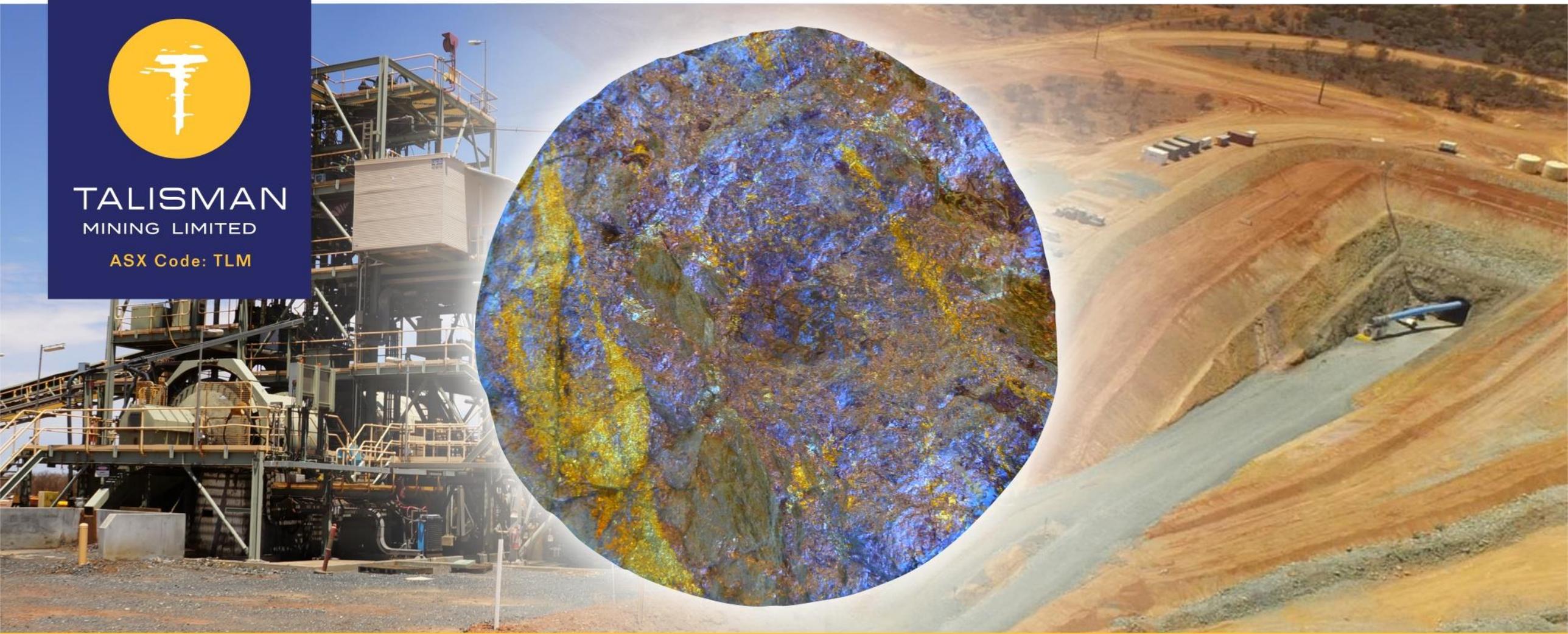




TALISMAN
MINING LIMITED

ASX Code: TLM



Discovering & Developing Opportunities in Copper-Gold & Nickel

AGM Presentation: November 2017



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Talisman Overview

Monty development and near-term production

- ◆ High grade copper mine – Monty Ore Reserve = 8.7% Cu
- ◆ Monty pre-production finance secured - \$US 20 million facility
- ◆ Monty mine development underway– forecast production start in approx. 12 months

Significant exploration value and potential at Springfield Project

- ◆ Proven VMS camp with proximal high grade Cu-Au deposits

Optionality to nickel prices with 100% owned Sinclair Nickel Operation

- ◆ Low capital, fast track option to nickel production

Emerging Opportunity in NSW -well endowed and proven gold and base metal district



“Maximise value to shareholders through exploration, discovery and development of complementary opportunities in base and precious metals”.



▶ Oct 2016	– Nickel mineralisation returned from drilling at Delphi North	✓
▶ April 2017	– Monty Feasibility Study Completed	✓
▶ April 2017	– Execution of Ore Sales Agreement for Monty ore and JV Agreements	✓
▶ July 2017	– Approval of Monty Mining Proposal and commencement of surface works	✓
▶ July 2017	– Secured tenements in NSW Lachlan Orogen	✓
▶ Sept 2017	– Monty decline commences	✓
▶ Oct 2017	– Debt financing secured for Monty pre-production capital	✓
▶ Nov 2017	– Ground holding in NSW increased	✓
▶ Nov 2017	– RC and Diamond drilling at multiple targets at Springfield	✓





Springfield
Cu Project

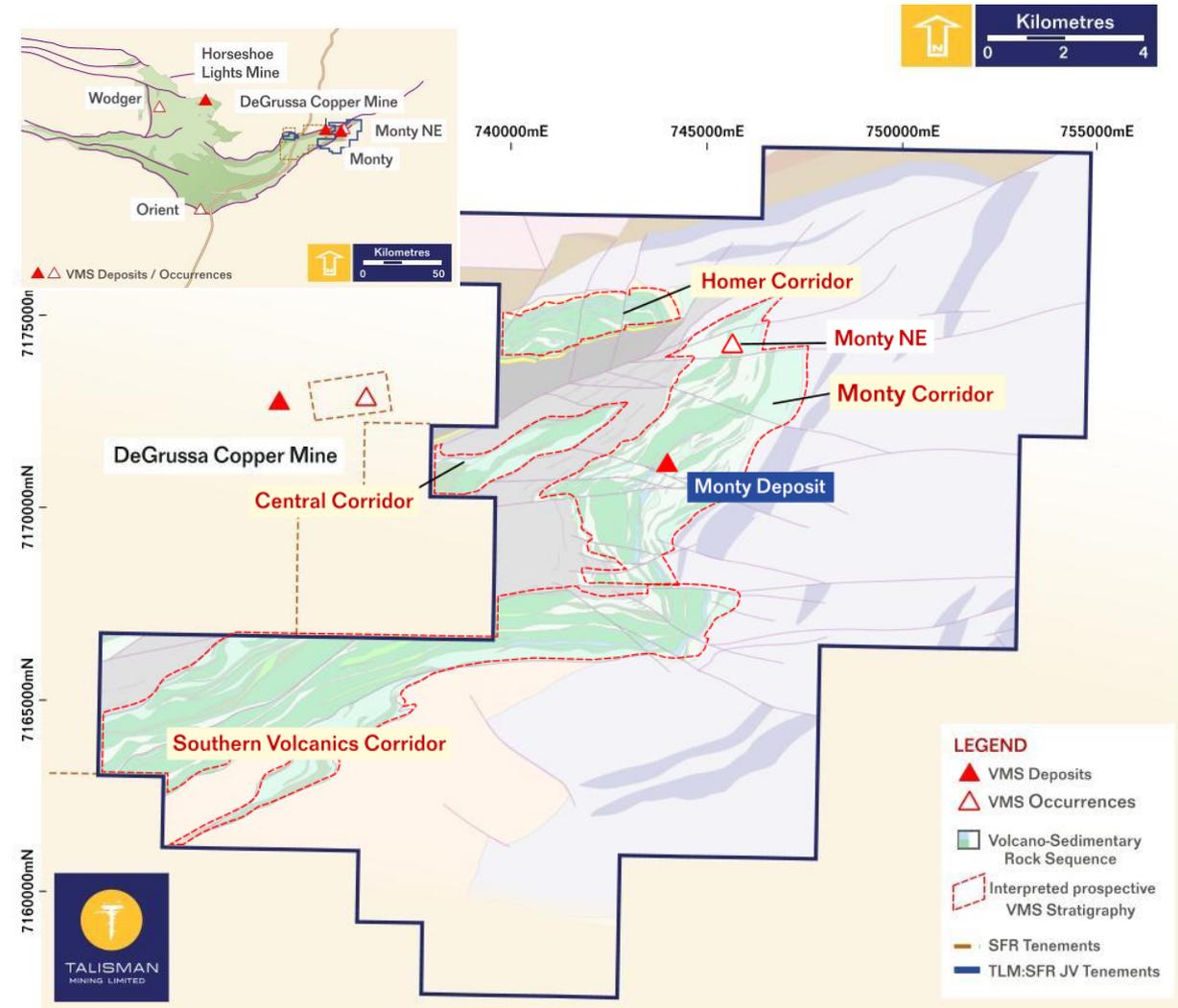
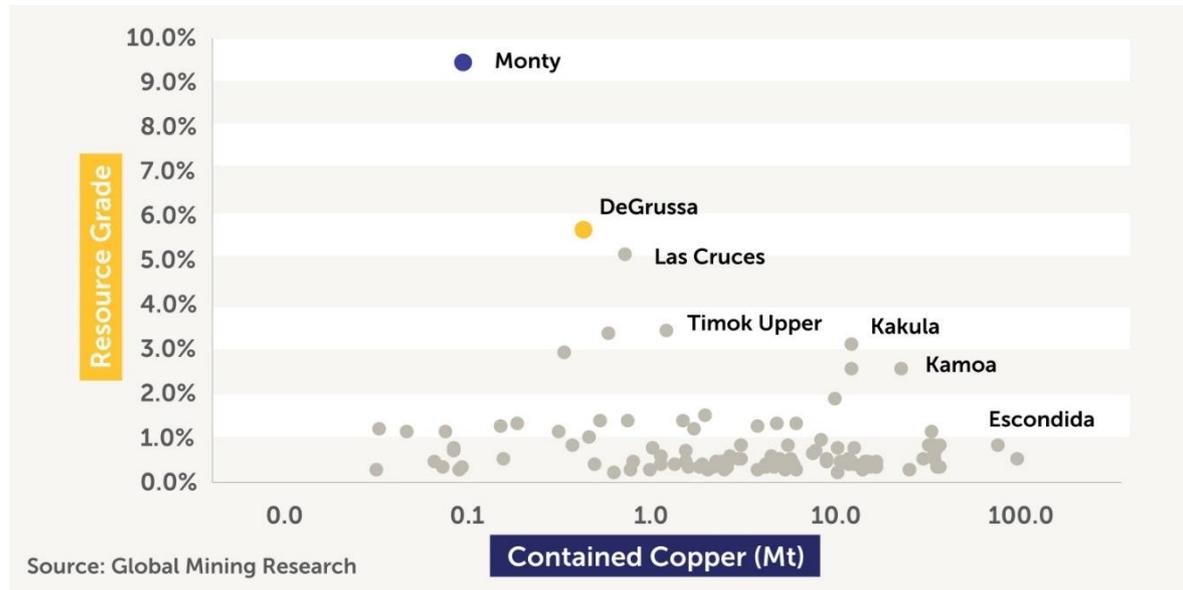
Springfield JV (30% Talisman)

Development of the world's highest grade copper mine underway



Monty provides tremendous confidence in the exceptional exploration potential of the Springfield JV

- ◆ Talisman 30% interest in JV with Sandfire Resources NL (70% and JV Manager)
- ◆ Proven world-class VMS province and geological model
- ◆ Multiple VMS horizons are key areas of exploration focus
- ◆ Includes high-grade and high value Monty Cu-Au deposit:
- ◆ TLM 30% share Monty Ore Reserve¹ = **280kt @ 8.7% Cu & 1.4g/t Au**



¹ Refer Appendix 1 Note ii

Key Monty Feasibility Study outcomes (TLM 30% basis ungeared)



Low capital and low risk development pathway with outstanding forecast returns

Initial ore production life
= 30 months

Pre-production capital cost
= A\$22M

Notional AISC
= A\$1.90/lb payable Cu (US\$1.37)

Total payable production =
19.9kt Cu and 5.7koz Au

Pre-tax NPV (8% discount rate)
= A\$46M

Notional C1 cash cost
= A\$1.56/lb payable Cu (US\$1.13)

Forecast pre-tax¹ free cash flow
= A\$64M

Pre-tax IRR
= 78%

Payback period (from 1st prod) =
17 months

Talisman retains full upside (and downside) exposure to variations in Monty FS revenue and cost estimates on:

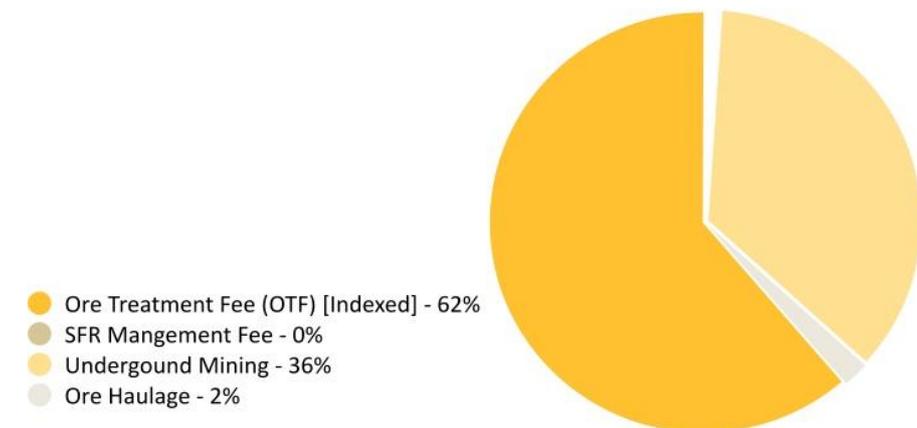
REVENUE

- ◆ Total ore mined and delivered
- ◆ Ore head grades
- ◆ Metal prices
- ◆ Development timeline

COSTS

- ◆ Underground mining costs
- ◆ Ore haulage costs
- ◆ Closure costs
- ◆ Capital costs

Forecast Monty Operating costs (excl royalties)

