TALISMAN MINING LIMITED

ASX Code: TLM

ASX Media Release – 09 January 2017

Sinclair Nickel Exploration Update

Completion of follow-up Diamond and RC Drilling

Highlights

- Targeted follow-up diamond and RC drilling programs completed at several prospective areas within the Sinclair Nickel Project.
- Most assay results have now been received for RC and diamond drilling completed, with only one hole (SNRC025) pending.
- Downhole EM completed at Delphi North, Sinclair North and Parnassus.
- Nickel sulphides intersected in the first diamond drill hole of the current program (SND010) at Delphi North targeting down plunge extensions from previous drilling, including:
    - 2.52m @ 3.35% Ni from 206.66m down-hole, *including 1.55m @ 4.85% Ni from 206.66m and*;
    - 3.06m @ 1.60% Ni from 224.08m down-hole.
- Downhole EM conductor identified to the north and above SND010.
- Single diamond drill hole at Stirling intersected disseminated mineralisation within a high Mg-O ultramafic sequence – assays pending.
- Detailed interpretation of all results to be completed before determining subsequent Sinclair Nickel Project work program planned in the first quarter of 2017.

Talisman Mining Ltd (ASX: TLM) is pleased to announce the completion of follow-up diamond and reverse circulation (RC) drilling at its 100% owned Sinclair Nickel Project ("Sinclair").

A total of five areas were tested by measured program of RC and diamond drilling with results reinforcing the nickel fertility and high prospectivity of the Sinclair project area.

Following the integration of all assay, geology and geophysical data from the DHEM surveys, Talisman will conduct a comprehensive review of results generated from the program before determining the scope of the next exploration program at Sinclair in the first quarter of 2017.

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Capital Structure

Shares on Issue:
185,699,879 (TLM)

Options on Issue:
10,505,000 (Unlisted)

Delphi North

Delphi North is a high priority target corridor which displays strong correlation to the Sinclair mine geological environment. Nickel sulphide mineralisation has been confirmed over a strike length of 700m and the area has the potential to host significant nickel sulphide mineralisation.

A total of three diamond drill holes (SND010, SND012 and SND013) were completed for 877.3 metres which built on the results of a program of two RC fences completed in October 2016 (*Figure 1*).

Diamond drill hole SND010 was completed to test the potential for mineralisation down plunge from the previous RC drill program which intersected 4m @ 4.79% Ni from 154m down-hole (SNRC010[1]) and 9m @ 4.20% Ni from 131m down-hole (SNRC019[2]).

The first hole from the latest three-hole diamond drill program completed at Delphi North (SND010) returned several mineralised massive sulphide intersections (*Table 2*) including:

- 2.52m @ 3.35% Ni from 206.66m down-hole (*including 1.55m @ 4.85% Ni from 206.66m*); and
- 3.06m @ 1.60% Ni from 224.08m down-hole.

A subsequent DHEM survey completed on this hole identified an elongated, north plunging, high conductance EM plate at 15,000 Siemens, centred to the north and above SND010 (*Figure 2*).

A further two holes (SND012 and SND013) were drilled approximately 75m north of SND010 to test the interpreted EM conductor position generated from hole SND010. The two holes intersected a complex folded ultramafic sequence as observed in previous drilling. Hole SND013 intersected a narrow zone (*0.3m*) of visible massive nickel sulphides from 241.12m down hole, however assay results did not return any significant intersections (*greater than 1% nickel*).

Although the holes were successful in intersecting the initial interpreted EM target location from the survey undertaken on hole SND010, the recent drilling and DHEM results from SND012 and SND013 have significantly modified the previous EM interpretation and conductor position.

DHEM surveys of SND012 and SND013 have recorded two separate, smaller but very high conductance, off-hole EM plates on either side of the drilled section (*Figure 2*). The complex folded nature of the geology logged in all three drill holes, along with these modelled small, very high conductance EM plates, may indicate that the Delphi mineralised horizon has a highly deformed and discontinuous nature. Further integration and analysis of all available recent and historic data is required to be undertaken prior to planning the next phase of exploration.

