



14 September 2018

NSW Lachlan Project Update

Highlights

- RC drilling commenced at the Lachlan Cu-Au Project testing three separate target areas:
 - o Extensions to high-grade copper mineralisation and DHEM anomalies at Blind Calf
 - o Cu-Zn-Pb auger geochemical anomaly at Noisy Ned within the Bobadah project area
 - o Strong IP geophysical anomaly at Cumbine
- Soil sampling program underway testing along strike from high-grade Blind Calf mineralisation
- Geological and structural mapping at Blind Calf to define additional drill targets completed with results pending

Talisman Mining Ltd (ASX: TLM, **Talisman**) is pleased to announce the commencement of a reverse circulation (**RC**) drilling program testing multiple target areas at the Lachlan Cu-Au Project (**Lachlan Project**) in NSW (Appendix 1). Drilling will target downhole electromagnetic (**DHEM**) geophysical targets associated with high-grade copper mineralisation identified in Talisman's maiden drilling campaign at the Blind Calf Prospect, the Noisy Ned Cu-Zn-Pb geochemical anomaly highlighted by the recent auger geochemical sampling program and the Cumbine IP anomaly.

The program, which consists of an estimated **5,250m** of drilling in **24 holes** across the three target areas, commenced on today at Noisy Ned, where a total of ten holes on five traverses will be completed (*Figure 2*). Previous auger geochemical sampling has identified a strong coherent Cu-Zn-Pb anomaly that extends for a strike length of more than 1 kilometre along the regionally significant Gilmore Suture fault zone (refer TLM ASX announcement 17 May 2018).



Figure 1: Geological and structural mapping of the historical Blind Calf mining centre



