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Capital Structure

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

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9,705,000 (Unlisted)

ASX Media Release – 23 August 2017

Sinclair Exploration Update

Follow up drilling at Schmitz Well South planned after encouraging results returned.

Highlights

- 117 air-core drill holes completed for 7,071 metres across four early stage exploration targets at Delphi, Mt Clifford, Schmitz Well South and Sturt Meadows.
- Anomalous nickel intersections returned from assays at Schmitz Well South prospect including:
  - SNAC0083 – 1m @ 0.68% Ni from 27m;
  - SNAC0096 – 5m @ 0.50% Ni from 50m; and 4m @ 1.30% Ni from 57m.
- Follow-up RC drilling and geophysical surveys planned for the September quarter at Schmitz Well South.
- High magnesian, potential prospective ultramafic sequences defined at Delphi and Mt Clifford to provide the basis for future exploration work.

Talisman Mining Limited (ASX: **TLM;** "**Talisman**") advises that it has completed the latest program of on-ground exploration activities at the 100%-owned Sinclair Nickel Project ("**Sinclair**") in WA.

Following a project-wide targeting review and assessment of the main ultramafic host units across Sinclair, Talisman identified 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.

A program of air-core drilling was completed during July and early August targeting the Delphi, Mt Clifford and Schmitz Well South prospect areas and has provided geological and geochemical information in areas with little to no historic exploration.

Air-core drilling also targeted a gold-in-regolith anomaly at Sturt Meadows identified from historic RAB drilling completed during the 1990s.

Schmitz Well South Prospect

A traverse of three RC drill holes was completed by Talisman at Schmitz Well South in 2016 under the West Australian Government's co-funded Exploration Incentive Scheme. This drilling intersected broad zones of prospective high-MgO ultramafic rocks containing multiple zones of trace to disseminated (cloud) nickel sulphides (assay results returned anomalous nickel including 1m @ 0.97% Ni from 193m down-hole in SNRC015[1]).

To follow-up from this previous drilling, three air-core drill traverses were completed in July 2017 in close proximity to the previous nickel sulphide intersections. In addition, three broadly spaced air-core drill traverses (Table 1) were completed to the north to provide confirmation of the continuation of the fertile ultramafic trend where no previous drilling has been completed.

Moderate to high magnesian ultramafic rocks were successfully intersected in all six drill traverses completed, confirming the continuity of the fertile Sinclair ultramafic trend.

Oxide material after disseminated and stringer nickel sulphides was logged within the ultramafic rock sequence in two holes to the north along strike from the previously intersected cloud sulphides (Figure 1). The anomalous results intersected in hole SNAC0096 included very high copper values (up to 1,910 ppm) and elevated platinum & palladium values which are indicative of komatiite hosted, magmatic nickel sulphide mineralisation. The nickel sulphide interval is located internal to the host ultramafic unit and the basal contact position. The basal contact position is interpreted to be the most favourable host site for massive nickel sulphide accumulations and remains untested. All assays have been returned (Table 2) with nickel intercepts including:

- SNAC0083 – 1m @ 0.68% Ni from 27m.
- SNAC0096 – 5m @ 0.50% Ni from 50m; and
  4m @ 1.30% Ni from 57m.

The intersections in air-core holes SNAC0083 and SNAC0096 extend the strike length of the mineralisation intersected to 275m and are open to the north (Figure 2).

Schmitz Well South Prospect – Future Work

In order to advance understanding of the geology and potential to host massive nickel sulphides, Talisman has planned a follow-up RC drill program that will commence during the September quarter following receipt of regulatory approvals.

Talisman will drill a number of RC holes beneath, and to the north and south along strike from the intersections recently returned in air-core hole SNAC0096. RC drilling will allow sufficient penetration into fresh rock to test the interpreted prospective basal contact position and provide a platform to complete down-hole electromagnetic geophysical surveys for vectoring towards potential massive nickel sulphide accumulations.

