



29 April 2021

## *Talisman Consolidates NSW Exploration Tenure and Divests Springfield and Sinclair Royalties*

### Key Points:

- **Binding agreement with Bacchus Resources Pty Ltd to consolidate ownership of highly prospective exploration tenure in the Northern Cobar region of NSW.**
- **Clears the way for an expanded exploration program across several recently identified high-priority targets.**
- **Once finalised the sale of NSR royalties over the Springfield, Sinclair and Waterloo Projects will crystallise \$1.75 million in cash, further strengthening Talisman's balance sheet.**
- **Talisman retains its 1% uncapped gross revenue royalty over the Wonmunna Iron Ore Mine in the Pilbara, for which it recently received its first royalty payment.**

Talisman Mining Ltd (ASX: TLM, **Talisman**) is pleased to advise that it has signed a binding agreement with private company and farm-in partner, Bacchus Resources Pty Ltd (**Bacchus**), that will allow it to consolidate 100% ownership of a contiguous ground package that makes up its highly prospective Lachlan Copper Gold Project (**Lachlan Project**) in the Cobar region of NSW.

Separately, the Company has signed binding royalty sale and purchase agreements with Northern Star Resources Limited (ASX: NST, **Northern Star**), for the purchase of the NSR (net smelter return) royalties over the Sinclair & Waterloo Nickel Projects in Western Australia. Talisman also expects to execute a binding royalty sale and purchase agreement with Sandfire Resources Limited (ASX: SFR, **Sandfire**) shortly for the purchase of the NSR royalty over the Springfield Copper Gold Project.

The transactions, which are described in more detail below, allow Talisman to streamline its asset portfolio, crystallising value from non-core assets and further strengthening its balance sheet while at the same time providing it with a clear exploration focus at the Lachlan Project in NSW.

### Lachlan Copper-Gold Project – Tenure Consolidation

Talisman's >2,500km<sup>2</sup> Lachlan Project comprises a dominant position across the Northern Cobar Basin (*see Figure 1 below*) and includes numerous prospects located along the Canbelego-Mineral Hill Volcanic Belt, which hosts the high-grade Mt Boppy gold deposit and the Mineral Hill gold and base metals deposit.

The Cobar Basin is a well-established mining district with several large gold and base metal mines including Aurelia Metal's Peak and Hera Mines, Glencore's CSA Mine and CBH's Endeavour Mine. The area also hosts Aurelia Metal's recent Federation polymetallic discovery and Peel Mining's Mallee Bull, Wagga Tank and Southern Nights discoveries.





Talisman’s exploration strategy at the Lachlan Project is focused on an extensive strike extent along the Gilmore Suture, a large-scale regional geological structure which, like the Rookery Fault Zone (see Figure 1 below), is critical to the formation of mineral deposits in the Cobar Super Basin.