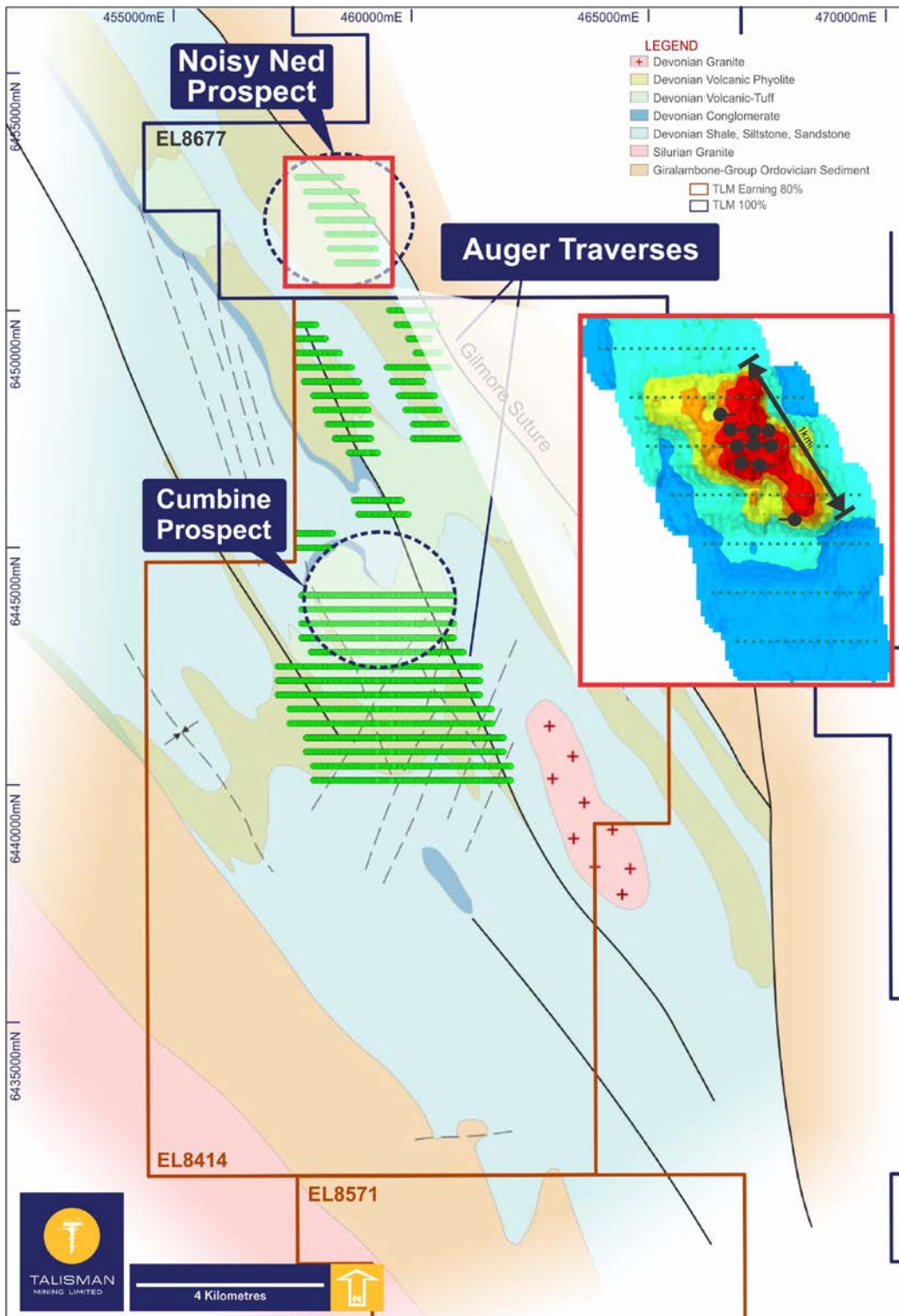


Figure 2: Noisy Ned Prospect - geochemical anomaly showing planned drill collar locations

Following this, the RC drill rig will move to the nearby Cumbine Prospect to complete five holes on a further three traverses (*Figure 3*), where an IP geophysical survey by previous explorers defined a large anomaly associated with historic anomalous surface sampling and shallow drilling (refer TLM 2017 AGM presentation dated 23 November 2017).