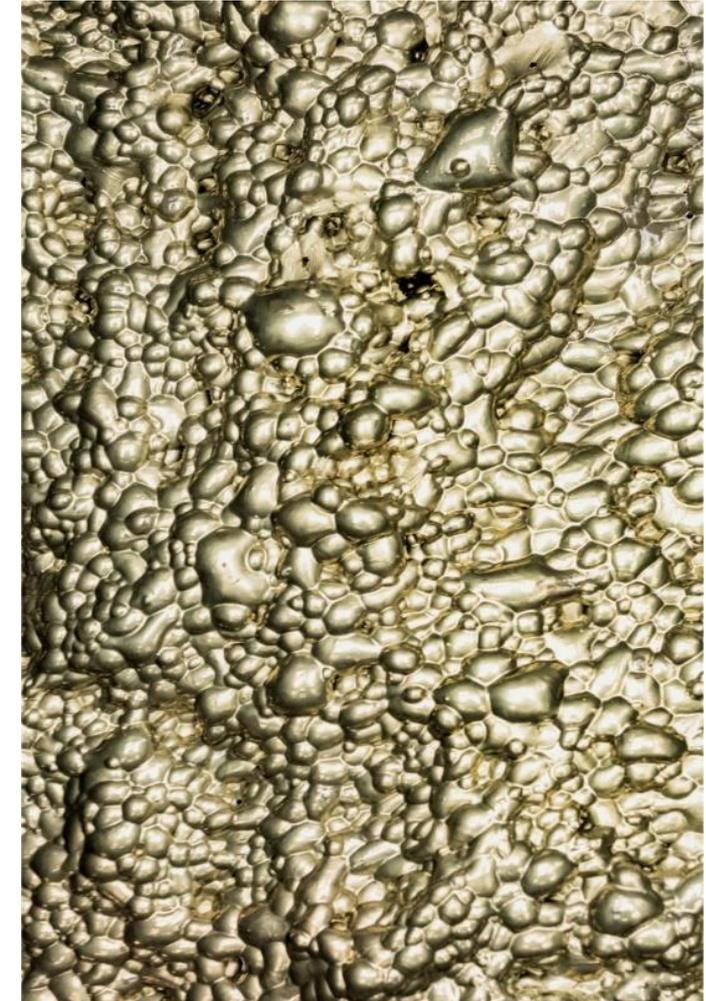


¹ Estimated Talisman consolidated tax losses available to offset Monty life of mine taxable income at 30 June 2017 A\$44M



OSA reduces risk with full exposure to revenue and cost upside

- ◆ Ore Sales Agreement (OSA) provides a low capital, low risk and high return development route for Talisman:
 - ◆ **Retains optionality in relation to any future discoveries on the Springfield JV tenements**
 - ◆ **No plant build (attractive (low) pre-production capital intensity and lower risk)**
 - ◆ **Independent third-party calculation of mined grade**
 - ◆ **Fixed metal recovery formulae and high fixed payabilities**
 - ◆ *Recognises expected Monty ore processing performance and concentrate quality*
 - ◆ *Eliminates Talisman exposure to metallurgical processing and product marketing risks*
 - ◆ **Commercial, highly competitive and transparent Ore Treatment Fee (OTF)**
 - ◆ *Incorporates all downstream costs (processing, G&A, transport and conc. treatment/refining)*
 - ◆ *Closely aligned with actual DeGrussa processing, G&A and downstream costs*
 - ◆ *Transparency of cost components (linkage to industry benchmarks or annual indexation)*
- ◆ Exploration JV Agreement covers ongoing exploration activities of the Springfield JV
- ◆ Mining JV Agreement covers rights/obligations for development and mining activities



See Appendix 2 for further explanation of OSA and OTF



Talisman's share of forecast pre-production capital now fully funded

- ◆ Competitive process involving major Australian banks and other typical resource project lenders
- ◆ Project debt finance facility of up to US\$20M executed with Taurus Mining Finance Fund
 - ◆ Interest rate of 6.75% per annum
 - ◆ Capped royalty of 2.25% on gross metal-in-ore sales receipts up to 29.7kt copper (and 16.5koz gold)
 - ◆ Maturity in Sept 2020
- ◆ Full funding for TLM share of forecast pre-production capital
- ◆ Highly competitive overall cost of capital
- ◆ No mandatory hedging requirements
- ◆ No requirement to fully draw
- ◆ Flexibility on early repayment



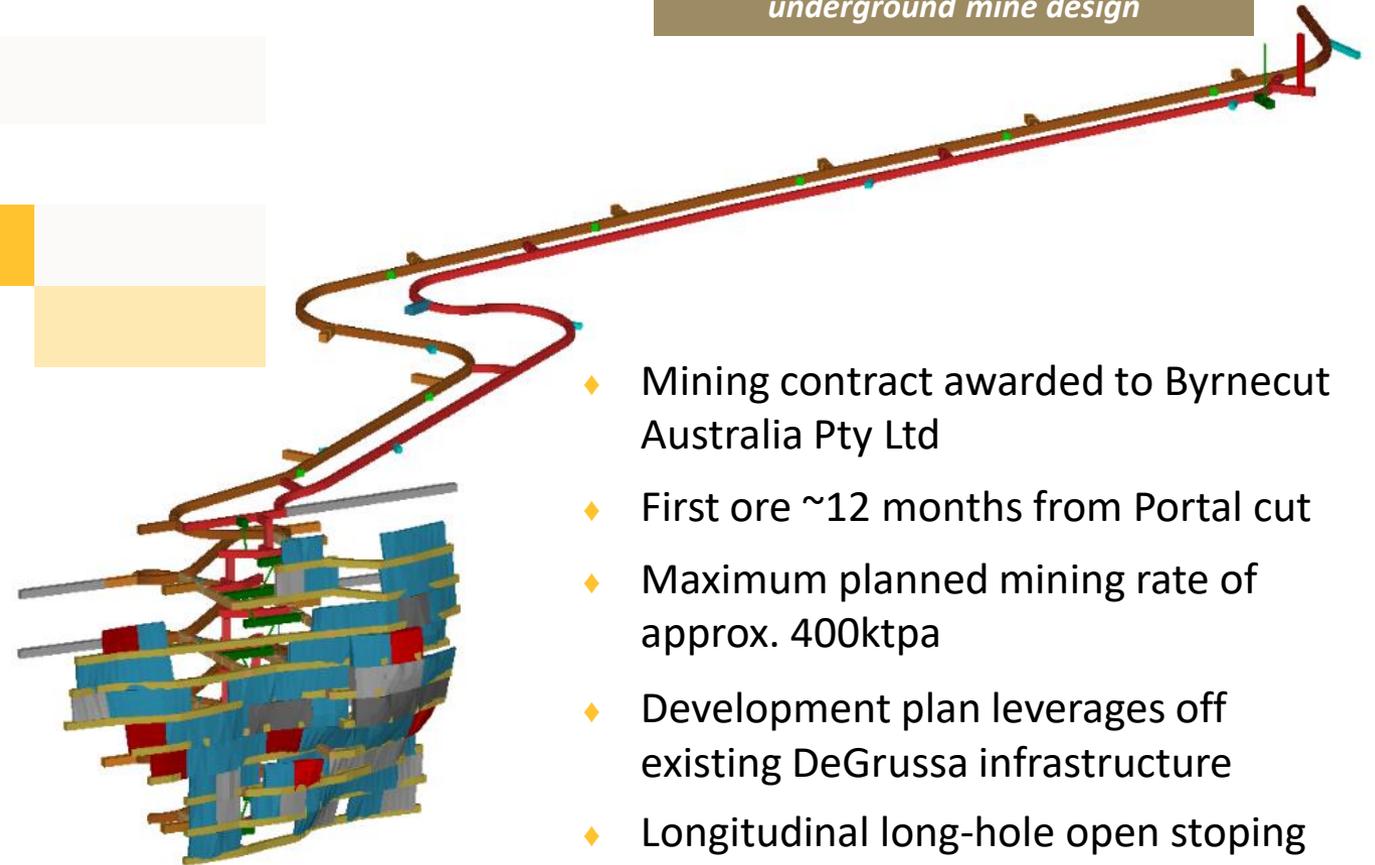


A conventional underground operation

Target Monty project development timeline	1Q FY18	2Q FY18	3Q FY18	4Q FY18	1Q FY19	2Q FY19	3Q FY19
Detailed design and engineering	✓						
Early mobilisation and preliminary site activities	✓	✓					
Mining Proposal Approval	✓						
Decline Development		✓					
First Ore Production							



3D schematic of Monty decline and underground mine design



- ♦ Mining contract awarded to Byrnegut Australia Pty Ltd
- ♦ First ore ~12 months from Portal cut
- ♦ Maximum planned mining rate of approx. 400ktpa
- ♦ Development plan leverages off existing DeGrussa infrastructure
- ♦ Longitudinal long-hole open stoping with backfill



Monty Deposit and near mine opportunities – 8km Monty Trend

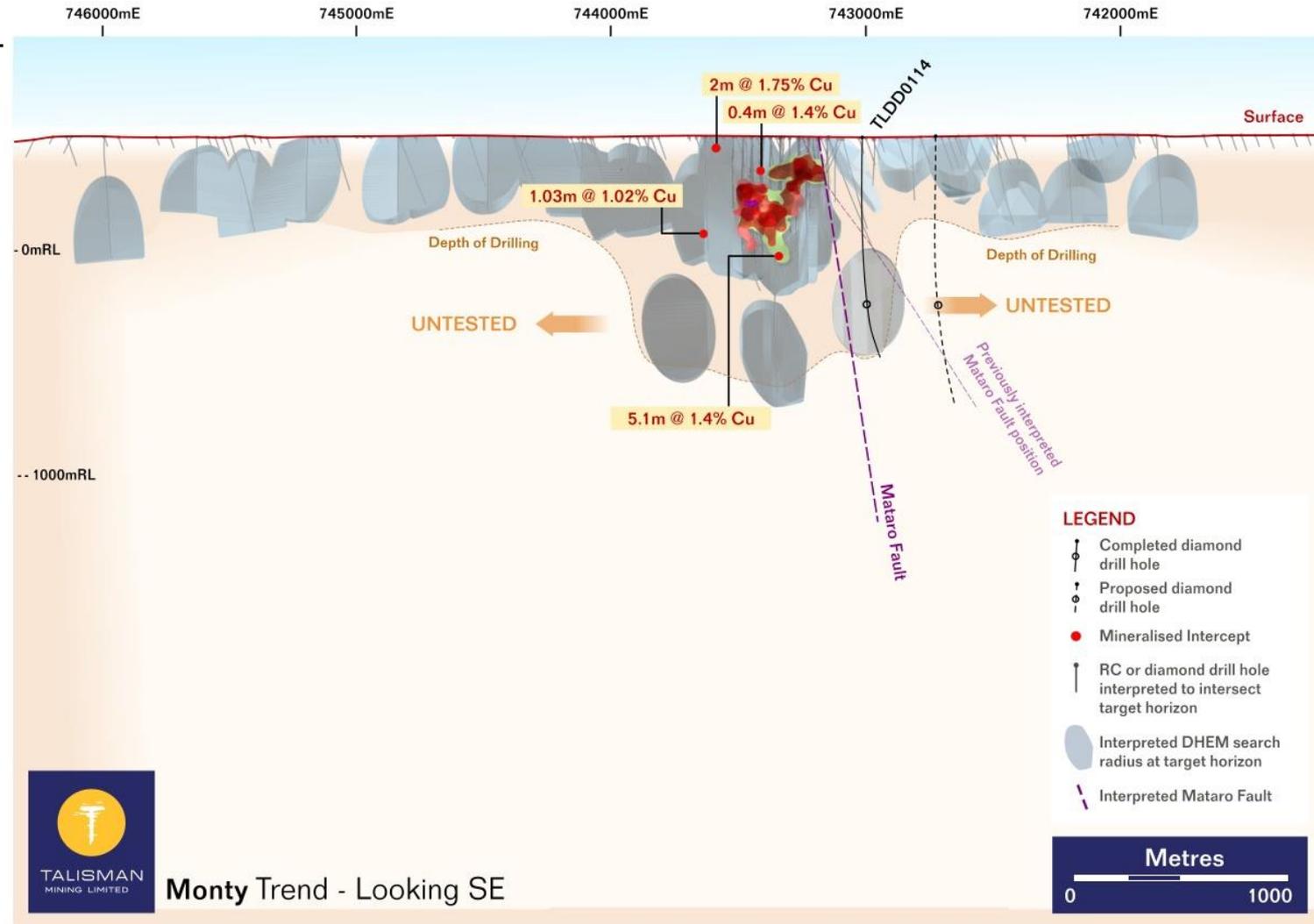
Untested potential for further mineralisation in Monty near mine environment

- ◆ Current Mine Plan includes higher-grade, higher-tonnage LZ only
- ◆ Potential for excluded Upper Zone (UZ) to enter mine plan with grade control drilling
- ◆ Lower Zone (LZ) growth potential with grade control drilling
- ◆ Represents one limited stratigraphic package within the wider prospective Monty Corridor