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

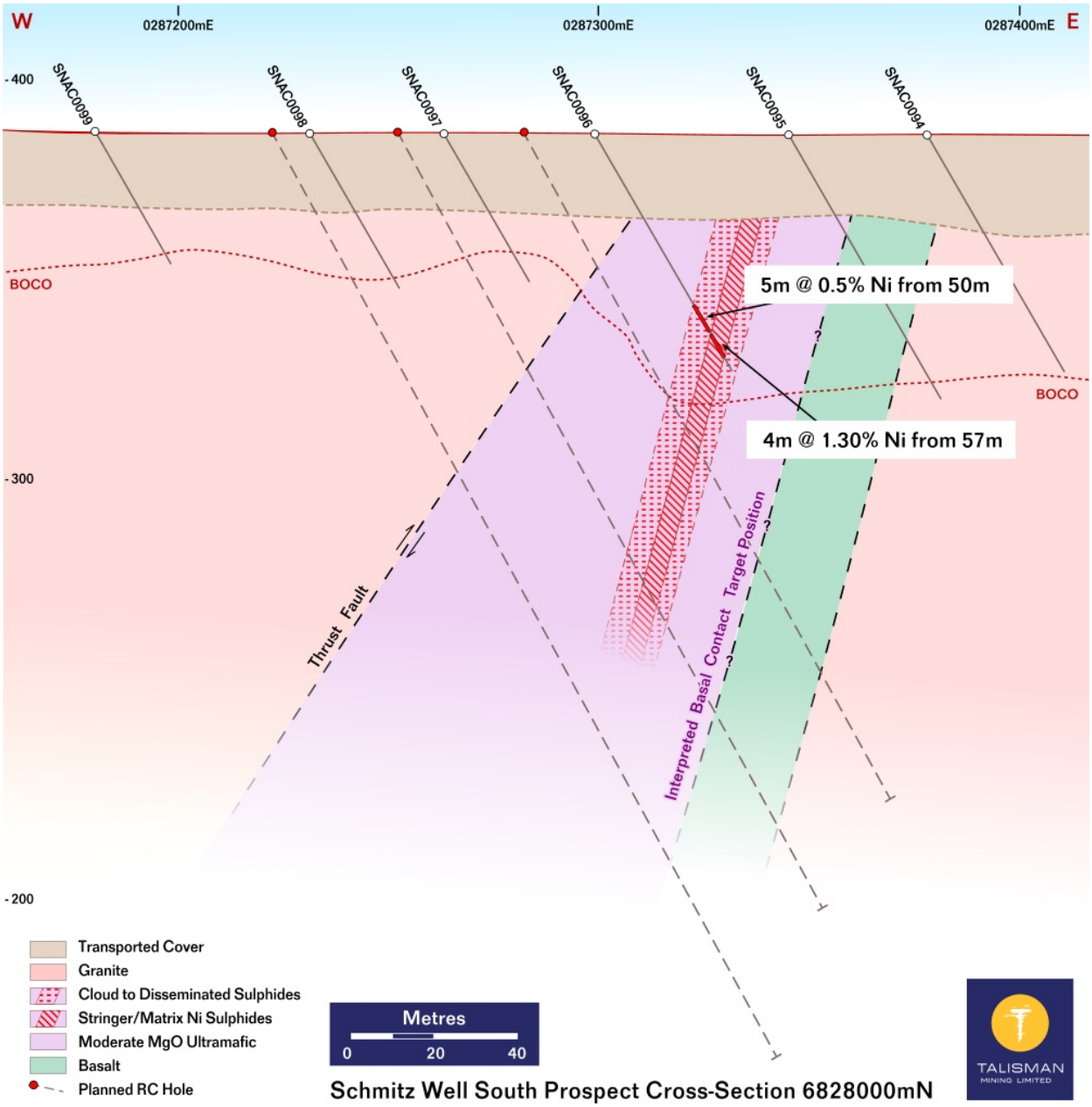

Figure 1: Cross section 6,828,000mN showing interpreted geology and nickel intersection

