



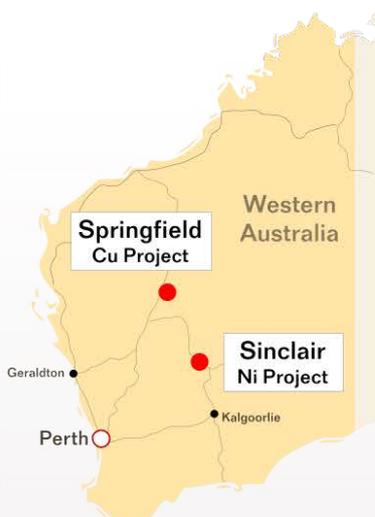
ASX Media Release – 2 October 2017

Sinclair Exploration Update

Commencement of RC drilling activities to follow up encouraging results at two prospects.

Highlights

- Commencement of a reverse circulation (RC) drill programme at Sinclair Nickel Project to follow-up recent highly encouraging results.
- Programme to include an estimated 2,000 metres of drilling at the Schmitz Well South and Delphi North prospects.
- Up to six RC drill holes planned down-dip and along strike from recent air-core drilling results at Schmitz Well South (*refer ASX release 23 August 2017*) which included;
 - SNAC0083 – 1.0m @ 0.68% Ni from 27m down-hole;
 - SNAC0096 – 5.0m @ 0.50% Ni from 50m down-hole; and 4.0m @ 1.30% Ni from 57m down-hole.
- Three RC holes planned at Delphi North to provide additional detail down-plunge and along strike from highly encouraging nickel sulphide mineralisation discovered by the company in 2016.
- Previously released significant results from Delphi North include: (*refer ASX releases 07 October 2016 and 9 January 2017*)
 - SNRC010 – 4.0m @ 4.79% Ni from 154m down-hole;
 - SNRC012 – 5.0m @ 2.39% Ni from 73m down-hole;
 - SNRC019 – 9.0m @ 4.20% Ni from 131m down-hole;
 - SND009 – 2.6m @ 3.41% Ni from 174m down-hole; and
 - SND010 – 2.5m @ 3.35% Ni from 207m down-hole.
- Down hole electromagnetic (DHEM) surveys to be completed throughout drilling campaign to assist with interpretation and targeting of subsequent drill holes.



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Capital Structure

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

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

Talisman Mining Ltd (ASX: TLM) is pleased to announce the commencement of an RC drill programme at its 100% owned Sinclair Nickel Project. The programme will include an estimated 2,000 metres of drilling to follow-up recent highly encouraging results at the Schmitz Well South and Delphi North prospects.

Schmitz Well South Prospect

Up to six RC drill holes are planned (*Figure 1*) down-dip and along strike from recent air-core drilling results at Schmitz Well South (*refer ASX release 23 August 2017*) which included results of;

- SNAC0083 - 1.0m @ 0.68% Ni from 27m down-hole;
- SNAC0096 - 5.0m @ 0.50% Ni from 50m down-hole; and
4.0m @ 1.30% Ni from 57m down-hole.

