TALISMAN MINING LIMITED
ASX Code: TLM

29th January 2016

COMPANY SNAPSHOT

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Non-Executive Chairman

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Capital Structure

Shares on Issue:
148,559,904 (TLM)

Options on Issue:
6,400,000 (Unlisted)

Quarterly Activities Report December 2015

Highlights

Springfield Cu-Au Projects – (JV with Sandfire Resources NL)

Accelerated resource definition drilling program conducted by Sandfire at the **Monty high-grade VMS copper-gold discovery.**

Drilling currently on track to deliver a maiden Mineral Resource estimate for Monty in the March 2016 quarter.

Key significant results from holes drilled during and since the end of the quarter include (not true width):

Lower Zone

- TLDD0026 - **7.3 metres grading 6.2% Cu and 2.8g/t Au** from 325.6m down-hole and **21.6 metres grading 34.4% Cu and 0.4g/t Au** from 339.4m down-hole
- TLDD0061 - **25.8 metres grading 24.1% Cu and 0.5g/t Au** from 299.0m down-hole including a bornite rich zone of:
  8.5 metres grading 41.8% Cu and 0.5 g/t Au from 315.4m down-hole
- TLDD0042 **- 20.8 metres grading 14.9% Cu and 1.3g/t Au** from 372.7m down-hole

Upper Zone

- TLDD0029 - **8.3 metres grading 8.0% Cu and 1.1g/t Au** from 173.9m down-hole

Further regional exploration planned across the Springfield JV project at Monty Deeps, step-out drilling along the Monty trend, Homer and other targets.

Sinclair Nickel Project

Successfully completed the maiden exploration program at Sinclair with five diamond drill-holes at three target areas - Delphi North, Cody Well and Fly Bore prospects.

Assay results returned from diamond drill-hole, SND001, located at the Delphi North Prospect, 4km south of the Sinclair nickel mine, including:

- **2.2 metres grading 1.9% Ni** from 396.9m down-hole (true width not known at this time; top of the intersection is approximately 348m below surface); including:

Nickel sulphide mineralisation intersected over 600 metres of strike at highly prospective Delphi North prospect.

Interpreted continuation of the fertile Sinclair ultramafic unit intersected at Cody Well with stringer sulphide mineralisation.

Doolgunna Projects (JV with Sandfire Resources NL)

The Doolgunna Projects are a portfolio of high quality VMS copper-gold exploration projects in the Bryah Basin region of Western Australia (see Appendix 1) that has recently seen the discovery of exceptionally high grade copper-gold mineralisation at Monty which confirms the significant exploration potential of the projects.

Talisman Mining Ltd (ASX: TLM) and Sandfire Resources NL (ASX: SFR) have formed a 30%:70% joint venture over the Doolgunna Projects (the Joint Venture) following Sandfire's sole funded expenditure of $15 million on the Doolgunna Projects during the past two years.

Springfield Project

Exploration drilling, undertaken by Sandfire, has focused on resource definition of the Monty copper-gold discovery with activities accelerated to enable a maiden Mineral Resource estimate to be prepared by the end of the March 2016 quarter. During the December quarter, 12,185m of Diamond, 7,171m of Reverse Circulation (RC) and 30,869m of Air Core Drilling has been completed at the Joint Venture, see *Table 1*.

Monty

Following the discovery of high-grade massive sulphide mineralisation at Monty during the June 2015 quarter, diamond and RC drilling has continued through the December 2015 quarter and beyond. The drilling has focused on defining the extents of mineralisation and infill drilling to support an initial resource estimate targeted for completion by the end of the March 2016 quarter.

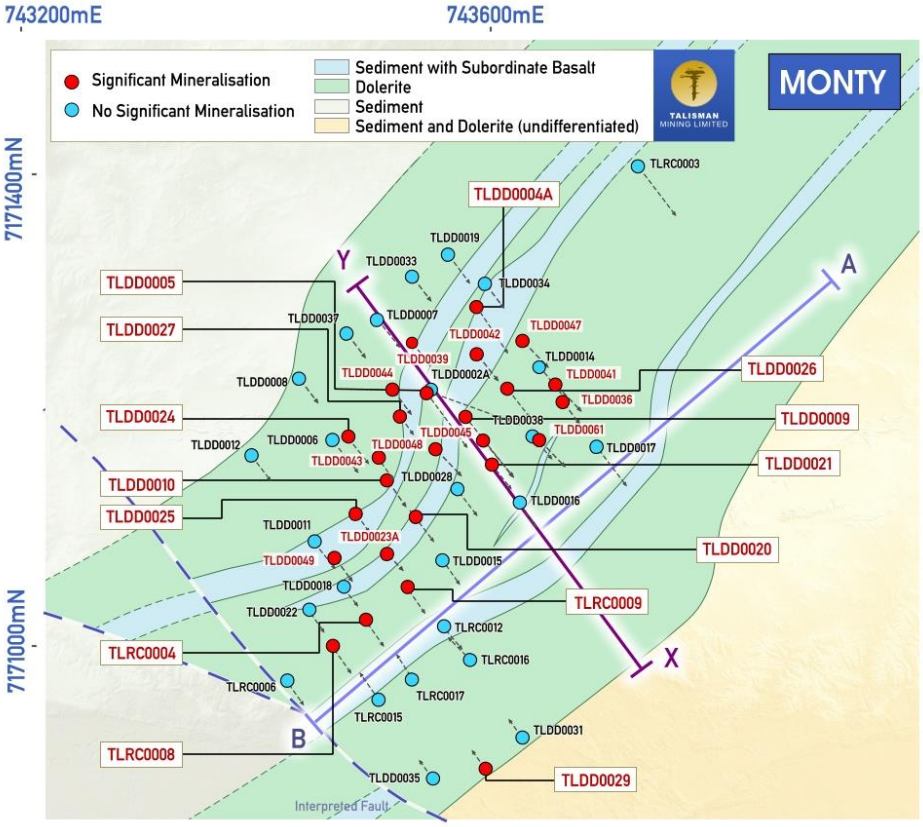


Figure 1: ***Plan view of Monty showing collar locations of holes drilled to date, where assay results have been received, and simplified interpreted geology***



Monty Lower Zone

Resource definition drilling has continued and advanced at Monty, focused on defining the Monty Lower Zone mineralisation. The aim of the drilling was twofold; edge definition and infill drilling to confirm the continuity of the mineralisation.

During the quarter, additional drill rigs were employed to conduct the ongoing drill campaign with four diamond rigs and one RC drill rig working on the Monty drill program by the end of the quarter. A number of significant assays results from the Monty lower zone mineralisation were returned during this quarter. Some of the better results included:

TLDD0021:

- **3.4 metres grading 17.9% Cu and 3.9g/t Au** from 239.0m down-hole and;
- **8.0 metres grading 13.3% Cu and 1.8g/t Au** from 286.2m down-hole

TLDD0025:

- **9.4 metres grading 7.2% Cu and 2.2g/t Au** from 326.0m down-hole *(down-hole width)*

TLDD0027:

- **1.3 metres grading 11.5% Cu and 2.2g/t Au** from 393.5m down-hole *(down-hole width); and*
- **10.7 metres grading 6.2% Cu and 2.0g/t Au** from 411.0m down-hole *(down-hole width).*

Following the end of the December 2015 quarter, further significant assays results have been returned with some of the better results including:

TLDD0040:

- **5.0 metres grading 9.8% Cu and 2.9g/t Au** from 334.7m – 339.7m *(down-hole width, top of intercept is 298m vertically below surface);*

TLDD0042:

- **20.8 metres grading 14.9% Cu and 1.3g/t Au** from 372.7m – 393.5m *(down-hole width, top of intercept is 314m vertically below surface);*

TLDD0043:

- **11.3 metres grading 6.7% Cu and 2.9g/t Au** from 392.2m – 403.5m *(down-hole width, top of intercept is 344m vertically below surface)*; and

TLDD0046:

- **13.9 metres grading 7.2% Cu and 2.3g/t Au** from 332.7m – 346.56m *(down-hole width, top of intercept is 285m vertically below surface).*

A complete list of significant assay results returned to date from the Monty Prospect is included in *Table 3.*

The recent drilling results continue to substantiate initial interpretations of the orientation, grade and extent of the mineralisation at Monty that were based on the initial wide-spaced exploration holes. As can be seen, the interpretation of the Monty mineralisation is evolving with the closer spaced drilling (*see Figure 2 and Figure 3*).

Talisman is encouraged by recent drilling results that both extend the limits of the Monty mineralisation to the north-east and confirm the continuity of the mineralisation within the Monty lenses.



Talisman considers that potential exists to further extend the Monty Lower Zone mineralisation to the north-east, as well as to the south-west, along strike from the currently interpreted mineralised extents with further drilling *(See Figure 3)*.

Resource drilling of the Monty Lower Zone is anticipated to continue through to early-February on a nominal 40m x 40m pattern with the results to be used in calculating the maiden Mineral Resource estimate for Monty by the end of the March 2016 quarter.