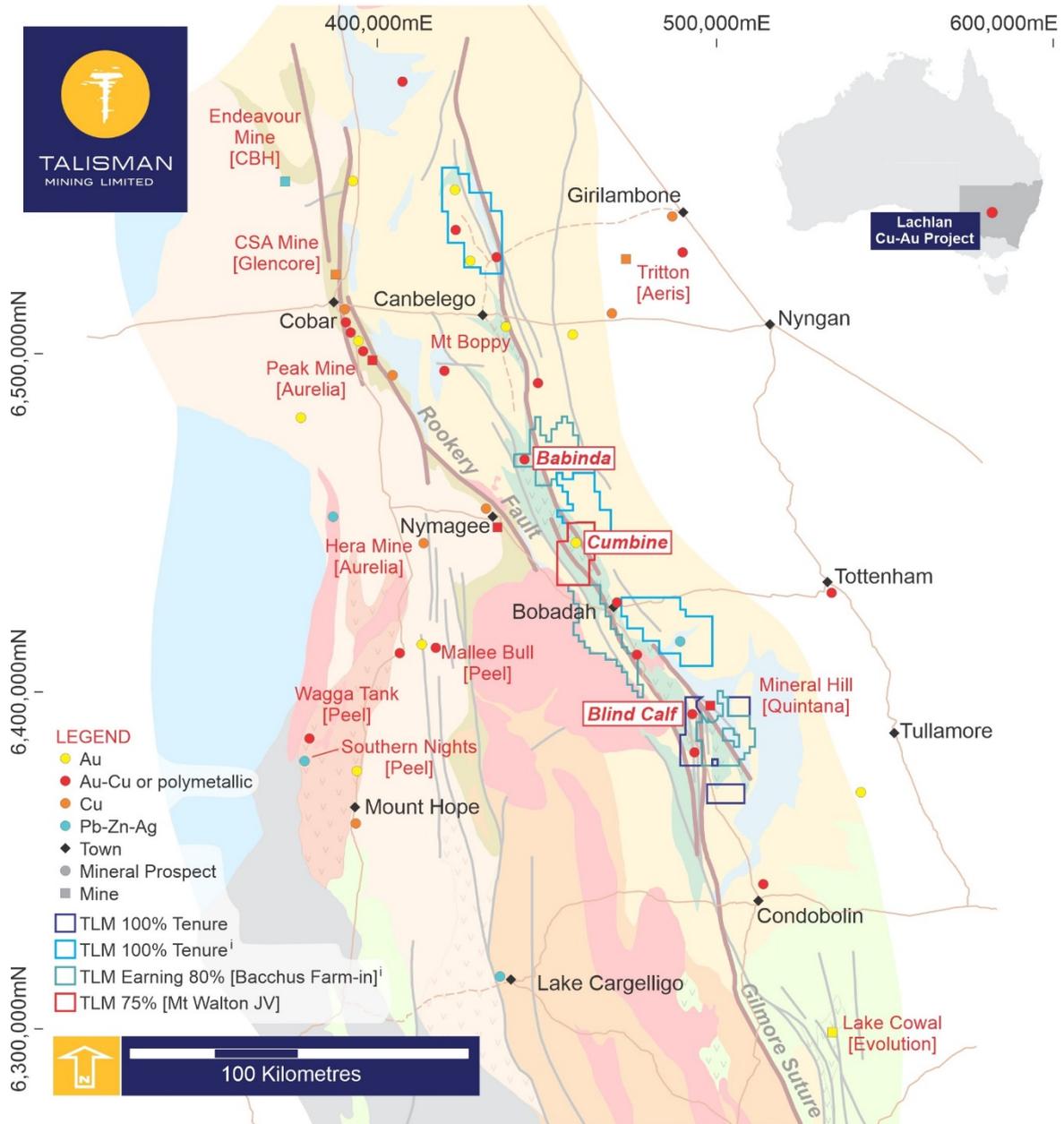


Figure 1: Talisman’s Lachlan Project, showing key tenements<sup>1</sup>, nearby mines and prospects and underlying geology.

As previously announced<sup>1</sup>, Haverford Holdings Pty Ltd (**Haverford**), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement (**FIA**) with Bacchus over certain Bacchus Tenements (being EL8547, EL8571, EL8658 and EL8680) and had earned a 51% legal and beneficial interest in those tenements.

<sup>1</sup> Refer Talisman ASX announcements dated 9 January 2018, 26 March 2020 and 5 May 2020 for full details of Bacchus Farm-in Agreement.





Additionally, under the FIA, Bacchus was entitled to receive, subject to the satisfaction of certain conditions, a 20% interest in certain Haverford Tenements (being EL8615, EL8659 and EL8677) (**Conditional Interest**) which are also included as part of the Lachlan Project.

Talisman and Bacchus are also parties to an alliance deed pursuant to which the parties agreed to consider prospective projects within certain areas surrounding the Lachlan Project together (**Alliance Deed**).

Talisman and Bacchus have agreed to simplify their commercial arrangements and immediately terminate the FIA and Alliance Deed with Talisman paying to Bacchus cash consideration of \$1.1 million for Bacchus' 49% interest in the Bacchus Tenements and its Conditional Interest in the Haverford Tenements.

Once the transfer of the Bacchus Tenements is completed, Talisman will have 100% ownership of the Bacchus and Haverford tenements.

Talisman's Interim CEO, Shaun Vokes, said:

*"The termination of the Bacchus farm-in agreement provides Talisman with 100% ownership of most of this exciting, highly prospective, regional-scale copper and gold exploration project. We can now progress exploration at our own pace and based on our own preferred priority targets across our entire tenement package.*

*"We have begun to ramp-up activity in this area and we are looking forward to delivering strong exploration news-flow by adopting a systematic and focused approach to unlocking the potential of this region."*

Talisman's Chairman, Kerry Harmanis, said:

*"This represents a logical consolidation of our ground package in NSW which cleans up the previous ownership structure. Recent work by our exploration team has revealed a number of promising targets across the Lachlan Project<sup>2</sup>, and we will have more to say on this in the coming weeks.*

*"While we are continuing to review new project and business development opportunities in WA and elsewhere, our NSW portfolio is emerging as an important near-term focus for us and this transaction clears the way for us to progress a focused exploration program."*

## **NSR Royalty Sales**

As previously announced<sup>3</sup>, as part of the sale of Talisman's Springfield Project to Sandfire in October 2018 (**Springfield Transaction**), and Sinclair Nickel Project to Saracen Nickel Pty Ltd, a wholly-owned subsidiary of Northern Star as a result of its merger of equals with Saracen Mineral Holdings Ltd implemented on 12 February 2021, in October 2019 (**Sinclair Transaction**), Talisman received net smelter return (**NSR**) royalty rights as part of the consideration in each transaction.