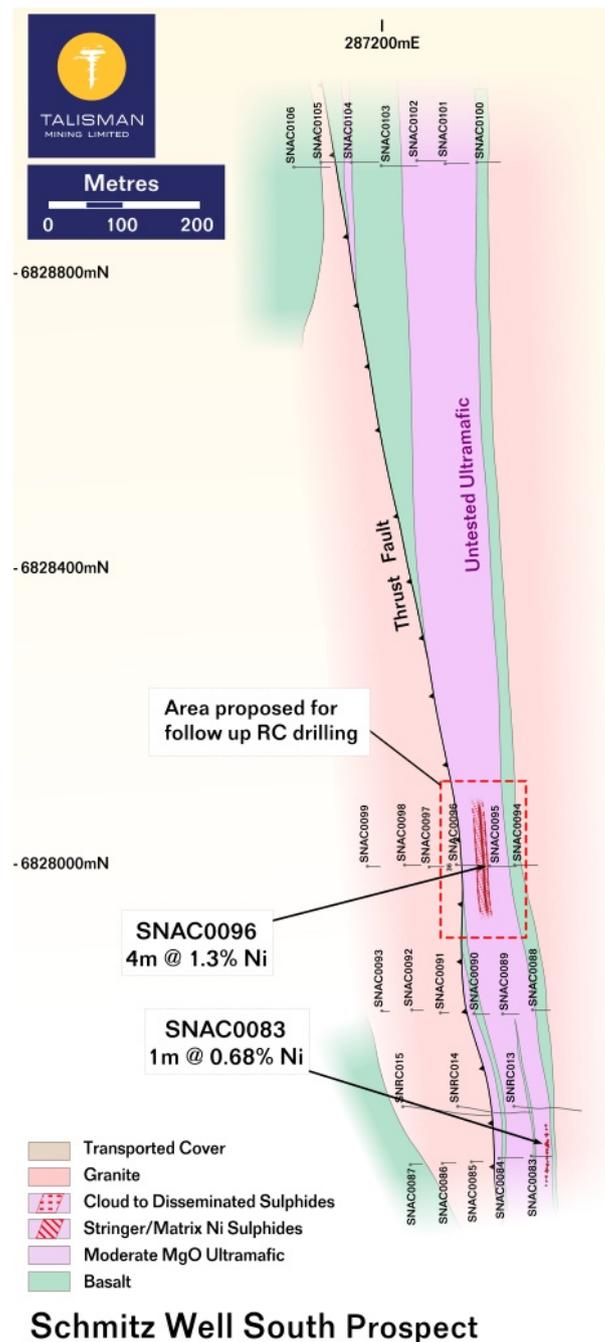


Figure 1: Schmitz Well South plan map showing interpreted geology, drilling to date and planned RC follow-up drilling.

Talisman drilled a series of air-core drill traverses in July 2017 with moderate to high magnesian ultramafic rocks intersected in all traverses, confirming the continuity of the fertile Sinclair ultramafic trend at Schmitz Well South.

Three broadly spaced air-core drill traverses were completed to the north of Schmitz Well South with two holes along strike from previously intersected cloud sulphides intersecting oxide material after disseminated and stringer nickel sulphides within the ultramafic rock sequence. These intersections extended the strike length of the mineralisation intersected to 275m which remains open to the north (*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 (*Figure 2*). Drilling did not intersect the basal contact position which is interpreted to be the most favourable host site for massive nickel sulphide accumulations and remains untested.

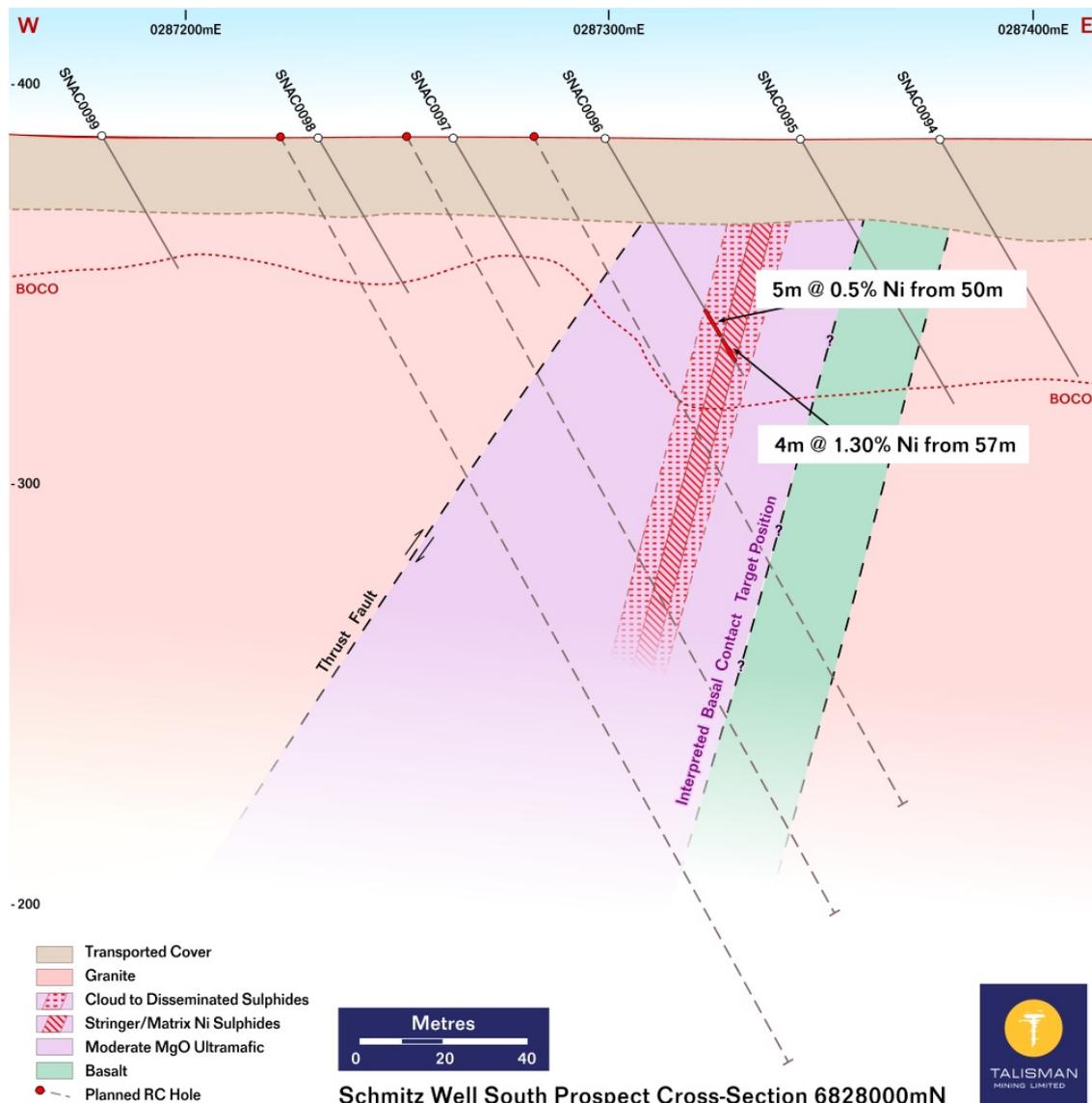


Figure 2: Schmitz Well South cross section 6,828,000mN showing interpreted geology, nickel intersection and 3 of up to 6 planned RC holes.