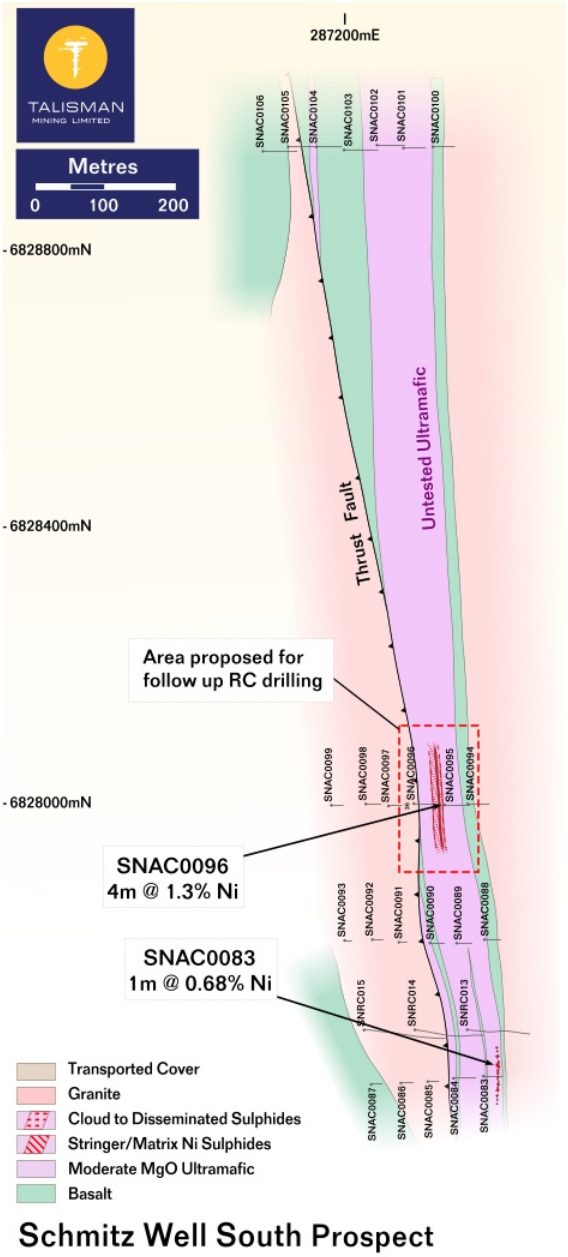

Figure 2: Plan map showing interpreted geology, drilling to date and planned follow-up drilling.

Delphi Prospect

The Delphi prospect is located on the Sinclair ultramafic trend approximately 8km south of Sinclair, and 2.5km south of Delphi North (where drilling in late 2016 returned massive sulphide intersections of 9m @ 4.20% Ni in hole SNRC019[2]).

Four air-core traverses were drilled (totalling 32 holes for 2,099m) (Table 1) across an area covering approximately 500m of prospective ultramafic stratigraphy that had not been previously drilled. No significant assay results were returned from this drilling. Talisman will complete detailed interpretation of the results from this program to understand the geological context and potential to host massive nickel sulphide mineralisation.

[2] Refer to ASX announcement dated 27 October 2016 for full details and JORC tables.

Mt Clifford Prospect

The Mt Clifford prospect was granted to Talisman in August 2016. It covers a very sparsely explored sequence of ultramafic rocks that Talisman interprets to have the potential to host massive nickel sulphides. The area has the potential to host a significant strike length of ultramafic as well as potential extensions to the Marriotts nickel deposit.

As part of early evaluation of the prospect, Talisman completed a single traverse of air-core drilling (a total of 12 holes for 364m) (Table 1) across the interpreted ultramafic sequence to provide geological information and assess the potential fertility of the ultramafic sequence.

Although no significant assay results were returned from this drill traverse, Talisman has identified areas of high-magnesian ultramafic rocks that will be subject to additional interpretation and exploration in the future.

Sturt Meadows (Au)

Talisman's 2017 targeting review highlighted a gold anomaly from historic RAB drilling. Interpretations from geophysical magnetic data show this anomaly is in an area of structural complexity possibly along strike from the Bannockburn gold mine.