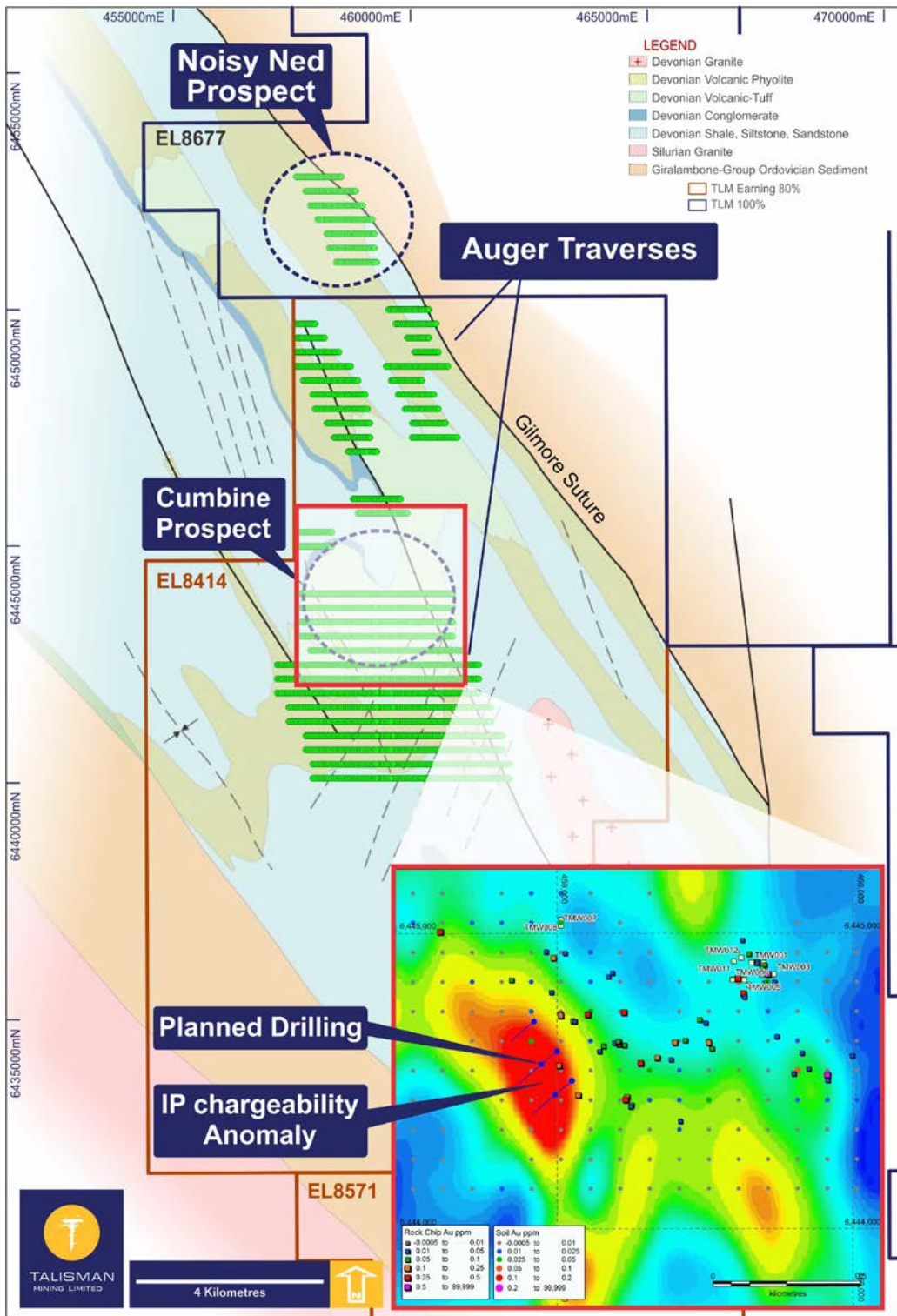


Figure 3: Cumbine Prospect – IP anomaly and planned drill collar locations

The final target area to be drilled in this campaign will be Talisman's 100% owned Blind Calf Prospect (Figure 4), where nine holes for an estimated 2,250m will be completed. Drilling is targeted at extensions to high-grade copper mineralisation and DHEM anomalies identified in the recently completed maiden RC drilling program by Talisman (refer ASX announcements dated 18 June 2018 & 5 July 2018).