[1] Refer to ASX release dated 7 October 2016 for full details including all appropriate JORC tables
[2] Refer to ASX release dated 27 October 2016 for full details including all appropriate JORC tables

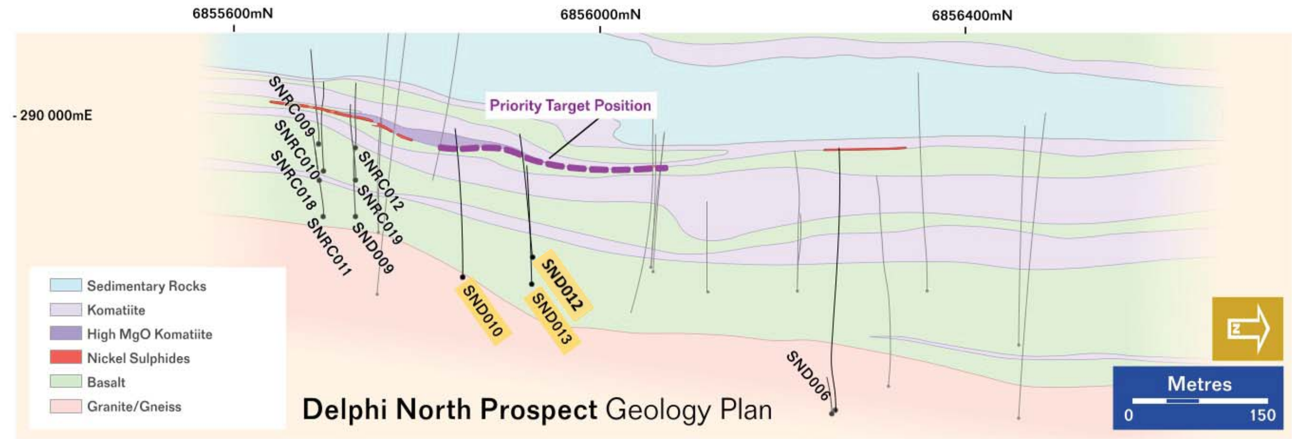

Figure 1: Delphi North drill collar plan showing recent and historic collar locations, simplified geology and Priority Target position