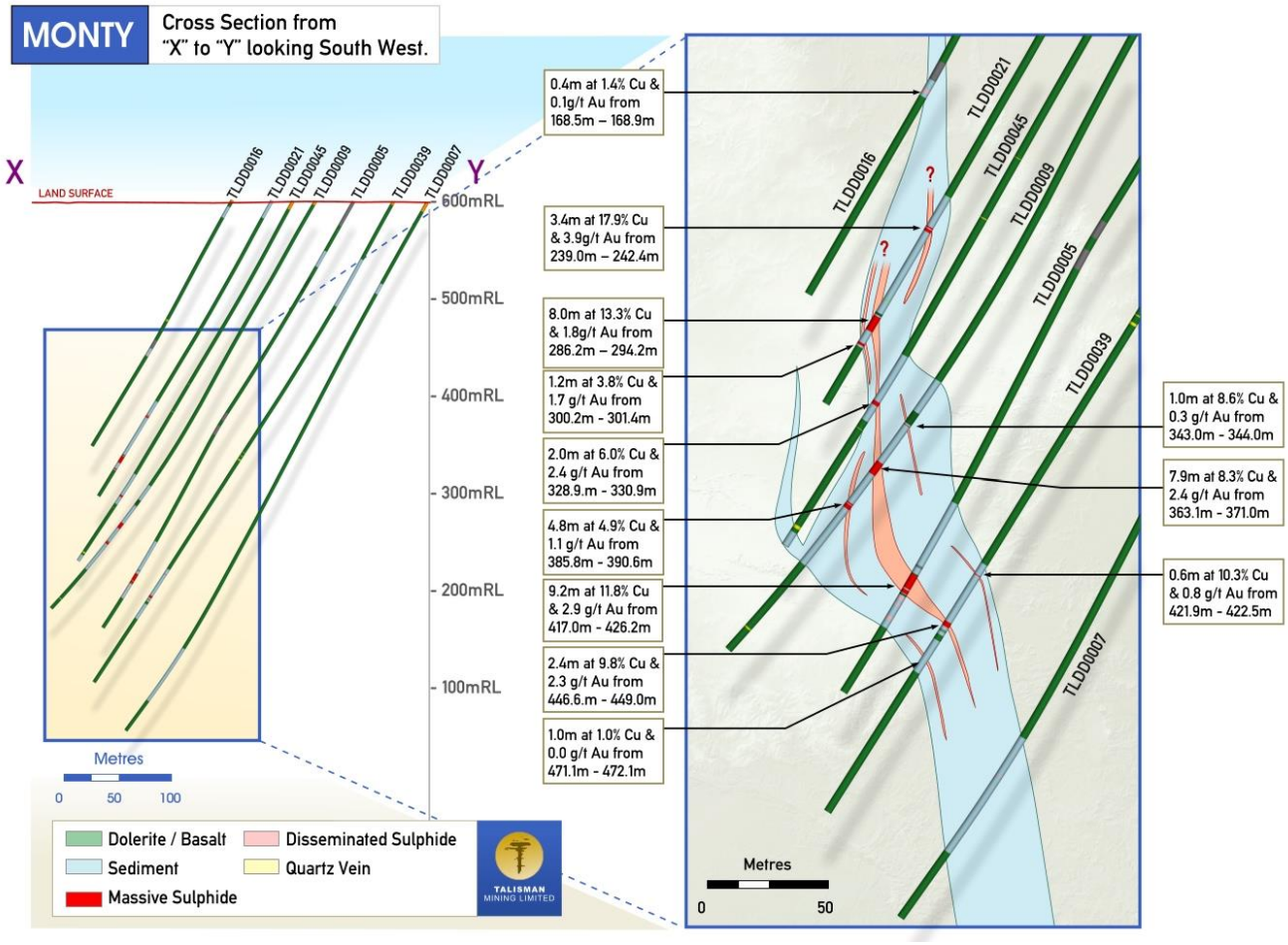


Figure 2: Interpretive cross-section of the Monty mineralisation (Lower Zone)

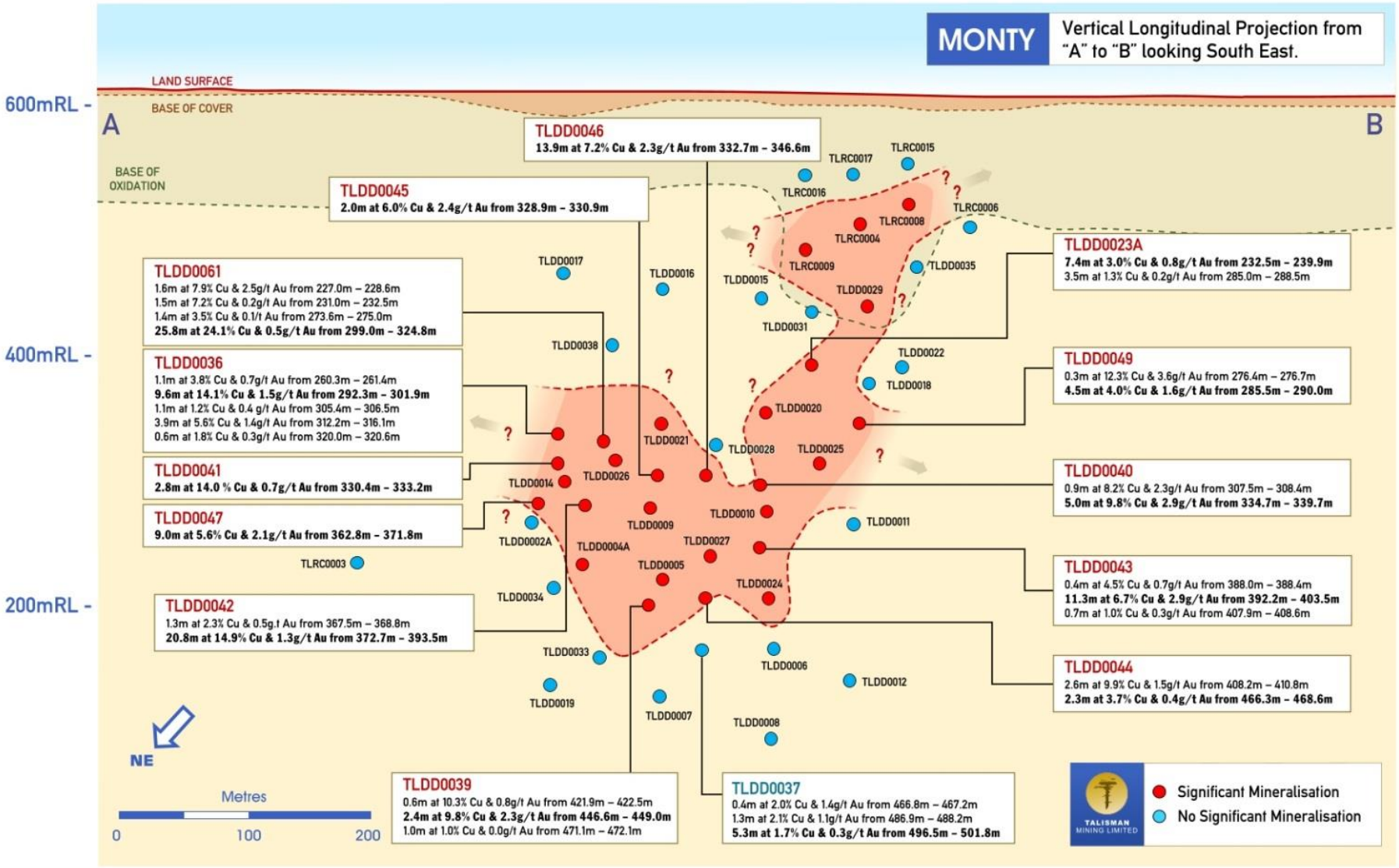


Figure 3: Vertical longitudinal projection of Monty showing drill-hole pierce-points at the top of the primary intercept shown in bold. All intercepts are down-hole widths. A significant intersection is defined here as any intersection ≥ 3m estimated true width that has a grade of ≥ 2.0 % Cu, inclusive of non-mineralised material. To determine whether intersections that are <3m estimated true width are significant in terms of the above definition, non-mineralised material has been included at a grade of 0.0% Cu (weighted by width) until a 3m estimated true width is reached. If the overall grade remained >2.0% Cu, with the non-mineralised material included, then the intersection is considered significant.



Significant Extensions of Mineralisation to Monty Bornite Zone

Diamond drill-hole TLDD0026 reported in the September 2015 quarter has returned exceptional assay grades of:

- **7.3 metres grading 6.2% Cu and 2.8g/t Au** from 325.6m down-hole
  (down-hole width, top of intercept is 275m vertically below surface); and

- **21.6 metres grading 34.4% Cu and 0.4g/t Au** from 339.4m down-hole
  (down-hole width, top of intercept is 286m vertically below surface).

Following the end of the December quarter, assay results were returned from holes TLDD0061 and TLDD0036, which have intersected **massive sulphides containing bornite and chalcopyrite mineralisation** both up-dip and along strike from the high-grade bornite-rich intersections in TLDD0026.

TLDD0061, which is located approximately 22 metres up-dip of TLDD0026, reflecting an apparent flattening of the dip of the mineralisation in this area, has returned the following intersections:

- **1.6 metres grading 7.9% Cu and 2.5g/t Au** from 227.0m – 228.6m
  (down-hole width, top of intercept is 199m vertically below surface);

- **1.5 metres grading 7.2% Cu and 0.2g/t Au** from 231.0m – 232.5m
  (down-hole width, top of intercept is 202m vertically below surface);

- **1.4 metres grading 3.5% Cu and 0.1g/t Au** from 273.6m – 275.0m
  (down-hole width, top of intercept is 241m vertically below surface); and

- **25.8 metres grading 24.1% Cu and 0.5g/t Au** from 299.0m – 324.8m
  (down-hole width, top of intercept is 263m vertically below surface), including:
  - **14.9 metres grading 36.7% Cu and 0.4g/t Au** from 309.0m – 323.9m, including a ***bornite rich zone*** containing:
    - ***8.5 metres grading 41.8% Cu and 0.5 g/t Au*** *from 315.4m – 327.9m.*

TLDD0036, which is located approximately 43 metres to the north-east along strike from the TLDD0026, returned the following intersections:

- **1.1 metres grading 3.8% Cu and 0.7g/t Au** from 260.3m – 261.4m
  (down-hole width, top of intercept is 231m vertically below surface);

- **9.6 metres grading 14.1% Cu and 1.5g/t Au** from 292.3m – 301.9m
  (down-hole width, top of intercept is 258m vertically below surface);

- **1.1 metres grading 1.2% Cu and 0.4g/t Au** from 305.4m – 306.5m
  (down-hole width, top of intercept is 269m vertically below surface);

- **3.9 metres grading 5.6% Cu and 1.4g/t Au** from 312.2m – 316.1m
  (down-hole width, top of intercept is 275m vertically below surface); including a ***bornite rich zone*** *containing:*
  - ***0.4 metres grading 38.1% Cu and 0.2g/t Au*** *from 315.1m – 315.5m;* and
- **0.6 metres grading 1.8% Cu and 0.3g/t Au** from 320.0m – 320.6m
  (down-hole width, top of intercept is 282m vertically below surface).



The Bornite Zone now identified in three drill-holes is interpreted to be a sub zone of the Monty Lower mineralisation that contains both bornite and chalcopyrite sulphide mineral species. The recent results add significantly to the potential for the Bornite Zone to represent a significant zone of exceptionally high grade copper mineralisation within the Monty mineralisation.

Monty Upper Zone

The Upper Zone at Monty incorporates the massive sulphide mineralisation intersected close to surface in a number of drill-holes completed to date (see *Figure 1 and Figure 3*). A complete list of significant intercepts reported to date is included in *Table 3*.

Significant assay results from drilling in the Monty Upper Zone received during the quarter, in addition to those reported previously include:

TLDD0029

- **8.3 metres grading 8.0% Cu and 1.1g/t Au from** 173.9m down-hole *(down-hole width*).

The spatial position of the host horizon intersected in drilling completed to date indicates that the host horizon of the Upper Zone is very steeply dipping and may be locally overturned and dip at approximately 75° to the south-east.

Drill-hole TLDD0023A reported following the December 2015 quarter, intersected massive sulphide mineralisation down-dip from previously reported intersections in the Upper Zone on the interpreted host horizon between the upper and lower mineralised zones discussed previously (*See Figure 3)*. This intersection informs the interpretation that mineralisation is continuous between the upper and lower zones. Significant assay results returned from hole TLDD0023A include:

TLDD0023A

- **7.4 metres grading 3.0% Cu and 0.8g/t Au** from 232.5m down hole *(down-hole width*); and
- **3.5 metres grading 1.3% Cu and 0.2 g/t Au** from 285.5m down hole (*down-hole width).*

Resource drilling to date has been focused on the definition of the Monty Lower Zone mineralisation. Talisman understands that a diamond drill rig has been allocated to undertake planned drill-holes in the Monty Upper Zone for inclusion in calculating the maiden Mineral Resource estimate for Monty.