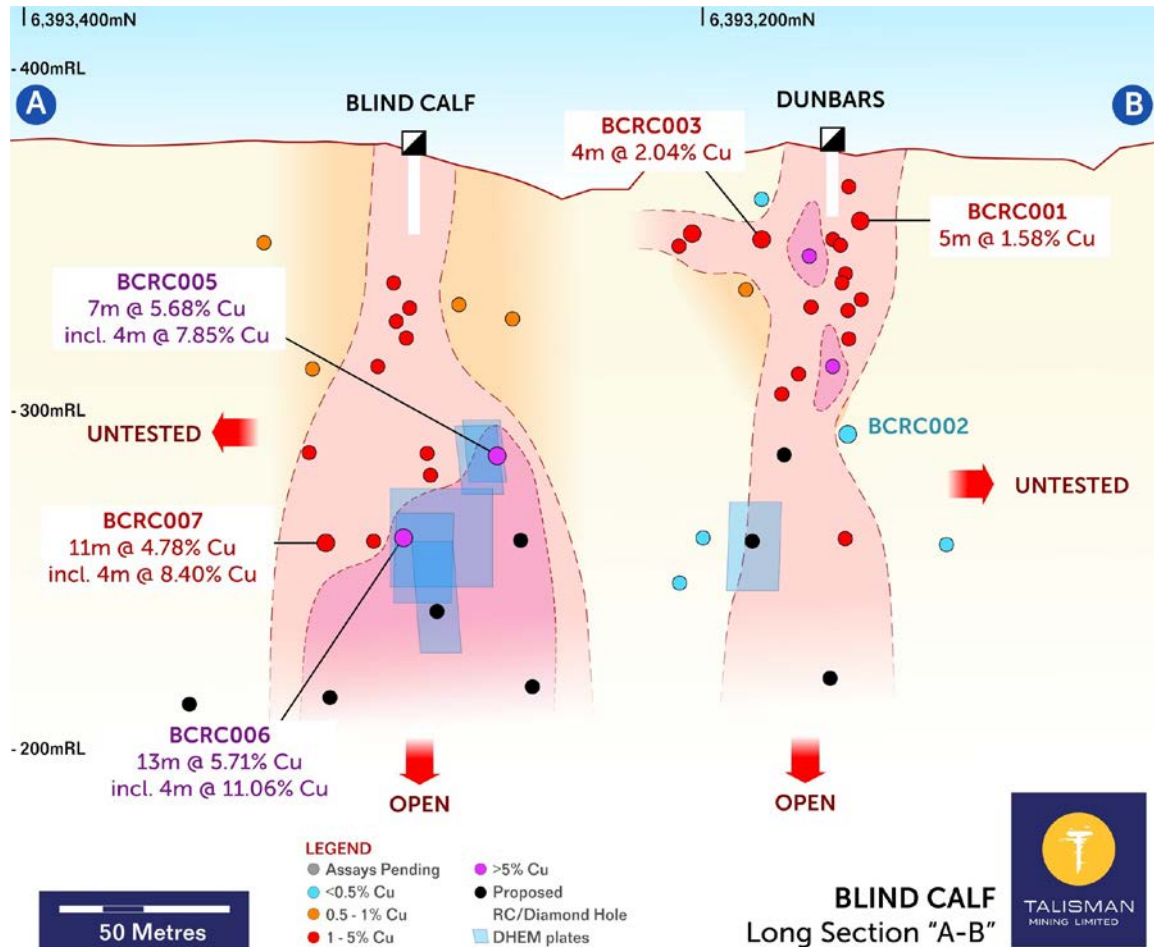


Figure 4: Blind Calf Prospect long section showing Talisman's recent High-grade Cu results and modelled DHEM plates

In addition to this drilling campaign, Talisman has commenced a short soil sampling program to collect 1,000 surface samples to the northwest and southeast of the Blind Calf Prospect. This work follows on from the recently completed detailed geological and structural mapping completed in the same area. Talisman's geological team and SRK Geological Consultants spent approximately two weeks in the field mapping and collecting data which is currently being compiled and interpreted. This work is aiming to building a full 3D structural model for the Blind Calf mineralisation which will be used to refine regional targeting.

Ends

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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.

Talisman has also secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of its own Exploration Licenses and through separate farm-in agreements. The Cobar/Mineral Hill region is a richly mineralised district that hosts several base and precious metal mines including the CSA, Tritton, and Hera/ Nymagee mines. This region contains highly prospective geology that has produced many long-life, high-grade mineral discoveries. Talisman has identified a number of areas within its Lachlan Cu-Au Project tenements that show evidence of base and precious metals endowment which have had very little modern systematic exploration completed to date. Talisman believes there is significant potential for the discovery of substantial base metals and gold mineralisation within this land package.

Competent Person's Statement

Information in this announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation compiled by Mr Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is a full-time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposits 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 Greenaway has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