Monty Ore Reserve as at 31 March 2017²

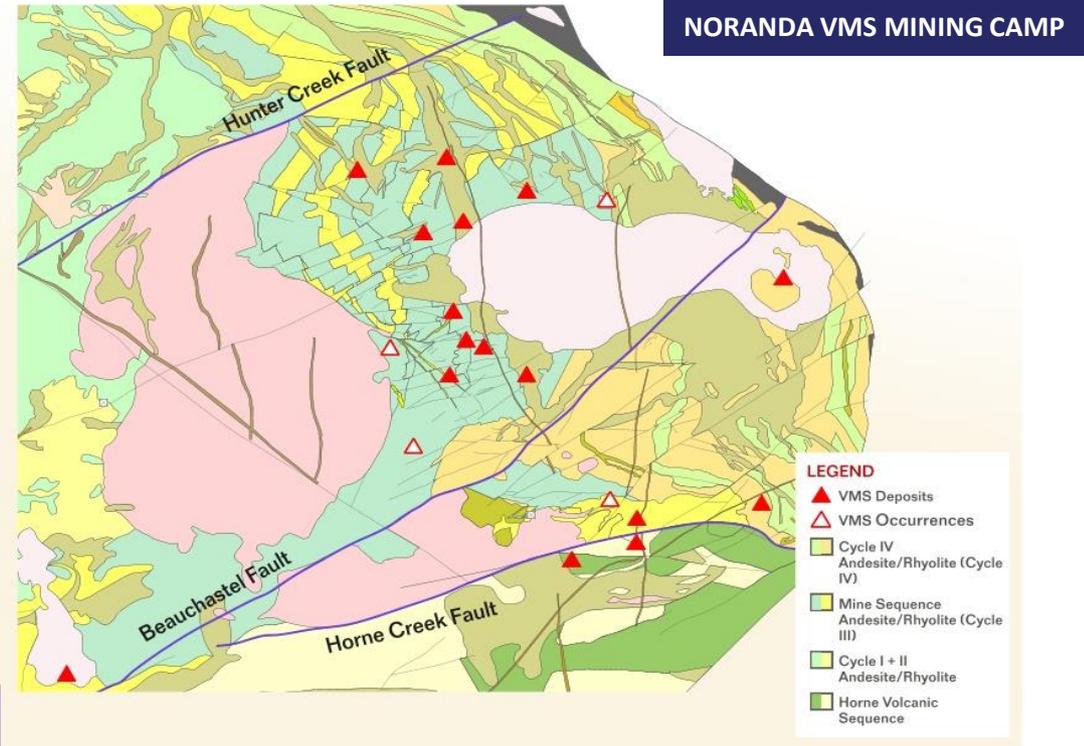
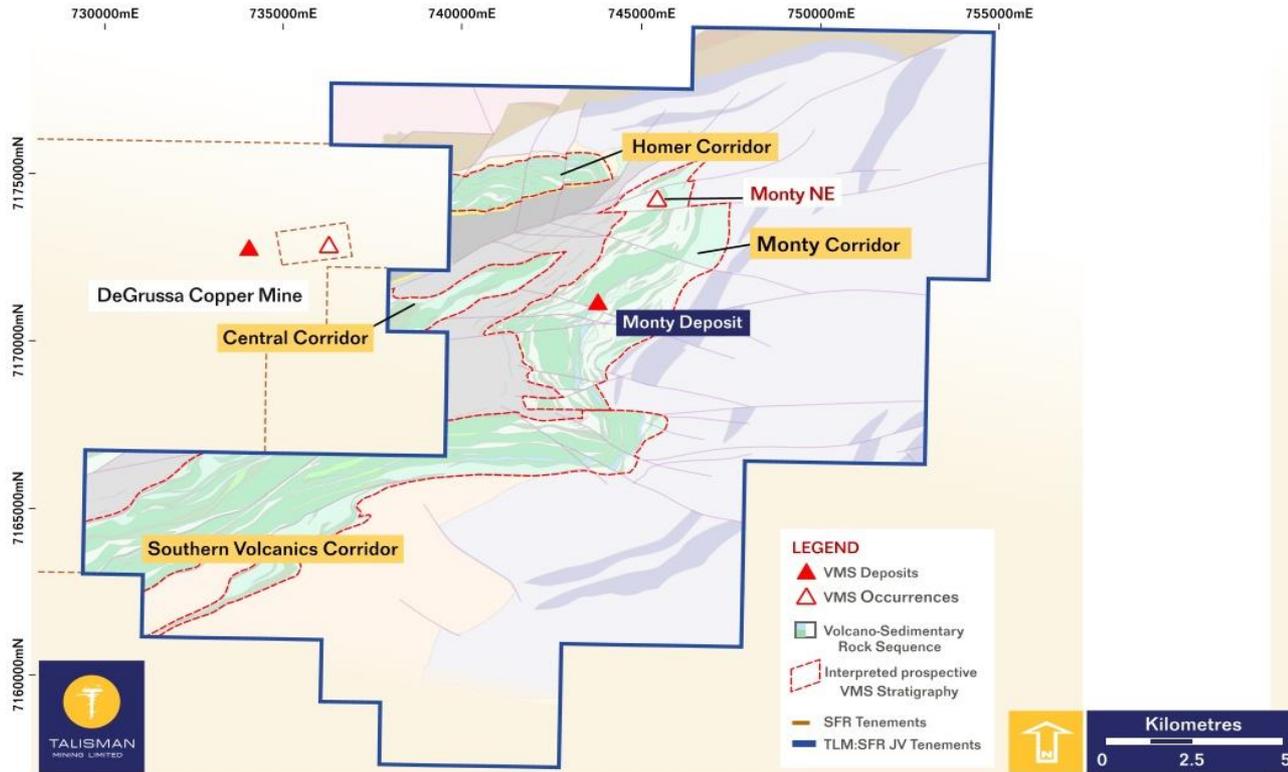
Deposit	Reserve Category	Tonnes (t)	Copper (%)	Gold (g/t)	Cont. Cu (t)	Cont. Au (oz)
Monty (100% basis)	Proved	-	-	-	-	-
	Probable	920,000	8.7	1.4	80,000	42,000
	Total	920,000	8.7	1.4	80,000	42,000

² Refer Appendix 1 Note ii





Monty Deposit provides 'proof of concept' for Doolgunna VMS Camp

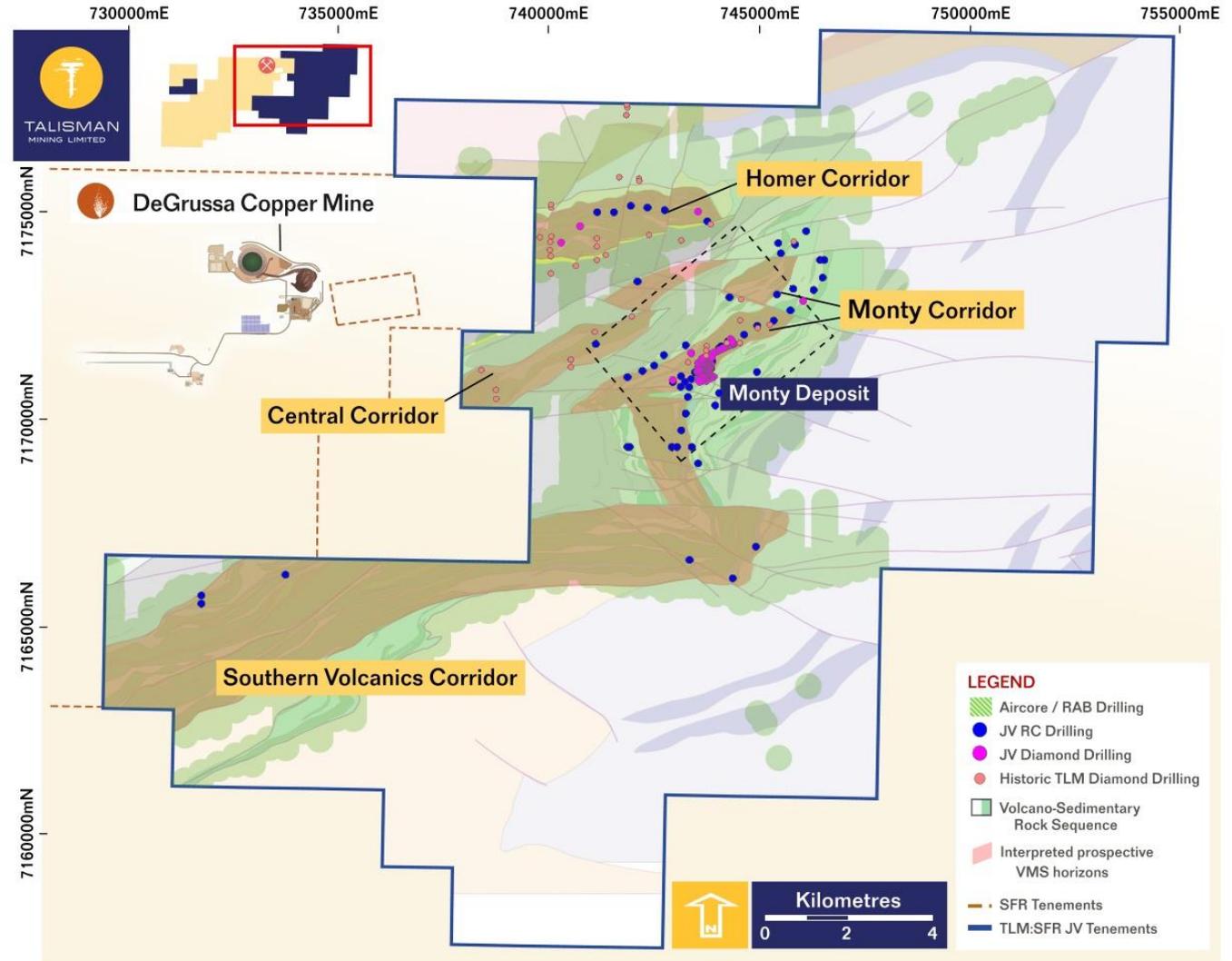


- ◆ VMS deposits can and do occur at multiple stratigraphic levels within the prospective sequence, eg *Noranda VMS mining camp*
- ◆ Bryah Basin VMS Camp now with three VMS Deposits (*DeGrussa, Monty, Horseshoe Lights*) and four VMS occurrences at different stratigraphic levels within the prospective Karalundi sequence
- ◆ Potential remains to increase known mineralisation with further systematic exploration



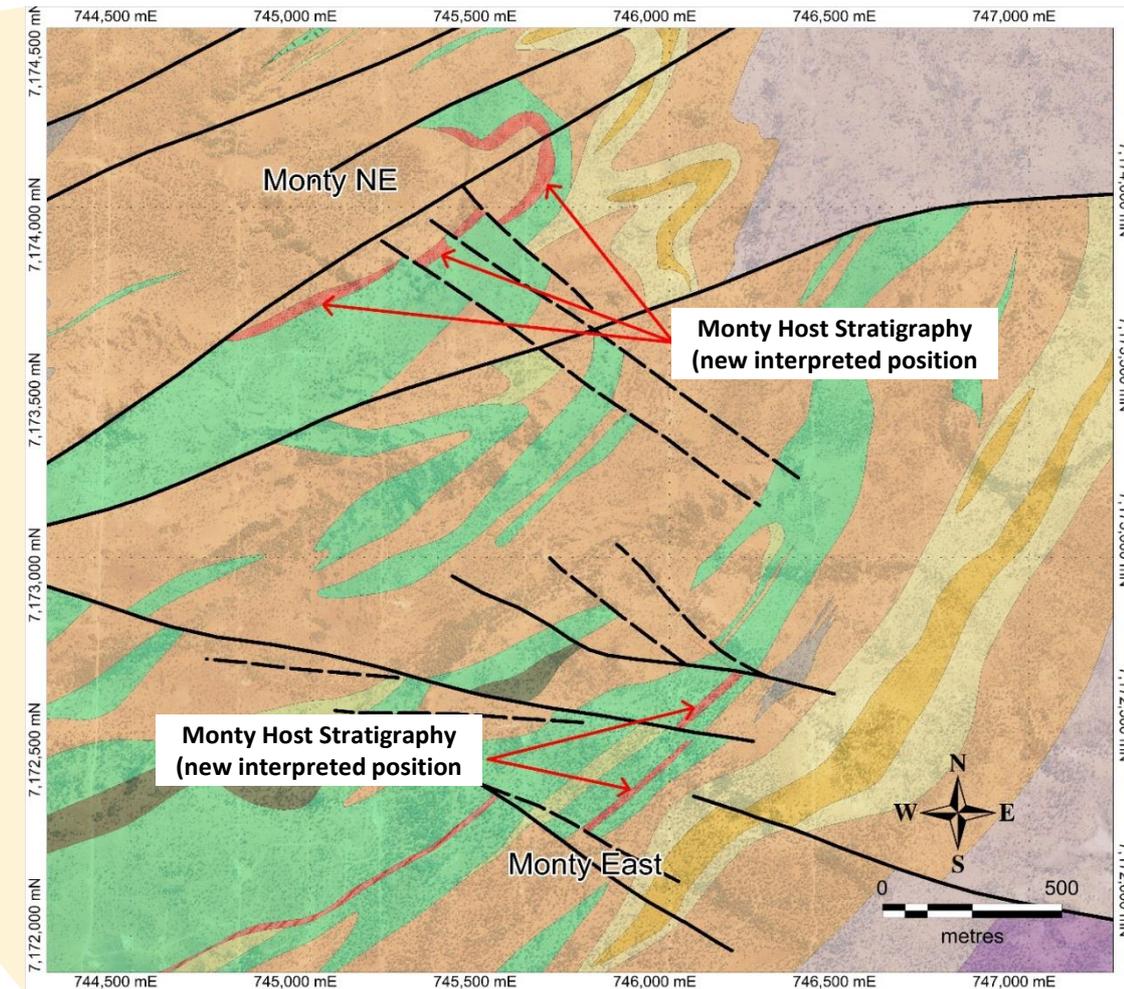
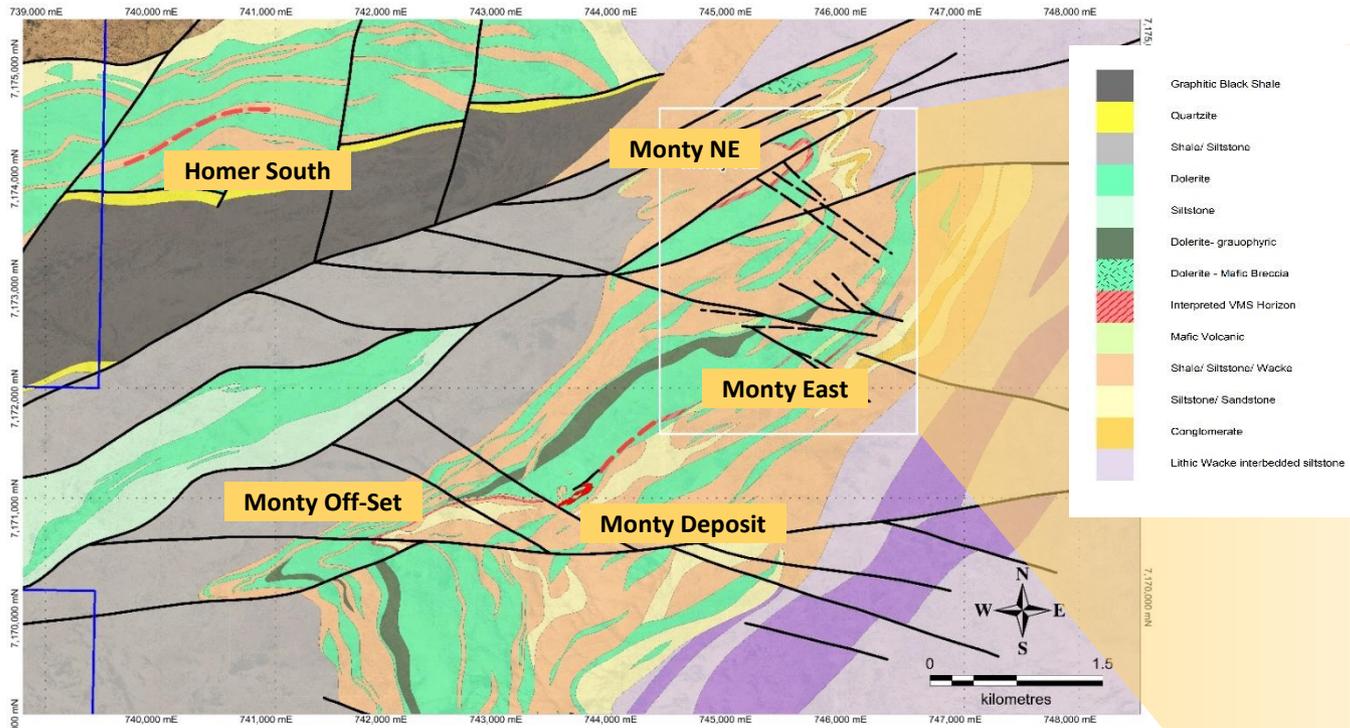
Springfield – Multiple Prospective Horizons