Drilling of the Monty Upper Zone mineralisation is planned to test the potential for extensions to the known mineralisation both to the north-east and south-west along strike and is anticipated to continue through to mid-February.

Homer Trend

A series of drill-holes are planned at Homer, which is located 4km along strike to the east of the DeGrussa Mine. Previous drill-holes, TLDD0001 (August 2014) and TLDD0003 (June 2015), both intersected the interpreted extension of the DeGrussa C5 lens host VMS stratigraphy. This important interpretation indicates the significant exploration potential of the Homer Trend to host accumulations of VMS copper-gold mineralisation.

Drilling of the first hole in the series of planned holes at the Homer trend commenced prior to Christmas with a diamond tail re-commencing following the Christmas break.

This drill-hole, TLDD0068, was located approximately 3.4km and 2.8km east–north-east of drill-holes TLDD0001 and TLDD0003 respectively, and was targeted at a base metal and trace element geochemical anomaly identified from historic drilling by Talisman.



The hole intersected predominantly dolerite lithologies and did not intersect the targeted DeGrussa C5 host horizon. No base metal sulphides were observed and assays are awaited.

TLDD0068 represented a substantial step-out from previous diamond drilling by Sandfire and the interpreted host stratigraphy is not well constrained in this area by previous exploration. Detailed interpretation of the drill-hole will provide a greater understanding of the hole's location in the stratigraphic sequence and may assist in better targeting of the prospective host horizon.

Down-hole electromagnetic (DHEM) surveying is planned prior to further drilling in this emerging area along strike from DeGrussa.

Further Exploration Activity

Joint Venture activities for the coming quarter are planned to include exploration activities in addition to the continuing definition and infill drilling of the Monty mineralisation.

These activities include drilling programs that are stepping further afield and actively targeting additional accumulations of mineralisation along the 5km long Monty trend and also within the broader Springfield Project, which remains extremely prospective for further discoveries.

Planned exploration activities include:

- Drilling at the **Homer Prospect** (which has now commenced – *see above*);
- RC drilling to the **north-east of Monty** along the prospective Monty Trend;
- RC drilling of geochemical anomalies at **Monty South** and the **Southern Volcanics**;
- First pass drilling and assessment of the **newly identified Monty Deeps**; and
- Infill Air Core drilling at **Monty South** and first pass Air Core drilling of a potential structural exploration target in the **north-east of the Springfield Project**.

Priority has been given by Sandfire to the completion of Monty resource definition drilling. As a consequence, the timing of the planned exploration activities across the greater Doolgunna Projects is dependent on the availability of the drilling resources employed by Sandfire on behalf of the Joint Venture.

Scoping Studies Commenced

In addition to the exploration and resource definition drilling at Monty, initial scoping studies are underway or planned to commence during the next two to three months. These initial study works include resource modelling, mining studies, infrastructure assessments, as well as preliminary metallurgical, geotechnical, hydrological and environmental studies.

Drill-hole Information Summary

The aggregate exploration metres drilled by Sandfire at the Springfield Project, as part of the Joint Venture, along with hole information and co-ordinates of drill-holes are in *Table 1* and *Table 2* accompanying this announcement.



Farm-In / Joint Venture Agreement

As announced in Talisman's September 2015 Quarterly Activities Report, Sandfire has provided notice that as of 30 September 2015 it had sole-funded $10 million of exploration expenditure at Talisman's Doolgunna Projects. Following the satisfactory audit of this expenditure, Sandfire has now formally earned a 51% interest in the Doolgunna Projects' tenements. Formal transfer of the 51% interest was registered with the Department of Mines and Petroleum on 17 December 2015.

During the quarter, Sandfire subsequently provided a further notice stating it had sole-funded a further $5 million of exploration expenditure in order to earn an additional 19% interest in the Doolgunna Projects. Talisman is currently auditing this claimed expenditure before formally transferring the 19% interest to Sandfire. The terms of the original farm-in agreement ("Farm-in Agreement") were announced to the ASX on 20 December 2013.

Sandfire reached the $15 million expenditure threshold (project to date) during the December quarter. In accordance with the Farm-In Agreement, Sandfire's sole-funding obligation at Talisman's Doolgunna Projects has ceased and an unincorporated Joint Venture has been formed between Talisman and Sandfire. Talisman will now fund 30 per cent of all Joint Venture expenditure with Sandfire funding the remaining 70 per cent.

Sandfire has been appointed the initial Manager of the Joint Venture. The parties are presently negotiating the terms of a Joint Venture Agreement. Pending this agreement, the Farm-in Agreement continues to bind the parties.

The Joint Venture has held its first meeting in December 2015 to approve the budgeted expenditure of $7.5 million on exploration over the three month period December 2015 to February 2016. This programme and budget commenced in December 2015. Talisman's share of this approved budget is approximately $2.25 million and an initial cash call was paid prior to 31 December 2015.



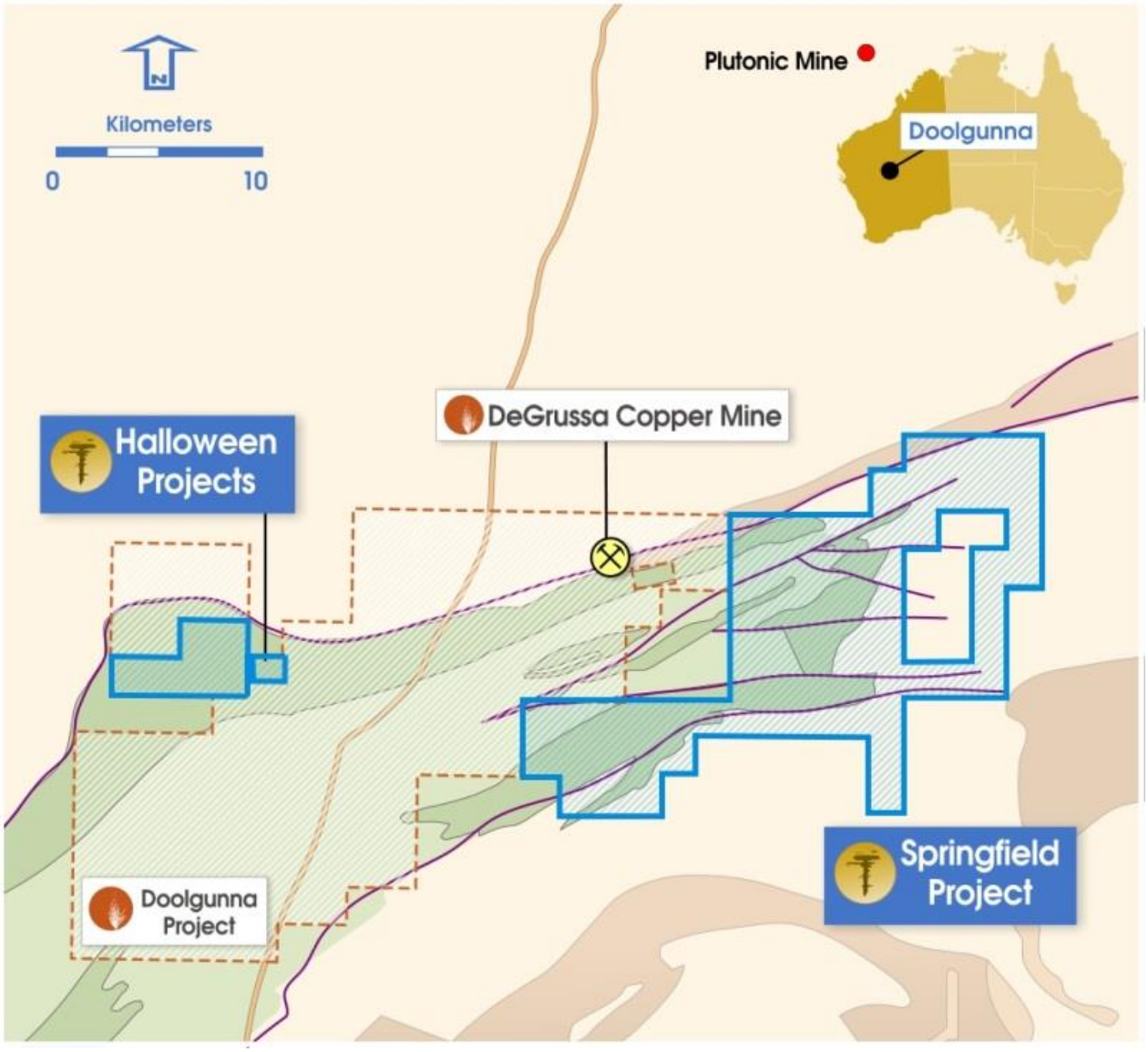


Figure 4: Springfield Joint Venture Project tenement holding following lodgement of compulsory partial surrenders for tenements E52/2313 and E52/2282



Sinclair Nickel Project (100% Talisman)

The Sinclair Nickel Project is located in the prolific Agnew-Wiluna Greenstone Belt in WA's North-eastern Goldfields, one of the world's premier nickel provinces with over 9 million tonnes of reported contained nickel metal. The Sinclair nickel deposit was discovered by the former highly successful nickel miner and explorer, Jubilee Mines NL, in October 2005. It was developed and commissioned in 2008 by Xstrata PLC and operated successfully before being placed on care and maintenance in August 2013, having produced approximately 38,500 tonnes of nickel at an average life-of-mine head grade of 2.44% Ni.

Sinclair Nickel Project – Maiden Exploration Drilling Program

Following a detailed regional targeting program across the Sinclair Nickel Project and a high powered fixed loop electromagnetic (FLEM) survey at the Delphi Prospect completed in the September 2015 quarter, Talisman completed its maiden exploration drill program at Sinclair during the December 2015 quarter.

Five diamond drill-holes were completed across three prospects at Delphi North, Cody Well and Fly Bore for a total of 1,053 metres of diamond drilling and 1,960 metres of RC pre-collars.

Encouraging results were received in the first hole completed at Delphi. Detailed interpretation of results from this campaign will continue towards advancing the Talisman's geological understanding of the prospects tested during this campaign and the prospectivity of the broader Sinclair Nickel Project.

