



TLDD00026: Bornite-bearing core from Monty assaying up to 46% Cu

*High-grade Maiden Mineral Resource – 99kt contained Cu<sup>1</sup>*

*Proven district-wide VMS potential*

## Investor Update April 2016

Dan Madden Acting CEO

# Disclaimer and Competent Person's Statements



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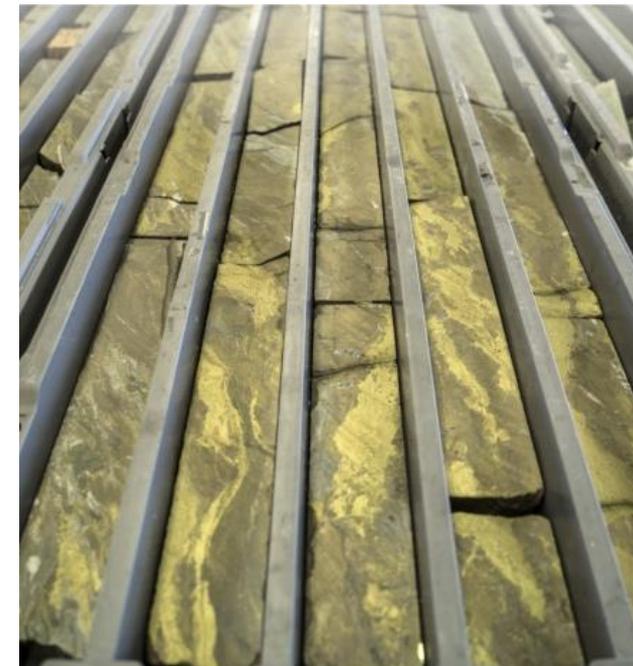
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## Competent Person's Statement

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. (Please also see Appendix 1).



- Cornerstone asset: **30% interest in Springfield JV Copper-Gold Project**, in joint venture with Sandfire Resources NL (ASX: SFR)
- One of the world's most significant **new high-grade copper discoveries at Monty**, ~10km from DeGrussa copper-gold mine:
  - Initial Mineral Resource, high-grade – **1.05Mt @ 9.4% Cu & 1.6g/t Au for 99kt Cu & 55kOz Au<sup>1</sup> contained**
  - **99% Indicated** - high quality and high confidence
  - Massive Sulphide Component - **763kt @ 12.1% Cu & 2.1g/t Au for 92kt Cu & 52kOz Au<sup>1</sup>**
- Exceptional **regional exploration opportunities** at Springfield:
  - **Proof of concept of VMS geological model**, outstanding potential for additional discoveries
  - **Multiple prospective corridors** within world-class VMS province
  - **5km Monty trend & Homer corridor** are key areas of exploration focus
- Counter-cyclical growth opportunity at **100% owned Sinclair Nickel Project, WA**:
  - **Promising exploration targets** within a proven nickel province
  - Existing surface infrastructure including processing plant, fast-track to production