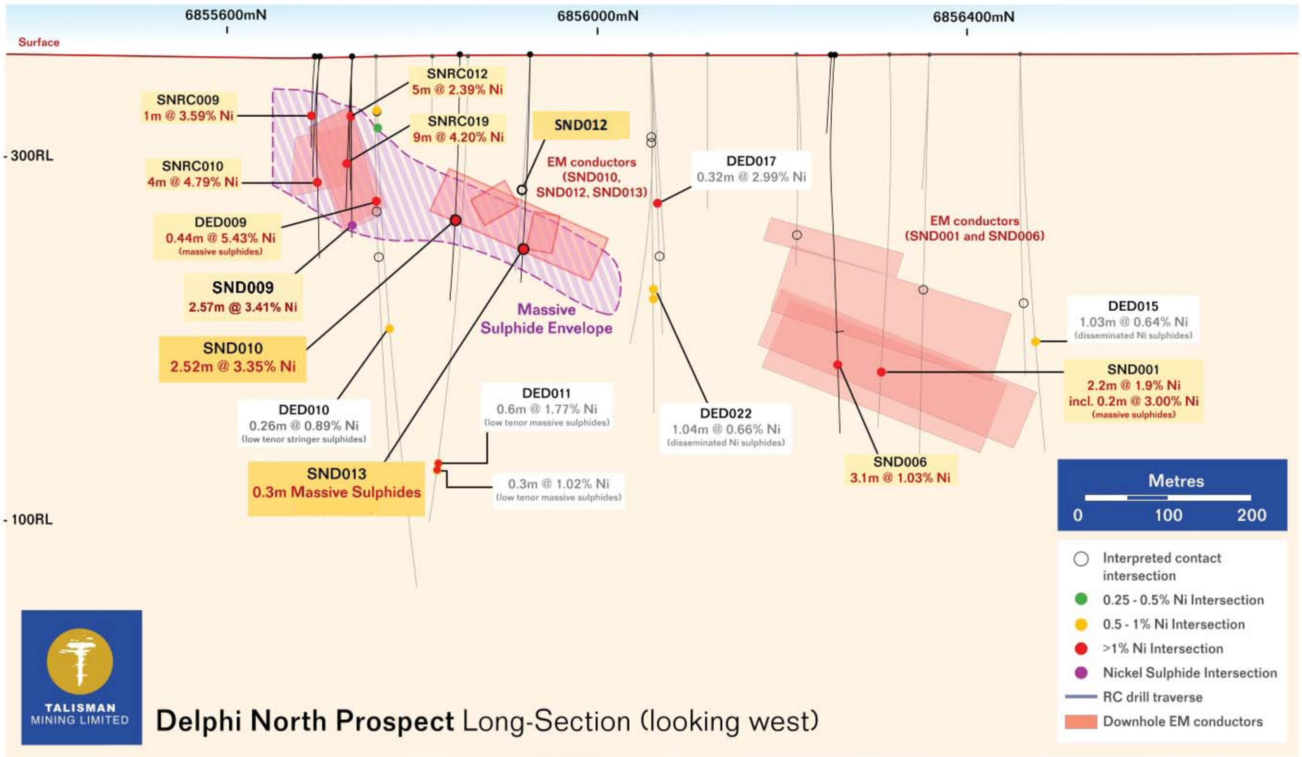

Figure 2: Delphi North projected long section showing new and existing Ni massive sulphide intersections, newly modelled (and historic) DHEM conductors for SND010, SND012 and SND03, and an interpreted Massive Sulphide Envelope.

Stirling

A single diamond hole (SND011) was completed at Stirling to a downhole depth of 358.3m (*Figure 3*). The hole was targeting an interpreted mineralised position based on recent reinterpretation by Talisman of historic DHEM and lithologies.

The diamond hole intersected stringer nickel sulphides in a basal contact position from 240.6 to 242.2 metres as well as visible disseminated and matrix nickel sulphide mineralisation within a high MgO ultramafic sequence from 246.8 to 247.7 metres. The nickel sulphide intervals are interpreted to represent a zone of highly deformed sulphides proximal to the targeted folded basal contact position. Assay results from sampling did not return any significant results (*greater than 1 metre at 1% nickel*).

Results from the DHEM survey of SND011 have indicated that a moderate conductance off-hole anomaly is located below and to the south of the drill hole. A weak in-hole anomaly has also been interpreted in the data, which is correlated to the narrow zone of nickel sulphides logged in the drill core.

SND011 is the first hole drilled by Talisman to test the conceptual position at Stirling. Further interpretation and incorporation of the new data into the existing exploration model is required and will be completed in early January prior to planning the next phase of exploration.

