



2022

ANNUAL REPORT



TALISMAN
MINING LIMITED



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Letter from the Chairman

Dear Talisman Shareholder,

I am pleased to introduce Talisman's 2022 Annual Report.

The past year has seen Talisman progress exploration programs across our key NSW projects, consolidate and further expand our portfolio, and lay the foundations for what we plan to be a significantly expanded exploration push later this year and moving into 2023.

Our ability to execute on-ground exploration programs at the Lachlan copper-gold project was severely hampered, initially by the constraints of COVID-19 restrictions in the first half of the year and, for much of 2022, the extraordinarily wet weather conditions which have impacted the central west of NSW (and for that matter much of Australia's Eastern Seaboard).

The combination of incessant rainfall and boggy ground conditions restricted access for drilling, meaning we were only able to execute relatively small Reverse Circulation (RC) percussion drill programs during the financial year.

While this has been a source of considerable frustration during the year, our exploration team has not been sitting on its hands – using the time to progress a range of other activities designed to add value to our projects and advance the exploration process as much as possible.

Importantly, we made a significant investment in two regional-scale geophysical surveys that were flown during the year – a 15,456-line-kilometre Airborne Gravity Gradiometry (AGG) survey and a 6,285-line-kilometre Airborne Electro-Magnetic (AEM) survey.

An investment of this magnitude in high-quality regional datasets is not something that is commonly seen by a junior exploration company and will provide a fantastic database that will stand us in very good stead for the future.

We are confident that this important body of work has the potential to significantly shorten our discovery timeline by helping us to “see” blind mineralisation located below cover within a region that has proven potential for major discoveries. In turn, this should help us to vector into the more prospective parts of our portfolio a lot faster than we would otherwise have been able to.

The investment has already been vindicated, with processing of the data revealing a large number of priority targets – already more than 50 gravity and 20 electromagnetic anomalies, which are currently being analysed by our team for ranking their relative importance prior to testing.

This will ultimately deliver us an impressive bank of drill-ready targets – which we believe have the potential to yield economic discoveries – providing an exciting development which has added significant value to our NSW projects and laid the foundations for an exciting year ahead.

As I write this report, field inspections and additional mapping is underway across the high-priority targets, with the expectation that we will have drill rigs on the ground during the second quarter of the 2022/23 financial year (subject predominantly to weather and ground conditions).

The insights gained from these surveys have also allowed us to strategically expand our tenement position in the highly prospective Lachlan Fold Belt during the year, with the addition of 11 new Exploration Licences covering a total area of 4,275km². This has increased our total footprint of granted Exploration Licences to 7,134km² – solidifying our position in this Tier-1 mineral province.

Talisman's ability to adopt a considered and systematic approach to exploration is due in no small part to the strength of the Company's balance sheet, which is underpinned by the uncapped 1% gross revenue royalty on all metals produced from the Womunna iron ore project in Western Australia.

During the 2022 financial year, we continued to receive monthly royalty payments from the operator of the Womunna Project, Mineral Resources, which is operating the mine at the designated run rate of 5 million tonnes per annum, with provision in future to potentially increase this to 13.5Mtpa.

For the 12-month period to 30 June 2022, Talisman received \$6.3 million in royalty payments – a valuable revenue stream which underpinned our exploration activities and corporate costs for the year.

At year-end, we retained \$8.9 million in cash which, combined with an ongoing royalty income stream, puts us in an enviable position as we ramp-up exploration in NSW.

As I have previously outlined, Talisman continues to review a wide range of business development opportunities in Australia, with the recent pull-back in the equities market opening up renewed opportunities to acquire or earn-into quality projects that suit our wide range of skill-sets.

We continue to apply stringent criteria to this search, based on assets that meet our hurdles, are value-accretive and can deliver genuine long-term returns for our shareholders.

In conclusion, I would like to extend my sincere thanks and acknowledgement to our excellent executive team, led by our CEO Shaun Vokes and our Exploration Manager Russell Gregory, for their hard work and commitment during the year.

I acknowledge that this has been challenging and at times frustrating year with much of the work being carried out “behind the scenes”. However, I am confident that we are now well placed to reap the rewards of this effort as we accelerate our drilling efforts in the months ahead.

I would also like to thank my fellow Directors and to extend a special vote of thanks to my fellow shareholders for your patience and support.

I am excited about what the next year will bring for Talisman and I look forward to sharing it with you.



Yours faithfully,

Kerry Harmanis
Chairman



Review of Operations

Overview

The last twelve months has seen Talisman Mining Limited (**Talisman** or the **Company**) continue to progress exploration activities in New South Wales (**NSW**) at both its Lachlan Copper-Gold (**Lachlan**) and Lucknow Gold (**Lucknow**) Projects, notwithstanding ongoing COVID-19 restrictions in the first half of the year and significant above average rainfall in the central west of NSW throughout most of 2022. In addition, throughout the financial year Talisman reviewed numerous new precious and base metals growth opportunities throughout Australia, focusing on value accretive transactions that have the potential to create long-term shareholder value.

Talisman continues to conduct all exploration and corporate activities under, and closely managed in accordance with, Company COVID-19 policies and procedures and relevant state COVID-19 regulatory requirements to ensure the safety of Talisman's workforce and local communities. Talisman's COVID-19 procedures include regular COVID-19 rapid antigen testing prior to and during field work in project areas, the availability and use of appropriate COVID-19 personal protective equipment and maintaining social distancing protocols wherever practical.

Throughout the financial year the Company continued to receive monthly royalty payments from the operator of the Wonmunna Iron Ore Mine (**Wonmunna**) in the Pilbara region of Western Australia which commenced iron ore production during March 2021. Talisman is entitled to an uncapped 1% gross revenue royalty on all metals produced and sold from Wonmunna. Throughout the financial year Wonmunna operated at its designed production rate of 5 million tonnes per annum (**Mtpa**), although approvals are in place to potentially increase iron ore production from Wonmunna up to 13.5 Mtpa¹. For the 12-month period ended 30 June 2022 Talisman received \$6.3 million in royalty payments from Wonmunna. The potential ongoing Wonmunna royalty revenue stream places the Company in a unique funding position for a junior exploration company, allowing Talisman to pursue ongoing systematic exploration at its Lachlan and Lucknow Projects in combination with reviewing additional new metalliferous growth opportunities. Talisman expanded its tenement position in the highly prospective Lachlan Fold Belt region of NSW adding eleven new exploration licences covering an area of 4,275km² during the financial year. This now brings Talisman's total granted exploration licence area of its Lachlan Project to approximately 7,134km², solidifying the Company's strong tenure portfolio in this world class mineral province.

During the financial year, Talisman completed a comprehensive review of the prospectivity vectors associated with discoveries and known deposits in the Cobar Superbasin region of NSW. This review resulted in Talisman undertaking two regional scale geophysical surveys – a 15,456-line kilometre Airborne Gravity Gradiometry (**AGG**) survey flown at 200m line spacing using the proprietary FALCON® AGG system and a 6,285-line kilometre Airborne Electro-Magnetic (**AEM**) survey also flown at a 200m line spacing using the VTEM™ Max helicopter-borne AEM system. These two large-scale geophysical surveys represent a significant investment in Talisman's highly prospective tenement portfolio. The geophysical surveys have the potential to shorten the discovery timeline on Talisman's tenure by several years through focusing exploration effort in areas most likely to return an economic discovery, including by potentially indicating the presence of blind mineralisation concealed below cover. Processing and interpretation of the AGG and AEM survey data has identified over 50 gravity and 20 electromagnetic anomalies² which are currently in the process of being analysed by Talisman's geological team to rank each one in regard to prospectivity to determine future work programs.

In addition to the geophysical surveys, exploration activities continued at the Lachlan Project with a number of soil sampling/mapping programs completed and several reverse circulation (**RC**) percussion drill programs undertaken targeting both base metal and gold-in-soil anomalies. Unseasonally heavy rainfall during the second half of the financial year hampered exploration efforts during this period with several exploration programs having to be postponed due to the inaccessibility for personnel and equipment to target areas.

At the Company's Lucknow Project, COVID-19 restrictions and increased case numbers in the region restricted on-ground exploration activities during the first half of the financial year. A number of land-access agreements were subsequently successfully negotiated with local landholders which has allowed the Company to progress geochemical programs targeting the interpreted mineralised corridor to the north-west of the historic Lucknow Gold Mine. The Company is currently progressing additional land access agreements to complete this geochemical program and awaiting assay results of submitted samples to inform the next phase of exploration work.

Lachlan Copper-Gold Project

Talisman's Lachlan Project consists of four discrete project areas – Central Lachlan, Dandaloo Copper, Hillston Copper-Gold and Elvis Porphyry Copper-Gold projects which combined cover over 7,100km² of granted exploration tenure in the highly prospective Cobar Superbasin and Junee-Narrowmine Volcanics mineral belts of NSW (*Figure 1*). These mineral belts are well-established mining districts with multiple operating long-life gold and base metal mines and a number of recent significant exploration successes including Aurelia Metal's 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 the significant regional geological architecture, principally the fundamental north-northwest trending rift controlling structures, which are a key feature in regional metallogeny. Proximity to the margins of major basin faults as well as deep seated regional basement lineament structures and zones of high strain are an important factor for mineral deposit formation and Talisman has a meaningful tenure position on the eastern edge of the Cobar Basin rift margin.

Major basement lineaments within the region show a strong control on mineralisation with numerous deposits occurring at the intersections of these lineaments with major structures. It is considered that the area of Talisman's Lachlan Project has the potential to host a variety of deposit types including low sulphation epithermal gold and base metal deposits, structurally controlled gold deposits, structurally controlled copper deposits, Cobar style gold and base metal deposits, as well as skarn deposits.

The Company has identified multiple gold and base metal mineralisation exploration targets at its Central Lachlan, Dandaloo Copper, Hillston Copper-Gold and Elvis Porphyry Copper-Gold Projects and systematic exploration activities including regional reconnaissance mapping, soil sampling, RC percussion drilling and geophysical surveys advanced during the financial year to inform target prioritisation and to test high-priority targets.

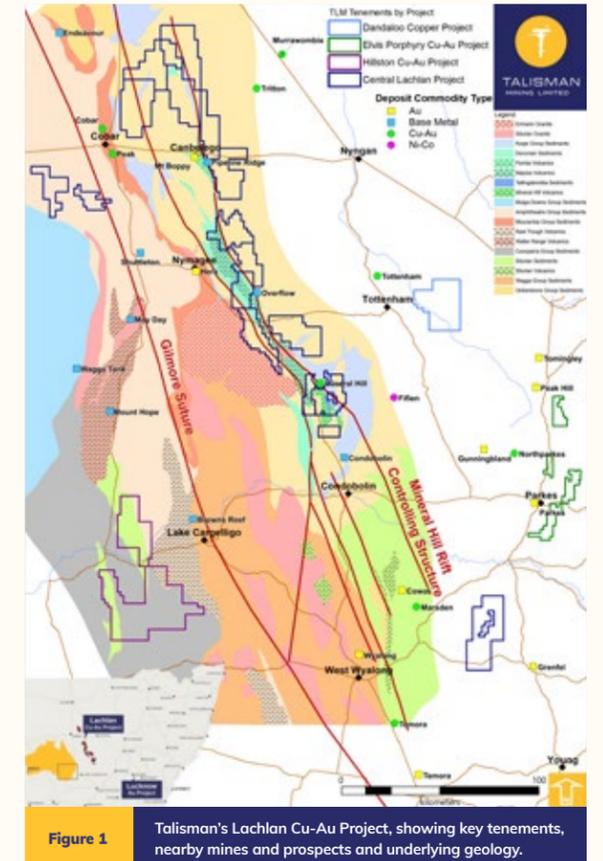


Figure 1 Talisman's Lachlan Cu-Au Project, showing key tenements, nearby mines and prospects and underlying geology.

1 - Western Australia Department of Mines, Industry Regulation and Safety - refer minedex.dmirns.wa.gov.au/Web/environment-registrations/details/103347
 2 - Refer Talisman ASX announcements dated 26 July 2022 and 05 September 2022 for full details.

Regional Geophysical Surveys

During the first half of the financial year Talisman completed an extensive review of the prospectivity vectors associated with discoveries and known deposits in the Cobar Superbasin region of NSW. The review indicated that all known mineral deposits have a significant gravity anomaly associated with economic mineralisation and surrounding alteration halos.

The emplacement of sulphide mineralisation and associated higher-density silica alteration into relatively lower-density sedimentary packages making up the basement rocks through the Cobar region is believed to result in easily identifiable gravity anomalies, indicating the presence of concealed mineral systems – even below thick cover.

Additionally, electro-magnetic surveys have also been proven as a key discovery tool for many deposits in the Cobar area through the identification of concealed conductive anomalies associated with massive sulphide orebodies. This includes the recent discoveries of Peel Mining Limited’s Mallee Bull polymetallic (Cu-Ag-Au-Pb-Zn) deposit and Aeris Resources Ltd’s Constellation copper deposit.

As a result of this review, Talisman undertook two large-scale regional geophysical surveys to provide an efficient and cost-effective “first-pass” screening mechanism for geophysical anomalism associated with Cobar and Mineral Hill-style mineralisation analogues over large portion of its 4,451km² Central Lachlan Project area (refer Figure 3).

These large-scale surveys represent a significant investment in Talisman’s highly prospective tenement portfolio. The geophysical surveys have the potential to shorten the discovery timeline on Talisman’s tenure by several years by focusing exploration effort in areas most likely to return an economic discovery, including by potentially indicating the presence of blind mineralisation concealed below cover. The surveys will also greatly enhance Talisman’s understanding of sub-surface geology and structure in the area and provide further data for interpretation of regional and prospect-scale structures hosting mineralisation.