Talisman will now 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 (DHEM) geophysical surveys for vectoring towards potential massive nickel sulphide accumulations.

DHEM surveys will be completed throughout the course of the drilling campaign to assist with interpretation and targeting of subsequent drill holes.

Delphi North Prospect

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 series of three RC holes are planned to be completed at Delphi North (*Figure 3*) to provide additional detail down-plunge and along strike from highly encouraging nickel sulphide mineralisation discovered by the company in 2016. Previously released significant results from Delphi North (*refer ASX releases 07 October 2016 and 9 January 2017*) include:

- SNRC010: 4.0m @ 4.79% Ni from 154m down-hole;
- SNRC012: 5.0m @ 2.39% Ni from 73m down-hole;
- SNRC019: 9.0m @ 4.20% Ni from 131m down-hole;
- SND009: 2.6m @ 3.41% Ni from 174m down-hole; and
- SND010: 2.5m @ 3.35% Ni from 207m down-hole.

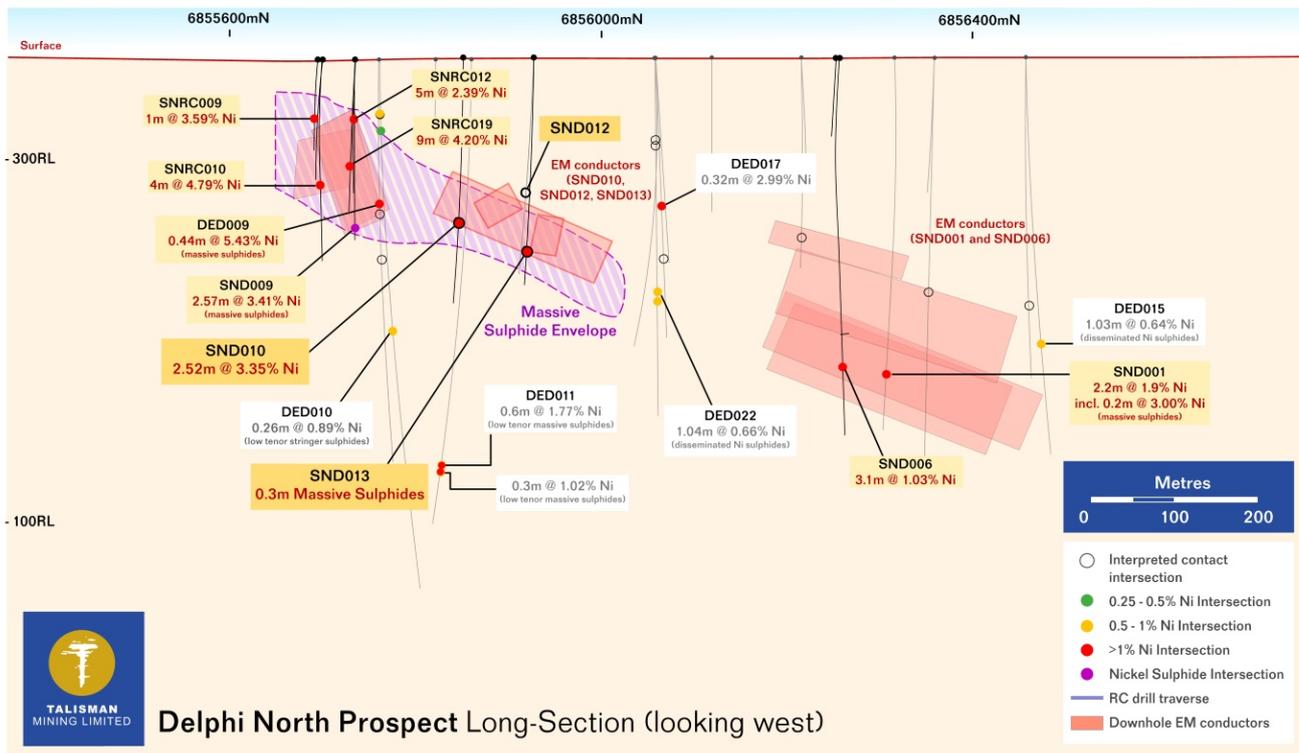


Figure 3: Delphi North projected long section showing nickel massive sulphide intersections, modelled DHEM conductors and an interpreted Massive Sulphide Envelope and planned RC follow-up drilling.

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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.

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 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