Talisman completed an air-core drilling program to test the validity of the historic results drilling 38 holes for 2,998m on three traverses (Table 1) covering the most significant parts of the historic anomaly.

No significant assay results were returned from the drilling program and no further exploration work is currently planned.

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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 290km^2 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.

APPENDIX 1

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

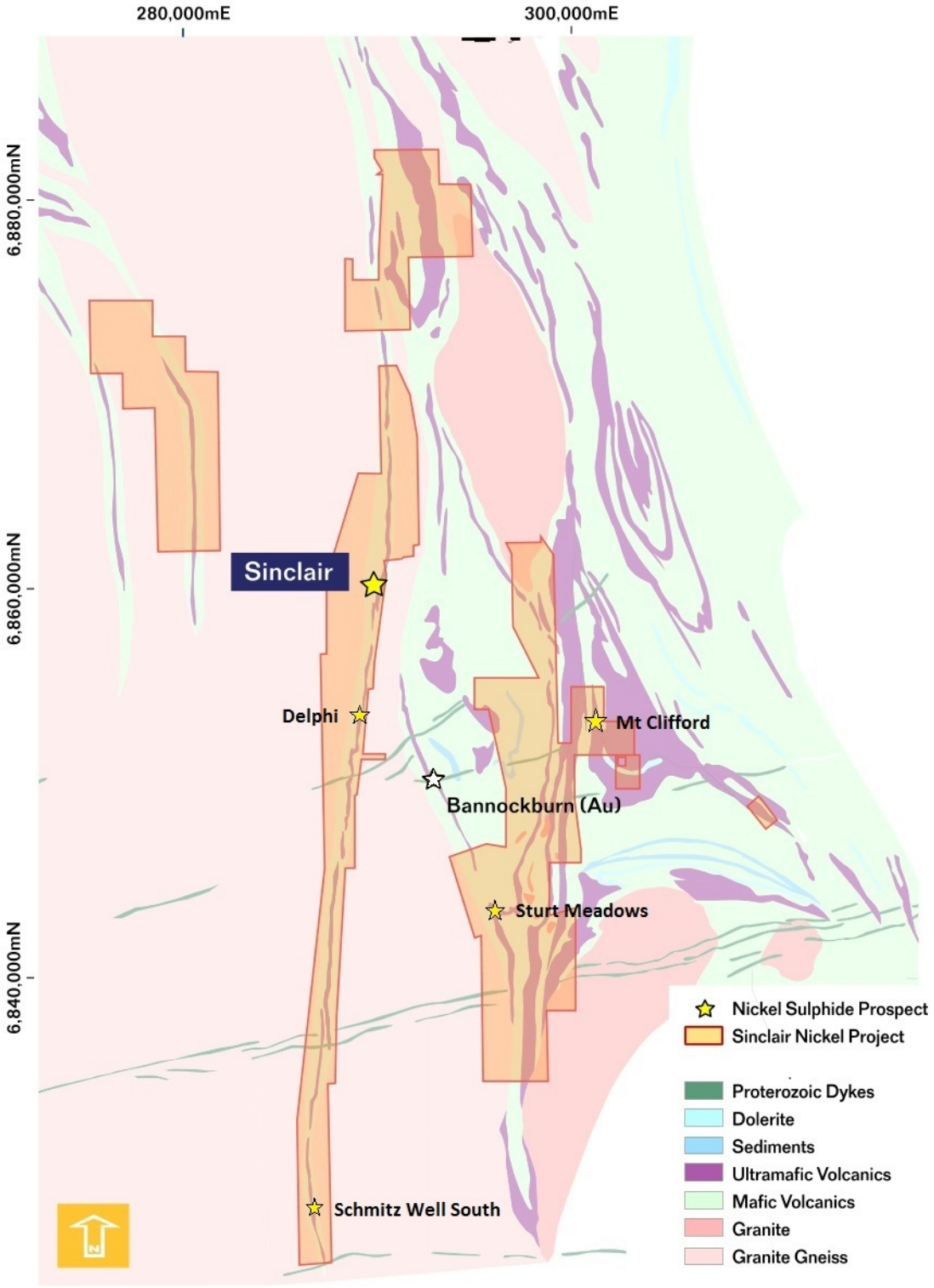

Table 1 – Drill-hole Information Summary, Sinclair Nickel Project

Details and co-ordinates of drill-hole collars for air-core drilling completed:

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Prospect
SNAC0001	MGA94_51	-60°	270°	296105	6843202	420	AC	107	Sturt Meadows
SNAC0002	MGA94_51	-60°	270°	296162	6843201	420	AC	107	Sturt Meadows
SNAC0003	MGA94_51	-60°	270°	296220	6843197	420	AC	99	Sturt Meadows
SNAC0004	MGA94_51	-60°	270°	296280	6843204	420	AC	71	Sturt Meadows
SNAC0005	MGA94_51	-60°	270°	296296	6843209	420	AC	92	Sturt Meadows
SNAC0006	MGA94_51	-60°	270°	296340	6843213	420	AC	85	Sturt Meadows
SNAC0007	MGA94_51	-60°	270°	296400	6843209	420	AC	92	Sturt Meadows
SNAC0008	MGA94_51	-60°	270°	296362	6843215	420	AC	89	Sturt Meadows
SNAC0009	MGA94_51	-60°	270°	296459	6843206	420	AC	78	Sturt Meadows
SNAC0010	MGA94_51	-60°	270°	296490	6843206	420	AC	68	Sturt Meadows
SNAC0011	MGA94_51	-60°	270°	296519	6843203	420	AC	72	Sturt Meadows
SNAC0012	MGA94_51	-60°	270°	296577	6843200	420	AC	71	Sturt Meadows
SNAC0013	MGA94_51	-60°	270°	296644	6843200	420	AC	71	Sturt Meadows
SNAC0014	MGA94_51	-60°	270°	296697	6843203	420	AC	35	Sturt Meadows
SNAC0015	MGA94_51	-60°	270°	296760	6843200	420	AC	30	Sturt Meadows
SNAC0016	MGA94_51	-60°	270°	296820	6843205	420	AC	54	Sturt Meadows
SNAC0017	MGA94_51	-60°	270°	296192	6843497	420	AC	104	Sturt Meadows
SNAC0018	MGA94_51	-60°	270°	296261	6843498	420	AC	101	Sturt Meadows
SNAC0019	MGA94_51	-60°	270°	296313	6843504	420	AC	80	Sturt Meadows
SNAC0020	MGA94_51	-60°	270°	296379	6843501	420	AC	77	Sturt Meadows
SNAC0021	MGA94_51	-60°	270°	296442	6843502	420	AC	78	Sturt Meadows
SNAC0022	MGA94_51	-60°	270°	296499	6843509	420	AC	70	Sturt Meadows
SNAC0023	MGA94_51	-60°	270°	296554	6843500	420	AC	53	Sturt Meadows
SNAC0024	MGA94_51	-60°	270°	296622	6843497	420	AC	51	Sturt Meadows
SNAC0025	MGA94_51	-60°	270°	296339	6842799	420	AC	80	Sturt Meadows
SNAC0026	MGA94_51	-60°	270°	296367	6842797	420	AC	101	Sturt Meadows
SNAC0027	MGA94_51	-60°	270°	296401	6842792	420	AC	92	Sturt Meadows
SNAC0028	MGA94_51	-60°	270°	296461	6842800	420	AC	98	Sturt Meadows
SNAC0029	MGA94_51	-60°	270°	296518	6842798	420	AC	65	Sturt Meadows
SNAC0030	MGA94_51	-60°	270°	296549	6842801	420	AC	65	Sturt Meadows
SNAC0031	MGA94_51	-60°	270°	296584	6842797	420	AC	68	Sturt Meadows
SNAC0032	MGA94_51	-60°	270°	296638	6842801	420	AC	77	Sturt Meadows
SNAC0033	MGA94_51	-60°	270°	296696	6842798	420	AC	62	Sturt Meadows
SNAC0034	MGA94_51	-60°	270°	296757	6842806	420	AC	77	Sturt Meadows
SNAC0035	MGA94_51	-60°	270°	296815	6842803	420	AC	70	Sturt Meadows
SNAC0036	MGA94_51	-60°	270°	296879	6842804	420	AC	67	Sturt Meadows
SNAC0037	MGA94_51	-60°	270°	296961	6842809	420	AC	71	Sturt Meadows
SNAC0038	MGA94_51	-60°	270°	296998	6842807	420	AC	70	Sturt Meadows
SNAC0039	MGA94_51	-60°	270°	289800	6853500	420	AC	61	Delphi
SNAC0040	MGA94_51	-60°	270°	289750	6853500	420	AC	63	Delphi
SNAC0041	MGA94_51	-60°	270°	289700	6853500	420	AC	69	Delphi