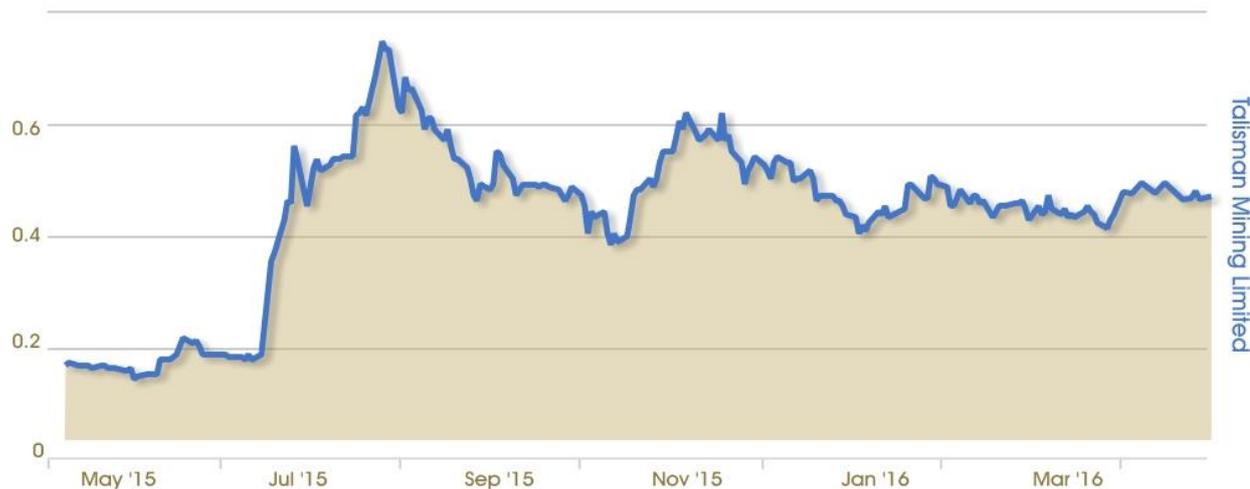




# Corporate Background & Overview

- Strong culture & corporate philosophy. Key focus on developing and executing strategies to build shareholder value
- Jeremy Kirkwood, non-executive Chairman – extensive experience in corporate strategy, investment banking and capital markets
- Dan Madden appointed as Acting CEO. Talisman CFO for six years, key role in all corporate transactions and raisings

ASX Talisman - as at 31 March 2016



Talisman Mining Limited

Focused Australian mineral exploration company

## Capital Structure

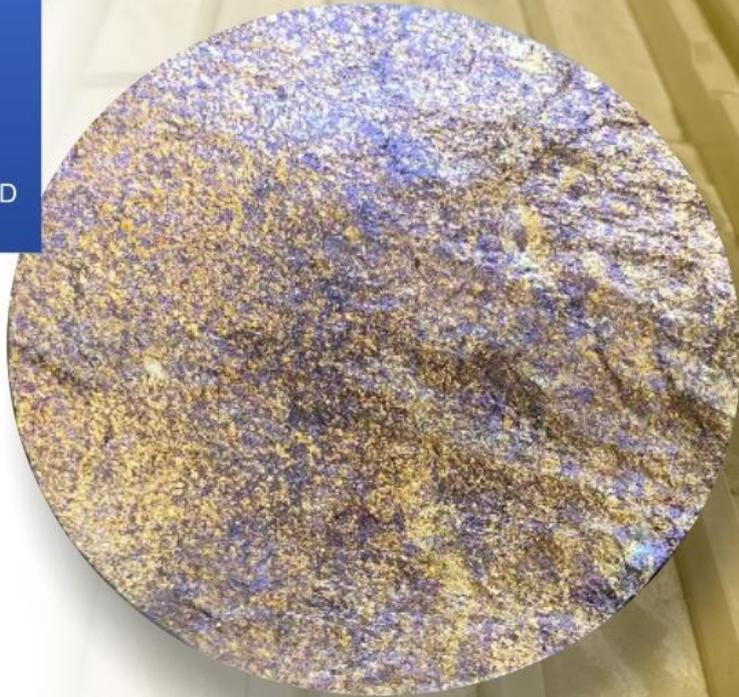
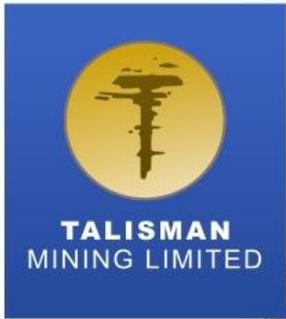
Shares on Issue	185.7M
Unlisted Options	5.6M
Market Capitalisation (43c)	~\$79.9M
Cash (31 March 2016)	\$22.2M