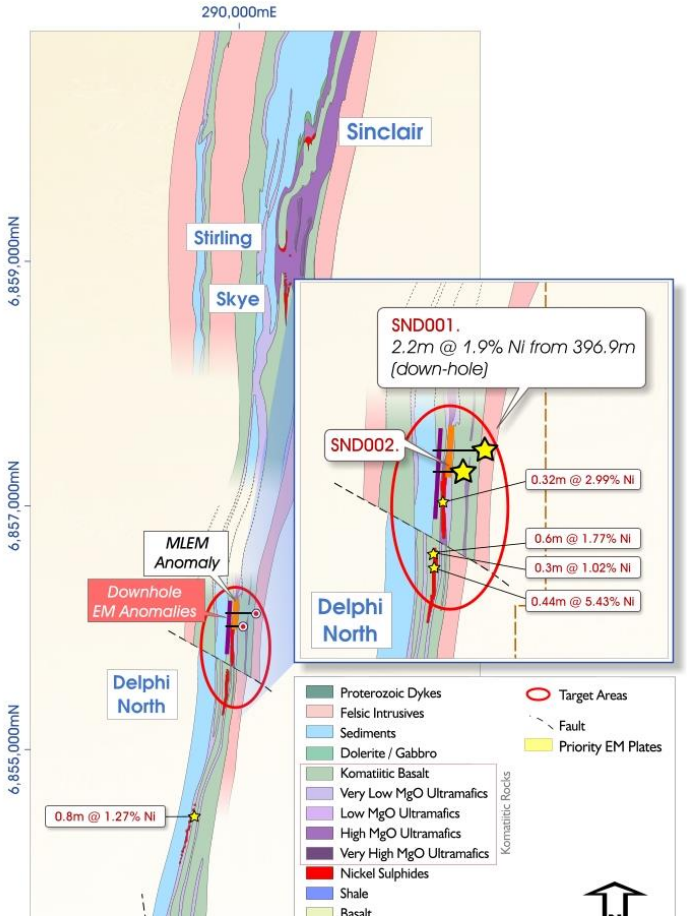


Figure 5: Delphi Prospect interpretive plan showing a close-up of the Delphi North Prospect & drill-holes SND001 and SND002

This information will be used to refine the ongoing exploration strategy and future exploration programs.

Delphi North Prospect

Two diamond drill-holes were completed at **Delphi North** (*see Figure 5*) targeting historical DHEM anomalies and a moving-loop electromagnetic (MLEM) anomaly.

As previously reported, drill-hole **SND001** (*see Figure 5 and Table 4*), which targeted the interpreted MLEM anomaly, intersected a number of massive, matrix and breccia sulphide horizons in a deformed sequence of host ultramafic and basaltic rock units.

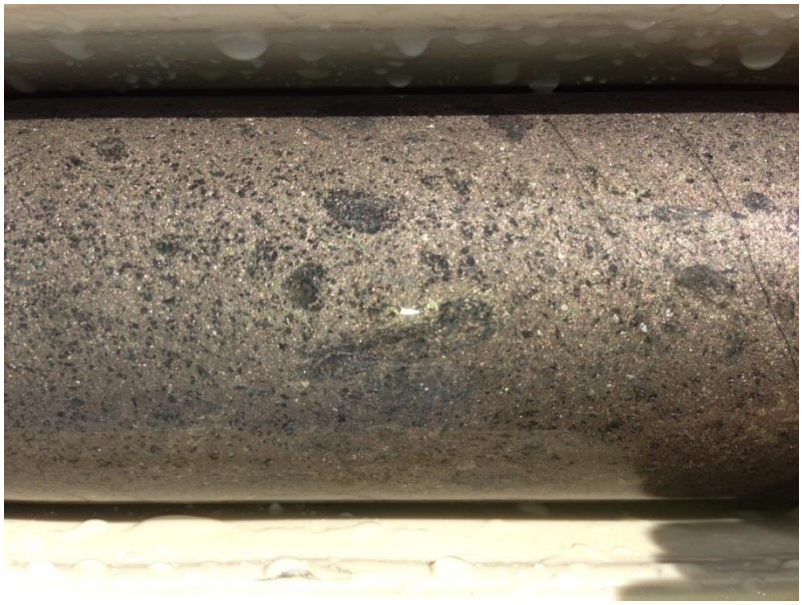
The assay results (previously reported; *see ASX announcement dated 6 November 2015)* confirm that SND001 intersected a zone of nickel sulphide mineralisation with final assays returning an overall intercept of:

- **2.2m at 1.9% Ni from 396.9m** down-hole (*true width not known at this time; top of the intersection is approximately 348ms below surface*).



Narrow zones of massive nickel sulphides within this overall intersection returned assay results including:

- **0.6m at 2.19% Ni from 396.9m down-hole** (*true width not known at this time)*; and
- **0.5m at 2.94% Ni from 398.6m down-hole** (*true width not known at this time*).



Photograph of massive nickel sulphides intersected in diamond drill-hole SND001 at the Delphi North Prospect

The main sulphide intersection within the hole is represented by **a total of 1.4 metres of massive, matrix and breccia sulphides within a 2.2 metre interval**, with narrow zones of strongly foliated basaltic rocks from 396.9m to 399.1m down-hole (*true width not known at this time*). The vertical depth of this intersection is approximately 348m below surface.

Drill-hole SND002, (*see Figure 5 and Table 4*) which was completed approximately 100m south of SND001, intersected a narrow zone of stringer sulphides within a highly deformed, complex sequence of ultramafic, basaltic and sedimentary rock units. While the stringer sulphides intersected by this hole are not interpreted to host significant mineralisation, the hole demonstrates the continuity of the fertile ultramafic horizon at Delphi North.

In conjunction with historical intersections at Delphi North, the recent drilling has now defined **nickel sulphide mineralisation over a strike length of 600m**. Talisman interprets these results to represent a fertile mineralised environment that has the potential to host significant mineralisation, and Talisman will continue detailed work to unlock this potential.

The surface MLEM program undertaken at the Delphi Prospect in the September 2015 quarter was successful in targeting exploration towards accumulations of nickel sulphide mineralisation, and the recent nickel sulphide intersections at Delphi North has given Talisman confidence that it has access to the best and most appropriate exploration tools for the discovery of new nickel sulphide occurrences. With the success of the recent MLEM and drilling program, Delphi Prospect is a very strong exploration target corridor.

Both drill-holes completed at Delphi North have been prepared to facilitate DHEM surveys that will be conducted in due course.



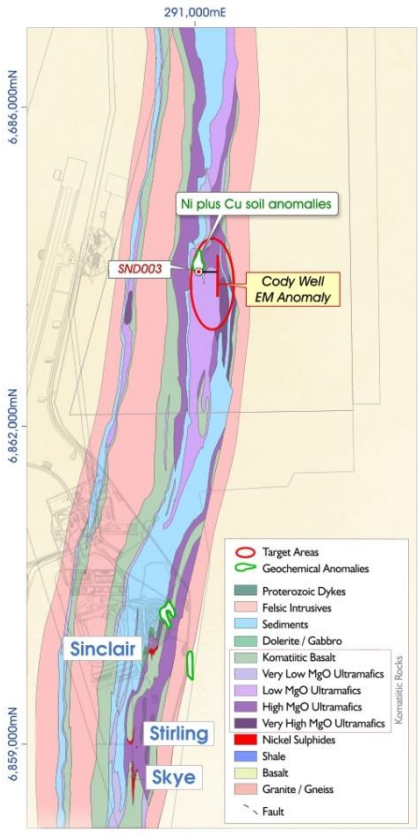


Figure 6: Cody Well prospect showing interpreted geology, geophysical anomaly and location of drill-hole SND003

Cody Well Prospect

The **Cody Well Prospect** is located approximately 3km north of the Sinclair Nickel Mine *(see Figure 6).*

One diamond drill-hole was completed at Cody Well to target a priority EM anomaly interpreted to lie in a favourable stratigraphic position along strike from the Sinclair deposit and an associated coincident geochemical anomaly.

The hole, SND003, intersected narrow stringer sulphides in the stratigraphic hanging wall position and a narrow ultramafic unit which is interpreted to represent the extension of the fertile Sinclair ultramafic unit. Visual inspection of the mineralisation identifies Pyrrhotite as the dominant nickel-bearing sulphide mineral with accessory pyrite and chalcopyrite.

No significant assay results were returned from this drill-hole, however Talisman considers the identification of the fertile Sinclair ultramafic unit at Cody Well to represent a significant advance in early stage exploration of this area.

A DHEM survey will be completed at a later date and is expected to provide greater definition for the source of the surface FLEM anomaly and any other potential conductors along strike.

Fly Bore Prospect

The Fly Bore prospect is located ~15km north of the Sinclair Nickel Mine and hosts more than 10km of prospective ultramafic stratigraphy.

As part of the exploration program Talisman has completed two diamond drill-holes to target re-interpreted geophysical anomalies identified as part of the project targeting review (*See Figure 7)*.

Drill-hole SND004 was drilled to target coincident historic DHEM and FLEM anomalies that lie in an interpreted favourable stratigraphic position.

The hole intersected 0.5m of matrix and breccia-style sulphides on the contact between the ultramafic rocks and the interpreted basaltic footwall sequence.

Disseminated sulphides were also encountered over a zone of 36 metres within high magnesian ultramafic rocks above the matrix and breccia sulphides. Visual inspection of the sulphide

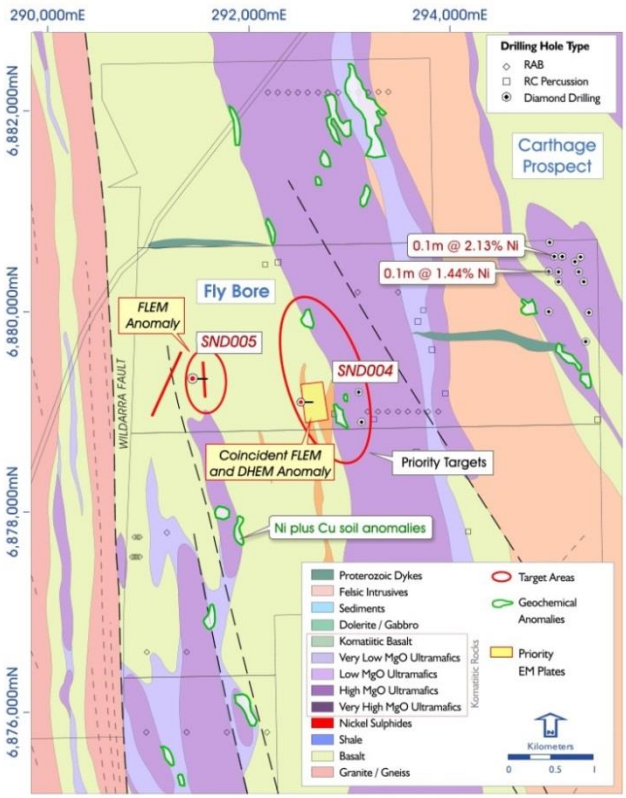


Figure 7: Fly Bore Prospect showing interpreted geology, geophysical anomalies and location of drill-holes SND004 and SND005



mineralisation has identified pyrrhotite as the dominant sulphide mineral with accessory chalcopyrite also noted. No significant assays were received from the analysis of these samples.

Drill-hole SND005 was drilled to target a historic FLEM anomaly interpreted to lie in a favourable stratigraphic position. The hole intersected a sequence of sheared ultramafic rocks over approximately 10 metres but did not intersect any visible sulphide mineralisation.