- ◆ Potential for multiple host horizons within prospective corridors
 - ◆ Monty, Homer, Southern Volcanics and Central
- ◆ Limited diamond and RC drilling by JV outside of Monty Resource
 - ◆ ~90% of JV diamond holes drilled for resource definition purposes
 - ◆ 16km Southern Volcanics Corridor has 6 RC holes and no diamond drilling to date
- ◆ Application of new and improved exploration techniques
- ◆ Evolving and improving geological understanding and interpretations
- ◆ Potential for deeper drilling of prospective horizons





New interpretations at multiple locations to be tested in the current quarter

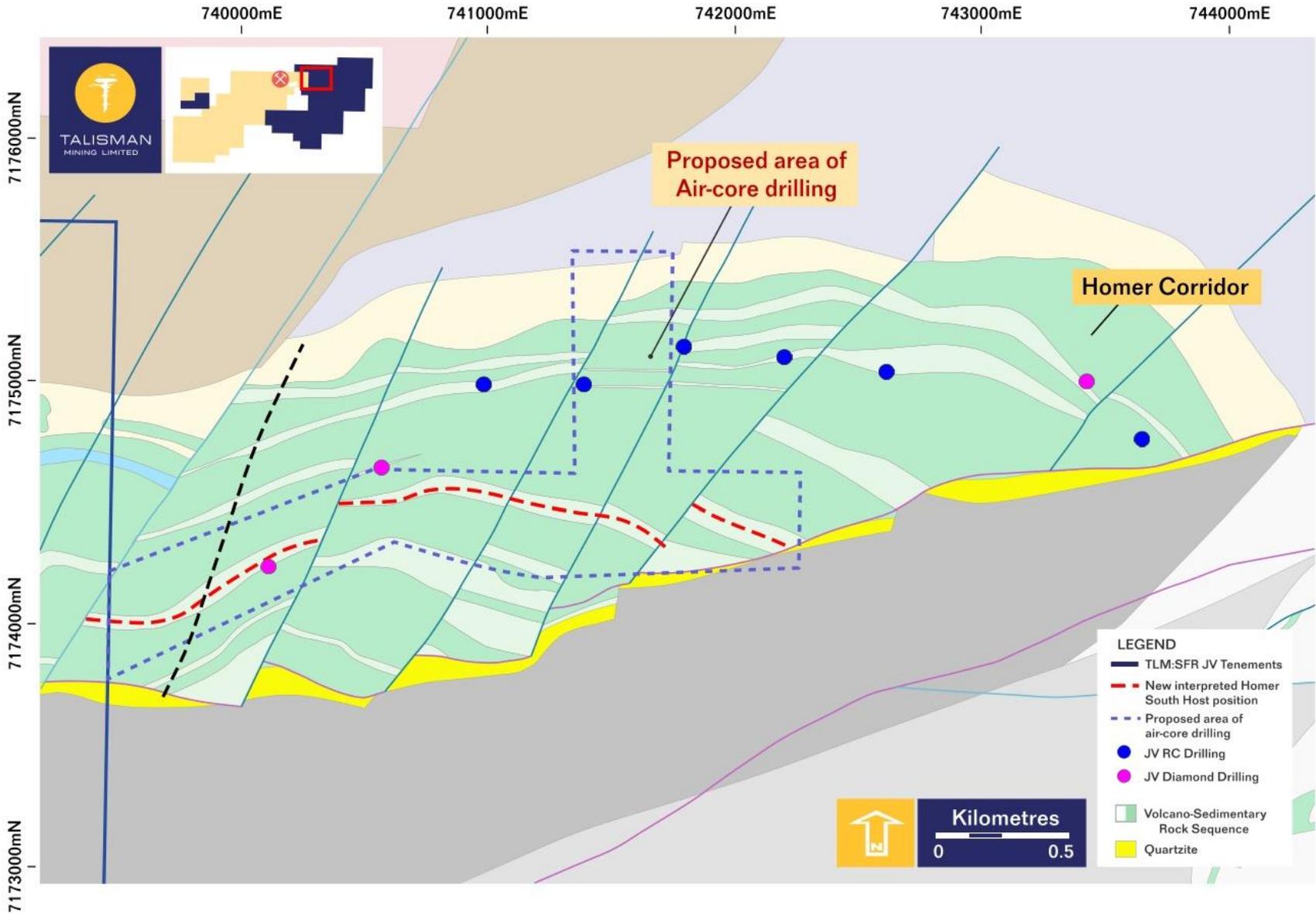


- ◆ Recently identified opportunities and interpretations include **Monty NE, Monty East and Homer South Trend**:
 - ◆ **Monty NE** significant intersection of **5m @ 4.11% Cu³**
 - ◆ **RC drilling planned at Monty NE** to test a second and separate bottom of hole aircore anomaly in this area

Springfield exploration upside potential



New interpretations at Homer South





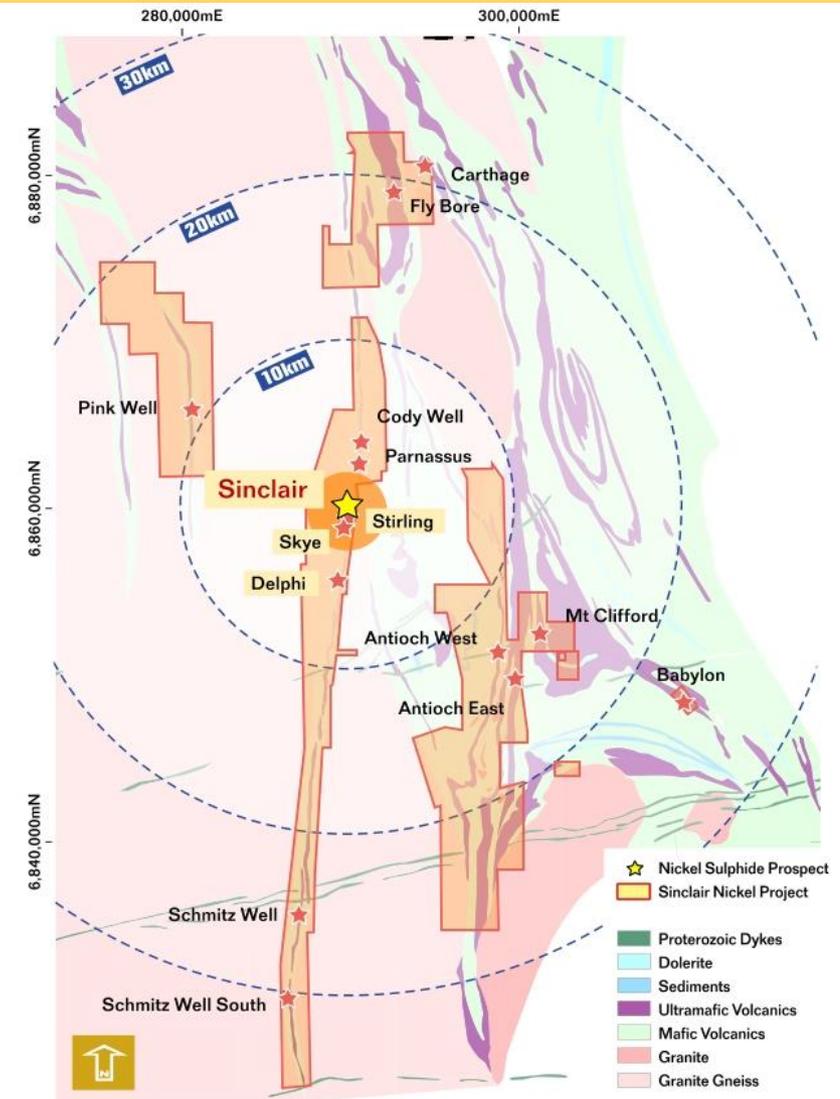
Sinclair Nickel Project

Advanced opportunity in a proven nickel province



Premium surface and underground assets with extensive infrastructure

- ◆ Located in the world-class Agnew-Wiluna Greenstone belt
 - ◆ +9Mt historical nickel production
- ◆ Previous Sinclair mine production (2008-13)
 - ◆ 1.58Mt @ 2.44% Ni for 38,599t of contained Ni
- ◆ Existing asset base includes infrastructure with approx. A\$120M replacement value
- ◆ Low capital, fast track option to nickel production
- ◆ Resource targets for known mineralisation at Sinclair mine extension plus Sinclair remnants
- ◆ Regional exploration prospectivity
 - ◆ Prospects in close proximity to existing infrastructure
 - ◆ Regional opportunities along Sinclair trend (8km basal contact)
 - ◆ Results at Delphi North incl 9m @ 4.2% Ni⁴
- ◆ Active on-ground exploration

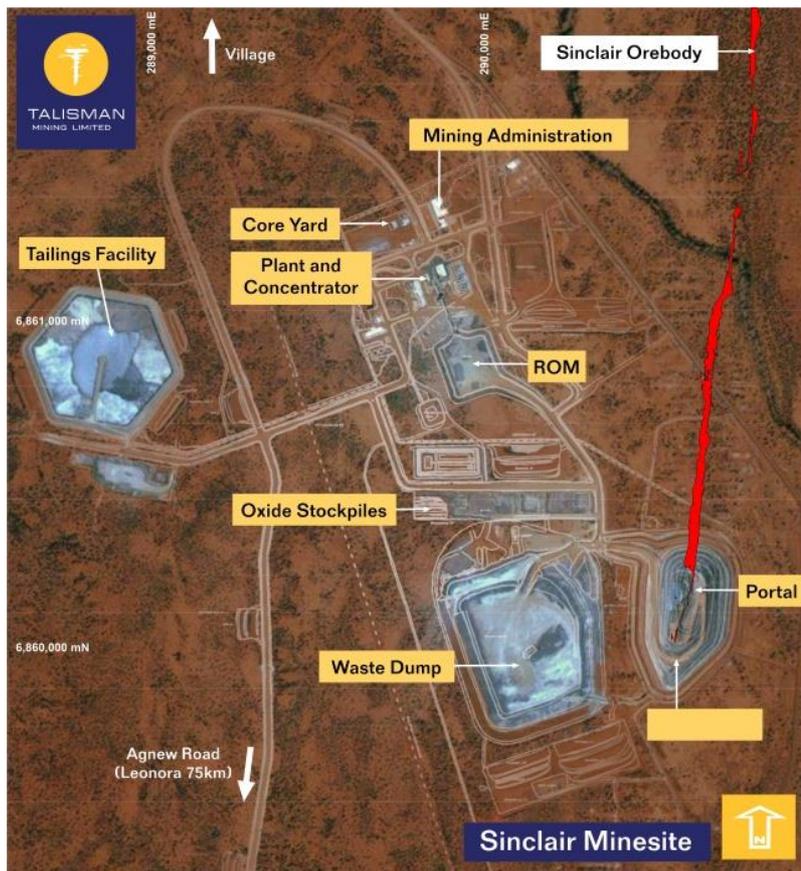


⁴ Refer to ASX Announcement 27 October 2016



Significant infrastructure in place with replacement value of approx. A\$120M

- ◆ 350ktpa concentrator
 - ◆ Operated at ~440ktpa
- ◆ Open pit, decline and underground mine
- ◆ 200-person accommodation village
- ◆ Administration buildings and stores
- ◆ Exploration office and core yard
- ◆ Mining contractor facilities



A re-commencement of operations at Sinclair, subject to near-mine exploration success, has the potential for low capital intensity and fast-tracked transition to production