## Substantial Shareholders

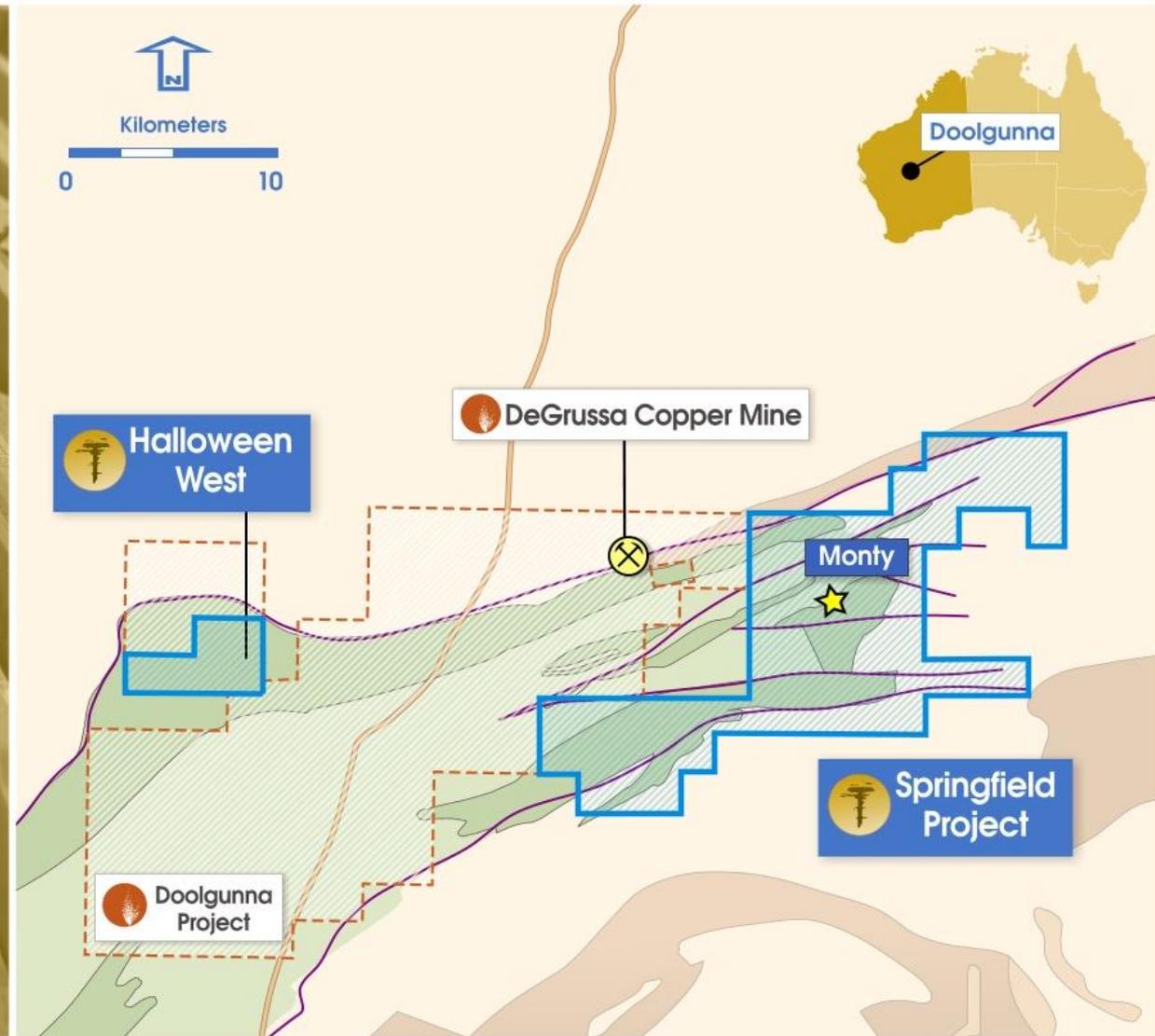
Kerry Harmanis	16.0%
Hunter Hall	6.0%

## Board

- Jeremy Kirkwood (Non-Executive Chairman) – ex-Credit Suisse, Morgan Stanley
- Alan Senior (Non-Executive Director) – ex-Jubilee Mines
- Brian Dawes (Non-Executive Director) – ex-Jubilee Mines & LionOre
- Karen Gadsby (Non-Executive Director) – ex-North Ltd