Bedrock drilling across the Fly Bore Prospect remains very sparse with exploration of the area considered still to be at a very early stage. Talisman is encouraged by the intersection of sulphide mineralisation at the interpreted base of a significant ultramafic sequence and will use these recent results to advance the company's exploration strategy for this area.

DHEM surveys will also be completed in the future on these holes to help guide future exploration activities.

Future Work

Talisman made the decision to rationalise exploration activities at Sinclair Nickel Project in light of current market conditions and depressed nickel prices. This is consistent with the Talisman's desire to focus its available resources on the exploration of Monty and the wider Springfield Project which present opportunities most likely to enhance shareholder value in the short to medium term.

The maiden exploration program at Sinclair Nickel Project represents the first phase of a larger exploration strategy for the project which will in the future utilise bedrock drilling to target new discoveries outside of the Sinclair deposit.

High priority targets within the Sinclair Nickel Project remain to be tested at numerous prospects including Fly Bore and Delphi with ongoing exploration programs such as surface MLEM, geochemistry and bedrock drilling being developed for these areas.

Detailed interpretation of the drill-holes completed in this exploration program will continue and is expected to provide further information towards greater definition and re-evaluating exploration targets across the project.

Corporate

At the end of the quarter, Talisman had cash reserves of $9 million.

ENDS

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Competent Persons' Statement

Information in this report that relates to Exploration Results is based on information compiled by Mr Graham Leaver, who is a member of the Australian Institute of Geoscientists. Mr Leaver 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 Leaver consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Table 1: Aggregate exploration metres drilled at the Doolgunna Projects

Aggregate exploration metres drilled by Sandfire on the Springfield Project during the September quarter:

Aircore/RAB Drilling	RC Drilling	Diamond Drilling	Total
30,869 metres	7,171 metres	12,185 metres	50,225 metres

Table 2: Drill-hole Information Summary, Springfield Project

Details and co-ordinates of all relevant drill-hole collars at the Monty and Homer prospects are provided in the table below:

Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Hole Status
TLDD0001	1099.1	-62°	357°	MGA94_50	740146	7174150	589	E52/2313	Complete
TLDD0002A	463	-61°	110°	MGA94_50	743544	7171211	602	E52/2282	Complete
TLDD0003	658	-62°	355°	MGA94_50	740596	7174550	589	E52/2313	Complete
TLDD0004A	817	-60°	148°	MGA94_50	743588	7171281	601	E52/2282	Complete
TLDD0005	478	-62°	139°	MGA94_50	743544	7171210	602	E52/2282	Complete
TLDD0006	554	-62°	140°	MGA94_50	743469	7171174	601	E52/2282	Complete
TLDD0007	589	-62°	138°	MGA94_50	743504	7171271	601	E52/2282	Complete
TLDD0008	688	-62°	138°	MGA94_50	743441	7171223	600	E52/2282	Complete
TLDD0009	472	-61°	140°	MGA94_50	743578	7171190	602	E52/2282	Complete
TLDD0010	433	-62°	142°	MGA94_50	743514	7171138	601	E52/2282	Complete
TLDD0011	472	-62°	141°	MGA94_50	743451	7171092	598	E52/2282	Complete
TLDD0012	598	-62°	140°	MGA94_50	743403	7171155	599	E52/2282	Complete
TLDD0014	399	-62°	143°	MGA94_50	743638	7171231	603	E52/2282	Complete
TLDD0015	376	-62°	146°	MGA94_50	743561	7171073	602	E52/2282	Complete
TLDD0016	274	-61°	147°	MGA94_50	743621	7171119	604	E52/2282	Complete
TLDD0017	236	-62°	146°	MGA94_50	743686	7171166	605	E52/2282	Complete
TLDD0018	340	-62°	146°	MGA94_50	743471	7171054	599	E52/2282	Complete
TLDD0019	552	-62°	141°	MGA94_50	743566	7171329	600	E52/2282	Complete
TLDD0020	340	-61°	141°	MGA94_50	743536	7171106	602	E52/2282	Complete
TLDD0021	331	-62°	144°	MGA94_50	743599	7171152	603	E52/2282	Complete



Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Hole Status
TLDD0022	304	-62°	141°	MGA94_50	743441	7171035	599	E52/2282	Complete
TLDD0023A	346	-58°	145°	MGA94_50	743505	7171081	601	E52/2282	Complete
TLDD0024	571	-60°	141°	MGA94_50	743470	7171172	601	E52/2282	Complete
TLDD0025	406	-60°	141°	MGA94_50	743481	7171113	600	E52/2282	Complete
TLDD0026	409	-59°	141°	MGA94_50	743609	7171209	602	E52/2282	Complete
TLDD0027	511	-60°	143°	MGA94_50	743521	7171193	602	E52/2282	Complete
TLDD0028	441	-62°	143°	MGA94_50	743569	7171129	602	E52/2282	Complete
TLDD0029	247	-60°	319°	MGA94_50	743594	7170898	602	E52/2282	Complete
TLDD0031	237	-62°	317°	MGA94_50	743626	7170922	603	E52/2282	Complete
TLDD0033	589	-62°	142°	MGA94_50	743536	7171306	600	E52/2282	Complete
TLDD0034	523	-62°	138°	MGA94_50	743592	7171298	601	E52/2282	Complete
TLDD0035	244	-59°	320°	MGA94_50	743549	7170891	601	E52/2282	Complete
TLDD0036	378	-63°	145°	MGA94_50	743664	7171202	604	E52/2282	Complete
TLDD0037	564	-60°	140°	MGA94_50	743473	7171257	601	E52/2282	Complete
TLDD0038	313	-59°	147°	MGA94_50	743633	7171178	604	E52/2282	Complete
TLDD0039	547	-62°	140°	MGA94_50	743529	7171248	602	E52/2282	Complete
TLDD0040	409	-63°	143°	MGA94_50	743526	7171123	601	E52/2282	Complete
TLDD0041	382	-62°	144°	MGA94_50	743653	7171218	603	E52/2282	Complete
TLDD0042	439	-59°	139°	MGA94_50	743585	7171243	602	E52/2282	Complete
TLDD0043	505	-62°	141°	MGA94_50	743501	7171153	601	E52/2282	Complete
TLDD0044	552	-61°	141°	MGA94_50	743511	7171212	602	E52/2282	Complete
TLDD0045	405	-63°	142°	MGA94_50	743589	7171170	603	E52/2282	Complete
TLDD0046	409	-60°	142°	MGA94_50	743546	7171164	602	E52/2282	Complete
TLDD0047	406	-63°	140°	MGA94_50	743629	7171250	602	E52/2282	Complete
TLDD0049	355	-62°	140°	MGA94_50	743461	7171074	600	E52/2282	Complete
TLDD0061	391	-58°	141°	MGA94_50	743635	7171176	604	E52/2282	Complete
TLDD0068	439.1	-90°	014°	MGA94_50	743399	7174903	595	E52/2282	Complete
TLRC0003	544	-61°	144°	MGA94_50	743720	7171393	599	E52/2282	Complete
TLRC0004	306	-62°	142°	MGA94_50	743497	7171025	600	E52/2282	Complete
TLRC0006	318	-62°	143°	MGA94_50	743430	7170973	598	E52/2282	Complete
TLRC0008	294	-62°	143°	MGA94_50	743461	7171001	599	E52/2282	Complete
TLRC0009	265	-62°	141°	MGA94_50	743527	7171050	601	E52/2282	Complete
TLRC0015	138	-60°	320°	MGA94_50	743503	7170953	600	E52/2282	Complete
TLRC0016	120	-58°	317°	MGA94_50	743580	7170985	602	E52/2282	Complete
TLRC0017	120	-60°	318°	MGA94_50	743548	7170968	601	E52/2282	Complete



Table 3: Drill-hole Significant Intercept Summary, Doolgunna Project

Hole ID	Interval	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	Intersection		
						Cu (%)	Au (g/t)	Zn (%)
TLDD0004A		409.5	426.0	16.5	10.9	18.9	2.1	1.5
TLDD0005		417.0	426.2	9.2	6.1	11.8	2.9	2.3
TLDD0008		574.2	579.3	5.1	3.2	1.4	0.1	0.0
TLDD0009	1	343.0	344.0	1.0	0.5	8.6	0.3	0.1
	2	363.1	371.0	7.9	5.8	8.3	2.4	2.1
	3	385.8	390.6	4.8	3.0	4.9	1.1	1.4
TLDD0010	1	355.6	356.1	0.5	0.3	1.2	1.4	0.2
	2	359.7	370.2	10.5	6.3	18.9	3.1	1.1
	3	373.6	378.2	4.6	2.9	12.8	2.5	0.8
TLDD0011		370.9	371.3	0.4	0.2	1.2	1.3	0.9
TLDD0014	1	334.2	334.7	0.5	0.3	3.6	0.1	0.0
	2	359.4	362.8	3.4	2.0	3.5	0.8	0.6
TLDD0016		168.5	168.9	0.4	0.3	1.4	0.1	0.0
TLDD0020		272.3	273.8	1.5	0.9	13.8	1.1	1.2
TLDD0021	1	239.0	242.4	3.4	1.8	17.9	3.9	0.3
	2	286.2	294.2	8.0	4.6	13.3	1.8	2.1
	3	300.2	301.4	1.2	0.7	3.8	1.7	1.2
TLDD0024		445.6	448.2	2.6	1.7	14.2	1.1	0.6
TLDD0025		326.0	335.4	9.4	3.6	7.2	2.2	0.4
TLDD0023A	1	232.5	239.9	7.4	2.4	3.0	0.8	0.1
	2	285.0	288.5	3.5	1.1	1.3	0.2	0.1
TLDD0026	1	325.6	332.9	7.3	4.7	6.2	2.8	3.1
	2	339.4	361.0	21.6	15.2	34.4	0.4	0.8
TLDD0027	1	393.5	394.8	1.3	0.9	11.5	2.2	3.1
	2	411.0	421.7	10.7	7.0	6.2	2.0	1.4
TLDD0029		173.9	182.2	8.3	6.6	8.0	1.1	0.7
TLDD0031	1	175.7	176.0	0.3	0.2	2.9	0.2	0.0
	2	183.6	184.5	0.9	0.7	6.9	1.1	1.6
TLDD0033	1	485.1	485.4	0.3	0.2	4.1	0.9	0.1
	2	489.2	489.7	0.5	0.3	12.7	1.6	0.2
	3	496.0	498.0	2.0	1.3	4.2	1.4	1.5
TLDD0036	1	260.3	261.4	1.1	0.7	3.8	0.7	0.0
	2	292.3	301.9	9.6	6.3	14.1	1.5	1.7
	3	305.4	306.5	1.1	0.8	1.2	0.4	0.6
	4	312.2	316.1	3.9	2.9	5.6	1.4	0.3
	5	320.0	320.6	0.6	0.4	1.8	0.3	0.2
TLDD0037	1	466.8	467.2	0.4	0.3	2.0	1.4	0.0
	2	486.9	488.2	1.3	1.0	2.1	1.1	1.2
	3	496.5	501.8	5.3	4.3	1.7	0.3	0.0
TLDD0039	1	421.9	422.5	0.6	0.5	10.3	0.8	0.6
	2	446.6	449.0	2.4	2.0	9.8	2.3	2.4
	3	471.1	472.1	1.0	0.9	1.0	0.0	0.0
TLDD0040	1	307.5	308.4	0.9	0.3	8.2	2.3	3.2
	2	334.7	339.7	5.0	1.8	9.8	2.9	0.5