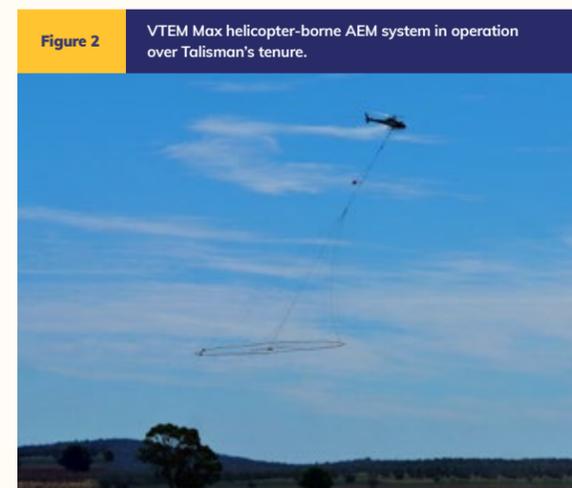


Figure 2 VTEM Max helicopter-borne AEM system in operation over Talisman’s tenure.

Regional Airborne Gravity Gradiometry (AGG) Survey

Talisman contracted XCalibur Aviation (Australia) Pty Ltd to fly an Airborne Gravity Gradiometry (AGG) survey using the proprietary FALCON® AGG system. FALCON is the world’s most advanced airborne gravity gradiometer technology and provides high-quality gravity data to a resolution of 50m or better. The survey was flown during the third quarter of the financial year at a 200m line spacing and covered 15,456 line kilometres.

Data processing and interpretation was completed by Talisman’s geophysical consultants during the last quarter of the financial year with over 50 gravity anomalies identified³ where existing geological interpretation cannot account for the gravity response returned from the survey (Figure 3). Of these anomalies, 10 have been identified as high priority for follow-up due to the significance of the anomalism, coincidence with other prospective features or their location on regional structural lineaments known to host mineralisation (Figure 3).

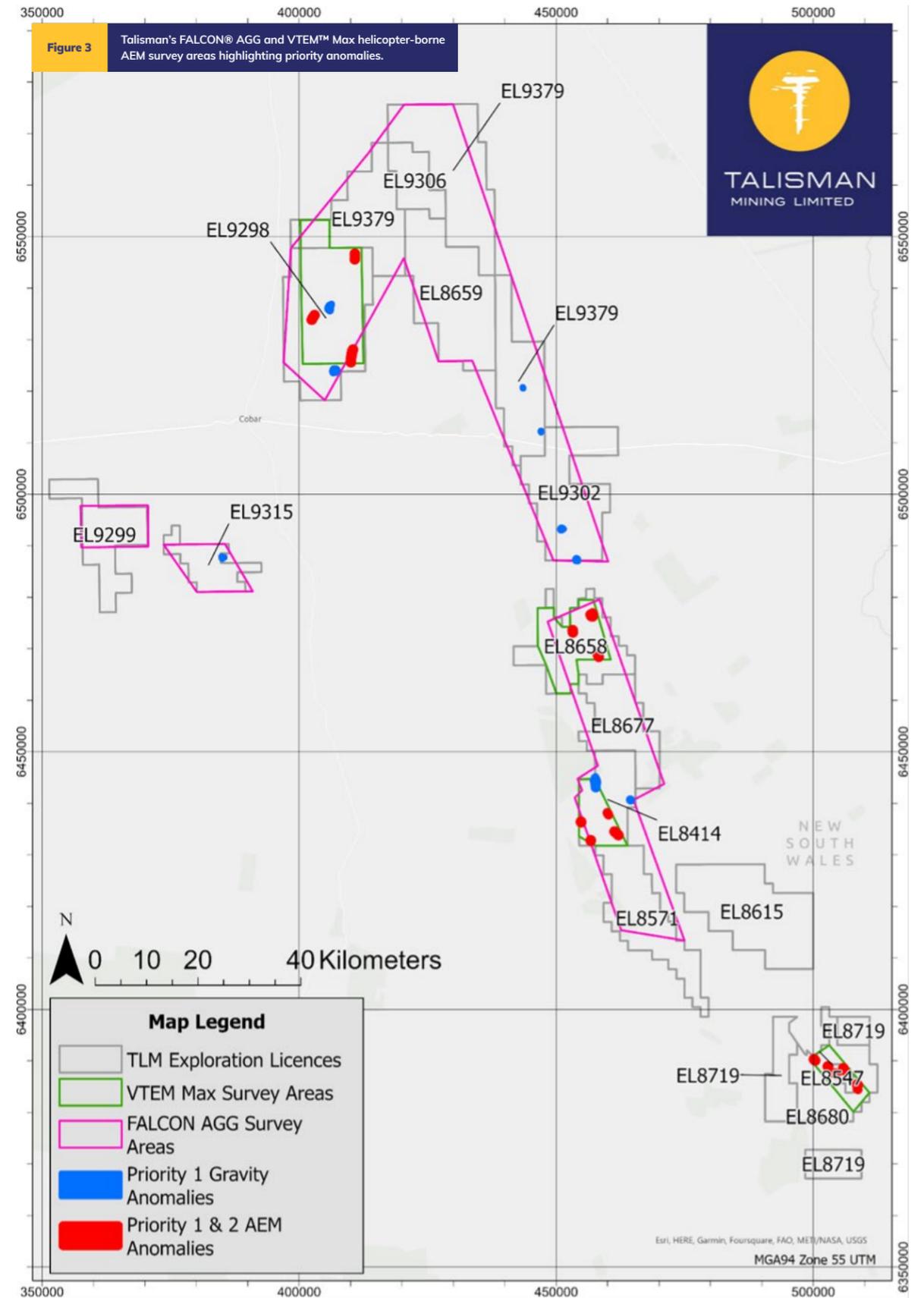
Targeted Airborne Electromagnetic (AEM) Survey

In parallel with the regional AGG survey, Talisman contracted UTS Geophysics Pty Ltd to undertake a targeted Airborne Electro-Magnetic (AEM) survey using the VTEM™ Max helicopter-borne AEM system (Figure 2). Targeting for these survey areas was assisted by the exploration review conducted by Dr Jon Hronsky in mid-2021⁴. The survey was flown over areas assessed as having the highest potential for sulphide orebodies during the third and fourth quarters of the financial year after encountering a number of delays (related to unsuitable weather conditions, COVID-19 and equipment failure) at a 200m line spacing and covered 6,285 line kilometres (Figure 3).

Talisman’s geophysical consultants completed data processing and interpretation of the AEM data subsequent to the financial year end. Over 20 anomalies⁵ have been identified which require further investigation, with each anomaly ranked by geophysical character, interpreted surrounding geology, and any known mineralisation. Talisman has identified three of these anomalies for immediate follow-up work due to their location near known mineral occurrences (Figure 3).

Preliminary exploration work, including geological mapping and regolith sampling on both AGG and AEM high priority anomalies is currently in progress to assist in prioritisation and preparation for potential drill testing during the next financial year.

3 - Refer Talisman ASX announcement dated 26 July 2022 for full details.
 4 - Refer Talisman ASX announcement dated 6 May 2021 for full details.
 5 - Refer Talisman ASX announcement dated 5 September 2022 for full details.



Kaolin Shaft Prospect (EL8680)

During the financial year, Talisman completed a ten-hole 1,894-metre RC percussion drill program⁶ testing a highly prospective gold-in-soil anomaly at the Kaolin Shaft prospect (Figure 4). Drill-hole depths ranged from 150m to 242m with the holes intersecting zones hosting disseminated base metal sulphides and zones of silica-sericite ± pyrite alteration within rocks of the Canbelego-Mineral Hill Volcanic Belt.

Several zones of polymetallic mineralisation were intersected, with visual sphalerite, chalcopyrite and galena consistent with intersected lead, zinc and copper mineralisation. The gold-in-soil anomaly over the area was confirmed by the intersection of multiple near-surface gold intercepts of >1g/t Au.

Down-hole electromagnetic (DHEM) surveys were undertaken on holes KSRC0009 and KSRC0012⁷ and whilst the DHEM survey results were inconclusive in delineating further definitive conductors in the area, they did indicate that the area has a high conductive background. Petrological examination of drill intervals associated with mineralisation suggests the disseminated nature of sulphides present may not return an individual conductive response⁴.

Peak grades across all drilling as sampled on two metre intercepts were 4.87% Zn (hole KSRC0009 90-92m), 2.61% Pb (hole KSRC0008 20-22m), 0.37% Cu (hole KSRC0007 178-180m), 1.58g/t Au (hole KSRC0008 16-18m) and 60.8g/t Ag (hole KSRC0003 6-8m)³.

Separate zones of enrichment in base and precious metals suggest multiple phases of enrichment within the same system, increasing the prospectivity for the discovery of further polymetallic mineralisation. Mineralisation remains open to the south and east under increasing cover presenting a further target area for follow-up work.

In addition to the RC drilling results, preliminary analysis and 3D interpretation of AEM survey data suggests the polymetallic mineralisation at both the Kaolin Shaft and nearby Durnings prospects may be the up-dip expression of a much larger mineralisation source - located approximately 900m to the north-east. This interpreted mineralisation source is situated at the convergence and intersection of two geological structures understood to be associated with the Mineral Hill mine and the nearby Wilmatha Cu-Au Porphyry prospect⁵.

Talisman has also identified NE-SW structures which crosscut the Kaolin Shaft and Durnings prospects and have been interpreted to extend directly into the proposed mineralisation source area. These structures may be a contributing conduit which accommodated up-dip migration of mineralisation away from the interpreted source. Geological modelling also indicates strata-bound mineralisation, further supporting a mineralised-fluid migration model⁵.

The conductive response at both the Kaolin Shaft and Durnings prospects shows a low-moderate angle north-eastern dip toward the intersecting main structures and the interpreted mineralisation source area (Figure 5). Further work on the prospect will include follow-up drilling to investigate potential extensions of mineralisation into this interpreted mineralisation source area.

6 - Refer Talisman ASX announcement dated 30 March 2022 for full details including JORC tables.

7 - Refer Talisman ASX announcement dated 6 June 2022 for full details including JORC tables.

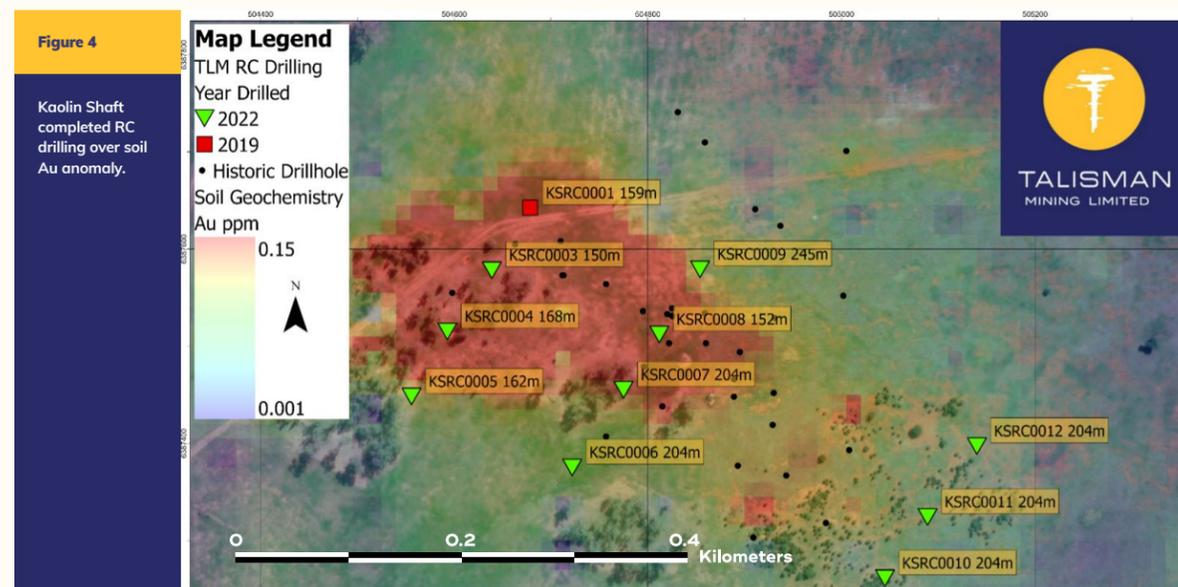
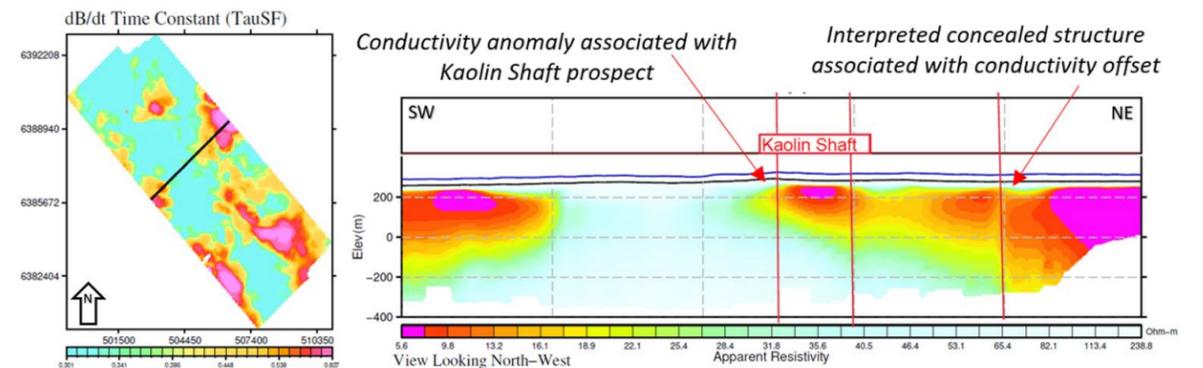


Figure 5 Conductivity plan view (TauSF) and Resistivity Depth Image across Kaolin Shaft, showing interpreted structure to north-east.



Murrays Mine Prospect (EL8719)

A six-hole 934-metre RC percussion drill program at the Murrays Mine prospect was completed during the financial year⁶. This drilling targeted down-plunge extensions of known vein-hosted mineralisation occurring within Girilambone Group pelitic metasediments and to also test potential mineralised extensions to the north based on a gold-in-soil anomaly⁸. Drilling intersected several stockwork veined zones of graphitic and sulphidic schist containing visual arsenopyrite, pyrite and fine-grained sphalerite.

