



ASX Media Release – 13 June 2017

Sinclair Exploration Update

Planned Air-core drilling at Delphi, Schmitz Well South and new gold target at Sturt Meadows

Highlights

- Project wide targeting review has highlighted a number of early stage exploration targets warranting further work.
- Initial field reconnaissance and mapping completed at Fly Bore, Pink Well and Mt Clifford prospect areas.
- Air-core drilling program commencing for the prospective Delphi and Schmitz Well South areas where little historic exploration has been completed.
- Air-core drilling program planned for Sturt Meadows to follow up historic gold anomalism interpreted to be along strike from Bannockburn Gold Mine.

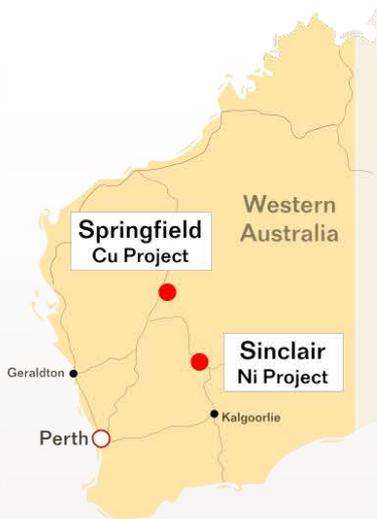
Talisman Mining Limited (ASX: **TLM**; “**Talisman**”) advises that the next program of on-ground exploration activities at the 100%-owned Sinclair Nickel Project (“**Sinclair**”) in WA is scheduled to commence shortly.

Following recent exploration and drilling campaigns at Sinclair, Talisman undertook a project wide targeting review that identified several prospective exploration targets that warrant further work. Detailed lithochemical assessment of the main ultramafic host units across the project has highlighted prospective areas that have undergone very little previous exploration. These areas are interpreted to represent highly favourable environments for the accumulation of massive nickel sulphides.

Field reconnaissance, geological mapping and outcrop sampling was completed in April, targeting the Fly Bore, Pink Well and Mt Clifford prospect areas (Appendix 1). This work will provide the basis for future drilling campaigns at these prospects which will be planned over the coming weeks.

A program of air-core drilling is scheduled for June. Drilling will target the Delphi and Schmitz Well South prospect areas and will provide geological and geochemical information in areas with little to no historic exploration.

Additional air-core drilling will target a gold-in-regolith anomaly identified from historic RAB drilling completed during the 1990’s. The area is along strike to the south of the Bannockburn Gold Mine, which produced 312,000 ounces of gold during the 1990’s.



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Capital Structure

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

Options on Issue:
9,705,000 (Unlisted)

Delphi Prospect

The Delphi prospect is located on the Sinclair Ultramafic Trend approximately 8km south of Sinclair, and 2.5km south of recent successful drilling results at Delphi North.

A series of air-core traverses are planned across an area covering approximately 500m of prospective ultramafic stratigraphy that has not been previously drilled (Figure 1). This area is interpreted to be highly prospective to host massive nickel sulphide mineralisation with previous drilling to both the north and south along strike highlighting a fertile ultramafic sequence and diamond drill hole SND007 (completed 2016) intersecting stringer and disseminated sulphides.