Lachlan
Cu-Au Projects



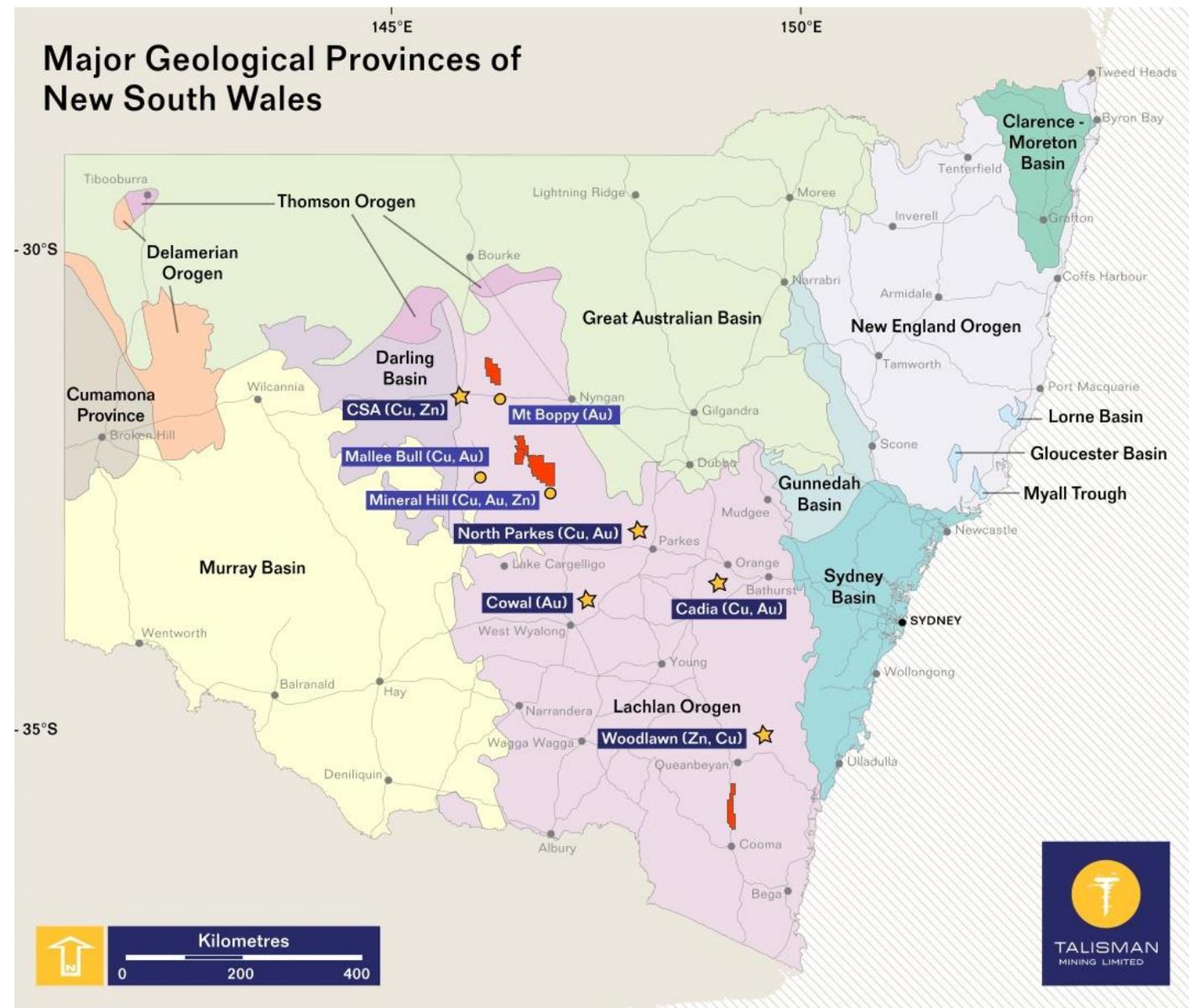
NSW Project Development

Building a New Exploration Focus

Talisman Project Generation – NSW Lachlan Orogen Focus



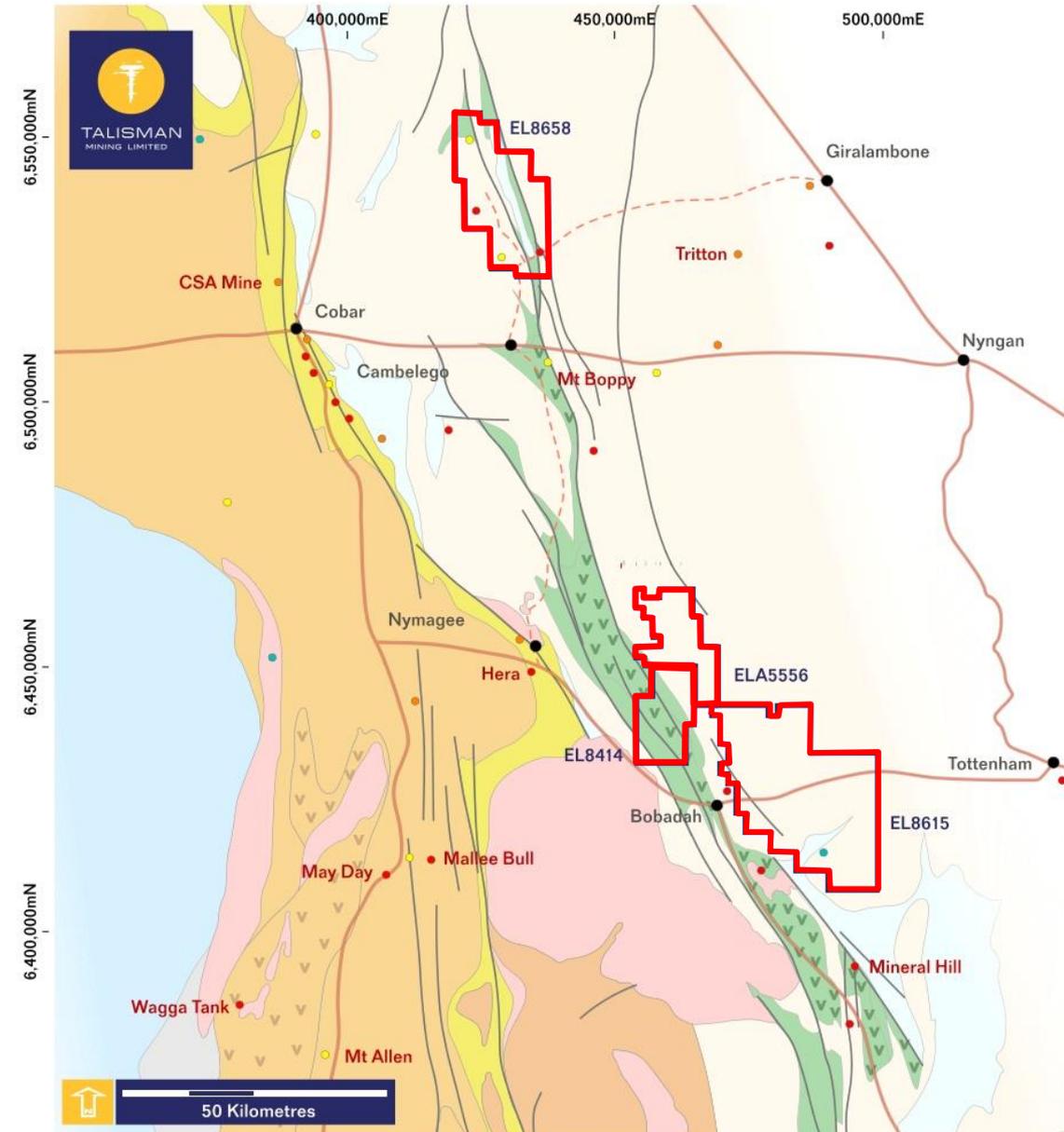
- ◆ NSW selected as an initial focus region:
 - ◆ Well endowed and proven gold and base metal district with production and current reserves estimated at:
 - ◆ 20.3 Mt Cu, 104 Moz Au, 29 Mt Ag¹
 - ◆ Under explored – minimal to no recent exploration
 - ◆ Recent “use it or lose it” changes in mining regulations have created multiple opportunities
 - ◆ Availability and quality of government datasets
 - ◆ Local landholders amenable to on-ground exploration activities
- ◆ Mineral prospectively highlighted by historical production and recent exploration success:
 - ◆ Cadia Cu-Au mine (*Newcrest*), North Parkes Cu-Au Mine (*CMOC/Sumitomo*), Cobar-CSA Cu-Zn mine (*Glencore*), Lake Cowal Au mine (*Evolution*), Woodlawn Zn mine (*Heron*)
 - ◆ Peel Mining Mallee Bull Project



New Project: - NSW Canbelego-Mineral Hill Rift Zone

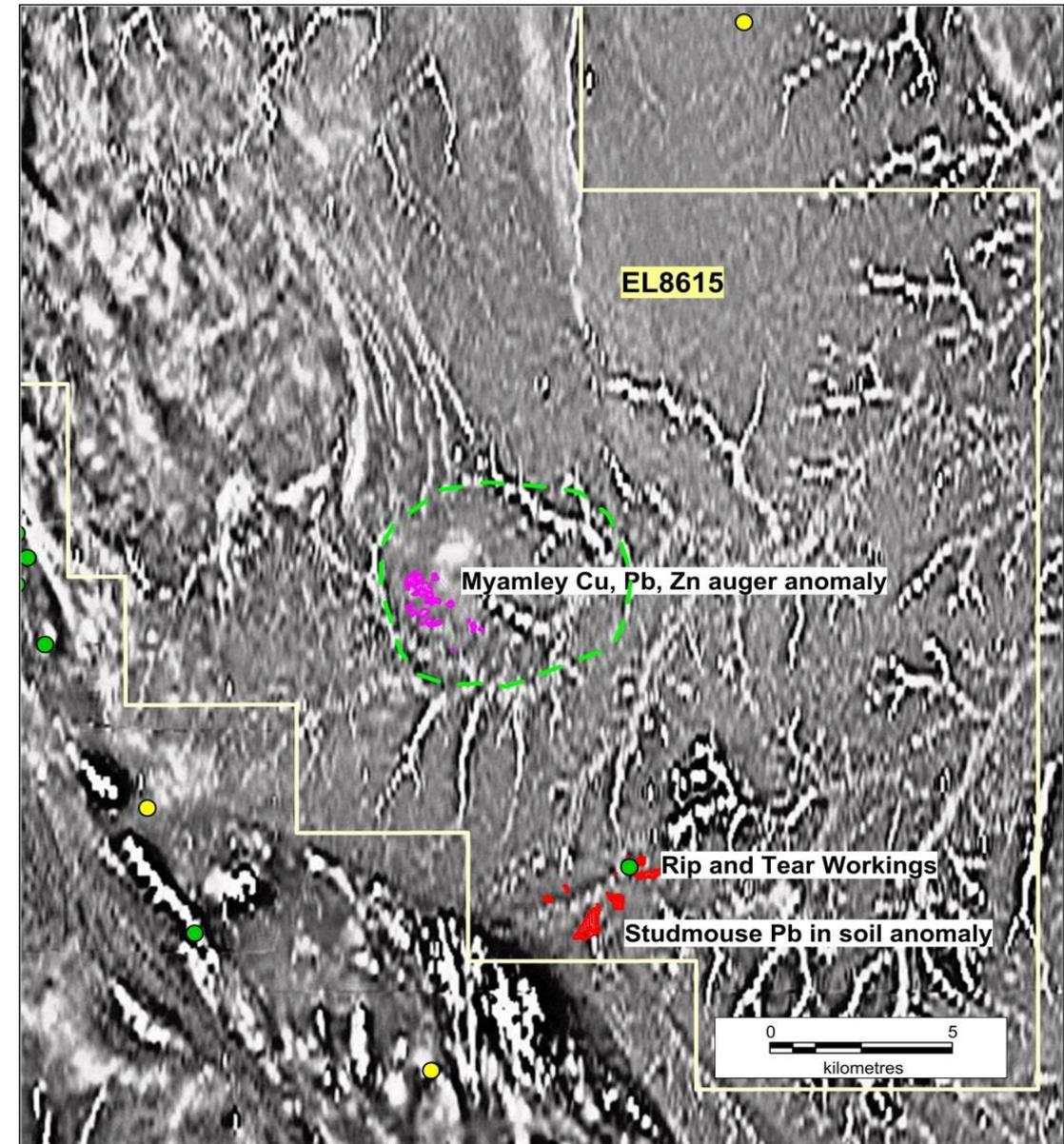


- ◆ Low cost project entry
 - ◆ New project generation/ pegging of new tenement applications
 - ◆ Earn-in JV opportunities
- ◆ Two new granted tenements (TLM 100%), and one application located along the Gilmore Suture Zone:
 - ◆ Myamley – EL8615
 - ◆ Sussex – EL8658
 - ◆ Bobadah– ELA5556
- ◆ Exploration Farm-In with Peel Mining Ltd – EL8414
- ◆ Work to date
 - ◆ Review of historic exploration
 - ◆ Interpretation of the regional structural framework and targeting exercise to further understand geological controls on mineralisation within the Cobar and Mineral Hill – Mt Boppy corridors





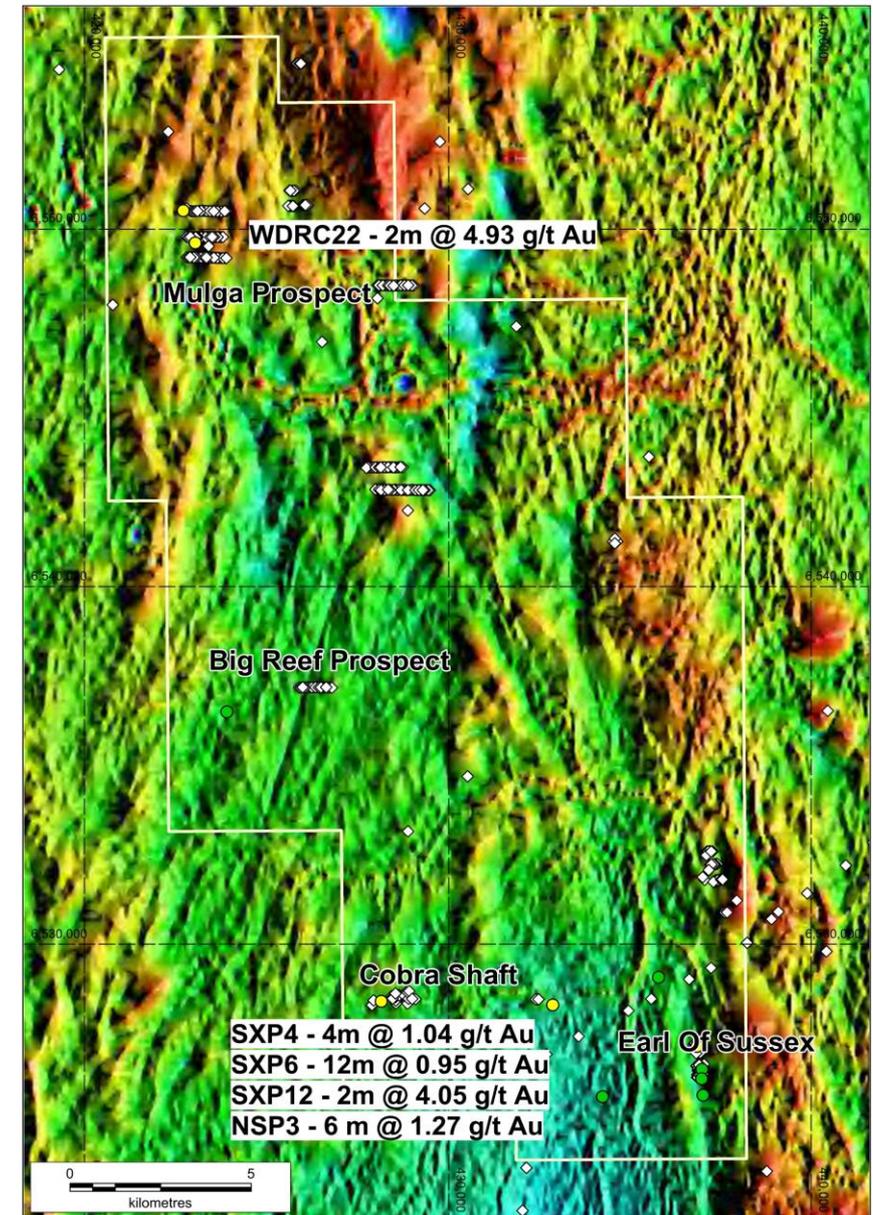
- ◆ *Myamley Base Metal Project (EL8615)*- Located along the large Gilmore Suture Zone, north of Mineral Hill Mine
- ◆ Known historic mineral occurrences – “Rip and Tear Mine”
- ◆ Very little modern systematic exploration undertaken to date:
 - ◆ Auger drilling, soil sampling, IP surveys and limited shallow RAB/ percussion drilling
 - ◆ Results have highlighted base metal anomalies at: Rip & Tear, Studmouse² and Myamley³ prospects
- ◆ Land Access Agreements signed over areas of initial interest