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

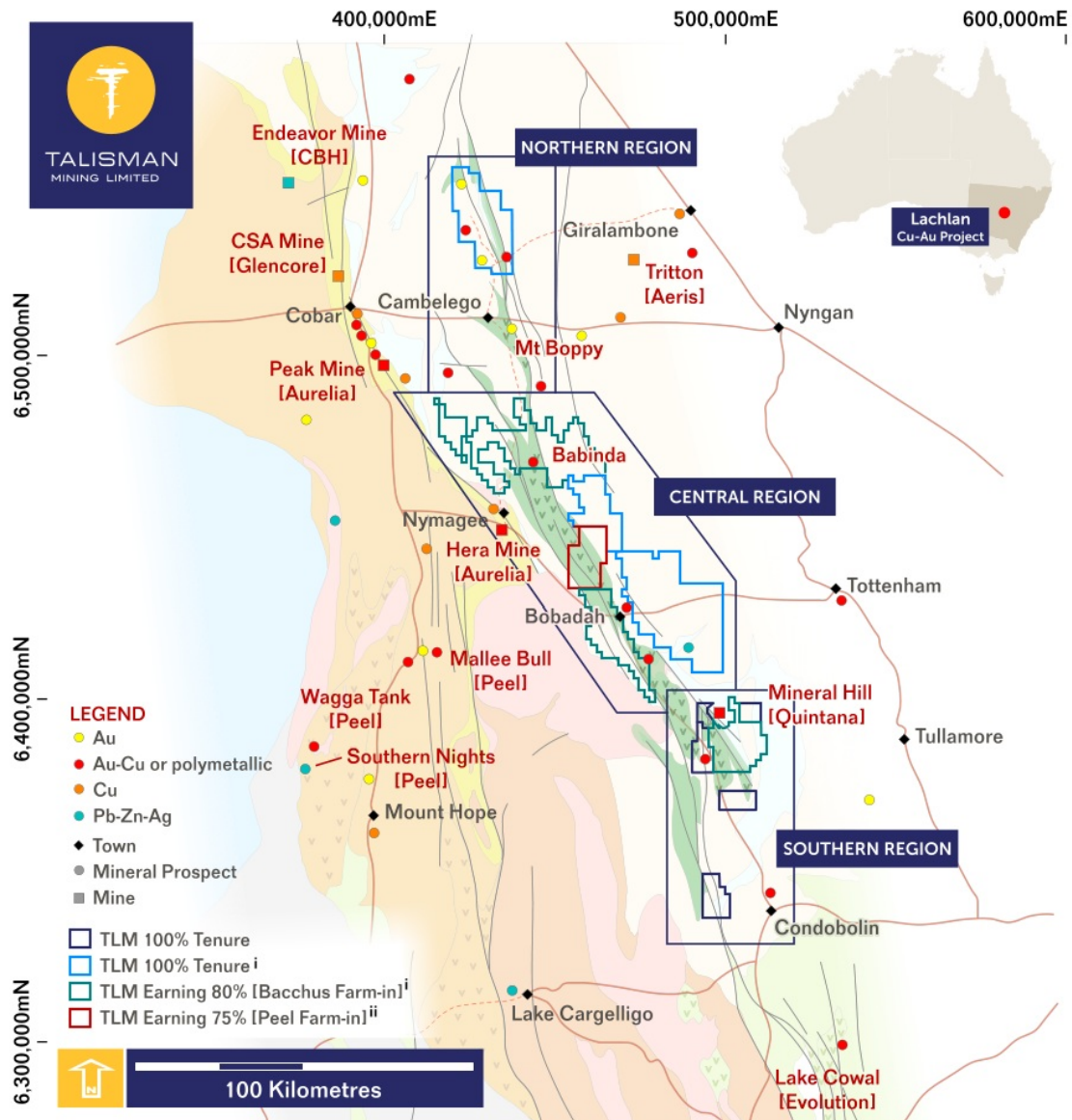
Forward-Looking Statements

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.





Appendix 1 Lachlan Copper- Gold Project tenure



- i. As previously announced to the ASX¹, Haverford Holdings Ltd (**Haverford**), a 100% owned subsidiary of Talisman, has entered into a Farm-In Agreement (**Farm-in**) with Bacchus Resources Pty Ltd (**Bacchus**) over certain Lachlan Cu-Au Project tenements.

In accordance with the terms of the Farm-in:

- Haverford can earn up to a 80% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding \$2.3M of on-ground exploration expenditure over four years; and
- Should Haverford earn an interest in the Bacchus Tenements, Bacchus is entitled to receive a 20% interest in the Haverford Tenements (EL8615, EL8659 and EL8677). Should Haverford not earn an interest in the Bacchus Tenements, Bacchus may elect to take a 20% interest in the Haverford Tenements.

- ii. As previously announced to the ASX², Haverford has entered into a Farm-In Agreement (**Farm-in**) with Peel Mining Limited (ASX:PEX) over PEX's Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the **Peel Tenements**). In accordance with the terms of the Farm-in, Haverford can earn up to a 75% interest in the Peel Tenements by sole funding \$0.7M of on-ground exploration expenditure over five years.

¹ Refer Talisman ASX announcement "Further NSW Gold and Base Metals Tenure Secured" 09 January 2018.

² Refer Talisman ASX announcement "AGM Presentation" 23 November 2017.