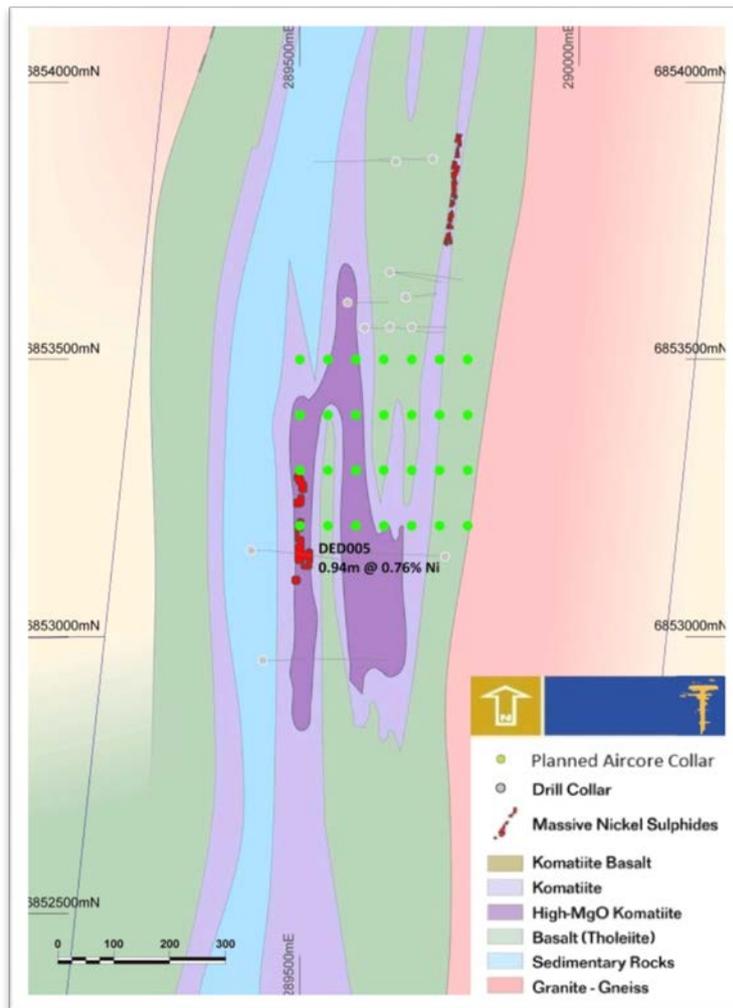


Figure 1: Delphi Prospect showing planned air-core drilling with historic drilling and nickel sulphide mineralisation intersected

Schmitz Well South Prospect

A traverse of three RC drill holes was completed by Talisman at Schmitz Well South in 2016. This drilling successfully intersected broad zones of prospective high-MgO ultramafic rocks, containing multiple zones of trace to disseminated (cloud) sulphides with assay results returning anomalous nickel grades including **1m @ 0.97% Ni** from 193m down-hole in SNRC015¹.

¹ Refer ASX: TLM. 27 October 2016. Sinclair Nickel Project Drilling Results and Exploration Update

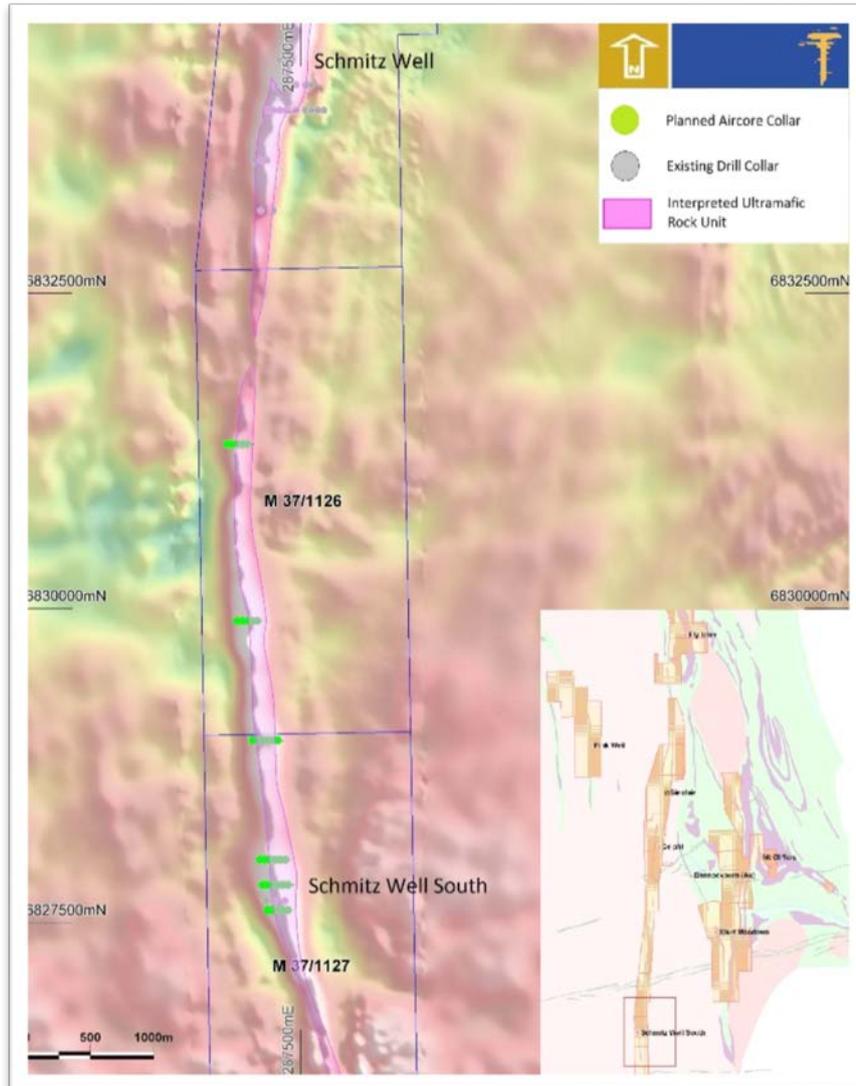


Figure 2: Schmitz Well South Prospect showing regional magnetic image overlain by interpreted ultramafic corridor.