Sussex Cu-Au Project



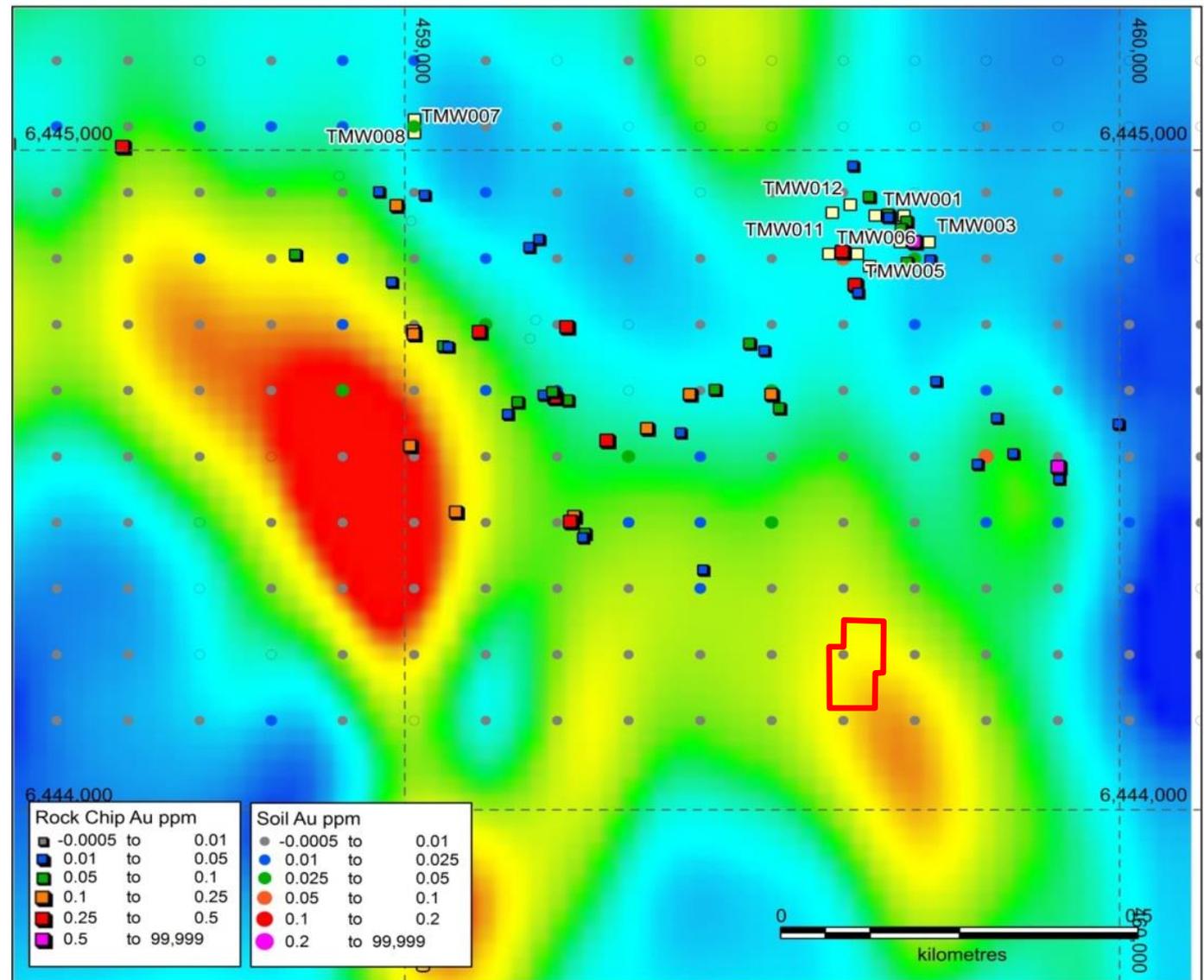
- ◆ **Sussex Gold Project (EL8659)**- Located along the Large Crustal scale Gilmore Suture Zone, north of Mt Boppy Mine
- ◆ Known historic mineral occurrences – Cobra Shaft, Earl of Sussex and Big Reef prospects
- ◆ Limited modern systematic exploration undertaken to date:
 - ◆ *Lag sampling, soil sampling, aircore drilling, shallow RAB/ percussion drilling*
- ◆ **Mulga Prospect**
 - ◆ *Lag sampling at the Mulga Prospect has identified a large gold anomaly over a strike extent of 3km, follow up RAB and RC percussion drilling has intersected significant gold mineralisation; best intervals include;*
 - ◆ *WDRC22⁴ – 2 metres at 4.9 g/t Au from 53 metres*
- ◆ **Cobra Shaft prospect**
 - ◆ *Shallow percussion drilling at the Cobra Shaft returned significant gold mineralisation; including;*
 - ◆ *SXP4⁵- 4 metres at 1.04 g/t Au*
 - ◆ *SXP6⁵- 12 metres at 0.95 g/t Au*
 - ◆ *SXP12⁶ - 2 metres at 4.05 g/t Au*
 - ◆ *NSP3⁷ - 6 metres at 1.27 g/t Au*



New Project – Peel Mining Ltd Farm-In



- ◆ TLM has the right to earn up to 75% of two granted ELs through expending a total of \$700k over 5 years (Mt Walton and Michelago)
- ◆ Mt Walton (EL8414)
 - ◆ Historic exploration includes: surface sampling, gravity and IP surveys, limited isolated drilling and DHEM
 - ◆ Au-in-rock samples up to 1g/t Au with coincident IP chargeability anomaly
 - ◆ Shallow drilling testing intersected banded epithermal quartz, pyrite and pyrrhotite, and anomalous precious mineralisation
 - ◆ TMW05⁸ - 3.0m @ 3.2 g/t Au
 - ◆ IP anomaly remains untested by bedrock drilling

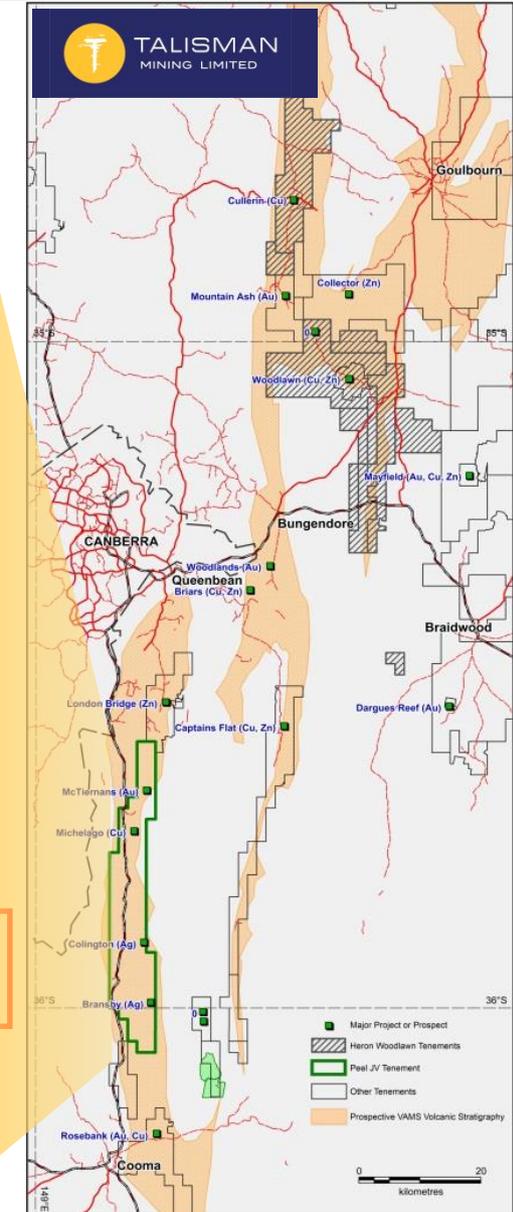
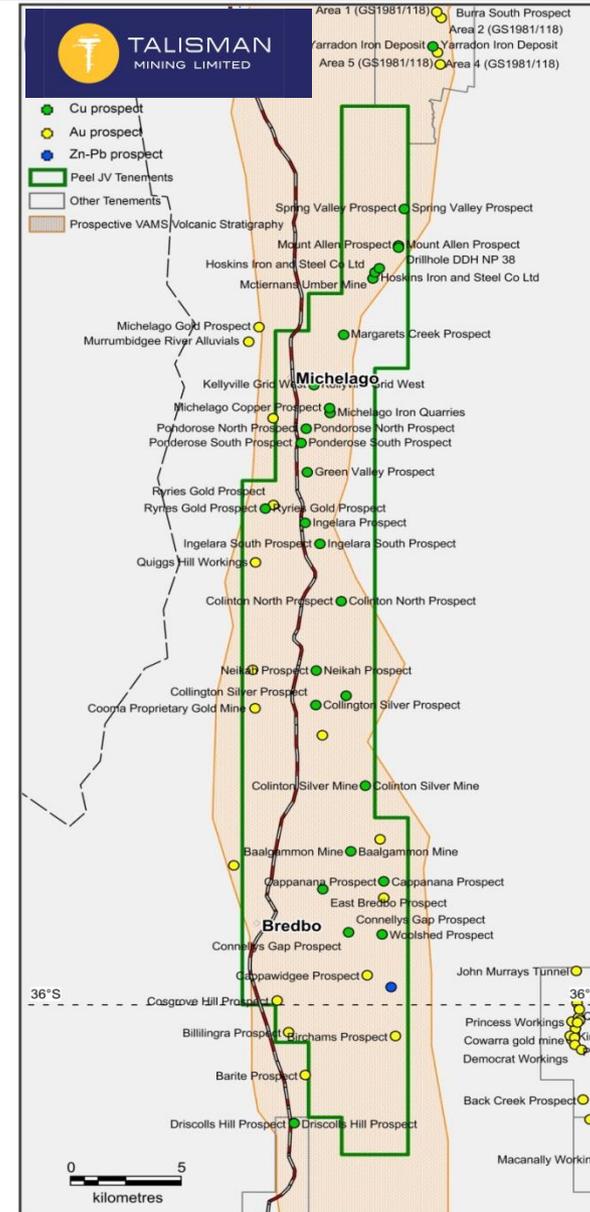


Cumbine Prospect showing IP chargeability image (125m depth), drill collars, rock chip samples and soil samples

New Project – Peel Mining Ltd Farm-In



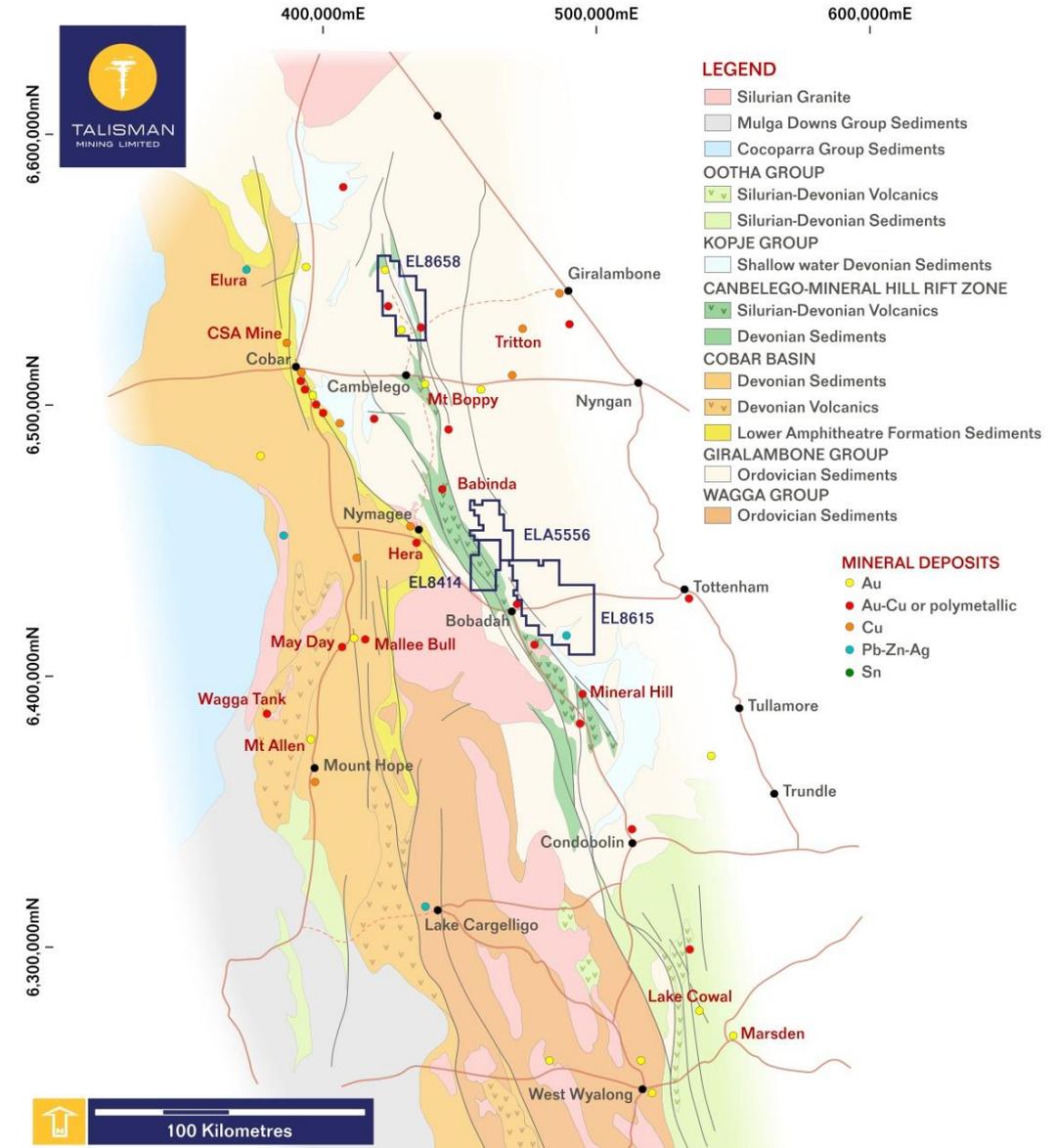
- ◆ **Michelago (EL8451):**
 - ◆ Located within the well endowed Goulbourn Trough which is host to the large Woodlawn lead-zinc deposit
 - ◆ Covers a total strike extent of 50Km
 - ◆ Prospective for Volcanic Associated Massive Sulphide (VAMS) deposits similar to the Woodlawn VAMS deposit to the north-east
 - ◆ Numerous base metal, gold and silver historical workings
 - ◆ Little modern exploration
- ◆ **Review of historical exploration in progress**
 - ◆ NP40⁹ – 6.0 metres at 0.58% Cu
 - ◆ AL105¹⁰ – 4.0 metres at 1.32g/t Au
 - ◆ AL106¹⁰ – 1.0 metre at 2.43g/t Au
 - ◆ PH56¹¹ – 9.1 metres at 1.07% Zn