Zones of mineralisation were best developed within hole MMRC0003, which returned 20m @ 0.55g/t Au from 148m including 2m @ 1.52g/t Au from 156m (Figure 6)³. Gold mineralisation intersected in MMRC0002 and MMRC0003 is consistent with the strike of an interpreted gold-bearing structure related to surface workings that produced gold from surface occurrences of similar lithology and mineral associations. Mineralised zones are observed to thicken at depth towards the west and may present a further exploration target for deep follow-up drilling.

Analysis of the cover and weathering profile from drill chips and geochemistry indicate that a thin veneer of transported cover is present across the targeted gold-in-soil anomaly, suggesting that it is a transported anomaly and not reflective of regolith or underlying basement geology. Future work at the Murrays Mine prospect will include step-out auger drilling to collect regolith sampling from beneath transported cover and possibly deeper drilling to determine the potential size of the gold-bearing system.

8 - Refer Talisman ASX announcement dated 17 January 2022 for full details including JORC tables.

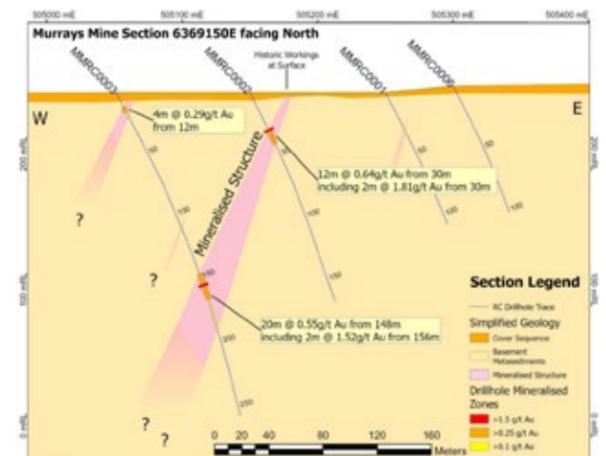


Figure 6 Murrays Mine Gold Prospect section 6369150E.

Carpina North Prospect (EL8571)

A total of twelve holes for 1,938m were completed⁶ during the financial year on the maiden drilling program at the Carpina North gold prospect to test a series of en-echelon style gold-in-soil anomalies⁹. Best intercepts from each hole are labelled in *Figure 7*, also showing the target gold-in-soil areas from soil sampling work. Where multiple intercepts were recorded in a hole, the highest-grade intercept is labelled. Where no significant intercept (assay result returned <0.25g/t Au) was encountered, the hole is labelled "NSI"³. Several holes intersected a graphitic and sulphidic zone, with pyrite-arsenopyrite sulphide dissemination visually similar to areas around the known gold mineralisation at the Murrays Mine Prospect.

Assays indicate significant pervasive gold mineralisation encountered through all drill-holes with significant intercepts in 11 of the 12 holes. Talisman's initial interpretation of the gold-in-soil anomaly and intersected lithologies is that the fine-grained silica hosting pyrite and arsenopyrite is analogous to silica capping and alteration zones common to the upper portions of a low-sulfidation epithermal gold system, similar to the Mount Boppy gold mine located further north along the eastern margin of the Cobar Basin. Significant gold results from the Carpina North drilling included:

- **CNRC0010**
 - 22m @ 0.44g/t Au from 104m down-hole, including;
 - 4m @ 0.89g/t Au from 122m down-hole
- **CNRC0012**
 - 2m @ 0.75g/t Au from 2m down-hole; and
 - 40m @ 0.51g/t Au from 24m down-hole, including;
 - 14m @ 0.84g/t Au from 44m down-hole³.

Future work on the Carpina North area will focus on the interpretation of the recently completed AGG survey data over the area, detailed geological mapping and widespread regolith sampling to determine vectors towards potential high-grade mineralised zones of the theorised epithermal system.

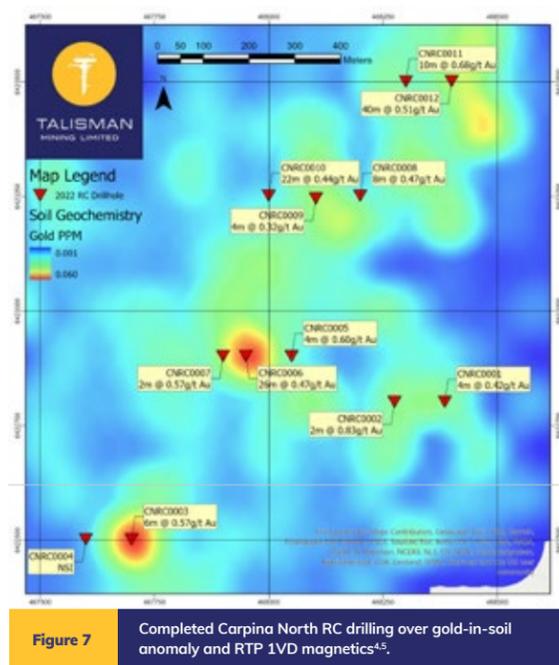


Figure 7 Completed Carpina North RC drilling over gold-in-soil anomaly and RTP 1VD magnetics^{4,5}.

Babinda Prospect (EL8658)

During the second-half of the financial year Talisman completed a five-hole 675-metre RC reconnaissance drilling program at the Babinda prospect (*Figure 8*) to test both the base metals potential along strike of historic drilling and also a distinct historic gravity anomaly¹⁰ on the western margin of a broad magnetic anomaly suggestive of a deeper intrusive source of mineralizing fluids¹¹.

The planned RC drilling of two further reconnaissance holes to test a conceptual base metals target in the north-west of the tenement identified during Talisman's regional targeting review in May 2021⁴ was postponed to the next financial year due to heavy rainfall making the proposed drill sites inaccessible.

Holes BBRC0001 to BBRC0004 reached target depth while BBRC0005 was terminated early at 85m due to water and collar issues. Significant drill results at the Babinda Copper Prospect (*Figure 8*) included:

- **BBRC0001**
 - 8m @ 0.25% Cu from 58m down-hole; and
 - 4m @ 0.5% Cu, 0.3% Pb, 0.8% Zn, 14.5 g/t Ag, 0.15g/t Au from 162m down-hole
- **BBRC0003**
 - 6m @ 0.3% Zn, 0.2% Pb, 0.1g/t Au from 58m down-hole
- **BBRC0004**
 - 2m @ 0.27% Cu from 2m; and
 - 6m @ 0.27% Cu from 22m⁵.

Initial geological modelling of the results shows a correlation between an intermediate volcanic intrusive (dolerite) and elevated copper mineralisation, as well as an unmineralised volcanic rock unit to the east. Multiple phases of volcanics are indicative of a favourable structural setting for intrusion related mineralisation potential.

Analysis is ongoing to determine the orientation of the mineralised intrusive volcanic which will be used as a potential vector for any additional drilling. Geological mapping of the Babinda Copper Prospect and an adjacent area of old copper workings (the Elaine Copper Prospect) is also underway to better understand the relationship between geological structure, intrusive phases and copper mineralisation across these prospect areas. The results from ongoing geological modelling will be used to aid a drill design following up on identified copper mineralisation.

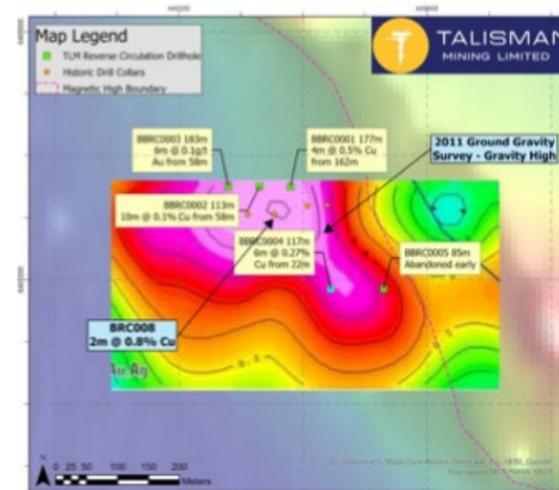


Figure 8 Recent Talisman Babinda RC collars and historic drilling¹⁰ over ground gravity high and intrusive magnetic high

¹² Refer Talisman ASX announcement dated 30 November 2018 for full details including JORC tables.

¹³ Refer Talisman ASX announcement dated 7 October 2021 for full details including JORC tables.

Noisy Ned Prospect (EL8677)

During the financial year, Talisman completed a 5-hole 1,196-metre RC drill program at the Noisy Ned prospect targeting a strong base metal anomaly identified from previous auger sampling, as well as following up on copper, lead, zinc and silver mineralisation in bedrock from previous RC drilling¹².

The objective of the drilling completed during the financial year was to extend the strike length of previously intersected base metal mineralisation, and to test an interpreted break in a rift forming structure associated with the Canbelego-Mineral Hill Rift Zone coincident with anomalous copper values identified in previous auger sampling (*Figure 9*).

RC drilling confirmed the presence of flat-lying to shallow-dipping, highly altered felsic volcanic rocks (rhyolites/dacites), overlying interbedded broader highly brecciated rhyolite and tuffaceous units. Strong to moderate siliceous alteration and pyrite sulphide mineralisation is pervasive throughout all the fresh bedrock encountered, indicating the presence of mineralising fluids having passed through this package of rock.

Assays have confirmed the presence of a base and precious metal mineralising system with drill-holes returning wide intercepts of anomalous copper, zinc and silver. These intercepts included:

- **NNRC0013**
 - 35m @ 0.13% Cu from 27m, inclusive of 2m @ 0.43% Cu and 7.18g/t Ag from 57m; and
 - 1m @ 0.64% Cu and 3.69g/t Ag from 79m
- **NNRC0014**
 - 19m @ 0.24% Cu and 0.21% Zn from 35m inclusive of 3m @ 0.61% Cu and 0.33% Zn from 39m; and
 - 1m @ 0.87% Zn from 71m; and
 - 1m @ 0.86% Zn from 220m
- **NNRC0015**
 - 1m @ 1.05% Zn from 91m
- **NNRC0016**
 - 1m @ 4.06% Zn from 75m
- **NNRC0017**
 - 14m @ 0.11% Cu, 1.99g/t Ag from 14m; and
 - 2m @ 0.63% Cu, 4.45g/t Ag from 107m¹³.

The mineralisation appears to be stratigraphically associated and partially oxidised due to its proximity to surface. The style and geometry of base metal and silver mineralisation suggests the presence of a larger Volcanically Hosted Massive Sulphide (VHMS) system, which Talisman will be seeking to further define in future work programs. Further, the isolated copper-in-soils anomaly to the north-west of the main Noisy Ned prospect area along the trend of the interpreted rift forming structure (*Figure 9*) remains untested and will be assessed as part of future work.

⁹ Refer Talisman ASX announcement dated 7 October 2021 for full details including JORC tables.

¹⁰ Refer RE0003828, Combined Seventh Annual and Final Report for EL6338, Babinda Project for the period 9 November 2010 to 8 November 2011.

¹¹ Refer Talisman ASX announcement dated 17 January 2022 for full details including JORC tables.

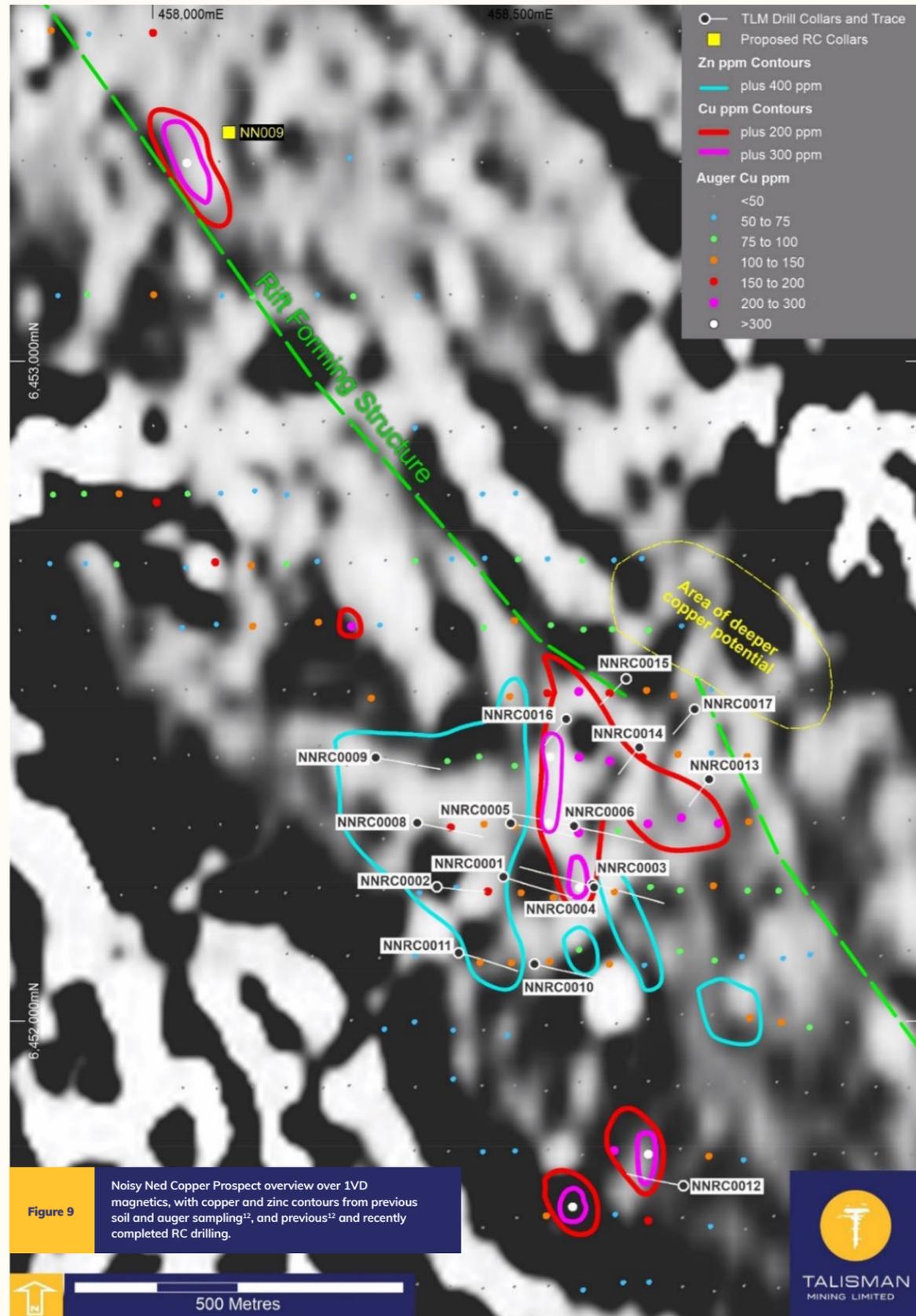


Figure 9

Noisy Ned Copper Prospect overview over 1VD magnetics, with copper and zinc contours from previous soil and auger sampling¹², and previous¹² and recently completed RC drilling.