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Prospect
SNAC0042	MGA94_51	-60°	270°	289650	6853500	420	AC	69	Delphi
SNAC0043	MGA94_51	-60°	270°	289600	6853500	420	AC	86	Delphi
SNAC0044	MGA94_51	-60°	270°	289550	6853500	420	AC	80	Delphi
SNAC0045	MGA94_51	-60°	270°	289500	6853500	420	AC	83	Delphi
SNAC0046	MGA94_51	-60°	270°	289459	6853498	420	AC	83	Delphi
SNAC0047	MGA94_51	-60°	270°	289803	6853402	420	AC	47	Delphi
SNAC0048	MGA94_51	-60°	270°	289755	6853398	420	AC	52	Delphi
SNAC0049	MGA94_51	-60°	270°	289704	6853403	420	AC	59	Delphi
SNAC0050	MGA94_51	-60°	270°	289648	6853403	420	AC	72	Delphi
SNAC0051	MGA94_51	-60°	270°	289592	6853404	420	AC	62	Delphi
SNAC0052	MGA94_51	-60°	270°	289545	6853406	420	AC	80	Delphi
SNAC0053	MGA94_50	-60°	270°	289497	6853406	420	AC	80	Delphi
SNAC0054	MGA94_51	-60°	270°	289447	6853403	420	AC	65	Delphi
SNAC0055	MGA94_51	-60°	270°	289789	6853298	420	AC	45	Delphi
SNAC0056	MGA94_51	-60°	270°	289746	6853302	420	AC	55	Delphi
SNAC0057	MGA94_51	-60°	270°	289705	6853297	420	AC	51	Delphi
SNAC0058	MGA94_51	-60°	270°	289803	6853204	420	AC	42	Delphi
SNAC0059	MGA94_51	-60°	270°	289751	6853195	420	AC	47	Delphi
SNAC0060	MGA94_51	-60°	270°	289704	6853204	420	AC	57	Delphi
SNAC0061	MGA94_51	-60°	270°	289651	6853300	420	AC	78	Delphi
SNAC0062	MGA94_51	-60°	270°	289605	6853303	420	AC	74	Delphi
SNAC0063	MGA94_51	-60°	270°	289553	6853297	420	AC	74	Delphi
SNAC0064	MGA94_51	-60°	270°	289506	6853297	420	AC	77	Delphi
SNAC0065	MGA94_51	-60°	270°	289454	6853301	420	AC	56	Delphi
SNAC0066	MGA94_51	-60°	270°	289649	6853208	420	AC	78	Delphi
SNAC0067	MGA94_51	-60°	270°	289611	6853203	420	AC	72	Delphi
SNAC0068	MGA94_51	-60°	270°	289552	6853198	420	AC	61	Delphi
SNAC0069	MGA94_51	-60°	270°	289502	6853201	420	AC	59	Delphi
SNAC0070	MGA94_51	-60°	270°	289453	6853201	420	AC	62	Delphi
SNAC0071	MGA94_51	-90°	000°	301578	6852211	416	AC	24	Mt Clifford
SNAC0072	MGA94_50	-90°	000°	301647	6852225	417	AC	41	Mt Clifford
SNAC0073	MGA94_51	-90°	000°	301725	6852225	417	AC	48	Mt Clifford
SNAC0074	MGA94_51	-90°	000°	301800	6852228	417	AC	25	Mt Clifford
SNAC0075	MGA94_51	-90°	000°	301875	6852228	417	AC	30	Mt Clifford
SNAC0076	MGA94_51	-90°	000°	301950	6852228	417	AC	24	Mt Clifford
SNAC0077	MGA94_51	-90°	000°	302026	6852230	417	AC	21	Mt Clifford
SNAC0078	MGA94_50	-90°	000°	302102	6852231	417	AC	21	Mt Clifford
SNAC0079	MGA94_51	-90°	000°	302173	6852223	417	AC	39	Mt Clifford
SNAC0080	MGA94_50	-90°	000°	302251	6852228	417	AC	25	Mt Clifford
SNAC0081	MGA94_50	-90°	000°	302321	6852222	417	AC	48	Mt Clifford
SNAC0082	MGA94_51	-90°	000°	301500	6852222	417	AC	18	Mt Clifford
SNAC0083	MGA94_51	-60°	270°	287401	6827606	383	AC	56	Schmitz Well South
SNAC0084	MGA94_50	-60°	270°	287358	6827603	383	AC	65	Schmitz Well South
SNAC0085	MGA94_51	-60°	270°	287320	6827598	383	AC	32	Schmitz Well South