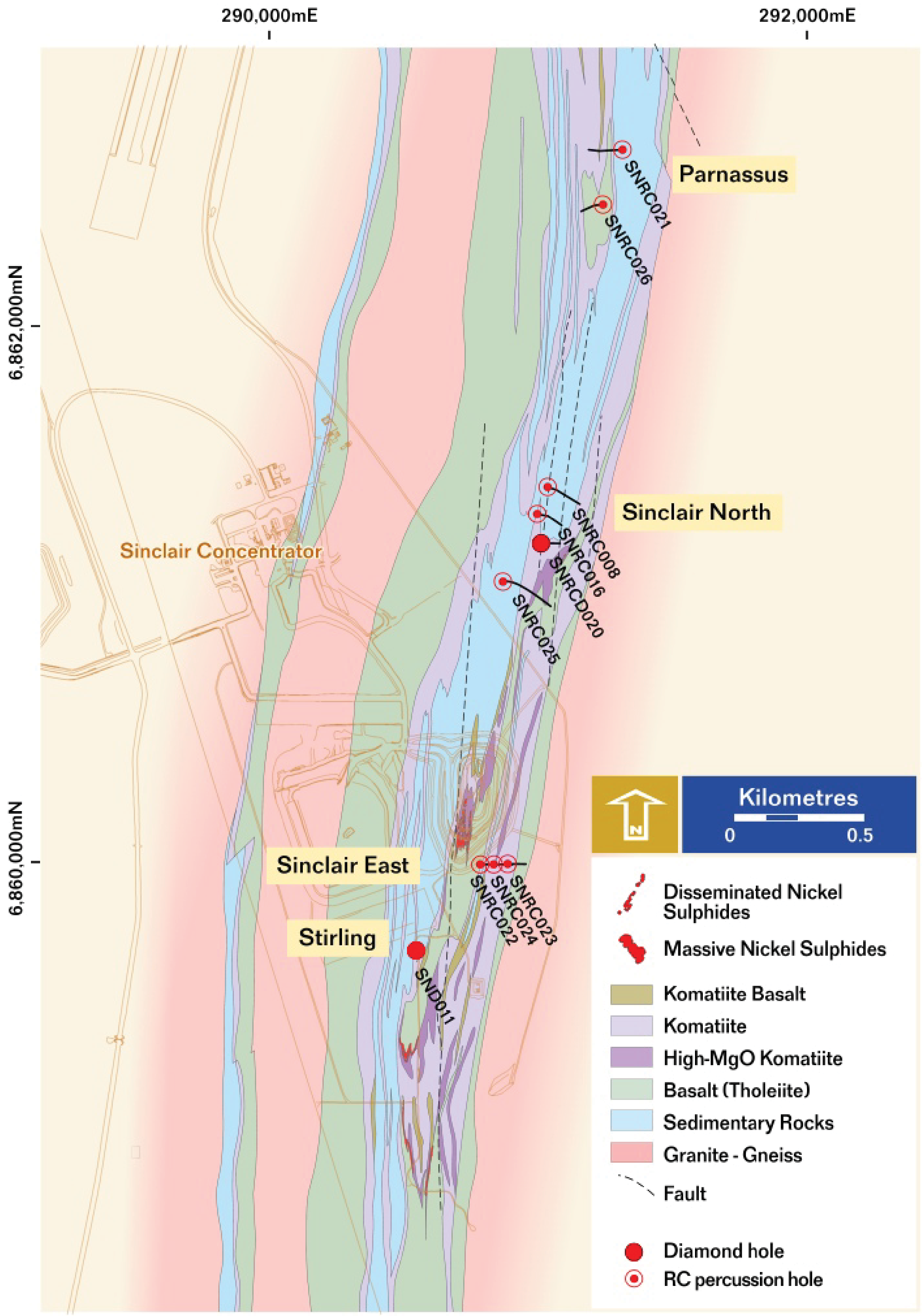

Figure 3: Sinclair Project drill collar location plan showing recent RC and diamond drill collars, mine infrastructure and simplified geology.

Sinclair East

A fence of three RC drill holes for 426m was completed (*Figure 3*) to test the shallow up-plunge position of the fertile ultramafic unit immediately east of the Sinclair deposit and existing mine infrastructure. Historic drilling at depth in this area returned 2.16m @ 2.12% Ni (CWD536B[3]).

Drilling in this shallower position intersected thick sequences of high MgO ultramafic rocks and an interpreted basal contact position. Assay results did not return any significant mineralisation.

There remains limited drilling to test the potential Sinclair East mineralised position and detailed analysis of the geological units encountered and litho-geochemical results, will inform Talisman's ongoing interpretation of this area.

Sinclair North

A total of four RC drill holes for 898m and a follow-up diamond tail of 70.9m in one hole was completed (*Figure 3*) at Sinclair North.

The program was testing the up-dip position of the Sinclair host ultramafic unit where very limited historic drilling has been completed. The target area is proximal to a historic drill intersection of disseminated nickel sulphides in a magnetic high anomaly.

Two of the holes intersected the interpreted basal contact position as well as the Sinclair ultramafic host unit and narrow intervals of stringer sulphides. Assay results have been received for three of the four holes, with no significant results returned to date. Results for the final outstanding drill hole are expected by mid-January. No visual mineralisation was logged in this hole.

DHEM surveys were completed in holes SNRC025 and SNRCD020. No new anomalies were observed in the data. A broad distant off-hole conductor was identified in the data from SNRC025, which is interpreted to coincide with the stratigraphic conductor (sediments) located to the west of the drill-hole.

Parnassus

A further two RC holes for 445m were completed at Parnassus (*Figure 3*) where historical drilling (CWWS003) has intersected an interpreted basal contact position and narrow intervals of disseminated nickel sulphides.

The two holes were targeting an interpreted overturned basal contact position and both holes intersected the target contact. Stringer nickel sulphides were intersected in one hole (SNRC026) internal to the ultramafic unit from 134 to 145 metres downhole, however assay results did not return any significant intersections.