Lucknow Gold Project

Talisman's Lucknow Project is located approximately 11kms southeast of the NSW town of Orange and is centred on the historic Lucknow Goldfield which was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. The Lucknow Project is a unincorporated joint venture between Talisman and privately owned Lucknow Gold Ltd (LGL) with Talisman, through its 100%-owned subsidiary Talisman B Pty Ltd (TLMB), acting as manager of the joint venture. Both joint venture parties contribute funds to future activities on the Lucknow Project based on their percentage interest (TLMB 51% and LGL 49%) to maintain their respective interests. Standard dilution clauses apply to the parties' interests and, should a party's interest dilute to below 10%, it will automatically convert to a net smelter royalty of 1.0%.

In the previous financial year Talisman completed its maiden two-hole diamond drilling program at the Lucknow Project with the subsequent geological interpretation suggesting that the prospective ultramafic contact has been offset to the north-west by a sinistral fault which is trending north-west and dipping moderately to the north-east. This newly interpreted target corridor to the north-west along the Lucknow Fault (Target Corridor) shows evidence of gold mineralisation in areas of minimal previous exploration (Figure 10).

On-ground exploration activities during the financial year at the Lucknow Project were restricted by regional COVID-19 outbreaks and the implementation of subsequent stay-at-home orders and by heavy rainfall limiting access to field locations.

Land-access agreement are required with local landholders in order to conduct exploration activities on the interpreted Target Corridor area, and due to the COVID-19 restrictions only a limited number of these agreements were concluded during the financial year. Limited soil sampling programs were completed late in the financial year with samples currently being dried in preparation for sieving and submission to commercial laboratories for assaying. Further land-holder engagement will be undertaken in the first half of the next financial year in order to facilitate completion of the soil sampling program to inform the next phase of work at the Lucknow Project.

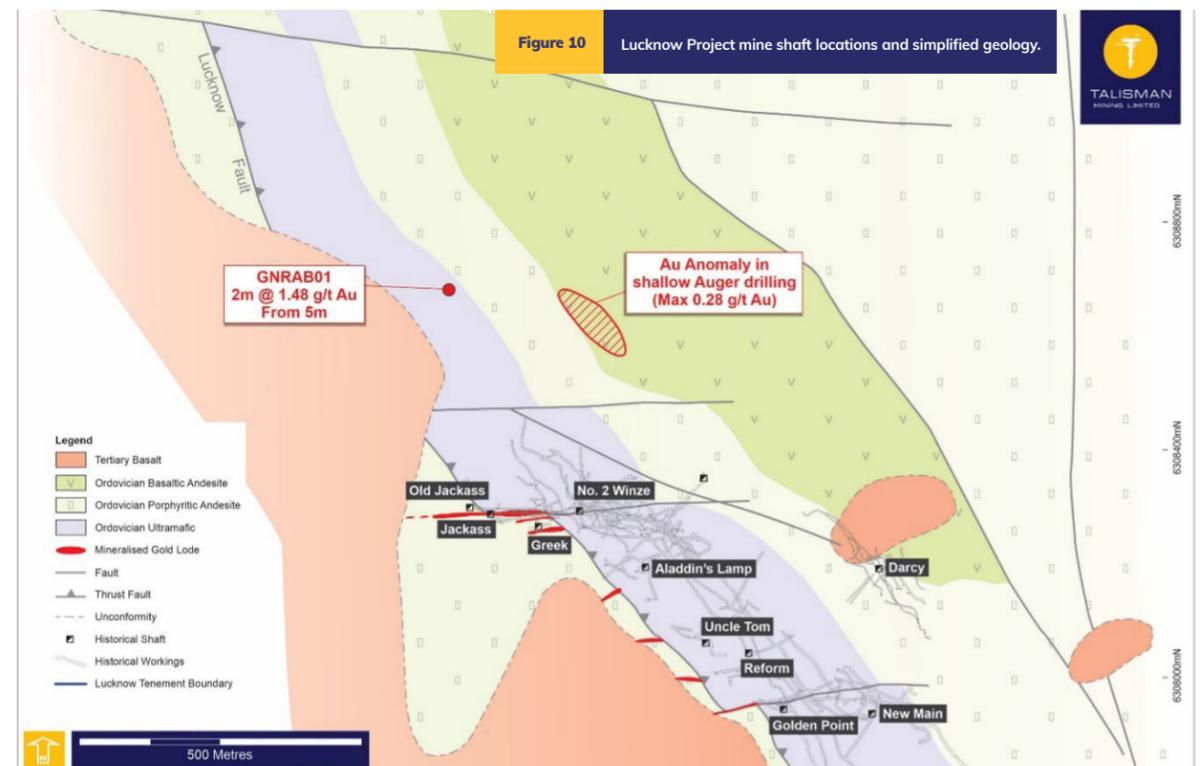


Figure 10

Lucknow Project mine shaft locations and simplified geology.

Competent Persons' Statement

Information in this report that relates to Exploration Results and Exploration Targets is based on information completed by Mr Russell Gregory, who is a member of the Australasian Institute of Geoscientists. Mr Gregory is a full-time employee of Talisman Mining Limited 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gregory consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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 report may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Limited's current expectations, estimates and assumptions about the industry in which Talisman Mining Limited operates, and beliefs and assumptions regarding Talisman Mining Limited'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 Limited. 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 report speak only at the date of issue of this report. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Limited does not undertake any obligation to update or revise any information or any of the forward looking statements in this report or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Tenement Schedule

Project / Tenement	Location and Blocks (Area)	Tenement Status	Talisman Equity (%)	Expiry Date	Joint Venture Partner
CENTRAL LACHLAN PROJECT New South Wales					
EL8615	(726km ²)	Granted	100%	07-07-23	NA
EL8659	(373km ²)	Granted	100%	18-10-23	
EL8677	(193km ²)	Granted	100%	08-12-23	Peel Mining Ltd
EL8414	(174km ²)	Granted	87%	02-12-24	
EL8547	(205km ²)	Granted	100%	03-04-28	
EL8571	(258km ²)	Granted	100%	23-05-25	
EL8658	(256km ²)	Granted	100%	13-10-22	
EL8680	(20km ²)	Granted	100%	08-12-22	
EL8719	(191km ²)	Granted	100%	27-03-24	
EL9298	(440km ²)	Granted	100%	30-09-27	NA
EL9299	(199km ²)	Granted	100%	30-09-27	
EL9302	(108km ²)	Granted	100%	13-10-27	
EL9306	(327km ²)	Granted	100%	30-09-27	
EL9315	(103km ²)	Granted	100%	27-10-27	
EL9379	(878km ²)	Granted	100%	28-03-28	
ELVIS PROJECT New South Wales					
EL8977	(463km ²)	Granted	100%	11-05-23	NA
EL9395	(75km ²)	Granted	100%	21-04-25	
EL9396	(229km ²)	Granted	100%	21-04-25	
HILLSTON PROJECT New South Wales					
EL8907	(1,043km ²)	Granted	100%	31-10-22	NA
EL9394	(399km ²)	Granted	100%	21-04-28	
DANDALOO PROJECT New South Wales					
EL9324	(474km ²)	Granted	100%	12-11-27	N/A
LUCKNOW PROJECT New South Wales					
EL6455	(29km ²)	Granted	51%	10-08-26	Lucknow Gold Ltd
OTHER New South Wales					
EL8451	(276km ²)	Granted	87%	16-07-25	Peel Mining Ltd

Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at www.talismanmining.com.au/about-us/corporate-governance.html under the heading marked "Corporate Governance Statement".

The following governance-related documents can also be found on the Company's website:

Company Purpose & Values

Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Committee

Constitution

- Constitution of Talisman Mining Limited

Board

- Code of Conduct
- Policy and Procedure for the Selection and (Re)Appointment of Directors
- Process for Performance Evaluation

Compliance, Controls and Policies

- Risk Management Policy
- Continuous Disclosure Policy
- Securities Trading Policy
- Diversity Policy
- Remuneration Policy
- Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy

Shareholder Communication

- Shareholder Communication and Investor Relations Policy

Directors' Report

Your Directors present their report together with the financial statements of the Group consisting of Talisman Mining Limited and the entities it controlled for the financial year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
<p>Kerry Harmanis Non-Executive Chairman 15 July 2020 - current</p>	<p>Chairman (Non-Executive/Non-Independent)</p> <p><i>Kerry Harmanis joined the Talisman board on 15 July 2020 and is one of Western Australia's most successful mining executives and investors. Kerry has been a major shareholder and strong supporter of Talisman since 2007 and currently holds an 18% stake in the Company.</i></p> <p><i>With a career spanning more than 40 years in the Australian exploration and mining industry, Kerry was the founder and Executive Chairman of Jubilee Mines NL, a highly successful West Australian nickel miner which he established in 1987.</i></p> <p><i>Through a combination of exploration success, focused project development and operational consistency, Jubilee Mines grew to become one of the most successful mid-tier miners on the ASX until its acquisition by Xstrata for A\$3.1 billion in October 2007.</i></p> <p><i>During this period, Kerry led a highly successful geological and operational team which helped Jubilee set new benchmarks on the ASX for shareholder returns in the resource sector.</i></p> <p><i>In the 3 years immediately before the end of the financial year, Kerry did not serve as a Director of any other ASX listed entities.</i></p>
<p>Jeremy Kirkwood BCom ANU Non-Executive Director 15 July 2020 - current Non-Executive Chairman April 2016 – 15 July 2020</p>	<p>Non-Executive Director (Independent)</p> <p><i>Jeremy Kirkwood joined Talisman in April 2016 and has extensive experience in corporate strategy, investment banking and global capital markets and provides invaluable strategic input and guidance to the Company's board and management team.</i></p> <p><i>Jeremy is a principal of Pilot Advisory Group and was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock. He has primarily worked in public markets, undertaking merger and acquisitions and capital raisings for companies principally in the metal and mining, energy and infrastructure sectors.</i></p> <p><i>In the 3 years immediately before the end of the financial year, Jeremy joined Joyce Corporation Ltd (ASX:JYC) as a Non-Executive Director on 14 January 2020 and was appointed Chairman on 1 December 2020. In February 2018 he was appointed as the Chairman of Kin Mining Ltd (ASX: KIN) where he remained until his resignation on 24 July 2019.</i></p> <p><i>Jeremy is the Chair of the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience, Jeremy is considered qualified to hold these responsibilities.</i></p>

Name	Particulars
<p>Brian Dawes B. Sc. Mining, MAusIMM Non-Executive Director 17 June 2009 – current</p>	<p>Non-Executive Director (Independent)</p> <p>Brian is a mining engineer with extensive international mining industry experience. He holds a BSc in Mining from the University of Leeds in the United Kingdom and is Member of the Australasian Institute of Mining and Metallurgy.</p> <p>Brian's diverse expertise covers all key industry aspects from exploration through the discovery, feasibility, funding, approvals, project construction, commissioning, operations, optimisation, logistics, marketing, and closure phases. This includes site management and corporate responsibilities in a diversity of challenging and successful underground and open pit operations across many commodities and geographies; mainly in copper, gold, nickel, zinc and lead, and iron ore. Prior to joining Talisman, Brian held senior positions with Jubilee Mines NL, Western Areas, LionOre Australia, WMC, Normandy Mining, and Aberfoyle.</p> <p>In the 3 years immediately before the end of the financial year, Brian has served as a non-executive director of Kin Mining Ltd (ASX: KIN) since 20 February 2018.</p> <p>Brian serves on the Company's Audit, Nomination and Remuneration Committees. With extensive industry experience and being financially literate, Brian is considered qualified to hold these responsibilities.</p>
<p>Peter Benjamin B.Sc. (Hons), Grad Dip (Exploration), (Bus Admin), GAICD, MAusIMM, FAIM Non-Executive Director 24 July 2019 - current</p>	<p>Non-Executive Director (Independent)</p> <p>Peter is an experienced geologist who has worked in the mining industry for more than 40 years, predominantly in senior exploration, project, operational and executive management roles with junior and mid-tier ASX-listed companies.</p> <p>These positions have included Managing Director of gold and copper explorer Kalamazoo Resources Ltd, General Manager Exploration and Geology for Iluka Resources Ltd and Divisional Project Manager for Newcrest Mining Ltd. These roles have included significant experience in the development and subsequent operations for open pit and underground precious, base metal and bulk mineral mines throughout Australia. During his career Peter has overseen large gold and base metal exploration programmes which have resulted in new mineral discoveries and significant extensions to Mineral Resources, Ore Reserves and thus mine life. This has also included operating exploration and project development programmes in the Lachlan Fold Belt of NSW, which is a key focus area for Talisman.</p> <p>Peter is Member of the Australian Institute of Mining and Metallurgy, a Graduate of the Australian Institute of Company Directors and a Fellow Graduate and Mentor at the Australian Institute of Management (Floreat).</p> <p>In the 3 years immediately before the end of the financial year, Peter did not serve as a Director of any other ASX listed entities.</p> <p>Peter is a member of the Audit, Nomination and Remuneration Committees. With his extensive geological and senior exploration management experience, Peter is considered qualified to hold these responsibilities.</p>
<p>Alex Neuling, BSc, FCA (ICAEW), FCIS Company Secretary 1 May 2016 - current</p>	<p>Company Secretary</p> <p>Alex Neuling is a Chartered Accountant and Chartered Secretary with extensive corporate and financial experience including as Director, Chief Financial Officer and / or Company Secretary of various ASX-listed companies in the mining, mineral exploration, oil & gas and other sectors.</p> <p>Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting which provides company secretarial and financial management consultancy services to a variety of ASX-listed and other companies.</p>

Principal activities

The principal activity of Talisman Mining Limited during the course of the financial year was exploration for base metals and other minerals, including copper, copper-gold, gold and nickel.