## Springfield Copper-Gold Project

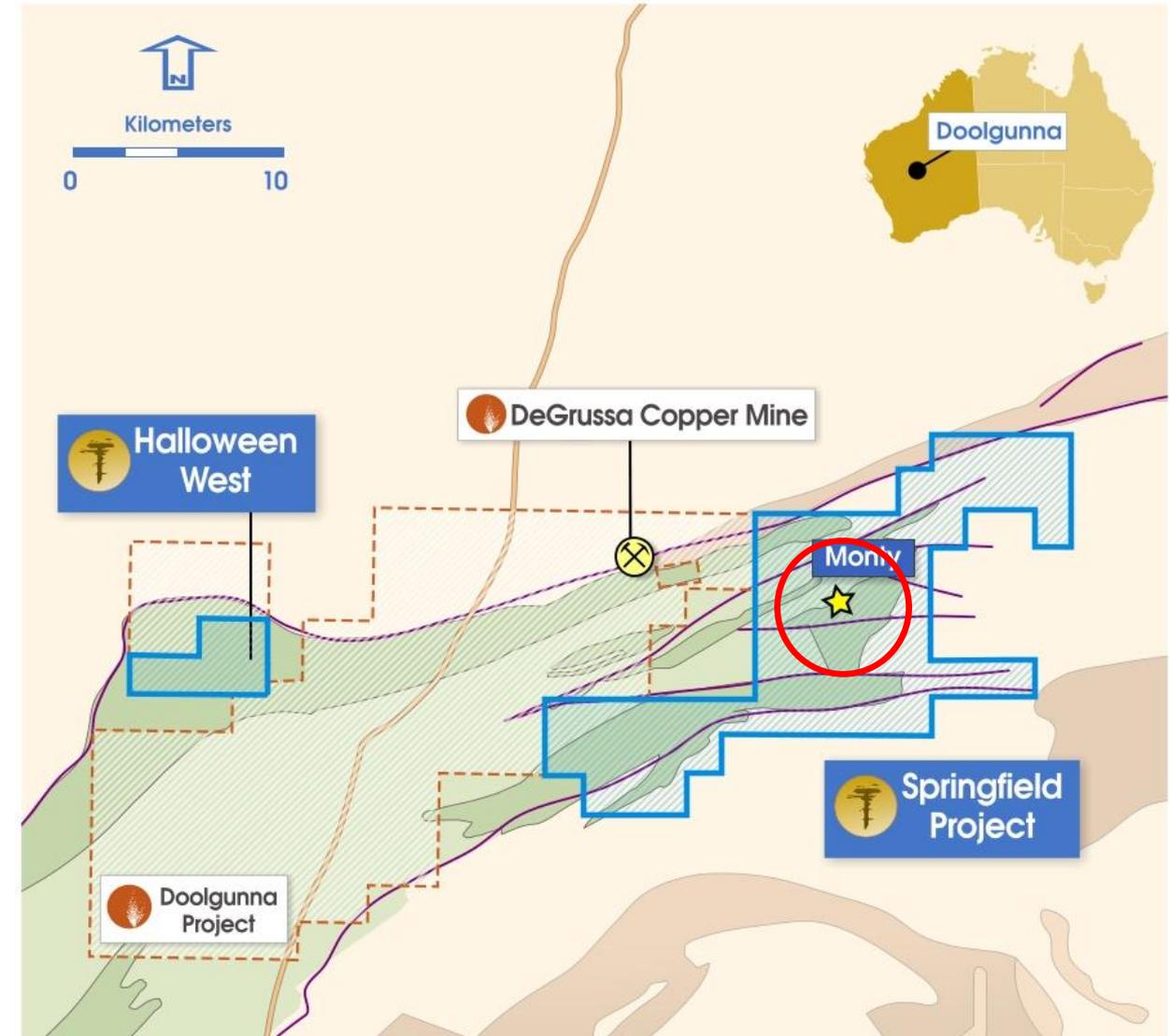


The next chapter of copper-gold discoveries in a world-class VMS province

# Springfield Joint Venture



- First regional discovery outside of the DeGrussa VMS complex
- Maiden Mineral Resource estimate for Monty
  - *High-grade – 1.05Mt @ 9.4% Cu & 1.6g/t Au for 99kt Cu & 55kOz Au<sup>1</sup> contained*
  - *99% Indicated - high quality and high confidence*
  - *Massive Sulphide Component - 763kt @ 12.1% Cu & 2.1g/t Au for 92kt Cu & 52kOz Au<sup>1</sup>*
- High level studies underway by Joint Venture on development options
- Exploration across Springfield in early stages, now focusing on Monty Trend & Homer corridor