The confirmation of the presence of fertile, high-MgO ultramafic units at Schmitz Well South is highly encouraging and validates Talisman's original interpretation that Schmitz Well South represents a continuation of the fertile Schmitz Well and Sinclair Ultramafic Trend.

A number of air-core drilling traverses will be completed, both immediately along strike from the previous RC drilling and on a broadly spaced pattern approximately 1km to the north. This current drilling will provide additional detail to drilling already completed and provide geological and geochemical information over the broader trend (Figure 2).

Sturt Meadows (Au)

Talisman's 2017 targeting review has highlighted a gold anomaly from wide spaced, historic RAB drilling completed in the 1990's. Interpretations from geophysical magnetic data shows the anomaly is in an area of structural complexity which is located south-east of the Bannockburn Gold Mine on the interpreted Bannockburn Shear (Figure 3). Bannockburn is host to several gold deposits (Bannockburn, North Well and Slaughter Yard) further to the north. The Bannockburn gold project produced approximately 312,000 ounces of gold during the 1990's.

The gold anomaly is located close to a major flexure in the granite-greenstone contact, which is considered to be a favourable geological environment to host significant gold mineralisation.

A series of three air-core drill traverses will test this historic gold anomaly.

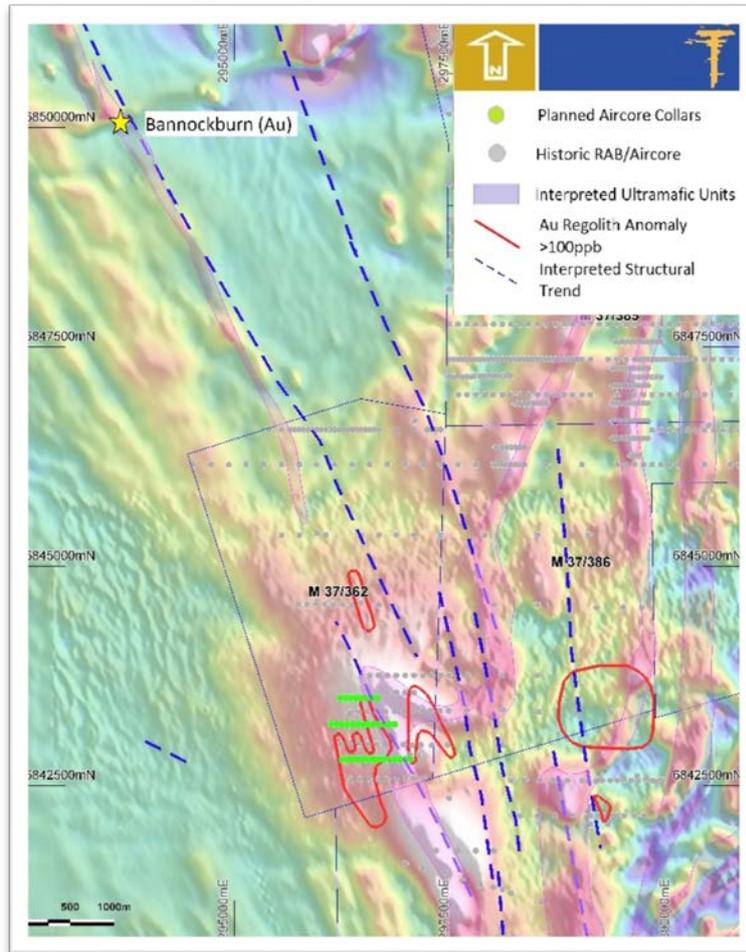


Figure 3: Sturt Meadows Prospect showing planned air-core drilling and historic Au anomaly.

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About Talisman Mining:

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

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

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.

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.

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.



APPENDIX 1

Plan showing Talisman tenement holding at the Sinclair Nickel Project and selected prospects