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[3] Refer to ASX June 2016 Quarterly Activities Report dated 26 July 2016 for full details including all appropriate JORC tables

DHEM in hole SNRC026 was completed in late December, with final data modelling received in early January. The survey was completed to a depth of 140m down hole, with a blockage in the hole preventing the survey from continuing to the end-of-hole. Two anomalous responses were logged in the data. One is interpreted to coincide with the host stratigraphic conductive footwall sediments. The other, whilst poorly constrained due to the lack of data toward the bottom of the hole, is interpreted to represent a thin zone of stringer sulphides logged in the drill chips.

A detailed geological review of all data generated from the program will be completed in January prior to planning the next phase of exploration.

ENDS

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About Talisman Mining:

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman holds a 30% interest in the Springfield Joint Venture with Sandfire Resources NL (70% and JV manager). Springfield is located in a proven VMS province in Western Australia's Bryah Basin and contains multiple prospective corridors and active exploration activities. Springfield hosts the high-grade Monty copper-gold deposit which is located 10 kilometres from Sandfire's DeGrussa operations. Monty is one of the highest-grade copper-gold discoveries made globally in recent decades and a Feasibility Study on its development is due for completion in the first quarter 2017.

Talisman also holds 100% of the Sinclair Nickel Project located in the world-class Agnew-Wiluna greenstone belt in WA's north-eastern Goldfields. The Sinclair nickel deposit, developed and commissioned in 2008 and operated successfully before being placed on care and maintenance in August 2013, produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% nickel. Sinclair has extensive infrastructure and includes a substantial 290km2 tenement package covering more than 80km of strike in prospective ultramafic contact within a 35km radius of existing processing plant and infrastructure.

TALISMAN MINING LIMITED

Competent Person's Statement

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

Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

Table 1 – Drill-hole Information Summary, Sinclair Nickel Project

Details and co-ordinates of drill-hole collars for diamond and RC / diamond completed in the recent drilling campaign at the Sinclair Nickel Project.

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Prospect
Diamond Drilling									
SND007	MGA94_51	-62°	90°	289,661	6,853,658	412	RC/DDH	256.9	Delphi
SND008	MGA94_51	-60°	270°	288,848	6,851,860	412	RC/DDH	241.9	Delphi
SND009	MGA94_51	-62°	270	290,116	6,855,734	412	RC/DDH	252.9	Delphi North
SND010	MGA94_51	-60	270	290177	6855850	412	DDH	315.3	Delphi North
SND011	MGA94_51	-85	0	290546	6859680	411	DDH	358.2	Stirling
SND012	MGA94_51	-60	270	290155	6855925	411	DDH	273.8	Delphi North
SND013	MGA94_51	-60	270	290185	6855925	411	DDH	288.2	Delphi North
SNRCD020	MGA94_51	-68	90	290009	6861190	422	RC/DDH	267.9	Sinclair North
RC Drilling									
CWWS003	MGA94_51	-90	0	291132	6861424	428	RC	82	Historic Water Exploration
SNRC008	MGA94_51	-60	90	291035	6861405	422	RC	208	Sinclair North
SNRC013	MGA94_51	-61°	90	287,377	6,827,674	387	RC	196	Schmitz Well South
SNRC014	MGA94_51	-61°	90°	287,302	6,827,674	387	RC	208	Schmitz Well South
SNRC016	MGA94_51	-60	100	291000	6861300	422	RC	201	Sinclair North
SNRC021	MGA94_51	-60	260	291327	6862650	422	RC	238	Parnassus
SNRC022	MGA94_51	-60	90	290785	6860000	422	RC	190	Sinclair East
SNRC023	MGA94_51	-60	90	290886	6860000	422	RC	88	Sinclair East
SNRC024	MGA94_51	-60	90	290835	6860000	422	RC	148	Sinclair East
SNRC025	MGA94_51	-60	90	290879	6861050	422	RC	292	Sinclair North
SNRC026	MGA94_51	-60	270	291240	6862450	422	RC	208	Parnassus

Table 2 – Sinclair Nickel Project – Significant intersections

Significant intercepts for Ni percent are calculated using a 0.5% Ni cut off, where total intercept grade is greater than 1% over a minimum interval of 1m, including 2m of internal waste.