New Project – Proposed work for 2018



- ◆ Execution of Land Access Agreement over remaining project areas
- ◆ Field mapping and geochemical sampling following structural targeting exercise
- ◆ On-ground field work expected to commence in early 2018:
 - ◆ Systematic regolith sampling over historic anomalies at Rip & Tear, Cumbine, Big Reef, Myamley
 - ◆ Ground geophysical surveys over priority target areas including, gravity, magnetics and IP surveys
- ◆ **Development of targets and prioritisation for in-ground exploration programs through 2018**





The Talisman Investment Case

Emerging metals producer with exceptional prospectivity



Emerging metals producer with exceptional prospectivity

- ◆ Monty a high-grade, high-returning copper-gold project
 - ◆ Development underway
 - ◆ Low risk, low capital driven by ore sales arrangement
 - ◆ Pre-production capital fully financed
 - ◆ First production targeted December quarter 2018
 - ◆ Highly leveraged to exploration success from active programs at the joint venture ground
- ◆ Sinclair a low start-up cost, fast track nickel production option
- ◆ Upcoming activities
 - ◆ Testing of exploration targets at Springfield
 - ◆ Progression of decline and development
 - ◆ Assessment of opportunities at Sinclair
 - ◆ Development of targets and prioritisation for in-ground exploration programs at NSW Projects
- ◆ Progressing quality opportunities to create value which are complementary to our assets, experience and expertise





Experienced and diverse Executive Team and Board

Dan Madden – Managing Director

- ◆ +15 years experience across base and precious metals from exploration through to operations

Tony Greenaway – General Manager Geology

- ◆ +25 years base and precious metal exploration experience from grass roots evaluation through to advanced feasibility studies

Shaun Vokes – Chief Financial Officer and Company Secretary

- ◆ +25 years experience in senior commercial and financial roles from project evaluation/development through to financing and metals marketing

Non Executive Directors

Jeremy Kirkwood (Non-Exec. Chair) *Investment Banking, Corporate Strategy*

Karen Gadsby (Non-Exec. Dir) *Finance, Commercial & Board Experience*

Brian Dawes (Non-Exec. Dir) *Operational Executive*

Alan Senior (Non-Exec. Dir) *Resources Project Development*

Recent Research [click here](#)

Capital Structure

Shares on Issue	185.7M
Unlisted Options	9.7M
Market Capitalisation (at 25c)	A\$ 46M
Cash (30 Sept 2017)	A\$ 7.3M

Substantial Shareholders

Kerry Harmanis	~18%
Institutional Investors	~11%

Philosophy and Core Beliefs

- ◆ Behave and act as business owners
- ◆ Be accountable for our decisions and actions
- ◆ What we say is what we do
- ◆ Engage with stakeholders in meaningful and clear way
- ◆ Develop mutually beneficial partnerships and opportunities
- ◆ Build strong commitment across our team and with stakeholders
- ◆ Collaborative approach



TALISMAN
MINING LIMITED

ASX Code: TLM

THANK YOU

Discovering & Developing Opportunities in Copper-Gold & Nickel

AGM Presentation: November 2017



Note i: Mineral Resources

Information in this presentation that relates to the Monty JORC Mineral Resource estimate is information previously published by Sandfire Resources NL ("Sandfire") and is available on the Sandfire and ASX websites (see announcement "Maiden High-Grade Mineral Resource for Monty VMS Deposit: 99,000t of Copper and 55,000oz of Gold", dated 13 April 2016 (Sandfire Announcement)). For full details of the Monty Resource estimate, including the Competent Person's Statement related to the estimation of the Monty Mineral Resource, please refer to the Sandfire Announcement.

Talisman confirms that it is not aware of any new information or data that materially affects the information included in the Sandfire Announcement, and that all material assumptions and technical parameters underpinning the estimates in the Sandfire Announcement continue to apply and have not materially changed and confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original Sandfire Announcement.

Note ii: Ore Reserves

Information in this presentation that relates to Ore Reserves and Exploration Results and Exploration Targets as defined under the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves", is information previously published by Talisman Mining Ltd ("Talisman") and is available on the Talisman and ASX websites (see announcement "Monty Feasibility Study Results", dated 5 April 2017 (Talisman Announcement)). For full details of the Ore Reserve estimate, including the Competent Person's Statement related to the estimation of the Ore Reserve, please refer to the Talisman Announcement.

Talisman confirms that it is not aware of any new information or data that materially affects the information included in the Talisman Announcement, and that all material assumptions and technical parameters underpinning the estimates in the Talisman Announcement continue to apply and have not materially changed and confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original Talisman Announcement.

Exploration Results and Exploration Targets

Information in this presentation that relates to Exploration Results and Exploration Targets as defined under the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves", is based on information compiled 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 deposit 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.



Exploration Results and Exploration Targets

Information in this presentation that relates to Exploration Results and Exploration Targets as defined under the 2012 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”, is based on information compiled 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 deposit 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.

¹ NSW Department of Planning and Environment Website, July 2017

² Results taken from Annual Report for the year ending February 28, 1977 for EL676, GS1977/030.R00000990. Geological Survey of NSW DIGS reporting system

³ Results taken from Second Report for six months to March 1975 for EL676 GS1974/356.R00022366. Geological Survey of NSW DIGS reporting system

⁴ Drilling results taken from Cortana Resource Ltd Annual Technical Report for EL6161 2007, GS2007/925.R00041962. Geological Survey of NSW DIGS reporting system

⁵ Drilling results taken from Pan Australian Mining Ltd Report for the period for EL2445 18.6.86 to 17.12.86, GS1985/291.R00014020. Geological Survey of NSW DIGS reporting system

⁶ Drilling results taken from Pan Australian Mining Ltd Report for the period for EL2445 18.12.86 to 17.6.87, GS1985/291.R00014021. Geological Survey of NSW DIGS reporting system

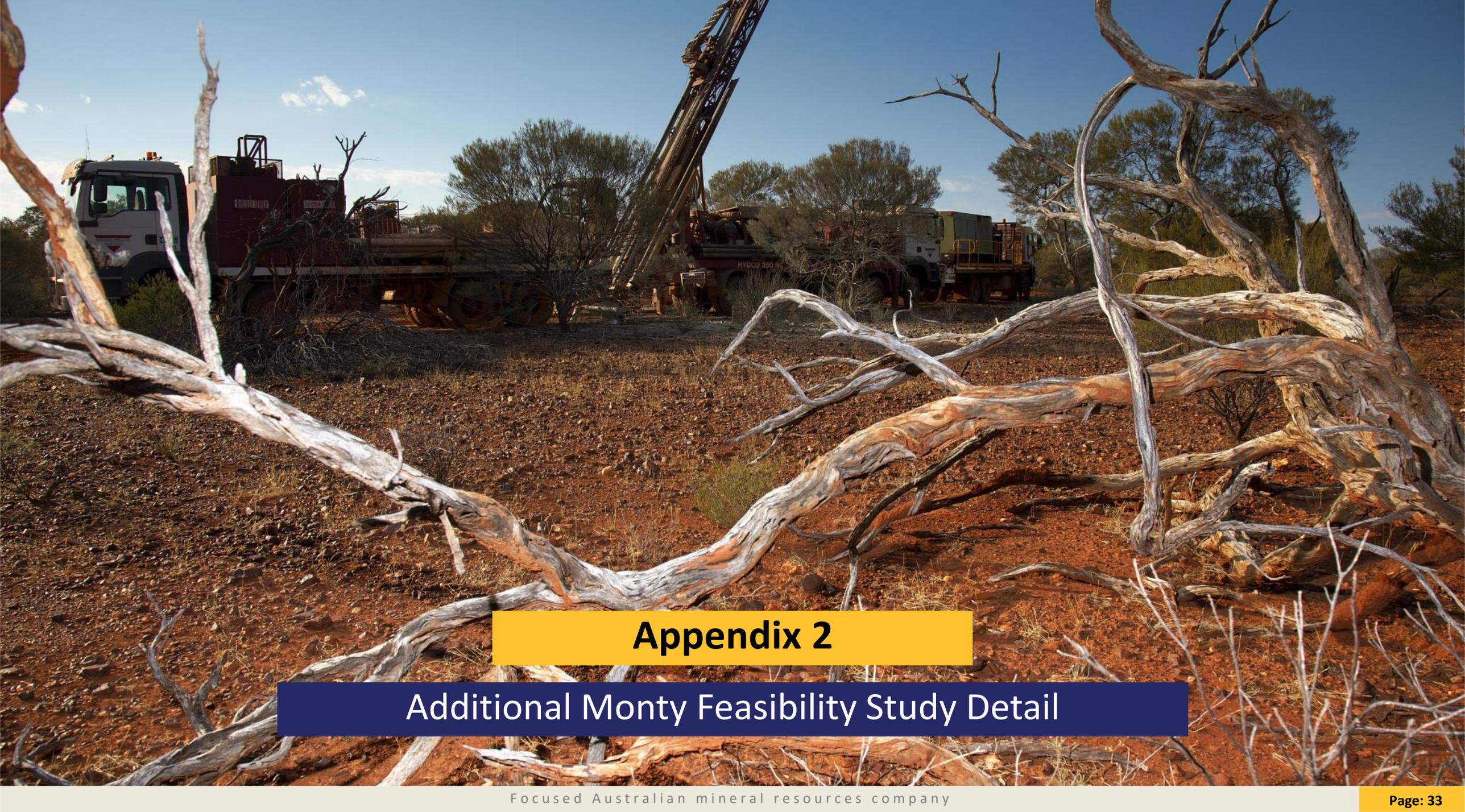
⁷ Drilling results taken from Pan Australian Mining Ltd Report for the period for EL2445 18.6.88 to 17.12.88, GS1985/137.R6200. Geological Survey of NSW DIGS reporting system

⁸ Taken from Triako Resources Ltd Annual Report for EL5393 2001, GS2002/522.R00030150. Geological Survey of NSW DIGS reporting system

⁹ Drilling results taken from Tenneco Australia Inc. Summary Report Michelago Project for EL308 1973, GS1973/138.R00023351. Geological Survey of NSW DIGS reporting system

¹⁰ Drilling results taken from Monaro Mining Ltd Annual report EL6376 for the period ending 10/02/2006, GS2006/049.R00054339. Geological Survey of NSW DIGS reporting system

¹¹ Drilling results taken from Amax Exploration (Australia) Inc. Quarterly report No. 7 17/11/1971, GS1971/605.R00024616. Geological Survey of NSW DIGS reporting system



Appendix 2

Additional Monty Feasibility Study Detail



Capital cost composition (TLM 30% basis)

Capital item	A\$M
Surface infrastructure	9.9
Underground mine development	9.5
Underground mine infrastructure	2.4
Total pre-production capital	21.8
Sustaining capital	5.5
Closure costs	1.0
Total capital cost	28.3

Commodity Price Assumptions

Commodity / FX	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Copper – U\$/lb	2.51	2.74	2.81	2.78	2.68
Gold – U\$/Oz	1310	1398	1375	1374	1296
Silver – U\$/Oz	17.95	19.14	18.84	18.83	17.75
Currency AUD:USD	0.733	0.730	0.725	0.720	0.715

Operating cost parameters (TLM 30% basis)

Operating item	A\$M	A\$/t ore
Underground mining	28.8	120.5
Ore transport to DeGrussa	1.4	5.8
Ore Treatment Fee (OTF)	50.4	211.0
Sandfire management fee	0.2	1.0
Royalties	8.1	34.0
Total operating cost	88.9	372.3

Operating item	A\$M	A\$/lb payable Cu
Underground mining	28.8	0.65
Ore transport	1.4	0.03
Ore Treatment Fee (OTF)	50.4	1.15
Sandfire management fee	0.2	0.01
Gold and silver credits	(12.3)	(0.28)
Notional C1ⁱ cost	68.5	1.56
Royalties – gov't and native title	8.1	0.19
Sustaining capital	5.5	0.13
Closure costs	1.0	0.02
Total notional AISCⁱ	83.1	1.90

ⁱ C1 and AISC are calculated on the basis of notionally including the OSA Ore Treatment Fee as a production cost. AISC is defined as the operating cash cost of production (net of by-product credits) plus royalties and sustaining capital and closure costs but exclusive of any finance costs or corporate overhead allocation.



Mineralisation Style	Mineral Resource Category	Tonnes (t)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Massive Sulphides	Indicated	754,000	12.0	2.1	91,000	51,000
	Inferred	9,000	20.7	2.7	2,000	1,000
	Total	763,000	12.1	2.1	92,000	52,000
Halo	Indicated	287,000	2.2	0.3	6,000	3,000
	Inferred	-	-	-	-	-
	Total	287,000	2.2	0.3	6,000	3,000
Total	Indicated	1,041,000	9.3	1.6	97,000	54,000
	Inferred	9,000	20.7	2.7	22,000	1,000
	Total	1,050,000	9.4	1.6	99,000	55,000

⁵ Refer Appendix 1 Note
 Figures in this table are rounded to the nearest thousand.