Hole ID	Interval	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	Intersection		
						Cu (%)	Au (g/t)	Zn (%)
TLDD0041		330.4	333.2	2.8	2.6	14.0	0.7	0.2
TLDD0042	1	367.5	368.8	1.3	1.0	2.3	0.5	0.1
	2	372.7	393.5	20.8	16.9	14.9	1.3	1.6
TLDD0043	1	388.0	388.4	0.4	0.2	4.5	0.7	0.9
	2	392.2	403.5	11.3	4.9	6.7	2.9	2.3
	3	407.9	408.6	0.7	0.3	1.0	0.3	0.6
TLDD0044	1	408.2	410.8	2.6	2.2	9.9	1.5	0.1
	2	466.3	468.6	2.3	2.0	3.7	0.4	0.2
TLDD0045		328.9	330.9	2.0	1.0	6.0	2.4	1.7
TLDD0046		332.7	346.6	13.9	6.5	7.2	2.3	2.9
TLDD0047		362.8	371.8	9.0	4.4	5.6	2.1	0.1
TLDD0049	1	276.4	276.7	0.3	0.1	12.3	3.6	2.4
	2	285.5	290.0	4.5	2.0	4.0	1.6	0.5
TLDD0061	1	227.0	228.6	1.6	1.0	7.9	2.5	1.3
	2	231.0	232.5	1.5	0.9	7.2	0.2	0.4
	3	273.6	275.0	1.4	0.9	3.5	0.1	0.3
	4	299.0	324.8	25.8	15.9	24.1	0.5	0.5
	Including	309.0	323.9	14.9	9.2	36.7	0.4	0.3
TLRC0004	1	107.0	125.0	18.0	5.1	5.7	2.4	3.2
	2	158.0	162.0	4.0	1.2	4.2	0.7	0.1
TLRC0008	1	89.0	95.0	6.0	1.4	7.8	0.9	0.9
	2	112.0	123.0	11.0	2.5	15.0	1.9	1.0
TLRC0009		133.0	145.0	12.00	2.8	5.7	1.8	2.2

Note: Calculation is based on a 0.5% cut-off, no more than 3m of internal dilution and a minimum composite grade of 1%. Intersection length, Cu (%), Au (ppm), Ag (ppm) and Zn (%) are rounded to 1 decimal point.

Table 4: Drill-hole information summary: Sinclair Nickel Project

Details and coordinates of the drill-hole collar completed to date are provided in the table below:

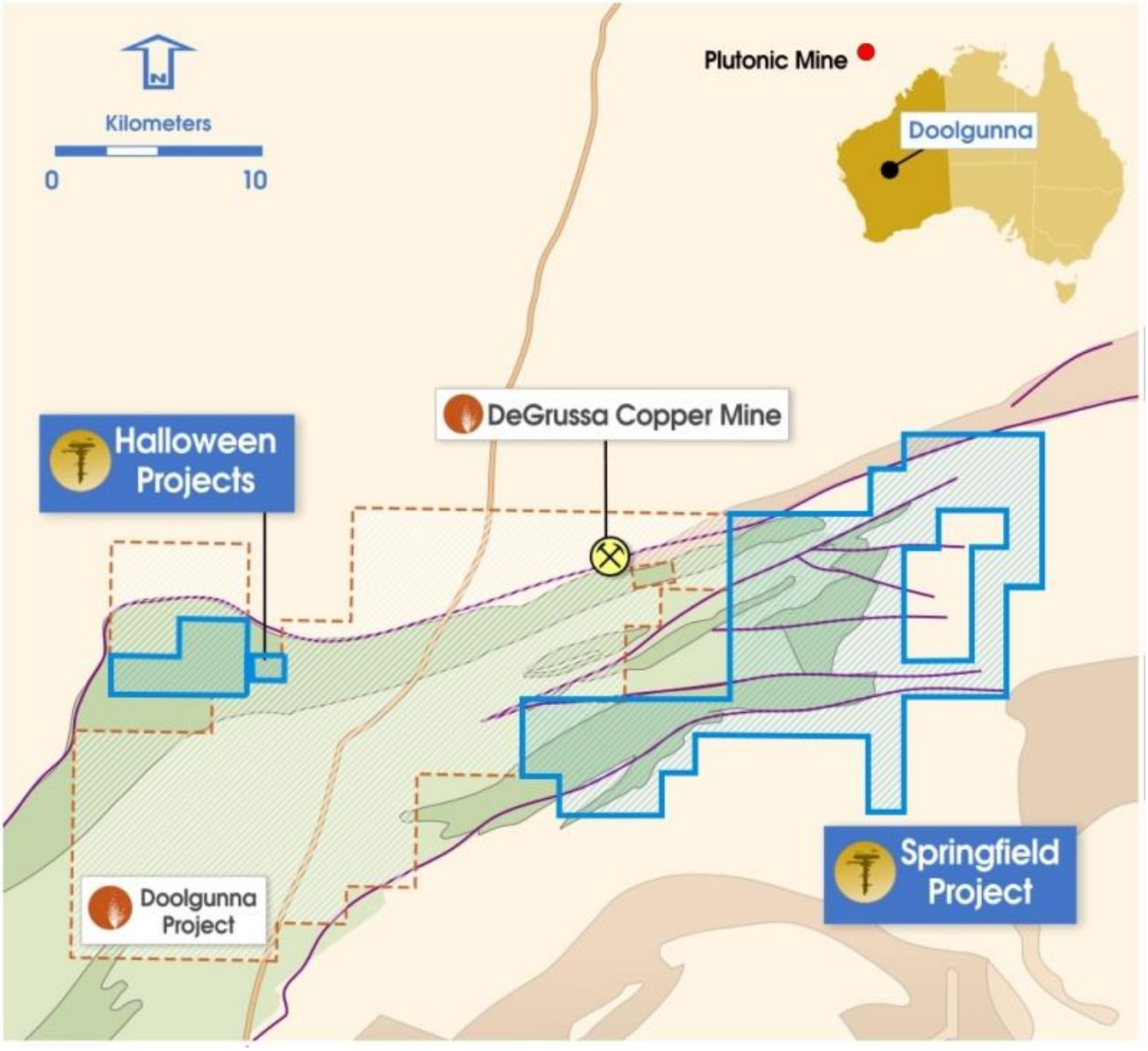
Hole ID	Depth	Dip	Azimuth	Grid_ID	East	North	RL	Lease ID	Hole Status
SND001	429	-60°	270°	MGA94_51	290,302	6,856,319	411	M37/818	Complete
SND002	276	-60°	270°	MGA94_51	290,198	6,856,216	411	M37/818	Complete
SND003	388	-60°	270°	MGA94_51	291,167	6,863,469	434	M37/816	Complete
SND004	393	-60°	270°	MGA94_51	292,663	6,879,259	493	M37/445	Complete
SND005	287	-60°	270°	MGA94_51	291,627	6,879,509	495	M37/445	Complete

Table 5: Drill-hole Significant Intercept Summary, Sinclair Nickel Project

Hole ID	From	To	Downhole Width (m)	Ni %
SND001	396.9	426.0	2.2	1.9

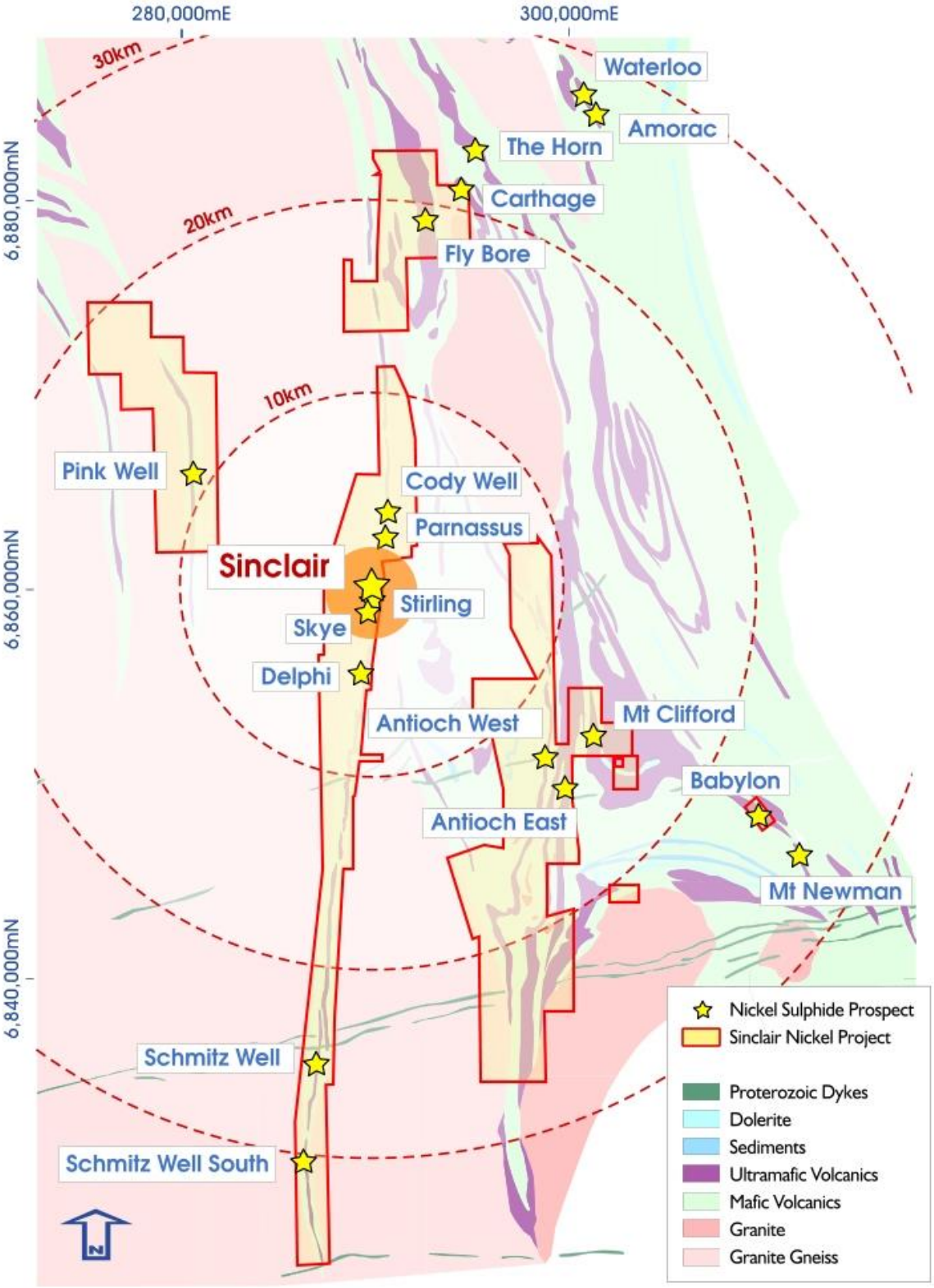


Appendix 1: Talisman's Doolgunna Copper-Gold Projects in Joint Venture with Sandfire Resources NL