# Discovery to Delineation - Monty's transformational 11 months

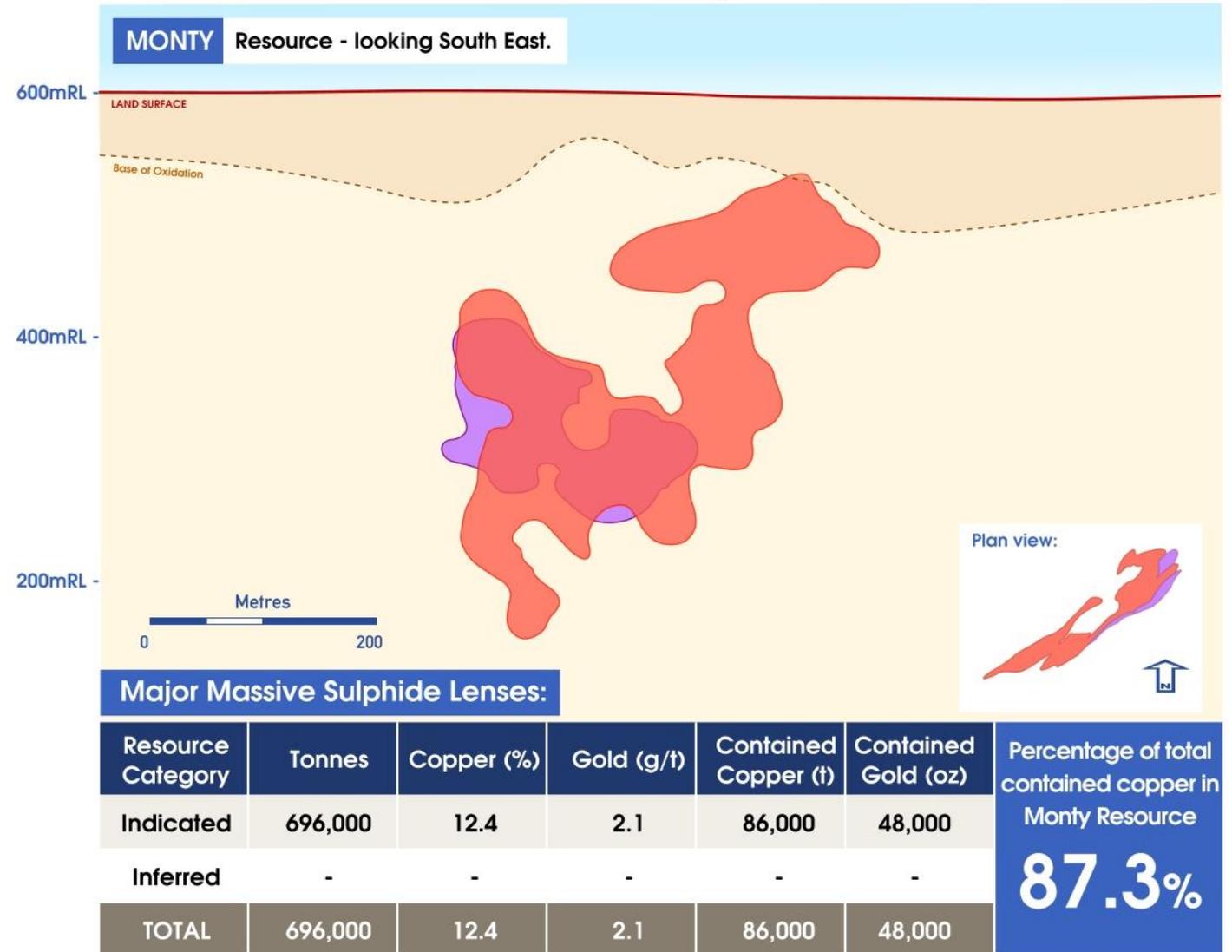


- 13 April 2016 - Maiden Mineral Resource estimate of 1.05Mt @ 9.4% Cu & 1.6g/t Au for 99kt contained Cu & 55kOz contained Au<sup>1</sup>
- 10 Mar 2016 - Talisman raises \$16.7million through overly subscribed share placement at 45c per share
- 17 Dec 2015 - Joint Venture formed post SFR farm-in expenditure of A\$15 million
- 05 Nov 2015 - TLDD0026 returns exceptional intercept of 21.6m grading 34.4% Cu and 0.4g/t Au
- 10 Jul 2015 - Talisman raises \$8 million through a successful share placement at 47c per share
- 25 Jun 2015 - Assay results for discovery hole TLDD004A, intercept of 16.5m @ 18.9% Cu and 2.1g/t Au
- 17 Jun 2015 - Massive sulphides intersected in TLDD0004A at Monty
- 11 May 2015 - Second diamond hole drilled by Sandfire as part of Springfield Project Farm-in, starts at Monty – TLDD0002A