Hole ID	Depth From (m)	Depth To (m)	Interval (m)	Ni (%)	Cu (ppm)	Co (ppm)
SND007	No Significant Intercepts					
SND008	No Significant Intercepts					
SND009	173.8	176.4	2.57	3.41	1,131	973
	195.2	197.2	1.97	2.11	485	873
SND010	206.7	209.2	2.52	3.35	1,376	1,175
	224.1	227.1	3.06	1.60	685	308
SND011	No Significant Intercepts					
SND012	No Significant Intercepts					
SND013	No Significant Intercepts					
SNRCD020	No Significant Intercepts					
SNRC008	No Significant Intercepts					
SNRC013	No Significant Intercepts					
SNRC014	No Significant Intercepts					
SNRC016	No Significant Intercepts					
SNRC021	No Significant Intercepts					
SNRC022	No Significant Intercepts					
SNRC023	No Significant Intercepts					
SNRC024	No Significant Intercepts					
SNRC025	Assays Pending					
SNRC026	No Significant Intercepts					

Appendix 1: JORC Tables 1 & 2

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Drilling cited in this report by both Talisman Mining Ltd and historically by Xstrata Nickel Australasia Operations Pty Ltd (XNAO) between 2007 and 2012. • Sampling techniques employed at the Sinclair Project include saw cut diamond drill core (DD) samples in NQ2 size sampled on geological intervals (0.2 m to 2 m), cut into half (NQ2) core to give sample weights under 3 kg. Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples, • Samples were crushed, dried and pulverised (total prep) to produce a 1g sub sample for analysis by four acid digest with an ICP/OES or AAS finish.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Surface diamond drill-holes at the Sinclair Nickel Project were completed using wedge drilling techniques with up to 4 daughter holes drilled from a single parent drill hole. Both HQ and NQ2 diameter core was collected for logging and sampling purposes. RC drilling is completed with a face sampling hammer of nominal 140mm size. • All drill holes were routinely surveyed using downhole NSG Gyroscope survey tools. • All drill core was routinely orientated where possible at nominal 6m intervals using an EzyMark-OriBlock core orientation system.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sinclair diamond core recoveries were logged and recorded in the Sinclair Datashed database. Historic core recoveries exceed 95%. • RC sampling is good with almost no wet sampling in the project area. • Diamond core was reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths were checked against the depth given on the core blocks and rod counts were routinely carried out by the drillers. • No known relationship exists between sample recovery and grade and no sample bias is known.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Logging records lithology, mineralogy, mineralisation, alteration, structure, weathering, colour and other primary features of the rock samples and is considered to be representative across the intercepted geological units.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging is both qualitative and quantitative depending on the field being logged. • All drill-holes are logged in full to end of hole. • DD core is routinely photographed digitally.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sinclair diamond core is HQ and NQ2 size, sampled on geological intervals (0.2 m to 1.2 m), cut into half (NQ2) or quarter (HQ) core to give sample weights under 3kg Samples were selected to weigh less than 3kg to ensure total preparation at the pulverization stage. • RC samples are split using a cone or riffle splitter. A majority of RC samples are dry. On occasions that wet samples are encountered they are dried prior to splitting with a riffle splitter. • Samples were submitted to ALS Chemex Laboratories for preparation. The sample preparation follows industry best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 1g charge for 4-acid digest with an ICP-MS or AAS finish. • QAQC protocols for all diamond drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 25 with a minimum of 2 per batch. OREAS and Geostats standards were selected on their grade range and mineralogical properties. • All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis by XNAO. • Duplicate samples were inserted at a frequency of 1 in 25, with placement determined by Ni grade and homogeneity. • Sample size is considered appropriate for nickel sulphide mineralisation
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Sinclair drill samples were submitted to ALS Chemex Laboratories in Perth for multi-element analysis using a 1g charge with a multi-acid digest and ICP-MS or AAS finish (OG62). Analytes include Al, Fe, Mg, Mn, S, Ti, Ag, As, Co, Cr, Cu, Ni, Pb, V, Zn, Zr. • QAQC protocols for all drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 33 with a minimum of two per batch. OREAS and Geostats standards are selected on their grade range and mineralogical properties. • All drill assays are required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines. • All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis. Historic results for all standards and duplicates indicate most performing well within the two standard deviation limit. • Lab checks (repeats) occurred at a frequency of 1 in 25. These alternate between both the pulp and crush stages.