Ore Reserve estimate and Mine Plan on 100% Basis as at 31 March 2017

Reserve Category	Tonnes (t)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Proved	-	-	-	-	-
Probable	920,000	8.7	1.4	80,000	42,000
Total	920,000	8.7	1.4	80,000	42,000
Mine Plan	800,000	9.4	1.5	74,000	38,000

Ore Reserve estimate and Mine Plan for the Monty deposit (100% basis)

Ore Reserve estimate and Mine Plan on Talisman 30% Basis as at 31 March 2017

Reserve Category	Tonnes (t)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Proved	-	-	-	-	-
Probable	280,000	8.7	1.4	24,000	13,000
Total	280,000	8.7	1.4	24,000	13,000
Mine Plan	240,000	9.4	1.5	22,000	11,000

Ore Reserve estimate and Mine Plan for the Monty deposit (30% basis)

⁶ Refer Appendix 1 Note ii
 Figures in this table rounded to the nearest thousand



Logical and low risk pathway with economic benefits shared between JV partners

Mining Joint Venture Agreement (MJVA)

- ◆ Establishes the rights and obligations of the Springfield JV parties related to activities associated with the development, mining and ultimate decommissioning of mineral discoveries
- ◆ Development and mining of Monty will operate under the terms of this MJVA

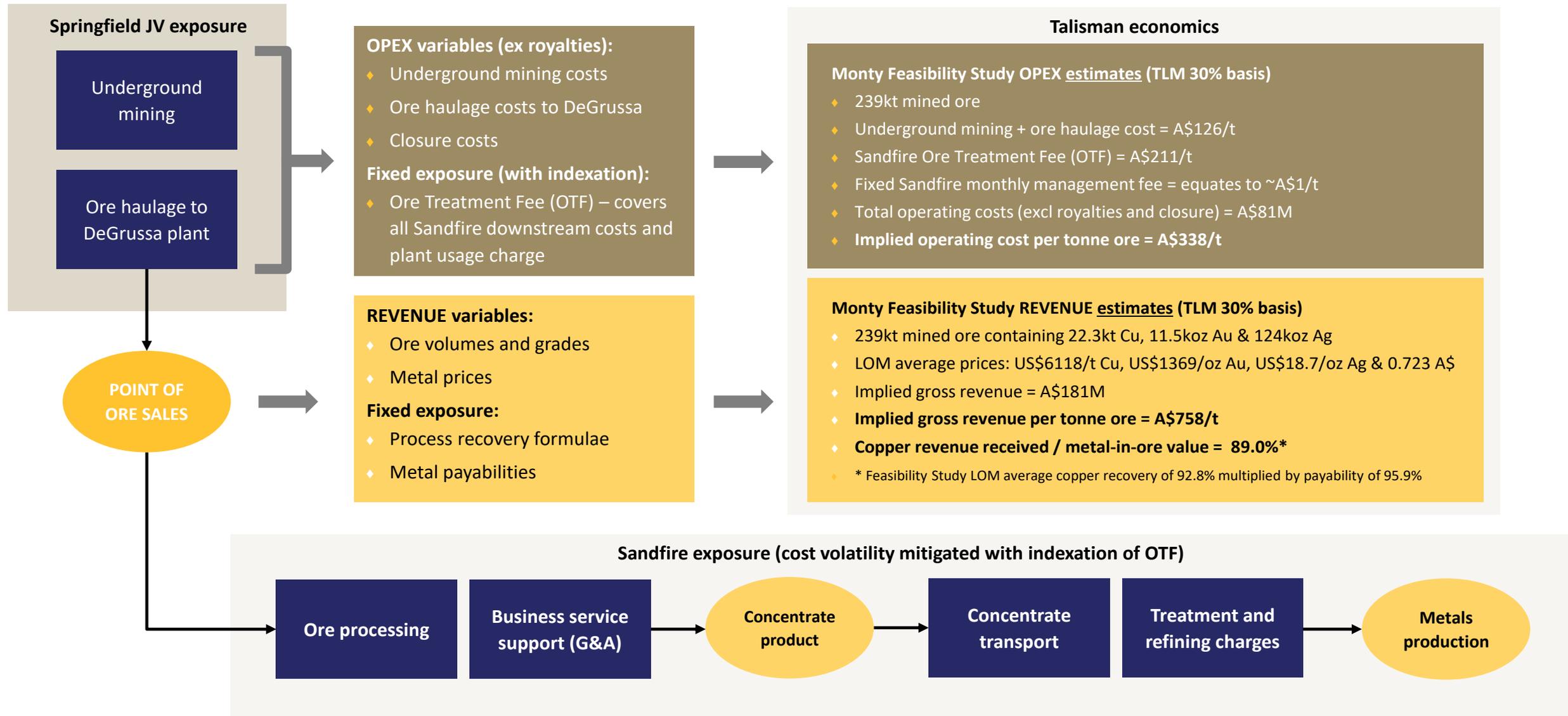
Exploration Joint Venture Agreement (EJVA)

- ◆ Covers the ongoing exploration activities of the Springfield JV on the JV tenements and outlines the rights and obligations of the JV parties
- ◆ Provides a mechanism to progress future mineral discoveries, including the option to utilise the existing MJVA

Ore Sale Agreement (OSA)

- ◆ Applies to Monty ore (and near-Monty extensions)
- ◆ Potential future Springfield JV discoveries subject to separate OSA at discretion of both JV parties
- ◆ Monty ore (at a max rate of approx. 0.4Mtpa) blended with Sandfire's existing DeGrussa ore feed
- ◆ Point of ore sale to Sandfire is at a dedicated weighbridge near DeGrussa ROM pad
- ◆ TLM receives net ore sale revenue payment on equivalent payable metal-in-concentrate basis after deduction of Ore Treatment Fee (OTF) per tonne of delivered ore and Royalties
- ◆ Ore sales revenue derived from (independently) calculated head grade, prevailing metal prices, fixed recovery formulae and fixed payabilities
- ◆ Certain components of OTF are subject to annual indexation and/or pegged to annual industry determined benchmarks

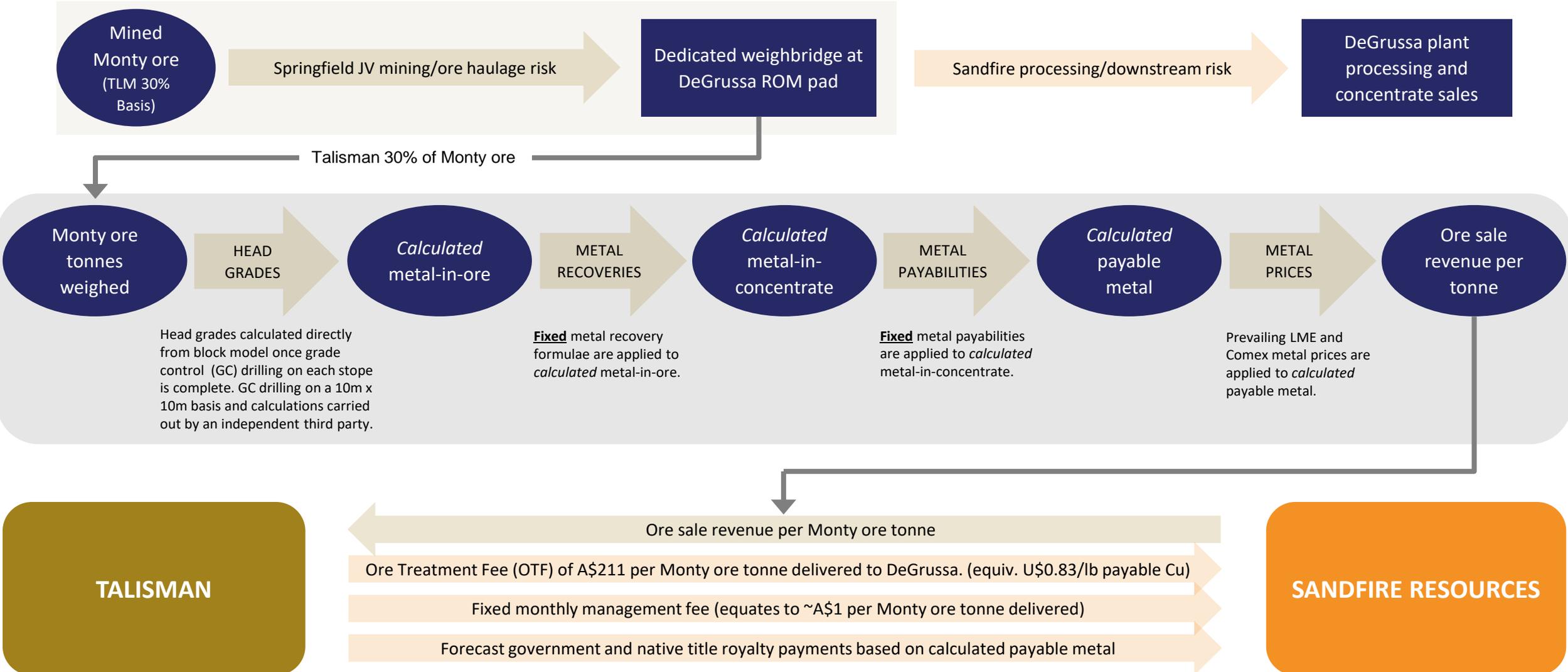
Talisman's underlying operating and economic interest in Monty



The OSA maximises simplicity and minimises dispute risk



Monty ore ownership and risks transfer at this point



A highly competitive Ore Treatment Fee (OTF)



- ◆ Ore Treatment Fee (OTF) of approx. A\$211/t ore
- ◆ Recognises **all downstream costs** post ore sale:
 - ◆ Ore processing and associated business services/G&A
 - ◆ Concentrate transport and refining costs (~55% of OTF)
 - ◆ A dedicated plant usage charge
- ◆ Closely aligned with actual DeGrussa processing, G&A and downstream costs
- ◆ Appears elevated on a per tonne of ore basis due to the extremely high grade nature of Monty ore
 - ◆ Concentrate costs actually levied per tonne of conc/Cu
 - ◆ Equates to US\$0.86/lb payable Cu metal (at spot A\$)
- ◆ Modest plant usage charge allows Talisman to avoid a substantial investment in dedicated processing, site services, transport and marketing infrastructure
 - ◆ Plus removes all accompanying risk exposures

DeGrussa: 1HFY17 opex (ex mining)	A\$/t ore	A\$/lb Cu	US\$/lb Cu
Processing	33	0.36	0.27
Business services	18	0.20	0.15
Transport, treatment and refining	57	0.61	0.46
C1 cost pre-credits (excl mining costs)	108	1.17	0.88
OTF components implied by DeGrussa 1HFY17 opex	A\$/t ore	A\$/lb Cu	US\$/lb Cu
Processing	33	0.18	0.14
Business services	18	0.10	0.08
Transport, treatment and refining	113	0.61	0.46
Implied OTF components (excl implied usage charge)	164	0.89	0.67
Monty: Ore Treatment Fee (OTF)	A\$/t ore	A\$/lb Cu	US\$/lb Cu
OTF (from the OSPA)	211	1.15	0.86
Implied usage charge (based on DeGrussa 1HFY17)	47	0.25	0.19
Implied usage charge, existing life-of-mine cost (A\$m)	11.2		

DeGrussa opex as per quarterly US\$ operating data released by Sandfire and avg. 1HFY17 A\$/US\$ rate of 0.75; all A\$/US\$ conversions above at this rate.

DeGrussa opex expressed on a per pound contained metal basis; Monty OTF and implied usage charge expressed on a per pound payable metal basis.

This is an indicative analysis only. The calculation of specific OTF components is notional and derived solely on an implied basis utilising DeGrussa 1HFY17 actual opex. Talisman does not warrant that these implied component amounts align in any way with the specific component amounts of the aggregate OTF within the OSA.

Adjustments to reflect high Monty ore grade

DeGrussa processing/G&A costs applied to Monty Feasibility Study operating parameters to arrive at notional per pound unit costs.

DeGrussa transport, treatment and refining cost notionally adjusted back to a per tonne ore cost utilising Monty Feasibility Study operating parameters.



A technically sound and highly economic underground project

All costs borne by the Springfield Joint Venture under the OSA are incorporated in the Monty financial analysis on a 100% basis. As such, Talisman's underlying economic interest in the development of Monty equates to its 30% interest in the Springfield Joint Venture and is therefore represented by its simple 30% share of forecast financial returns as outlined below.

Operating parameters (TLM 30% basis)	Units	FS (Mar 2017)
Pre-production mine development	months	12
Ore production mine life	months	30
Total mined and milled ore	kt	239
Copper head grade (LOM avg)	% Cu	9.35
Gold head grade (LOM avg)	g/t Au	1.50
Silver head grade (LOM avg)	g/t Ag	16.2
Total copper-in-ore mined	kt	22.3
Total gold-in-ore mined	koz	11.5
Total silver-in-ore mined	koz	124.0
Total payable copper metal	kt	19.9
Total payable gold metal	koz	5.7
Total payable silver metal	koz	56.2

Financial parameters (TLM 30% basis)	Units	FS (Mar 2017)
Forecast copper price (LOM avg)	US\$/t	6,118
Forecast gold price (LOM avg)	US\$/oz	1,369
Forecast silver price (LOM avg)	US\$/oz	18.76
Forecast A\$/US\$ (LOM avg)	USc	0.723
Total gross revenue	A\$M	181
Total net revenue (post royalties)	A\$M	173
Total cash operating costs	A\$M	89
Pre-tax operating cashflow	A\$M	92
Pre-production capital cost	A\$M	22
LOM sustaining capital cost	A\$M	5
Ungeared, pre-tax free cashflow	A\$M	64
Notional C1 cost ⁱ	A\$/lb pay Cu	1.56
Notional All-in-sustaining-cost (AISC) ⁱ	A\$/lb pay Cu	1.90
Pre-tax NPV (8% discount rate, real)	A\$M	46
Pre-tax IRR	%	78
Payback period (from first production)	months	17
Ore reserve life - to - payback period	x	1.8
NPV / pre-production capex	x	2.1



ⁱC1 and AISC are calculated on the basis of notionally including the OSA Ore Treatment Fee as a production cost. AISC is defined as the operating cash cost of production (net of by-product credits) plus royalties and sustaining capital and closure costs but exclusive of any finance costs or corporate overhead allocation.