Appendix 2: Talisman's tenement holding at the Sinclair Nickel Project and selected prospect names





Appendix 3: Talisman Mining Tenement Schedule as at 31 December 2015

Project / Tenement	Location and Blocks (Area)	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
HALLOWEEN WEST	W.Australia					JV and Farm-In - Sandfire Resources NL*
E52/2275	6	63%	31%*	-	-	
HALLOWEEN	W.Australia					JV and Farm-In - Sandfire Resources NL*
P52/1241	(200 HA)	100%	49%*	-	-	
SPRINGFIELD	W.Australia					JV and Farm-In - Sandfire Resources NL*
E52/2282	70	100%	49%*	-	*28***	
E52/2313	14	100%	49%*	-	*6***	
E52/2466	14	100%	49%*	-	-	

***** *Exploration farm-in terms for Sandfire's Farm-in to Talisman's Doolgunna Projects were disclosed in Talisman's announcement on 20 December 2013 titled "Talisman Secures $15 million Joint Venture Farm-in Agreement with Sandfire".*

As noted in the September 2015 quarterly activities report, Sandfire provided formal Notice to Talisman that as of 30 September 2015 it had sole funded exploration expenditure at Talisman's Doolgunna Projects of $10 million. Following the satisfactory audit of this expenditure a formal transfer of 51% of Talisman's interest in the Doolgunna Projects from Talisman to Sandfire was registered with the Department of Mines and Petroleum on 17 December 2015.

During the December 2015 quarter, Sandfire subsequently provided a further formal Notice to Talisman stating it had sole-funded a further $5 million of exploration expenditure in order to earn an additional 19% interest in Talisman's interest in the Doolgunna Projects. Talisman is currently auditing this claimed expenditure before formally transferring an additional 19% in Talisman's interest in the Doolgunna Projects to Sandfire. The transfer is subject to satisfactory audit of the claim.

Following the completion of the $15 million farm-in expenditure by Sandfire during the quarter and in accordance with the Farm-In Agreement, Sandfire's sole-funding obligation at the Doolgunna Projects has ceased and an unincorporated Joint Venture was formed between Talisman and Sandfire during the quarter.

*** *Under compulsory surrender provisions of Section 65(3) of the Mining Act 1978 (as amended), all exploration licences applied for on or after 10 February 2006 must be reduced by at least 40 per cent at the end of the sixth year of their term.*

In consultation with farm-in Joint Venture partners, Sandfire Resources NL, Talisman identified the areas interpreted to be least prospective for the discovery of economic mineralisation within E52/2213 and E52/2282 and in compliance with the compulsory surrender provisions of the Mining Act 1978 (as amended) subsequently surrendered 40% of the land holding of tenements E52/2213 and E52/2282 during the quarter.

Refer to Figure 4 for tenement outline as at 31 December 2015.



Appendix 3 continued: Talisman Mining Tenement Schedule as at 31 December 2015

Project / Tenement	Location and Blocks (Area)	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Surrendered during Quarter	Joint Venture Partner / Farm-In Party
SINCLAIR NICKEL PROJECT	W.Australia					
E37/903	13	100%	100%	-	-	
E37/1012	5	100%	100%	-	-	
E37/1231*	3	0%	0%*	*		
L36/198	(103.10 HA)	100%	100%	-	-	
L37/175	(83.90 HA)	100%	100%	-	-	
M36/444	(568 HA)	100%	100%	-	-	
M36/445	(973 HA)	100%	100%	-	-	
M36/446	(843 HA)	100%	100%	-	-	N/A
M37/362	(981.50 HA)	100%	100%	-	-	
M37/383	(841.75 HA)	100%	100%	-	-	
M37/384	(536.70 HA)	100%	100%	-	-	
M37/385	(926.85 HA)	100%	100%	-	-	
M37/386	(983.80 HA)	100%	100%	-	-	
M37/424	(891 HA)	100%	100%	-	-	
M37/426	(505 HA)	100%	100%	-	-	
M37/427	(821 HA)	100%	100%	-	-	
M37/590	(120.05 HA)	100%	100%	-	-	
SINCLAIR NICKEL PROJECT	W.Australia					N/A
M37/692	(136 HA)	100%	100%	-	-	
M37/735	(959 HA)	100%	100%	-	-	
M37/816	(818.40 HA)	100%	100%	-	-	
M37/818	(806.50 HA)	100%	100%	-	-	
M37/819	(380.18 HA)	100%	100%	-	-	
M37/1063	(604 HA)	100%	100%	-	-	
M37/1089	(574 HA)	100%	100%	-	-	
M37/1090	(478 HA)	100%	100%	-	-	
M37/1126	(603 HA)	100%	100%	-	-	
M37/1127	(603 HA)	100%	100%	-	-	
M37/1136	(986 HA)	100%	100%	-	-	
M37/1137	(850 HA)	100%	100%	-	-	
M37/1148	(44.78 HA)	100%	100%	-	-	
M37/1168	(190 HA)	100%	100%	-	-	
M37/1223	(675 HA)	100%	100%	-	-	
M37/1275	(1,961 HA)	100%	100%	-	-	
P37/7228	(61.57 HA)	100%	100%	-	-	
P37/7233	(116.01 HA)	100%	100%	-	-	
*** EL37/1231 Exploration licence application lodged 16 June 2015**						



Appendix 4: JORC Table 1

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.*	• Sampling techniques employed at the Sinclair Project include saw cut diamond drill core (DD) samples and reverse circulation (RC) rock chip samples. • Diamond core is NQ2 size, and is sampled on geological intervals (0.2 m to 2 m), cut into half (NQ2) core to give sample weights under 3 kg. RC drill samples were collected using a riffle splitter for each metre drilled. • Semi-quantitative hand held XRF analysis of RC chips and diamond core is carried out routinely to assist with geological logging and identification of samples to submit for quantitative laboratory analysis. No results from hand held XRF analysis are reported. • Sampling is guided by Talisman Mining Ltd procedures and QAQC as per industry standard. • Sampling techniques employed by Sandfire on the Doolgunna Project include half core sampling of NQ2 Diamond Drill (DD) core, Reverse Circulation (RC) drilling samples collected by a cone splitter for single metre samples or sampling spear for composite samples, and Air Core (AC) sample collected using spear techniques for both composite and single metre samples. • Sampling is guided by Sandfire DeGrussa protocols and QAQC procedures as per industry standard. • RC sample size reduction is completed through a Boyd crusher to -10mm and pulverised via LM5 to nominal -75µm. Pulp size checks are completed. • Diamond core size reduction is through a Jaques jaw crusher to -10mm and all samples Boyd crushed to -4mm and pulverised via LM5 to nominal 90% passing -75µm using wet sieving technique. • Samples are assayed using Mixed 4 Acid Digest (MAD) 0.3g charge and MAD Hotbox 0.15g charge methods with ICPOES or ICPMS. • Fire Assay is completed by firing 40g portion of the sample with ICPMS finish.



Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The drilling at Sinclair was completed using both Reverse Circulation (RC) and Diamond Drilling (DD) techniques as appropriate. • RC drilling techniques were employed to provide both pre-collars for diamond drill tails and to directly intersect drill targets dependant on target depth and drilling conditions. RC drilling is conducted using face sampling configurations with a nominal hole diameter of 140mm. • The current surface Diamond Drilling (DD) on the Sinclair Project is being completed with NQ2 diameter holes using conventional wireline drilling techniques. • All drill core is routinely orientated where possible at nominal 6m intervals using a Reflex ACT core orientation system. • Sandfire drilling is completed using industry standard practices. RC drilling with a face sampling hammer of nominal 140mm size and diamond drilling is completed using NQ2 size coring equipment. • All drill collars are surveyed using RTK GPS. • All core, where possible is oriented using a Reflex ACT II RD orientation tool. • Downhole surveying is undertaken using a gyroscopic survey instrument.
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.*	• TLM diamond core and RC sample recoveries are logged and recorded in a Datashed database. Historic core recoveries have been >95%. • TLM Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. • For RC drilling the volume of sample material collected is routinely inspected and recorded on a metre by metre basis, and indicates approximate sample recovery. Actual sample weights are routinely recorded at the laboratory and stored in the database. • No known relationship exists between sample recovery and grade and no sample bias is known. • Sandfire core is meter marked and orientated to check against the driller's blocks, ensuring that all core loss is taken into account. Diamond core recovery is logged and captured into the database with weighted average core recoveries of approximately 99%. • Surface RC sampling is good with almost no wet sampling in the project area. AC drilling recovery is good with sample quality captured in the database. • Samples are routinely weighed and captured into a central secured database. • No indication of sample bias with respect to recovery has been established.



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.*	• TLM 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. • DD core is routinely photographed digitally. --- • Sandfire geological logging is completed for all holes and is representative across the ore body. The lithology, alteration, and structural characteristics of drill samples are logged directly to a digital format following standard procedures and using Sandfire DeGrussa geological codes. Data is imported into the central database after validation in LogChief™. • Logging is both qualitative and quantitative depending on field being logged. • All drill-holes are logged in full. • All cores are digitally photographed and stored.



Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond core is NQ2 size, sampled on geological intervals (0.2 m to 2 m) and sawn in half with an Almonte core saw to give sample weights under 3kg. Core orientation is completed where possible and orientation lines guide sawing. • RC drill samples are collected using a riffle splitter for each metre drilled. Composite samples are taken on occasion via a second sampling chute or spear sample. The majority of RC samples are dry. • Samples will be submitted to ALS Chemex Laboratories for preparation. The sample preparation follows industry best practice where all drill samples are crushed and split to 1kg then dried, pulverized and (>85%) sieved through 75 microns to produce a 1g charge for 4-acid digest with an ICP-MS or AAS finish. • Field duplicates are routinely taken for both DD core and RC chip samples. Talisman procedures include a minimum of one duplicate per 33 samples. • Sample size is considered appropriate for nickel mineralisation. --- • Sandfire DD Core orientation is completed where possible and core is marked prior to sampling. Half core samples are produced using Almonte Core Saw. Samples are weighed and recorded. • RC samples are split using a cone or riffle splitter. A majority of RC samples are dry. On occasions that wet samples are encountered they are dried prior to splitting with a riffle splitter. • All samples are dried at 80° for up to 24 hours and weighed. DD Samples are then crushed through Jaques crusher to nominal -10mm. Second stage crushing uses Boyd crusher to nominal -4mm. Pulverising is completed using LM5 mill to 90% passing 75%µm. RC samples are Boyd crushed to -4mm. • Sample splits are weighed at a frequency of 1:20 and entered into the job results file. Pulverising is completed using LM5 mill to 90% passing 75%µm using wet sieving technique. • 1:20 grind quality checks are completed for 90% passing 75%µm criteria to ensure representativeness of sub-samples. • Sampling is carried out in accordance with Sandfire protocols as per industry best practice. • The sample size is appropriate for the VHMS and Gold mineralisation styles.