Review of operations and future developments

A detailed review of operations during the financial year and commentary on future developments is set out in the section titled "Review of Operations" in this Annual Report.

Significant changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Dividends

The Directors resolved that no dividend be paid for the year.

Financial performance and financial position

Financial performance

During the financial year, the Group reported an operating loss after tax of \$1.1 million (2021: loss after tax \$2.2 million). The Group reported an operating loss after tax from continuing operations of \$1.1 million (2021: loss after tax \$3.9 million).

Revenue for the year of \$6.5 million (2021: \$1.4 million) consisted primarily of royalty income from an uncapped 1% gross revenue royalty applicable to all metals produced and sold from the Wonmuna Iron Ore Mine.

Financial position

As at 30 June 2022, the Group had net assets of \$10.3 million (2021: \$11.2 million) including \$8.9 million of cash and cash equivalents (2021: \$9.9 million).

Subsequent events

There has not been any other matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, eleven board meetings, two audit committee meetings, one remuneration committee meeting and one nomination committee meeting were held.

Directors	Board of directors		Audit committee		Remuneration committee		Nomination committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Kerry Harmanis	11	10	2	2	1	1	1	1
Jeremy Kirkwood	11	11	2	2	1	1	1	1
Brian Dawes	11	11	2	2	1	1	1	1
Peter Benjamin	11	11	2	2	1	1	1	1

Note: Executive Directors attending committee meetings during the year attended all or part of the meeting by invitation of the relevant Committee.

Directors' shareholdings

The following table sets out each Director's relevant interest in shares, and options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares Number	Share Options Number
Kerry Harmanis	34,914,450	600,000
Jeremy Kirkwood	419,000	1,055,933
Brian Dawes	353,333	805,933
Peter Benjamin	277,200	805,936

Share options

Share options granted to Directors and key management personnel

At the date of this report, share options granted to the Directors and key management personnel of the Company and the entities it controlled as part of their remuneration are:

Directors and senior management	Number of options granted	Issuing Entity	Number of ordinary shares under option
Kerry Harmanis	600,000	Talisman Mining Limited	600,000
Jeremy Kirkwood	1,055,933	Talisman Mining Limited	1,055,933
Brian Dawes	805,933	Talisman Mining Limited	805,933
Peter Benjamin	805,936	Talisman Mining Limited	805,936
Shaun Vokes	1,369,000	Talisman Mining Limited	1,369,000
Russell Gregory	1,304,500	Talisman Mining Limited	1,304,500

Details of all unissued shares or interests under option as at the date of this report are:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,335	\$0.14	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.14	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,331	\$0.16	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.16	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,334	\$0.18	\$0.04	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,448	\$0.18	\$0.04	30-May-21
Talisman Mining Limited	18-Aug-21	18-Aug-23	325,000	\$0.31	\$0.09	18-Aug-22
Talisman Mining Limited	21-Apr-22	16-Dec-25	1,267,800	\$0.25	\$0.08	16-Dec-24
Talisman Mining Limited	17-Dec-21	16-Dec-25	2,871,400	\$0.25	\$0.07	16-Dec-24
Talisman Mining Limited	4-Jan-22	3-Jan-26	609,000	\$0.25	\$0.07	3-Jan-25
Talisman Mining Limited	5-Jan-22	4-Jan-26	642,900	\$0.25	\$0.07	4-Jan-25

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

Remuneration Report

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Talisman Mining Limited for the financial year ended 30 June 2022 and is included on page 25.

Environmental regulations

The Group's environmental obligations are regulated under both State and Federal legislation. Performance with respect to environmental obligations is monitored by the Board of Directors and subjected from time to time to government agency audits and site inspections. No significant or material environmental breaches have been notified by any government agency during the year ended 30 June 2022.

Indemnification and insurance of officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.



Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 24 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 32 and forms part of this Directors' report for the year ended 30 June 2022.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Rounding off of amounts

The Company has applied the relief available to it in ASIC Legislative Instrument 2016/191, and accordingly certain amounts included in this report and in the financial report have been rounded off to the nearest \$1,000 (where rounding is applicable), under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

Remuneration Report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Talisman Mining Limited for the year ended 30 June 2022. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel details

The key management personnel of Talisman Mining Limited during the year were:

Directors

Kerry Harmanis	Non-Executive Chairman
Jeremy Kirkwood	Non-Executive Director
Brian Dawes	Non-Executive Director
Peter Benjamin	Non-Executive Director

Other Key Management

Shaun Vokes	Interim Chief Executive Officer (Appointed 2 September 2020) Chief Executive Officer (Appointed 2 July 2021)
Russell Gregory	Exploration Manager (Appointed 2 August 2021)

Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year end.

Key Management Personnel (excluding Non-Executive Directors)

The Board is responsible for determining the remuneration policies for the Group, including those affecting Executive Directors and other key management personnel. The Board may seek appropriate external advice to assist in its decision making.

The Company's remuneration policy for Executive Directors and key management personnel is designed to promote superior performance and long-term commitment to the Group. The main principles of the policy when considering remuneration are as follows:

- Executive Directors and key management personnel are motivated to pursue long term growth and success of the Group within an appropriate control framework;

- interests of key leadership are aligned with the long-term interests of the Company's shareholders; and
- there is a clear correlation between performance and remuneration.

The remuneration policy for Executive Directors and other key management personnel comprises a mix of fixed remuneration and at-risk variable remuneration consisting of short term and long term incentives.

Fixed remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Remuneration Committee has access to external, independent advice where necessary.

Executive Directors and other key management personnel are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in the remuneration for key management personnel tables for the years ended 30 June 2022 and 30 June 2021.

Short term incentives

An annual short term incentive opportunity (**STIP**) exists for Executive Directors and other key management personnel. The STIP represents a cash-based incentive that provides for a meaningful proportion of the total remuneration package for Executive Directors and other key management personnel to be at-risk. Benefits under the STIP may only be realised on the achievement of targets linked to the Company's annual business objectives, prevailing economic conditions and individual commitment and performance. Potential rewards under the STIP only become payable at the absolute discretion of the Board. For the financial year ended 30 June 2022, there were no STIP awards paid or recommended by the Remuneration Committee.

Long term incentives

To align the interests of key management personnel with the long-term objectives of the Group and its shareholders, the Group's policy, having regard to the stage of development of its assets, is to issue share options under the shareholder approved 'Incentive Awards Plan' (IAP) and at the discretion of the Board, subject to shareholder approval for Directors. The issue of share options as remuneration represents cost effective consideration to Directors and key management personnel for their commitment and contribution to the Group and are used as a strategic tool to recruit and retain high calibre personnel.

Options issued under the IAP during the year vest after a fixed period during the life of the options (currently after 3 years) and value is only realised by Directors and key management personnel upon growth at a fixed premium to the 30-day volume weighted share price of the Company's share price from the date of the grant of the options. Vesting conditions relating to the performance of the Group are not considered appropriate having regard to the stage of development of the Group's assets. Participants in the IAP are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

In addition, under the IAP, if the Board makes a determination that in its opinion an optionholder has been dismissed or removed from office for a reason which entitles the Company to dismiss the optionholder without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company (whether or not charged with an offence) or has done any act which brings the Company and its related bodies corporate or any one of them into disrepute, the options held by that optionholder will lapse.

Non-Executive Directors

The Group's Non-Executive Directors receive fees (including statutory superannuation) for their services and the reimbursement of reasonable expenses. The fees paid to the Group's Non-Executive Directors reflect the demands on, and responsibilities of, the Directors. They do not receive any retirement benefits (other than compulsory superannuation). The Board decides annually the level of fees to be paid to Non-Executive Directors with reference to market standards.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Group's development. Such options vest across the life of the option and are primarily designed to provide an incentive to Non-Executive Directors to remain with the Group. Options issued to Non-Executive Directors are subject to shareholder approval.

A Non-Executive Directors' fee pool limit of \$300,000 per annum was originally approved by the shareholders at the General Meeting on 19 May 2008 and re-approved at the 30 June 2016 General Meeting. For the financial year ended 30 June 2022, this pool was utilised to a level of \$209,000 (inclusive of superannuation). The fee paid for the 2022 financial year to the Chairman was \$40,000 (excluding statutory superannuation) whilst each Non-Executive Director was paid \$50,000 per annum (excluding statutory superannuation).

Key terms of employment contracts

Remuneration and other terms of employment of Directors and key management personnel are formalised in an employment contract. The major provisions of the agreements related to the remuneration are set out below.

Key Management Personnel	Term of Agreement	Key Agreement Terms	Notice Period
Shaun Vokes	Three years (appointed 2 July 2021)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to six months' base salary.	3 months
Russell Gregory	Ongoing employment agreement (appointed 2 August 2021)	Termination benefit payable on early termination by the Group (other than for gross misconduct) is equal to three months' base salary.	3 months

Remuneration for Executive Directors and key management personnel consists of a base salary, superannuation and performance incentives. Long term performance incentives may include options granted at the discretion of the Board subject to obtaining the relevant approvals. The remuneration of the Chief Executive Officer is recommended to the Board by the Remuneration Committee. Remuneration of key management personnel (excluding Non-Executive Directors) is recommended annually by the Remuneration Committee in consultation with the Chief Executive Officer or equivalent.

Remuneration Philosophy

The Board recognises that the performance and continued success of the business depends upon the quality of its people. To ensure the Group continues to innovate and grow it must attract, motivate, and retain highly skilled directors, executives and employees. To deliver this, the philosophy of the Group in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre employees and to link a significant component of executive rewards to shareholder value creation. The size, nature and financial strength of the Group is also taken into account when setting remuneration levels so as to ensure that the operations of the Group remain sustainable.

In considering the Group's performance and impact on shareholder returns, the Board has regard to the following indicators of performance in respect of the current financial year and the previous four financial years:

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Revenue/Other Income (\$'000)	6,459	1,393	229	442	60
Net profit/(loss) after tax (\$'000)	(1,111)	(2,167)	(4,803)	46,236	(10,523)
Earnings/(loss) per share (\$)	(0.006)	(0.012)	(0.026)	0.249	(0.057)
Share price (\$)	0.140	0.205	0.165	0.078	0.285

Remuneration of key management personnel

Details of the nature and amount of each element of the remuneration for key management personnel during the year are set out in the following tables:

	Short-term employee benefits			Post-employment benefits	Long service leave accrual	Share-based payment	Total	% of compensation linked to performance
	Salary & fees ⁽ⁱ⁾	Bonus	Non-monetary	Super-annuation		Options (viii)		
2022 Directors								
Kerry Harmanis ⁽ⁱⁱ⁾	40,000	-	-	4,000	-	8,240	52,240	15.77%
Jeremy Kirkwood	51,667	-	-	3,333	-	3,057	58,057	5.26%
Brian Dawes	50,000	-	-	5,000	-	3,057	58,057	5.26%
Peter Benjamin	52,083	-	-	2,917	-	3,057	58,057	5.26%
Executives								
Shaun Vokes ⁽ⁱⁱⁱ⁾	329,217	-	-	30,750	-	17,990	377,957	4.76%
Russell Gregory ^(iv)	201,667	-	-	20,167	-	40,245	262,079	15.36%
	724,634	-	-	66,167	-	75,646	866,447	
2021 Directors								
Kerry Harmanis ⁽ⁱⁱ⁾	-	-	-	-	-	-	-	-
Jeremy Kirkwood	52,500	-	-	4,987	-	8,786	66,273	13.26%
Daniel Madden ^(v)	333,350	-	6,468	24,937	57,083	26,360	448,198	5.88%
Brian Dawes	36,950	-	-	17,800	-	6,151	60,901	10.10%
Karen Gadsby ^(vi)	17,500	-	-	1,663	-	6,151	25,314	24.30%
Peter Benjamin	50,000	-	-	4,750	-	24,200	78,950	30.65%
Executives								
Shaun Vokes ⁽ⁱⁱⁱ⁾	274,323	-	-	26,061	-	-	300,384	-
Anthony Greenaway ^(vii)	134,192	-	-	2,679	-	8,786	145,657	6.03%
	898,815	-	6,468	82,877	57,083	80,434	1,125,677	

(i) Cash salary and fees includes movements in annual leave provision during the year.
(ii) Appointed as non-executive Chairman on 15 July 2020. Under the terms of his initial appointment, Mr Harmanis elected not to receive a salary or be issued with any shares in his role. In December 2021 the Board resolved that Mr Harmanis be paid a salary of \$80,000 pa and be entitled to participate in the Company's long-term incentive plan.
(iii) Appointed as interim Chief Executive Officer 2 September 2020 and as Chief Executive Officer on 2 July 2021.
(iv) Appointed as Exploration Manager 2 August 2021.
(v) Ceased employment as Managing Director on 1 September 2020 and resigned as a non-executive director on 4 November 2020.
(vi) Resigned as a Non-Executive Director on 4 November 2020.
(vii) Ceased employment 7 August 2020.
(viii) The value of share-based payments shown in the table are non-cash values based on an accounting valuation calculated under the Black Scholes option pricing method. The values above represent the accounting expense recorded over the vesting period of the options. The options were granted in the 2019, 2020 and 2022 financial years.

