result for our long-standing shareholders, and I would like to take this opportunity to thank them for their patience and support.

I would particularly like to thank those shareholders who supported our \$8 million capital raising during the year – and to welcome those who joined our share register for the first time. At a time when raising equity capital in the junior exploration sector has never been harder, this was a major achievement which has enhanced the Company's ability to maximise shareholder value moving forward.

Notwithstanding the success of this raising, our Board and management team have never lost sight of the overriding need to manage our cash resources carefully and prudently. This cautious approach saw the implementation of a number of cost-saving measures during the year including restraints and reductions in both remuneration levels and overhead costs.

I would like to take this opportunity to applaud our executive team – led by our Managing Director, Gary Lethridge – for this approach, and to thank them for their dedication and incredibly hard work during what has been an extraordinarily challenging and busy year. Everything that has been achieved has been done with very constrained and limited resources.

While Talisman is arguably in the strongest position in its history, there remains much work to be undertaken associated with the ongoing exploration at Monty, Homer and Sinclair and the potential move towards the development of Monty. It will be another busy and challenging year for the management team.

I believe that shareholders can look forward to the New Year and the future with enthusiasm and confidence.

Thank you for your attention.

Alan Senior  
Chairman

For and on behalf of the Board,



Daniel Madden  
Company Secretary