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.*	• Drill samples are submitted to ALS Chemex Laboratories in Perth for multi-element analysis using a 1g charge with a multi-acid digest and ICP-MS or AAS finish (OG62). Analytes include Al, Fe, Mg, Mn, S, Ti, Ag, As, Co, Cr, Cu, Ni, Pb, V, Zn, Zr. • QAQC protocols for all drill sampling involved the use of Certified Reference Material (CRM) as assay standards. The insertion ratio of CRM standards was 1 in 33 with a minimum of two per batch. OREAS and Geostats standards are selected on their grade range and mineralogical properties. • All drill assays are required to conform to the procedural QAQC guidelines as well as routine laboratory QAQC guidelines. • All QAQC controls and measures were routinely reviewed and reported on a monthly, quarterly and annual basis. Historic results for all standards and duplicates indicate most performing well within the two standard deviation limit. • Lab checks (repeats) occurred at a frequency of 1 in 25. These alternate between both the pulp and crush stages. • Portable XRF instruments are used only for qualitative field analysis. No portable XRF results are reported. • Sandfire samples are assayed using Mixed 4 Acid Digest (MAD) 0.3g charge and MAD Hotbox 0.15g charge methods with ICPOES or ICPMS. The samples are digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric acids and conducted for multi elements including Cu, Pb, Zn, Ag, As, Fe, S, Sb, Bi, Mo, Re, Mn, Co, Cd, Cr, Ni, Se, Te, Ti, Zr, V, Sn, W and Ba. The MAD Hotbox method is an extended digest method that approaches a total digest for many elements however some refractory minerals are not completely attacked. The elements S, Cu, Zn, Co, Fe, Ca, Mg, Mn, Ni, Cr, Ti, K, Na, V are determined by ICPOES, and Ag, Pb, As, Sb, Bi, Cd, Se, Te, Mo, Re, Zr, Ba, Sn, W are determined by ICPMS. Samples are analysed for Au, Pd and Pt by firing a 40g of sample with ICP AES/MS finish. Lower sample weights are employed where samples have very high S contents. This is a classical FA process and results in total separation of Au, Pt and Pd in the samples. • No geophysical tools are used in the analysis. • Sandfire DeGrussa QAQC protocol is considered industry standard with standard reference material (SRM) submitted on regular basis with routine samples. SRMs and blanks are inserted at a minimum of 5% frequency rate.



Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intercepts have been verified by alternate company personnel • No twinned holes are being drilled as part of this program. • Logging and sampling data is captured and imported using Maxwell LogChief software. • All drill-hole, sampling and assay data is stored in a SQL server (Datashed) database. Assay data is reviewed via DataShed, QAQCR and other customised software and databases. Datashed software has numerous validation checks which are completed at regular time intervals. • Primary assay data is always kept and is not replaced by any adjusted or interpreted data. • Significant intersections have been verified by alternative Sandfire company personnel. • None of the drill-holes in this report are twinned. • Sandfire primary data is captured on field tough book laptops using Logchief™ Software. The software has validation routines and data is then imported into a secure central database. • The primary data is always kept and is never replaced by 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.*	• Drill-holes are located by hand held GPS with an accuracy of +/-5m. • Down-hole surveying is completed at regular 30m intervals using an electronic single shot survey camera. • For the Sinclair Project the Coordinate System used is the Australian Geodetic Datum (AGD84). Coordinates are in the Australian Map Grid (AMG84) Zone 51. • Sandfire DeGrussa Survey team undertakes survey works under the guidelines of best industry practice. All surface drilling is located using RTK-GPS. • All drill collars are accurately surveyed using RTK GPS system within +/-50mm of accuracy (X, Y, Z). • For the Springfield project MGA94 Zone 50 grid coordinate system is used. • Topographic control was established using LiDar laser imagery technology.
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.*	• Exploration drill spacing is currently defined by geological and geophysical target criteria and as such spacing and distribution is not sufficient to support Mineral Resources or Ore Reserves. • No sample compositing has been applied to these exploration results. . • Drill spacing at Monty has been conducted on a nominal 80m x 80m spacing to define the extents of mineralisation. • Infill drilling on a nominal 40m x 40m grid pattern is in progress to provide additional controls on the nature and geometry of the mineralisation. • Exploration drill spacing and distribution of exploration results is not sufficient to support Mineral Resources or Ore Reserves at this stage. • No sample compositing has been applied to the exploration results.



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 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. • No significant orientation based sampling bias is known at this time. • The drill holes may not necessarily be perpendicular to the orientation of the intersected mineralisation. • Down-hole intervals are converted to estimated true widths.
Sample security	• *The measures taken to ensure sample security.*	• Samples are stored at the Sinclair Nickel Project prior to submission under the supervision of senior staff. Samples will be transported to ALS Perth by an accredited transport service. The assay laboratory receipts received samples against sample dispatch documents and reconciles every sample batch. • Appropriate security measures are taken to dispatch samples to the laboratory. Chain of custody of samples is being managed by Sandfire Resources NL. Samples are stored onsite and transported to laboratory by a licenced transport company in sealed bulker bags. The laboratory receipts received samples against the sample dispatch documents and issues a reconciliation report for every sample batch.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits of the sampling techniques or data have been completed. • Sandfire have not completed any external audits or reviews of the sampling techniques and data.



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 Mine is located on tenement M37/1275. • The Delphi Prospect area covers tenements M37/818 and M37/1223. • The Cody Well Prospect areas lie within tenement M37/816. • The Fly Bore Prospect occurs over tenements M36/444, M36/445, M36/446 and M37/735. • The Sinclair Nickel Project is held 100% by Talisman Nickel Pty Ltd, a wholly owned subsidiary of Talisman Mining Ltd. • The Sinclair Nickel Project was purchased from Xstrata Nickel Australasia on 4 February 2015. A $2 million deferred payment will be triggered should production recommence within six years of completion of the settlement date. • 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. • Sandfire Resources NL and Talisman Mining Limited have formed a Joint Venture which covers Talisman's Doolgunna Project tenements (E52/2282, E52/2313, E52/2466, E52/2275 and P25/1241). • Sandfire and Talisman hold a 70%:30% interest respectively in the Joint Venture, with the exception of tenement E52/2275 where interests of approximately 81%:19% respectively are held. • Both parties are contributing proportionately to expenditure. • Sandfire Resources NL has been appointed as the Joint Venture Manager. • All tenements are current and in good standing. • The Talisman tenements are currently subject to a Native Title Claim by the Yungunga-Nya People (WAD6132/98). Sandfire currently has a Land Access Agreement in place with the Yungunga-Nya Native Title Claimants and have assumed management of Heritage Agreements which were executed by Talisman. These agreements allow Sandfire to carry out mining and exploration activities on their traditional land.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 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. • The Sinclair Nickel Deposit was discovered in 2005 by Jubilee Mines NL drill testing a ground EM anomaly. • Exploration work on has included diamond, RC and Air Core drilling, ground and downhole EM surveys, soil sampling, geological interpretation and other geophysics (magnetics, gravity). • Exploration work at Springfield completed prior to Talisman's tenure included geochemical soil and rock chip sampling combined with geological mapping. Some targeted RC drilling was completed over gold and diamond targets.



Geology	*Deposit type, geological setting and style of mineralisation.*	• The Sinclair project lies within the Archean aged Norseman-Wiluna Greenstone Belt. • The Sinclair Nickel Deposit is an example of an Archaean-aged komatiite-hosted nickel deposit, with massive nickel-iron sulphides hosted at or near the basal contact of high-MgO ultramafic lava channels with footwall basaltic volcanic and sedimentary rocks. • The Doolgunna Project lies within the Proterozoic-aged Bryah rift basin enclosed between the Archaean Marymia Inlier to the north and the Proterozoic Yerrida basin to the south. • The principal exploration targets at the Doolgunna Projects are Volcanogenic Massive Sulphide (VMS) deposits located with the Proterozoic Bryah Basin of Western Australia. • The discovery of Bornite at Doolgunna is new and its full context and implication is still to be determined.

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 4: Drill-hole Information Summary, Sinclair Nickel Project.
		• Drill hole information relating to the Doolgunna Project is included In Table 2: Drill-hole Information Summary, Springfield Project.
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Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant intersections are based on greater than 0.5% Ni and may include up to 1m of internal dilution, with a minimum composite grade of 1% Ni. • Ni grades used for calculating significant intersections are uncut. • A minimum diamond core sample interval of 0.15m and a maximum interval of 1m is used for intersection calculations subject to the location of geological boundaries. • Length weighted intercepts are reported for mineralised intersections. • No metal equivalents are used in the intersection calculations • Significant intersections are based on greater than 0.5% Cu and may include up to a maximum of 3.0m of internal dilution, with a minimum composite grade of 1.0% Cu. • Cu grades used for calculating significant intersections are uncut. • Minimum and maximum DD sample intervals used for intersection calculation are 0.3m and 1.2m respectively. • RC reported intersections are based on regular 1m sample intervals. • No metal equivalents are used in the intersection calculation. • Where core loss occurs; the average length-weighted grade of the two adjacent samples are attributed to the interval for the purpose of calculating the intersection. The maximum interval of missing core which can be incorporated with the reported intersection is 1m.
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 are not know at this time • Drill-hole intercepts relating to the Doolgunna Project in this release are reported as both down-hole intersection widths and estimated true width intersections (refer Table 2: Drill hole assay intersections >1% for the Monty Prospect). • The geometry of the mineralisation has been interpreted using top of mineralisation surfaces that link mineralised zones, thought to be continuous, between neighbouring drillholes. Given the variable, and often steeply dipping orientation of the mineralisation, the angle between mineralisation and drillholes is not consistent. Downhole intercepts for each drillhole are converted to estimated true widths using a trigonometric function that utilises the dip and dip direction of the interpreted top of mineralisation surface (at the intersection point of that drillhole) as well as the dip and azimuth of the drillhole at that position.
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.*	• TLM has conducted a campaign of targeted Reverse Circulation (RC) and Diamond drilling (DD) to test exploration targets reported previously. • Additional drilling and geophysical surveys in the future will be dependent on the outcomes of current exploration activities. • Step-out drilling for along-strike and down-dip extensions of mineralisation at Monty continue on 160m x 80m x 80m grid pattern subject to geological and geophysical interpretation. • Additional drilling may include holes targeting the definition of mineralisation extents, this drilling will be on a nominal 40m x 40m grid.