The Springfield Transaction entitled Talisman to retain an ongoing 1% NSR royalty payable on 100% of any copper and gold extracted from the Springfield Project in excess of 74,396 tonnes of contained

<sup>2</sup> Refer Talisman ASX announcements dated 22 February 2021 and 19 April 2021 for full details.

<sup>3</sup> Refer Talisman ASX announcements dated 12 October 2018 in relation to the Springfield Project sale and 11 October 2019 in relation to the Sinclair Nickel Project sale for full details of the respective royalties.





copper and 38,428 ounces of contained gold (which was based on the Monty Feasibility Study released in April 2017) (**Springfield Royalty**).

The Sinclair Transaction entitled Talisman to retain an ongoing 2% NSR royalty payable on any future metal production from the Sinclair Nickel Project tenements plus an ongoing 2% NSR royalty payable on any future non-precious metal production from Northern Star's Waterloo Nickel Project (together the **Sinclair Royalties**). Both the Sinclair Nickel and Waterloo Nickel Projects are currently on care and maintenance.

To date, no royalty revenue has been received by Talisman from either the Springfield Royalty or the Sinclair Royalties.

The royalty agreements which form the basis of the Springfield Royalty and the Sinclair Royalties each contain clauses that enable the royalty grantor to exercise a right to purchase the royalty from the royalty holder should the royalty holder receive an offer from an unrelated third party to purchase that royalty.

Talisman received an offer from a third party to purchase the Springfield Royalty for \$1 million and the Sinclair Royalties for \$0.75 million. Talisman offered to sell the Springfield Royalty and the Sinclair Royalties to Sandfire and Northern Star respectively on the same terms as those offered to Talisman by the third party. Both Sandfire and Northern Star have accepted Talisman's offer to purchase their respective royalties under their respective agreements.

Binding royalty sale and purchase agreements have now been signed, under which Northern Star has acquired the Sinclair Royalties for cash consideration of \$0.75 million. Talisman expects that a binding royalty sale and purchase agreement will be signed with Sandfire shortly to acquire the Springfield Royalty for cash consideration of \$1 million.

Talisman's Interim CEO, Shaun Vokes, said:

*"The sale of the Sinclair and Waterloo royalties, and once finalised, the sale of the Springfield royalty, for combined cash proceeds of \$1.75 million, will crystallise significant value from these non-core assets for our shareholders, further strengthening our balance sheet and putting us in a strong position to execute our growth plans. The additional funds will enable us to accelerate our exploration activities at our NSW projects, where we have now consolidated our ownership position."*

Talisman's Chairman, Kerry Harmanis, said:

*"The sale of these royalties will further streamline our asset portfolio and enhances our financial position as we step-up exploration activities in NSW. Importantly, the Company retains its 1% gross uncapped royalty over the Wonmunna iron ore mine alongside a strong cash balance of over \$10 million."*

## Ends

For further information, please contact:

Shaun Vokes – Interim CEO  
on +61 8 9380 4230

Nicholas Read (Media inquiries)  
on +61 419 929 046

*This release has been authorised by the Board of Talisman Mining Limited.*





## 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 has secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of its own Exploration Licenses and through separate joint venture 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 and is undertaking active exploration to test a number of these targets.

Talisman also has a majority participating interest in a joint venture with privately-owned Lucknow Gold Limited in relation to the Lucknow Gold Project (EL6455) in New South Wales. The Lucknow Goldfield was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. Historic production records at the Project are incomplete, however in excess of 400,000 ounces of gold has reportedly been produced at grades of 100 to 200 g/t gold<sup>4</sup>. Very little modern exploration has been completed outside of the existing mine workings and Talisman intends to undertake a program of geochemical surface sampling and mapping at the Project ahead of a drilling program to test for potential down plunge extensions of the high-grade gold ore shoots and repeat structures throughout the Project area.

## 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.

---

<sup>4</sup> NSW DIGS report, First Annual Exploration Report EL5770, 2001 -R00030162