Hole ID	Grid ID	Dip	Azimuth	East (m)	North (m)	RL (m)	Hole Type	Max Depth	Prospect
SNAC0086	MGA94_51	-60°	270°	287281	6827596	383	AC	38	Schmitz Well South
SNAC0087	MGA94_51	-60°	270°	287238	6827595	383	AC	34	Schmitz Well South
SNAC0088	MGA94_51	-60°	270°	287402	6827804	383	AC	49	Schmitz Well South
SNAC0089	MGA94_51	-60°	270°	287362	6827799	383	AC	46	Schmitz Well South
SNAC0090	MGA94_51	-60°	270°	287324	6827799	383	AC	45	Schmitz Well South
SNAC0091	MGA94_50	-60°	270°	287279	6827800	383	AC	23	Schmitz Well South
SNAC0092	MGA94_51	-60°	270°	287240	6827804	383	AC	32	Schmitz Well South
SNAC0093	MGA94_50	-60°	270°	287200	6827803	383	AC	21	Schmitz Well South
SNAC0094	MGA94_51	-60°	270°	287378	6828000	383	AC	65.1	Schmitz Well South
SNAC0095	MGA94_51	-60°	270°	287345	6827999	383	AC	73	Schmitz Well South
SNAC0096	MGA94_51	-60°	270°	287299	6828001	383	AC	65	Schmitz Well South
SNAC0097	MGA94_50	-60°	270°	287263	6827998	383	AC	41	Schmitz Well South
SNAC0098	MGA94_51	-60°	270°	287231	6828001	383	AC	43	Schmitz Well South
SNAC0099	MGA94_51	-60°	270°	287180	6827999	383	AC	36	Schmitz Well South
SNAC0100	MGA94_51	-60°	270°	287327	6828952	383	AC	65	Schmitz Well South
SNAC0101	MGA94_51	-60°	270°	287284	6828951	383	AC	67	Schmitz Well South
SNAC0102	MGA94_51	-60°	270°	287246	6828955	383	AC	80	Schmitz Well South
SNAC0103	MGA94_51	-60°	270°	287198	6828948	383	AC	100	Schmitz Well South
SNAC0104	MGA94_51	-60°	270°	287158	6828952	383	AC	74	Schmitz Well South
SNAC0105	MGA94_51	-60°	270°	287117	6828952	383	AC	83	Schmitz Well South
SNAC0106	MGA94_51	-60°	270°	287081	6828946	383	AC	99	Schmitz Well South
SNAC0107	MGA94_51	-60°	270°	287168	6829901	383	AC	31	Schmitz Well South
SNAC0108	MGA94_51	-60°	270°	287118	6829899	383	AC	28	Schmitz Well South
SNAC0109	MGA94_51	-60°	270°	287084	6829897	383	AC	30	Schmitz Well South
SNAC0110	MGA94_51	-60°	270°	287040	6829896	383	AC	22	Schmitz Well South
SNAC0111	MGA94_51	-60°	270°	286999	6829893	384	AC	44	Schmitz Well South
SNAC0112	MGA94_51	-60°	270°	286958	6829910	383	AC	50	Schmitz Well South
SNAC0113	MGA94_51	-60°	270°	287083	6831301	383	AC	29	Schmitz Well South
SNAC0114	MGA94_51	-60°	270°	287040	6831300	383	AC	43	Schmitz Well South
SNAC0115	MGA94_51	-60°	270°	287004	6831303	383	AC	38	Schmitz Well South
SNAC0116	MGA94_51	-60°	270°	286962	6831303	383	AC	19	Schmitz Well South
SNAC0117	MGA94_51	-60°	270°	287119	6831306	383	AC	44	Schmitz Well South