Criteria	JORC Code explanation	Commentary
		• Portable XRF instruments are used only for qualitative field analysis. No portable XRF results are reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intercepts have been verified by alternate company personnel • No twinned holes are being drilled as part of this program. • Logging and sampling data is captured and imported using Maxwell LogChief software. • All drill-hole, sampling and assay data is stored in a SQL server (Datashed) database. Assay data is reviewed via DataShed, QAQCR and other customised software and databases. Datashed software has numerous validation checks which are completed at regular time intervals. • Primary assay data is always kept and is not replaced by any adjusted or interpreted data.
Location of data points	• *Accuracy and quality of surveys used to locate drill-holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historic drill collars locations were picked up by Sinclair Mine Surveyors. • Talisman drill collar locations are pegged using a hand held GPS, and picked up by an independent survey contractor after completion of the drill hole. • All drill holes were routinely surveyed using downhole NSG Gyroscope survey tools. • The coordinate system used is the Geocentric Datum of Australia (GDA) 1994. Coordinates are in the Map Grid of Australia zone 51 (MGA).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill spacing at Sinclair was nominally 200m x 25m. • No mineral resource is being reported for the Sinclair Nickel Project. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of drilling is designed to intersect either geophysical targets or geological targets at high angle in order to best represent stratigraphy. • No significant orientation based sampling bias at Sinclair is known at this time. Drill-holes may not necessarily be oriented perpendicular to intersected stratigraphy or mineralisation. All reported intervals are down-hole intervals, not true widths.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored at the Sinclair Nickel Mine Site prior to submission under the supervision of the Senior Project Geologist. Samples were transported to ALS Chemex Laboratories Perth by an accredited courier service.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews of the sampling techniques and data have been completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Sinclair Nickel Project is held 100% by Talisman Nickel Pty Ltd, a wholly owned subsidiary of Talisman Mining Ltd. • There are no known Native Title Claims over the Sinclair Nickel Project. • All tenements are in good standing and there are no existing known impediments to exploration or mining.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Sinclair Nickel Deposit was discovered in 2005 by Jubilee Mines NL drill testing a ground EM anomaly. • M37/1275 hosts the Sinclair Nickel Mine which was operated by XNAO from 2007-2013 and produced approximately 38,500 tonnes of contained nickel metal. • Exploration work on has included diamond, RC and Air Core drilling, ground and down-hole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Sinclair project lies within the Archean aged Norseman-Wiluna Greenstone Belt. • The Sinclair Nickel Deposit is an example of an Archaean-aged komatiite-hosted nickel deposit, with massive nickel-iron sulphides hosted at or near the basal contact of high-MgO ultramafic lava channels with footwall basaltic volcanic and sedimentary rocks.

Drill-hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill-holes:*
	  ◦ *easting and northing of the drill-hole collar*
	  ◦ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill-hole collar*
	  ◦ *dip and azimuth of the hole*
	  ◦ *down hole length and interception depth*
	  ◦ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill hole information relating to the Sinclair Project is included in Table 1 Drill-hole Information Summary, Sinclair Project.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Significant intersections reported from the Sinclair Nickel Project are based on greater than 0.5% Ni and may include up to 1m of internal dilution, with a minimum composite grade of 1% Ni. • Ni grades used for calculating significant intersections are uncut. • A minimum diamond core sample interval of 0.15m and a maximum interval of 1m is used for intersection calculations subject to the location of geological boundaries.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length weighted intercepts are reported for mineralised intersections. • No metal equivalents are used in the intersection calculations.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Drill-holes relating to the Sinclair Nickel project are reported as down hole intersections. True widths of reported mineralisation are not known at this time.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill-hole collar locations and appropriate sectional views.*	• Appropriate maps with scale are included within the body of the accompanying document.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The accompanying document is considered to represent a balanced report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• This report includes results from both historic and recent Geophysical Surveys. Results from these surveys are included in the body of this report. • Parameters for the surface electromagnetic surveys include: o Configuration: Moving Loop EM (MLEM) o Line and station spacing: 200m x150m, infill 75m o TX Loop size: 300x300m double turn o Receiver: SMARTem o Sensor: High Temp SQUID • Parameters for the Down Hole Electromagnetic (DHEM) Surveys include: o Configuration: DHEM EM (MLEM) o Probe: DigiAtlantis & VTX100 Transmitting at 200amps o Loop size: 200x200m o 1.5ms turn-off time
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned future work at the Sinclair Nickel Project includes geophysical surveys, re-logging of historic diamond drill core and RC and Diamond Drilling.