Share-based remuneration granted as compensation

Options granted to directors during the financial year were approved by shareholders at an extraordinary general meeting of the Company on 21 April 2022. Options issued to other Company employees were issued under the Incentive Awards Plan. For details of share-based payments granted during the year refer to Note 17.

Name	During the financial year				
	Number granted	Number vested and exercisable	% of grant vested	% of grant forfeited	% of compensation for the year consisting of options ⁽ⁱ⁾
Kerry Harmanis	600,000	-	0%	0%	15.77%
Jeremy Kirkwood	222,600	-	0%	0%	5.26%
Brian Dawes	222,600	-	0%	0%	5.26%
Peter Benjamin	222,600	-	0%	0%	5.26%
Shaun Vokes	1,369,000	-	0%	0%	4.76%
Russell Gregory	1,304,500	-	0%	0%	15.36%

(i) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

Exercised

During the year, the following key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of Talisman Mining Limited.

Name	No. of options exercised	No. of ordinary shares of Talisman Mining Limited issued	Option value at date of exercise \$	Amount paid \$	Amount unpaid \$
Shaun Vokes	277,778	277,778	-	39,111	-

Forfeited / lapsed / cancelled options during the year

Name	Number forfeited/lapsed/cancelled during the year	Option value at date forfeited/lapsed/cancelled \$	Financial Year Granted
Jeremy Kirkwood	833,333	-	FY18/19
Daniel Madden	1,666,666	-	FY18/19
Brian Dawes	583,333	-	FY18/19
Karen Gadsby	583,333	-	FY18/19
Peter Benjamin	583,332	-	FY19/20
Shaun Vokes	555,555	-	FY18/19
Anthony Greenaway	833,333	-	FY18/19

The value of options forfeited, lapsed or cancelled during the year at the time of forfeiture, lapsing or cancellation was \$Nil.

Other Information

Shares held by Key Management Personnel

	Opening balance at 1 July	Balance on appointment	Shares received on exercise of options	Acquired on-market	Balance on resignation	Closing balance at 30 June	Balance held nominally
	Number	Number	Number	Number	Number	Number	Number
2022 Directors							
Kerry Harmanis	33,859,138	-	-	1,055,312	N/A	34,914,450	-
Jeremy Kirkwood	419,000	-	-	-	N/A	419,000	-
Brian Dawes	353,333	-	-	-	N/A	353,333	20,000
Peter Benjamin	170,058	-	-	107,142	N/A	277,200	-
Executives							
Shaun Vokes	308,767	-	277,778	540,000	N/A	1,126,545	-
Russell Gregory	-	-	-	56,961	N/A	56,961	-
	35,110,296	-	277,778	1,759,415	-	37,147,489	20,000
2021 Directors							
Kerry Harmanis	-	33,859,138	-	-	N/A	33,859,138	-
Jeremy Kirkwood	419,000	-	-	-	N/A	419,000	-
Daniel Madden	50,000	-	-	-	(50,000)	-	-
Brian Dawes	353,333	-	-	-	N/A	353,333	20,000
Karen Gadsby	311,334	-	-	-	(311,334)	-	-
Peter Benjamin	101,093	-	-	68,965	N/A	170,058	-
Executives							
Shaun Vokes	-	-	-	308,767	N/A	308,767	-
Anthony Greenaway	-	-	-	-	-	-	-
	1,234,760	33,859,138	-	377,732	(361,334)	35,110,296	20,000

Options held by Key Management Personnel

	Opening balance at 1 July	Granted as remuneration	Options Exercised	Options Lapsed / Cancelled / Forfeited	Balance on resignation	Closing balance at 30 June	Vested but not exercisable	Vested during the year	Vested and exercisable at 30 June
	Number	Number	Number	Number	Number	Number	Number	Number	Number
2022 Directors									
Kerry Harmanis	-	600,000	-	-	N/A	600,000	-	-	-
Jeremy Kirkwood	1,666,666	222,600	-	(833,333)	N/A	1,055,933	-	-	833,333
Brian Dawes	1,166,666	222,600	-	(583,333)	N/A	805,933	-	-	583,333
Peter Benjamin	1,166,668	222,600	-	(583,332)	N/A	805,936	-	-	583,336
Executives									
Shaun Vokes	833,333	1,369,000	(277,778)	(555,555)	N/A	1,369,000	-	-	-
Russell Gregory	-	1,304,500	-	-	N/A	1,304,500	-	-	-
	4,833,333	3,941,300	(277,778)	(2,555,553)	-	5,941,302	-	-	2,000,002
2021 Directors									
Kerry Harmanis	-	-	-	-	N/A	-	-	-	-
Jeremy Kirkwood	2,500,000	-	-	(833,334)	N/A	1,666,666	-	833,333	1,666,666
Daniel Madden	7,500,000	-	-	(2,500,000)	(5,000,000)	-	-	2,500,000	5,000,000
Brian Dawes	1,750,000	-	-	(583,334)	N/A	1,166,666	-	583,333	1,166,666
Karen Gadsby	1,750,000	-	-	(583,334)	(1,166,666)	-	-	583,333	1,166,666
Peter Benjamin	1,750,000	-	-	(583,332)	N/A	1,166,668	-	583,336	1,166,668
Executives									
Shaun Vokes	1,666,667	-	-	(833,334)	N/A	833,333	-	-	833,333
Anthony Greenaway	2,500,000	-	-	(833,334)	(1,666,666)	-	-	833,333	1,666,666
	19,416,667	-	-	(6,750,002)	(7,833,332)	4,833,333	-	5,916,668	12,666,665

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Jeremy Kirkwood
 Non-Executive Director
 Perth, 23 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Talisman Mining Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
23 September 2022

L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of Talisman Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Talisman Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Joint Operations – change in interest Note 19</p> <p>In the prior year the Group entered into two joint arrangements, the 51% jointly controlled Lucknow Gold Project and the 80% jointly controlled Mt Walton Project.</p> <p>During the year ended 30 June 2022, the Group gained a further 7% of the Mt Walton Project, increasing the Group's interest to 87%.</p> <p>These joint arrangements are both joint operations and the Group proportionately consolidates its share of the assets, liabilities, revenue and expenses of the Lucknow Gold Project and the Mt Walton Project.</p> <p>This is considered to be a key audit matter as it is material to the users of the financial statements, the accounting was complex and it involved the most communication with management.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> - Reviewing the agreements to understand their key terms; - Establishing that joint control existed and considering the type of joint arrangement in existence; - Ensuring that the joint arrangements were accounted for in accordance with AASB 11 <i>Joint Arrangements</i>; - Verifying the existence and fair value of assets and liabilities in the joint operations on formation; - Ensuring the change in holding has been correctly accounted for; and - Assessing the appropriateness of the disclosures included in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Talisman Mining Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
23 September 2022

L Di Giallonardo

L Di Giallonardo
Partner

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

	Note	30 Jun 22 \$'000	30 Jun 21 \$'000
Assets			
Current Assets			
Cash and cash equivalents	7	8,908	9,900
Trade and other receivables	8	1,347	1,333
Total Current Assets		10,255	11,233
Non-Current Assets			
Other receivables	8	13	13
Property, plant and equipment	9	398	201
Right-of-use assets	10	135	-
Intangible assets	11	-	19
Deferred exploration and evaluation expenditure	12	-	-
Total Non-Current Assets		546	233
Total Assets		10,801	11,466
Liabilities			
Current Liabilities			
Trade and other payables	13	356	304
Lease liabilities	14	66	-
Total Current Liabilities		422	304
Non-Current Liabilities			
Lease liabilities	14	76	-
Total Non-Current Liabilities		76	304
Total Liabilities		498	304
Net Assets		10,303	11,162
Equity			
Issued capital	15	32,122	31,966
Reserves	16	413	646
Accumulated losses	16	(22,232)	(21,450)
Total Equity		10,303	11,162

The accompanying notes form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Continuing operations			
Revenue	2	24	28
Other income	2	6,435	1,365
Exploration expenditure expensed as incurred	12	(5,499)	(2,858)
Employee benefits expense	2	(1,068)	(1,279)
Legal and corporate advisory expenses	2	(231)	(382)
Administrative expenses		(579)	(498)
Occupancy expenses	2	(19)	(65)
Finance costs		(8)	(13)
Depreciation and amortisation expense		(166)	(215)
Loss before income tax expense from continuing operations		(1,111)	(3,917)
Income tax expense	3	-	-
Loss after tax from continuing operations		(1,111)	(3,917)
Discontinued operations			
Profit after tax from discontinued operations	5	-	1,750
Net loss for the year		(1,111)	(2,167)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(1,111)	(2,167)
Earnings / (loss) per share:			
From continuing and discontinued operations:			
Basic loss per share (cents per share)	6	(0.59)	(1.16)
Diluted loss per share (cents per share)	6	(0.59)	(1.16)
From continuing operations:			
Basic loss per share (cents per share)	6	(0.59)	(2.10)
Diluted loss per share (cents per share)	6	(0.59)	(2.10)

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 Jun 22 \$ '000	30 Jun 21 \$ '000
		inflows/(outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(1,545)	(2,989)
Payments for exploration and evaluation		(5,588)	(3,066)
Finance costs		(8)	(13)
Interest received		24	28
Government grants		-	68
Royalty receipts		6,277	1,289
Net cash used in operating activities	7	(840)	(4,683)
Cash flows from investing activities			
Payments for property, plant and equipment		(283)	(24)
Proceeds from disposal of property, plant and equipment		46	6
Proceeds from disposal of royalty rights	5	-	1,750
Net cash provided by/(used in) investing activities		(237)	1,732
Cash flows from financing activities			
Proceeds from issue of shares		156	-
Repayment of lease liabilities	14	(71)	(86)
Net cash provided by/(used in) financing activities		85	(86)
Net (decrease) in cash held		(992)	(3,037)
Cash and cash equivalents at the beginning of the year		9,900	12,937
Cash and cash equivalents at the end of the year	7	8,908	9,900

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital \$ '000	Accumulated Losses \$ '000	Share-based Payments Reserve \$ '000	Total Equity \$ '000
Balance at 1 July 2021	31,966	(21,450)	646	11,162
Loss for the year	-	(1,111)	-	(1,111)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(1,111)	-	(1,111)
Shares issued during the year	156	-	-	156
Recognition of share-based payments	-	-	96	96
Unlisted options lapsed	-	329	(329)	-
Balance at 30 June 2022	32,122	(22,232)	413	10,303
Balance at 1 July 2020	31,966	(19,479)	765	13,252
Loss for the year	-	(2,167)	-	(2,167)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(2,167)	-	(2,167)
Recognition of share-based payments	-	-	92	92
Unlisted options forfeited	-	-	(15)	(15)
Unlisted options lapsed	-	196	(196)	-
Balance at 30 June 2021	31,966	(21,450)	646	11,162

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

Note 1: Statement of Significant Accounting Policies

Talisman Mining Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "TLM") and incorporated and operating in Australia.

The Company's Registered Office and its principal place of business are as follows:

Suite 1 Ground Floor / 33 Colin Street
West Perth
Western Australia 6005

The nature of the operations and principal activities of the Company are described in the Directors' Report.

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Talisman Mining Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated as permitted by the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

(b) Adoption of new and revised standards Standards and Interpretations applicable to 30 June 2022

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Standards and interpretations in issue not yet mandatory or early adopted.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue but not yet mandatory for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue but not yet mandatory on the Group and, therefore, no change is necessary to Group accounting policies.

No other new standards, amendments to standards and interpretations are expected to affect the Group's consolidated financial statements.

(c) Statement of compliance

The financial report was authorised for issue on 23 September 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising a Black Scholes model, using the assumptions detailed in Note 17.

(e) Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

(f) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights in an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Note 2: Revenue, Other Income and Expenses

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Interest revenue

Interest revenue from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

Royalty income

Royalty income represents the right to receive royalties from metals produced and sold by the operator of the mines in which the Group owns a royalty interest and are generally structured as a percentage of the gross revenue received by the producer for metals sold. The Group records income when control of the metals sold passes from the producer to the purchaser under the producers' relevant sales contracts.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

Government grants are presented as other income in the statement of profit or loss and other comprehensive income.

Revenue

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Bank interest	24	28
	24	28

Other Income

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Government grants	-	68
Royalty income	6,373	1,289
Other income	62	8
	6,435	1,365

Expenses

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Loss for the year includes the following expenses:		
Non-cash share based payment expense	96	77
Other employee benefits	972	1,202
Occupancy expenses	19	65

Legal and Corporate Advisory Expenses

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Corporate advisory fees	217	307
Other legal fees	14	75
	231	382

Note 3: Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

R&D tax rebates are presented with the government grant approach. The credit will be recognised in profit before tax over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. These periods will then depend on whether the R&D costs are capitalised or expensed as incurred.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:		
Accounting loss before income tax	(1,111)	(2,167)
Income tax expense / (benefit) calculated at 30% (2021: 26%)	(333)	(563)
Non-deductible expenses	29	20
Tax losses and deferred tax balances not recognised	304	543
Income tax benefit reported in the statement of profit or loss and other comprehensive income	-	-

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Unrecognised deferred tax balances		
Deferred tax assets comprise of:		
Tax losses carried forward	5,361	4,273
Impairment of financial assets	45	39
Provisions	-	14
Other deferred tax balances	5	-
	5,411	4,326
Deferred tax liabilities comprise of:		
Exploration expenditure capitalised	-	-
Other deferred tax balances	-	-
	-	-
Income Tax expense not recognised directly in equity during the year	-	-

The Company's unused tax losses arising in Australia are available indefinitely for offset against future taxable profits, subject to the Company passing the regulatory tests for continued use of the tax losses.

Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Segment Results

	Continuing Operations Regional Exploration \$ '000	Discontinued Operations Springfield and Sinclair \$ '000	Unallocated Items \$ '000	Consolidated \$ '000
30 June 2022				
Segment revenues / income	46	-	6,413	6,459
Segment profit / (loss) before income tax expense	(5,811)	-	4,700	(1,111)
Segment assets	1,274	-	9,527	10,801
Segment liabilities	(103)	-	(395)	(498)
30 June 2021				
Segment revenues / income	-	1,750	1,393	3,143
Segment profit / (loss) before income tax expense	(2,946)	1,750	(971)	(2,167)
Segment assets	1,070	-	10,396	11,466
Segment liabilities	(189)	-	(115)	(304)

Note 4: Segment Reporting

Talisman management has determined the operating segments based on the reports reviewed by the Board for strategic decision making. The Group operates in one geographical segment, being Australia and has identified the following continuing operating segment: Regional Exploration.

The discontinued operation in the prior period is identified as the sale (in April 2021) of net smelter return royalties which the Group held over the Sinclair and Waterloo Nickel Projects and the Springfield Copper-Gold Project all in Western Australia which realised cash consideration of \$0.75 million and \$1.0 million respectively. Refer to Note 5.

The Group's board and Exploration Manager are responsible for budgets and expenditures relating to the Group's Regional Exploration activities. Regional Exploration activities do not normally derive any income. Should a project generated by Regional Exploration activities commence generating income or lead to the development of a mining operation, that operation would then be disaggregated from Regional Exploration and become reportable in a different segment.

Note 5: Discontinued Operations and Assets and Liabilities Classified as Held for Sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

During the 2021 financial year, the Group completed royalty sale and purchase agreements with Northern Star Resources Limited (ASX: NST) for the purchase of the net smelter return (NSR) royalties over the Sinclair and Waterloo Nickel Projects in Western Australia and with Sandfire Resources Limited (ASX: SFR) for the purchase of the NSR royalty over the Springfield Copper-Gold Project also in Western Australia. These two transactions realised cash consideration of \$0.75 million and \$1.0 million respectively.

Profit after tax from discontinued operations

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
<i>Financial performance of discontinued operations</i>		
Profit on sale of royalty	-	1,750
Profit before income tax	-	1,750
Income tax	-	-
Profit after income tax	-	1,750

Cash flows

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	1,750
Net cash flows from financing activities	-	-
Net cash flows	-	1,750

Note 6: Earnings/Loss Per Share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The Group does not report diluted earnings per share on incurring an operating loss for the financial year, or in the event there are no dilutive potential ordinary shares in existence.

	30 Jun 22 cents	30 Jun 21 cents
Basic loss per share	(0.59)	(1.16)
Diluted earnings per share	(0.59)	(1.16)
Basic loss per share from continuing operations	(0.59)	(2.10)
Diluted loss per share from continuing operations	(0.59)	(2.10)

	\$ '000	\$ '000
Net loss for the year	(1,111)	(2,167)
Net loss for the year from continuing operations	(1,111)	(3,197)

	Number	Number
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	187,421,384	186,628,385

Note 7: Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Cash at bank and on hand	1,768	1,160
Short-term deposits	7,140	8,740
	8,908	9,900

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Loss for the year after tax	(1,111)	(2,167)
Adjustments for:		
Profit on sale of royalty	-	(1,750)
Depreciation and amortisation	166	216
Equity settled share-based payments	96	92
Unlisted options forfeited	-	(15)
Changes in net assets and liabilities		
<i>(Increase) in assets:</i>		
Trade and other receivables	(55)	(925)
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	64	(78)
Provisions	-	(56)
Net cash used in operating activities	(840)	(4,683)

Note 8: Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 45 days. There are no receivables at balance date that are past-due.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Current Assets		
Goods and services tax recoverable	112	166
Other debtors	1,210	1,151
Prepayments	25	16
	1,347	1,333
Non-Current Assets		
Other debtors – security bonds	13	13
	13	13

Note 9: Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Mine site plant and equipment	Units of Production
Buildings and Leasehold improvements	10 years
Office furniture and equipment	2-6 years
Motor vehicles	5-10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	Consolidated					
	Land and buildings \$ '000	Office furniture and equipment \$ '000	Leasehold improvements \$ '000	Plant and equipment \$ '000	Motor vehicles \$ '000	Total \$ '000
Year ended 30 June 2022						
At 1 July 2021, net of accumulated depreciation	-	84	14	-	103	201
Additions	220	16	43	-	64	343
Disposals	-	(11)	-	-	(47)	(58)
Depreciation charge for the year	(6)	(43)	(19)	-	(20)	(88)
	214	46	38	-	100	398
Year ended 30 June 2021						
At 1 July 2020, net of accumulated depreciation	-	135	21	-	126	282
Additions	-	6	-	-	-	6
Disposals	-	(7)	-	-	-	(7)
Depreciation charge for the year	-	(50)	(7)	-	(23)	(80)
	-	84	14	-	103	201
At 30 June 2022						
Cost or fair value	220	349	73	-	248	890
Accumulated depreciation	(6)	(303)	(35)	-	(148)	(492)
Net carrying amount	214	46	38	-	100	398
At 30 June 2021						
Cost or fair value	-	843	56	-	427	1,326
Accumulated depreciation	-	(759)	(42)	-	(324)	(1,125)
Net carrying amount	-	84	14	-	103	201

The carrying value of plant and equipment held under hire purchase contracts as at 30 June 2022 is nil (2021: nil).

Note 10: Right-of-use Assets

Carrying Value

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Cost	200	164
Accumulated depreciation	(65)	(164)
Carrying value at end of financial year	135	-

Reconciliation

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Opening balance at start of financial year	-	82
Additions	200	-
Depreciation expense	(65)	(82)
Closing balance at end of financial year	135	-

Note 11: Intangible Assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Software license

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Cost	168	168
Accumulated amortisation	(168)	(149)
Carrying value at end of financial year	-	19

Reconciliation

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Opening balance at start of financial year	19	47
Additions	-	22
Amortisation expense	(19)	(50)
Closing balance at end of financial year	-	19

Note 12: Deferred exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- the existence of a mineral deposit has been established however additional expenditure is required to determine the technical feasibility and commercial viability of extraction and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- the exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in the statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Upon approval for the commercial development of an area of interest, exploration and evaluation assets are tested for impairment and transferred to 'Mine properties and development'. No amortisation is charged during the exploration and evaluation phase.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	-	-
Expenditure incurred	5,499	2,858
	5,499	2,858
Exploration expensed as incurred	(5,499)	(2,858)
Carrying value at end of financial year	-	-

The recoupment of costs carried forward in relation to the areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or the sale of the respective areas.

	Life to date project expenditure expensed	Project Expenditure expensed in the period	Life to date project expenditure expensed	Project Expenditure expensed in the period
	30 Jun 22 \$ '000		30 Jun 21 \$ '000	
Lachlan Copper	15,656	5,278	10,378	2,180
Lucknow	1,049	6	1,043	676
Other Exploration Expenses	326	215	111	2
	17,031	5,499	11,532	2,858

Note 13: Trade and Other Payables

Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Current		
Trade payables	249	210
Employee benefits	76	53
Other payables	31	41
	356	304

Note 14: Lease liabilities

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Current liabilities	66	-
Non-current liabilities	76	-
	142	-

Reconciliation

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Opening balance	-	86
Additions	200	-
Principal repayments	(58)	(86)
Closing balance	142	-

The Group leases office premises in West Perth, Western Australia. The lease term is 3 years, expiring in July 2024.

Total cash outflow relating to leases for the period ended 30 June 2022 was \$70,689 (2021: \$86,179).

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

	Lease payments due		
	<1 year \$ '000	1-2 years \$ '000	Total \$ '000
Lease payments	72	79	151
Interest	(6)	(3)	(9)
Net present values	66	76	142

Lease payments not recognised as a liability

Lease payments expensed during the period and thus not included in the measurement of the lease liability are as follows:

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Short term leases	19	65

At 30 June 2022 the Group was committed to short-term leases giving rise to total commitments of \$3,600 (2021: \$Nil) at that date.

Note 15: Issued Capital

	30 Jun 22 \$	30 Jun 21 \$
Ordinary shares		
Issued and fully paid	32,122,454	31,966,023

	30 Jun 22		30 Jun 21	
	Number	\$	Number	\$
Movements in ordinary shares on issue				
At 1 July	186,628,385	31,966,023	186,628,385	31,966,023
Issue of shares ⁽ⁱ⁾	1,111,112	156,431	-	-
At 30 June	187,739,497	32,122,454	186,628,385	31,966,023

Fully paid ordinary shares carry one vote per share and carry the right to dividend.

(i) On the 8th and 27th of October 2021 the Company issued 833,334 and 277,778 shares to former and current employees of the Company respectively in satisfaction of conversion of employee options previously granted to executive and employees under the Company's long-term incentive plan.

Ordinary shares entitled the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share Options

The Company has one share-based payment option scheme under which options to subscribe for the Company's shares have been granted to certain Directors, other key management personnel and all employees, refer Note 17.

Note 16: Reserves and Accumulated Losses

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 17 for further details of these plans.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Reserves		
Share-based payment reserve	413	646
Balance at end of financial year	413	646

Movement in this reserve is set out in the Consolidated Statement of Changes in Equity.

Accumulated losses

Movements in accumulated losses were as follows:

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Accumulated Losses		
Balance at beginning financial year	(21,450)	(19,479)
Net loss for the year	(1,111)	(2,167)
Transfer on unlisted options forfeited/exercised	329	196
Balance at end of financial year	(22,232)	(21,450)

Note 17: Share-Base Payment Plans

Incentive Award Plan ("IAP")

The Group has an Incentive Award Plan ("IAP") for executives and employees of the Group. In accordance with the provisions of the IAP, as approved by shareholders at a previous Annual General Meeting, executives and employees may be granted options at the discretion of the Directors.

Each employee share option converts into one ordinary share of Talisman Mining Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is at the sole discretion of the Directors subject to the total number of outstanding options being issued under the IAP not exceeding 5% of the Company's issued capital at any one time.

Options issued to Directors under the IAP are subject to approval by shareholders and attach vesting conditions as appropriate.

The contractual life of each option granted is 4 years. There are no cash settlement alternatives.

The following options lapsed during the financial year:

Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date	Number Lapsed
11-Nov-16	31-Oct-21	40,000	\$0.46	\$0.32	30-Jun-19	(40,000)
11-Nov-16	31-Oct-21	40,000	\$0.50	\$0.32	30-Jun-20	(40,000)
07-May-19	31-Oct-21	1,388,890	\$0.14	\$0.04	30-Apr-20	(1,388,890)
07-May-19	31-Oct-21	2,499,999	\$0.16	\$0.04	30-Apr-20	(2,499,999)
07-May-19	31-Oct-21	2,499,999	\$0.18	\$0.04	30-Apr-20	(2,499,999)
27-Nov-19	31-Oct-21	194,444	\$0.14	\$0.03	30-Nov-20	(194,444)
27-Nov-19	31-Oct-21	194,444	\$0.16	\$0.03	30-Nov-20	(194,444)
27-Nov-19	31-Oct-21	194,444	\$0.18	\$0.03	30-Nov-20	(194,444)

The following options were exercised during the financial year:

Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date	Number Exercised
07-May-19	31-Oct-21	1,111,112	\$0.14	\$0.04	30-Apr-20	1,111,112

The following options were issued to Directors, executives and employees during the financial year:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	18-Aug-21	18-Aug-23	325,000	\$0.31	\$0.09	18-Aug-22
Talisman Mining Limited	21-Apr-22	16-Dec-25	1,267,800	\$0.25	\$0.08	19-Dec-24
Talisman Mining Limited	20-Dec-21	16-Dec-25	2,871,400	\$0.25	\$0.08	19-Dec-24
Talisman Mining Limited	04-Jan-22	03-Jan-26	609,000	\$0.25	\$0.08	03-Jan-25
Talisman Mining Limited	05-Jan-22	04-Jan-26	642,900	\$0.25	\$0.08	04-Jan-25

The following share-based arrangements were in place at the end of the financial year:

Issuing entity	Grant Date	Expiry date of options	Number of shares under option	Exercise price of options	Fair Value	Vested Date
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,335	\$0.14	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.14	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,331	\$0.16	\$0.05	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,444	\$0.16	\$0.04	30-May-21
Talisman Mining Limited	7-May-19	31-Oct-22	2,083,334	\$0.18	\$0.04	31-Oct-20
Talisman Mining Limited	27-Nov-19	31-Oct-22	194,448	\$0.18	\$0.04	30-May-21
Talisman Mining Limited	18-Aug-21	18-Aug-23	325,000	\$0.31	\$0.09	18-Aug-22
Talisman Mining Limited	21-Apr-22	16-Dec-25	1,267,800	\$0.25	\$0.08	19-Dec-24
Talisman Mining Limited	20-Dec-21	16-Dec-25	2,871,400	\$0.25	\$0.08	19-Dec-24
Talisman Mining Limited	04-Jan-22	03-Jan-26	609,000	\$0.25	\$0.08	03-Jan-25
Talisman Mining Limited	05-Jan-22	04-Jan-26	642,900	\$0.25	\$0.08	04-Jan-25

The weighted average exercise price of each share option at the end of the financial year was \$0.20 (2021: \$0.16).

The weighted average remaining contract life of each share option at the end of the financial year was 1.71 years (2021: 0.80 years).

There has been no alteration of the terms and conditions of the above share-based payment arrangements since grant date.

	30 Jun 22		30 Jun 21	
	Number	\$	Number	\$
Movements in options over ordinary shares on issue				
At 1 July	14,996,668	645,544	23,413,334	764,607
Directors' and employees' remuneration	5,716,100	96,499	-	91,856
Unlisted options forfeited	-	-	(333,332)	(14,544)
Unlisted options exercised	(1,111,112)	(44,520)	-	-
Unlisted options lapsed	(7,052,220)	(284,686)	(8,083,334)	(196,375)
At 30 June	12,549,436	412,837	14,996,668	645,544

The fair value of options granted during the year was \$436,571 (2021: \$Nil)

The fair value of the equity-settled share options granted under the incentive plan is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

21/22 Options Inputs into model ⁽ⁱ⁾	Option Tranche		
	2022E	2022D	2022A
Exercise price	\$0.25	\$0.25	\$ 0.31
Grant date share price	\$0.155	\$0.16	\$ 0.22
Expected volatility	81.5%	81.3%	98%
Risk-free interest rate	0.1%	0.1%	0.77%
Dividend yield (%)	Nil	Nil	Nil
Expected life of options (years)	4.00	4.00	2.00

(i) The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Note 18: Financial Instruments

(a) Introduction

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Capital risk
- Foreign currency risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's aim is to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Categories of financial instruments

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Financial assets		
Cash and cash equivalents	8,908	9,900
Receivables	1,347	1,346
	10,255	11,246
Financial liabilities		
Trade and other payables	356	304
Lease liabilities	142	-
	498	304

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually.

