



**TALISMAN
MINING LIMITED**

ASX Code: TLM



4th February 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:

131,538,627 (TLM)

Options on Issue:

6,250,000 (Unlisted)

ASX: TLM

Talisman Completes Acquisition of Sinclair Nickel Project

Acquisition of advanced, high quality nickel sulphide project with extensive infrastructure marks a key milestone in Talisman's growth strategy

Key Points

- Acquisition of the Sinclair Nickel Project from Xstrata Nickel Australasia Operations Pty Ltd completed following satisfaction of conditions precedent and payment by Talisman of \$8M in cash.
- The acquisition represents an outstanding growth opportunity for Talisman in one of the world's premier nickel sulphide provinces.
- Initial desktop exploration activities commenced in November 2014, in advance of Talisman gaining project ownership, with the aim of developing exploration targets in near-mine areas.



Sinclair Nickel Project: 300ktpa Concentrator – Flotation Cells and Mill Control Room

Talisman Mining Ltd (ASX: TLM) is pleased to announce that it has completed the previously announced acquisition of the **Sinclair Nickel Project** in Western Australia from Xstrata Nickel Australasia Operations Pty Ltd (XNAO), a subsidiary of Glencore.

The completion of the transaction, which follows satisfaction of the conditions precedent and payment of the non-contingent purchase consideration of \$8 million in cash, marks a significant milestone in Talisman's growth strategy.



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Talisman, through its wholly-owned subsidiary Talisman Nickel Pty Ltd, entered into a binding Sale and Purchase Agreement with XNAO during October 2014 (see *ASX Announcement, 20 October 2014 –Talisman Acquires Sinclair Nickel Project*).

Following completion of the acquisition, Talisman will now commence the formal process of registering the transfer of the associated mining and exploration tenements with the Department of Mines and Petroleum, after which the Company will have the opportunity to undertake ground-based exploration activities at Sinclair.

The transaction gives Talisman 100 per cent ownership of an advanced, high quality nickel sulphide asset located in the heart of one of the world's premier nickel provinces, the Agnew-Wiluna Belt in Western Australia (9 million tonnes of reported contained nickel metal).

The Sinclair nickel deposit was discovered by the former highly successful nickel miner and explorer, Jubilee Mines NL, in October 2005. It was developed and commissioned in 2008 by Xstrata and operated successfully before being placed on care and maintenance in August 2013, having produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% Ni.

The Project offers an exceptional Australian nickel sulphide exploration opportunity, including a potential extension of the Sinclair deposit itself, advanced near-mine exploration targets within close proximity of the existing mine infrastructure, as well as a number of drill-ready emerging exploration prospects within a 30km radius of the mine.

The Sinclair Nickel Project has extensive new-near infrastructure including an existing open-cut and underground mine, an on-site 300,000tpa concentrator, sealed airstrip and +200-person accommodation village. The process plant and mine were placed on care and maintenance in August 2013 and have been maintained to a very high standard.

The Sinclair acquisition complements Talisman's existing asset portfolio where the Company has exposure to the world-class exploration potential of the Bryah Basin via its exploration joint venture farm-in with leading Australian copper producer Sandfire Resources NL (ASX: SFR), which is funding active exploration as part of its \$15 million exploration joint venture farm-in to Talisman's copper-gold Doolgunna tenements.

Management Comment

Talisman's Managing Director, Mr Gary Lethridge, said the completion of the Sinclair Nickel Project acquisition marked a significant growth step for the Company. "Given the positive medium term market outlook for nickel, we believe this transaction represents a significant opportunity for the Company at a counter-cyclical stage in the commodities business cycle," he said.

"Sinclair will now be our clear focus. Moving forward, the pace at which we can progress this opportunity will depend on the overall economic and market environment, the prevailing nickel price and the results of our exploration activities."

"In advance of completing the acquisition, we commenced a number of initial desktop exploration activities at Sinclair last year utilising historical project data with a view to developing potential near-mine exploration drill targets. So far, this work has been encouraging and is progressing well, and we look forward to reporting on our interim progress of this activity in the near future," he added.

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Competent Persons' Statement

Information in this ASX release that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Graham Leaver, who is a member of the Australasian Institute of Geoscientists. Mr Graham Leaver is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Graham Leaver consents to the inclusion in this report of the matters based on information in the form and context in which it appear.