***Table 2**: Drill-hole Assay Intersections for the Sinclair Nickel Project*

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

Hole ID	Depth from (m)	Depth To (m)	Interval (m)	*Ni* (%)	*Cu* (%)
SNAC0083	26	27	1	0.68	0.00
SNAC0096	50	55	5	0.50	0.02
	57	61	4	1.30	0.12

APPENDIX 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 has been completed by Talisman Nickel Pty Ltd, a wholly owned subsidiary of Talisman Mining Ltd. Sampling techniques employed at the Sinclair Project include:
		  • Saw cut diamond drill core (DD) samples in NQ2 and HQ size sampled on geological intervals (0.2 m to 2 m
		  • Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples, and;
		  • Air-core drilling samples collected using scoop sampling techniques for both composite and single metre samples.
		• Sampling is controlled by Talisman protocols and QAQC procedures as per industry standard.
		• Samples were dried, crushed (where required), split and pulverised (total prep) to produce a 1g sub sample for base metal analysis by four acid digest with an ICP/OES or AAS finish and / or a 50g sub sample for gold and PGE analysis by fire assay.

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).*	• Air-core drilling is completed using industry standard techniques. Face sampling blade bits are employed for the majority of drilling and face sampling hammer or rock roll techniques are utilised to penetrate in hard ground conditions.
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 AC drill sample recovery is generally high with sample recoveries and quality recorded in the database. • 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.* • *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 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. • Logging is both qualitative and quantitative depending on the field being logged. • All drill-holes are logged in full to end of hole.
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.*	• Air-core samples are collected from drill sample piles using scoop sampling techniques through the sample pile to generate a representative sample for both composite and single metre samples. • Samples were submitted to ALS Chemex Laboratories for preparation. The sample preparation follows industry best practice where all drill samples are dried, pulverized

Criteria	JORC Code explanation	Commentary
	• *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.*	and (>85%) sieved through 75 microns to produce a 1g charge for 4-acid digest with an ICP-MS or AAS finish and / or a 50g charge for fire assay with and AAS finish. • 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 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 are routinely reviewed and reported on a regular basis • 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 and gold 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. • Selected Sinclair drill samples submitted for Au analysis using a 50g charge fire assay with AAS finish. • 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 25 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 regular 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. • 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 Ocris Mobile 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

Criteria	JORC Code explanation	Commentary
		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.*	• Talisman air-core drill collar locations are pegged using a hand-held GPS. 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 varies depending on requirements. Drill traverses spaced 100m – 400m and holes spaced 40m – 75m were used for this drill program as appropriate. • 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 Nickel 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 Nickel Project is included in Table 1 Drill-hole Information Summary, Sinclair Nickel 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*	• 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 0.5% Ni. • Ni grades used for calculating significant intersections are uncut. • All results reported in this document have been derived from 1m scoop samples. • Length weighted intercepts are reported for mineralised

Criteria	JORC Code explanation	Commentary
	aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	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.*	• Other exploration data collected is not considered as material to this document at this stage. Other data collection will be reviewed and reported when considered material.
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 RC drilling and geophysical surveys.