Credit risk in other receivables is managed by the Group undertaking a regular risk assessment process including assessing the credit quality of the counterparty, considering its financial position, past experience and other factors. As there are a relatively small number of transactions, they are closely monitored to ensure payments are made on time. Credit risk arising from royalty receivables is managed by a contract that stipulates payment terms and penalties for default. The Group does not have any significant receivables which are past due or impaired at the reporting date and it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

(d) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's and the Group's expected contractual maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial asset and liabilities based on the earliest date the Group can be required to repay. The tables include both interest and principal cash flows.

	Less than 1 month \$ '000	1 to 3 months \$ '000	3 months to 1 year \$ '000	1 to 5 years \$ '000	5+ years \$ '000	No fixed term \$ '000	Total \$ '000
2022							
Financial Assets							
Non-interest bearing	899	-	483	-	-	1,720	3,102
Variable interest rate	-	7,060	-	-	-	-	7,060
Fixed interest rate	-	-	80	13	-	-	93
	899	7,060	563	13	-	1,720	10,255
Financial Liabilities							
Non-interest bearing	299	-	57	-	-	-	356
Fixed interest rate	5	16	45	76	-	-	142
	304	16	102	76	-	-	498
2021							
Financial Assets							
Non-interest bearing	166	-	16	-	-	1,031	1,213
Variable interest rate	6,820	-	-	-	-	-	6,820
Fixed interest rate	-	3,080	120	13	-	-	3,213
	6,986	3,080	136	13	-	1,031	11,246
Financial Liabilities							
Non-interest bearing	264	-	40	-	-	-	304
Fixed interest rate	-	-	-	-	-	-	-
	264	-	40	-	-	-	304

(e) Interest rate risk

The Group is not exposed to interest rate risk on existing finance facilities as the Group's borrowings are at fixed interest rates for the respective terms of the facilities.

Some of the Group's assets are subject to interest rate risk but the Group is not dependent on this income.

Interest rate sensitivity analysis

The sensitivity analysis of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 50 basis points in interest rates taking place at the beginning of the financial year and held constant throughout the year.

At reporting date, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net loss would have reduced by \$44,138 (2021: net loss reduced by \$34,100).

(f) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity only, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues and debt funding to meet the funding requirements of the Group.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

(g) Foreign currency exchange rate risk management

The Group undertakes certain borrowing transactions denominated in United States Dollars, hence exposures to exchange rate fluctuations arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at balance date are as follows:

	Consolidated Liabilities		Consolidated Assets	
	2022 \$ '000	2021 \$ '000	2022 \$ '000	2021 \$ '000
US Dollars	-	-	1	1

Foreign currency sensitivity analysis

The sensitivity analysis below details the Group's sensitivity to an increase/decrease in the Australian dollar against the United States dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, including external loans within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower and adjusts their translation at balance date by a 1% increase in foreign currency rates

A 1% increase in the currency rate is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At balance date, if foreign exchange rates had been 1% higher and all other variables were held constant, the Group's

- net loss would increase by \$11 (2021: net loss increase of \$11) and
- equity reserves would increase/decrease by \$Nil (2021: \$Nil).

Note 19: Joint Operations

In November 2017, Haverford Holdings Pty Ltd ("Haverford"), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement ("FIA") with Peel Mining Limited (ASX:PEX, "Peel") over Peel's Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the Peel Tenements) in the Cobar Basin region of New South Wales. During the financial year, and in accordance with the terms of the FIA, Haverford earned a 75% interest in the Peel Tenements and formed an unincorporated joint venture (the "Mt Walton JV") with Peel. Haverford is the Joint Venture Manager. Subsequent to the formation of the Mt Walton JV, Peel elected to dilute part of its participating interest in the joint venture and both parties are now required to contribute funds to ongoing exploration activities on the Peel Tenements based on their participating interest (Haverford 87% and Peel 13%) in order to maintain their respective interests.

Additionally, in August 2019, Talisman B Pty Ltd ("TLMB"), a 100%-owned subsidiary of Talisman, entered into a Farm-In Agreement ("Agreement") with privately-owned Lucknow Gold Ltd ("LGL") over LGL's Lucknow Gold Project (EL6455) (Lucknow Project) in New South Wales. During the financial year, and in accordance with the terms of the Agreement, TLMB earned a 51% interest in the Lucknow Project and formed an unincorporated joint venture (the "Lucknow Gold JV") with LGL. TLMB acts as manager of the joint venture. Both parties are now required to contribute funds to future activities on the Lucknow Project based on their participating interest (TLMB 51% and LGL 49%) in order to maintain their respective interests.

The Group is entitled to a proportionate share of the income received and bears a proportionate share of the operation's expenses for each joint venture.

The joint operation accounts, which are proportionately consolidated based on the above equity percentages in the consolidated financial statements, are disclosed as follows:

Joint Operation	Operator	Jun 2022 Beneficial Interest	Jun 2021 Beneficial Interest
Mt Walton JV	Haverford Holdings Pty Ltd	87%	80%
Lucknow Gold JV	Talisman B Pty Ltd	51%	51%

The Group's interests in the assets/liabilities employed in the above Joint Operations are detailed below. The amounts are included in the financial statements under their respective asset categories.

Mt Walton JV	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Assets		
Cash and cash equivalents	306	461
Trade and other receivables	27	18
Total assets	333	479
Liabilities		
Trade and other payables	1	126
Total liabilities	1	126
Net assets	332	353
Carrying amount of interest in joint venture	332	353

Lucknow Gold JV	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Assets		
Cash and cash equivalents	18	23
Trade and other receivables	1	1
Total assets	19	24
Liabilities		
Trade and other payables	-	5
Total liabilities	-	5
Net assets	19	19
Carrying amount of interest in joint venture	19	19

The Joint Ventures have no contingent liabilities and capital commitments with the exception that in order to maintain current rights of tenure to exploration tenements, the Joint Ventures are required to perform exploration work to meet the activity obligation requirements specified by various State governments. These obligations are not provided for in the financial report and are payable as follows:

Mt Walton JV	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Exploration expenditure		
Within one year	200	112
After one year but not more than five years	322	304
Greater than five years	-	-
	522	416

Lucknow Gold JV	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Exploration expenditure		
Within one year	76	34
After one year but not more than five years	346	138
Greater than five years	-	4
	422	176

Note 20: Commitments and Contingencies

Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are not provided for in the financial report and are payable as follows:

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Exploration expenditure		
Within one year	1,831	1,150
After one year but not more than five years	2,700	1,599
Greater than five years	239	279
	4,770	3,028

If the Group decides to relinquish certain exploration tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Contingencies

There are no material contingent liabilities or assets as at 30 June 2022 and no contingent liabilities or assets were incurred in the interval between the period end and the date of this financial report.

Note 21: Related Party Disclosures

Other transactions with key management personnel

No member of the key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

Details of key management personnel

The key management personnel of Talisman Mining Limited during the year were:

Directors

Kerry Harmanis	Non-Executive Chairman
Brian Dawes	Non-Executive Director
Peter Benjamin	Non-Executive Director
Jeremy Kirkwood	Non-Executive Director

Executives

Shaun Vokes	Chief Executive Officer (appointed 2 July 2021)
Russell Gregory	Exploration Manager (appointed 2 August 2021)

Key management personnel compensation is disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited.

The total remuneration paid to key management personnel of the Company and the Group during the year was as follows:

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Short-term employee benefits	724,634	905,283
Post-employment benefits	66,167	82,877
Other long-term benefits	-	57,083
Share-based payments ⁽ⁱ⁾	75,646	80,434
Total key management personnel compensation	866,447	1,125,677

(i) The value of share-based payments shown in the table above are non-cash values based on an accounting valuation calculated under the Black Scholes option pricing method.

Note 22: Interest in Subsidiaries

The consolidated financial statements include the financial statements of Talisman Mining Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest		Investment	
		2022 %	2021 %	2022 \$	2021 \$
Haverford Holdings Pty Ltd	Australia	100	100	68,000	68,000
Talisman B Pty Ltd	Australia	100	100	1	1

Talisman Mining Limited is the ultimate parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Details of transactions between the Group and other related entities are disclosed below.

Note 23: Parent Entity Disclosures

The financial information for the parent entity, Talisman Mining Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Disclosures as at 30 June 2022 and for the year then ended in relation to Talisman Mining Limited as a single entity are noted in the following tables.

	30 Jun 22 \$ '000	30 Jun 21 \$ '000
Assets		
Current assets	9,333	10,176
Non-current assets	195	63
Total assets	9,528	10,239
Liabilities		
Current liabilities	318	115
Non-current liabilities	76	-
Total liabilities	394	115
Net assets	9,134	10,124
Equity		
Issued capital	32,122	31,966
Share based payment reserve	413	646
Accumulated losses	(23,401)	(22,488)
Total equity	9,134	10,124

	Year ended	
	30 Jun 22 \$ '000	30 Jun 21 \$ '000
(Loss) for the year	(1,242)	(2,730)
Other comprehensive income	-	-
Total comprehensive (loss)	(1,242)	(2,730)

Note 24: Auditor's Remuneration

The auditor of Talisman Mining Limited is HLB Mann Judd. Remuneration received by the auditors:

	30 Jun 22 \$	30 Jun 21 \$
Audit or review of the financial report	46,395	44,967
Other services – taxation compliance	3,600	-
Total Remuneration of Auditors	49,995	44,967

Note 25: Subsequent Events

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

Talisman Mining Limited

The Directors of the Company declare that:

1. the consolidated financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group;
2. the Chief Executive Officer of the Group has declared as required by Section 295A that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors



Jeremy Kirkwood
Perth, 23 September 2022

Additional Securities Exchange Information as at 21 September 2022

1. Number of Holders of Equity Securities

(a) Distribution of holders of equity securities

Range	No. of holders	Securities
1 to 1,000	160	74,016
1,001 to 5,000	486	1,503,646
5,001 to 10,000	443	3,675,849
10,001 to 100,000	854	32,718,469
100,001 and Over	282	149,767,517
Total	2,225	187,739,497

(b) Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(c) Less than marketable parcel of shares

The number of shareholders holding less than a marketable parcel is 459 (holding a total of 750,151 shares) given a share value of \$0.145 cents per share.

(d) Substantial Shareholdings:

Ordinary Shareholders	Fully paid ordinary shares	
	Number	%
Mr Kerry Kyriakos Harmanis	34,914,450	18.6%

Set out above is an extract from the Company's register of last substantial shareholder notices as received by the Company and/or lodged at the ASX. Shareholdings and percentages reported in the table are as reported in the most recent notifications received, however these may differ from current holdings as substantial holders are required to notify the Company only in respect of changes which act to increase or decrease their percentage holding by at least 1% of total voting rights.

2. Company Secretary

The name of the company secretary is Alexander Neuling.

3. Registered office and principal administrative office

Registered and principal administrative office:

Suite 1 Ground Floor, 33 Colin Street
West Perth, Western Australia 6005
Telephone +61 8 9380 4230

Registered securities are held at the following address:

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth, Western Australia 6000

4. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited

5. Restricted securities

There are no restricted securities or securities in voluntary escrow at the date of this report.

6. Twenty largest holders of ordinary shares

	Ordinary Shareholders	Number	%
1	HARMAN NOMINEES PTY LTD	11,111,111	5.92
2	TYCHE HOLDINGS PTY LTD	6,400,001	3.41
3	HARMANIS HOLDINGS PTY LTD	5,492,887	2.93
4	BNP PARIBAS NOMINEES PTY LTD	4,692,169	2.50
5	TYCHE HOLDINGS PTY LTD	3,850,000	2.05
6	TYCHE HOLDINGS PTY LTD	3,510,000	1.87
7	HARMANIS HOLDINGS PTY LTD	3,080,451	1.64
8	INVESTMENT HOLDINGS PTY LTD	2,500,000	1.33
8	JARHAMCHE PTY LTD	2,500,000	1.33
9	ARGONAUT SECURITIES (NOMINEES) PTY LTD	2,240,000	1.19
10	MR JOHN FORD	2,136,768	1.14
11	MR JONATHAN G BENNETT	2,123,901	1.13
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,080,612	1.11
13	CITICORP NOMINEES PTY LIMITED	1,917,940	1.02
14	SIREB PTY LTD	1,904,464	1.01
15	MR PETER CHARLES WIGHAM	1,740,500	0.93
16	REGENT CORPORATION 2001 PTY LTD	1,663,789	0.89
17	MR BRIAN ERNEST ZUCAL & MR STEPHEN BRIAN ZUCAL	1,550,000	0.83
18	SYDNEY FUND MANAGERS LIMITED	1,500,000	0.80
19	TYCHE HOLDINGS PTY LTD	1,470,000	0.78
20	MR KIERAN PATRICK AYLWARD	1,400,000	0.75

7. Unquoted equity securities

Class	Exercise Price	Expiry Date	Number	Number of holders
Unlisted options	0.14	31-Oct-22	2,277,779	10
Unlisted options	0.16	31-Oct-22	2,277,775	10
Unlisted options	0.18	31-Oct-22	2,277,782	10
Unlisted options	0.31	18-Aug-23	325,000	1
Unlisted options	0.25	16-Dec-25	4,139,200	8
Unlisted options	0.25	03-Jan-26	304,500	1

All options have no voting rights.

8. On-market buy back

At the date of this report the Company is not involved in an on-market buy-back.





TALISMAN
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