# Monty Geology – Building the model

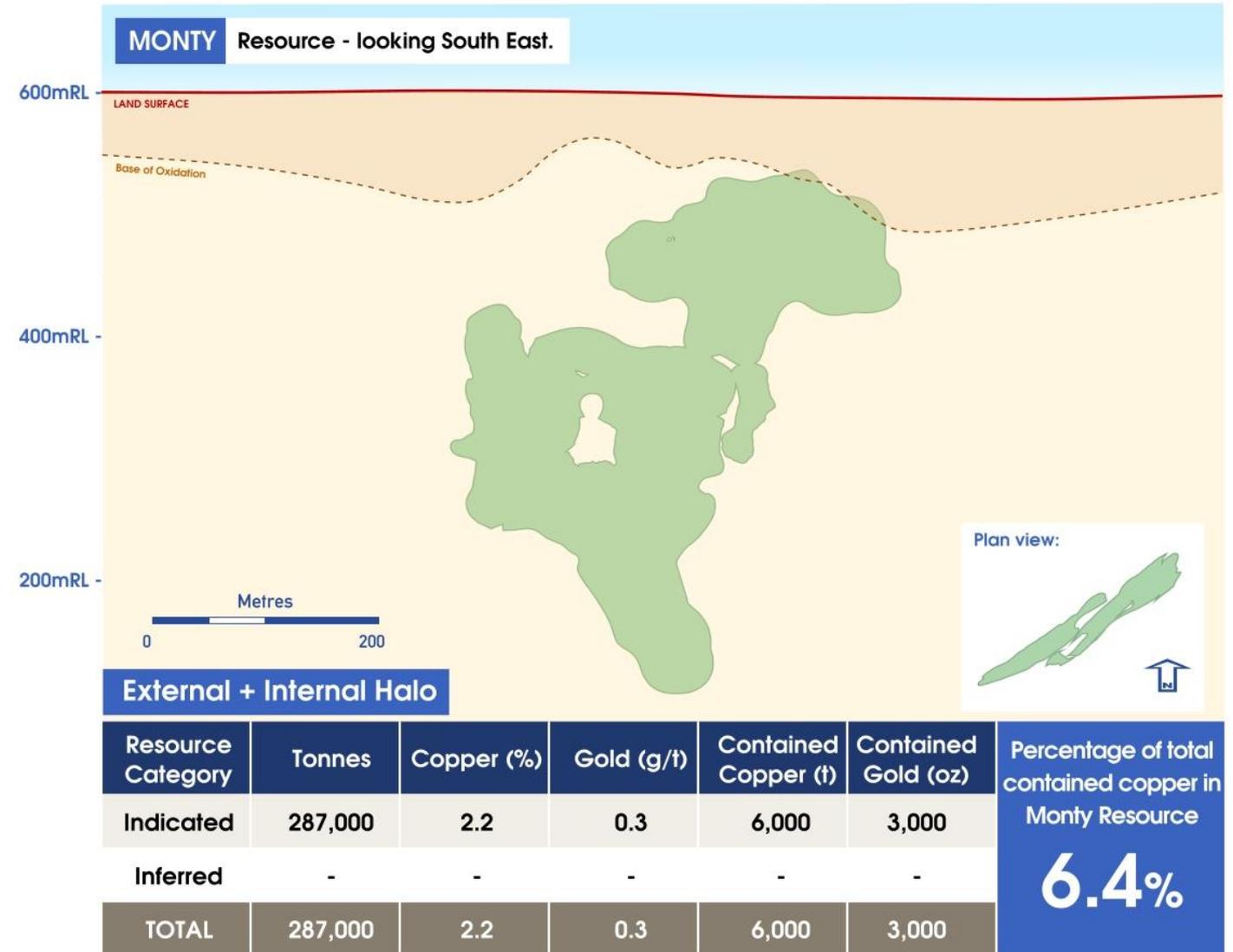


- Maiden Mineral Resource estimated using data from 82 diamond drill holes
- Two major massive sulphide lenses containing 87.3% of contained Copper
- Consistent high-grade and high-tenor copper mineralisation
  - **696,000t @ 12.4% Cu & 2.1g/t Au<sup>1</sup>**
- Copper occurs as predominantly chalcopyrite (with minor bornite)
- Lower most lens hosts two separately modelled bornite zones
- Five subordinate massive sulphide lenses also modelled (not shown)





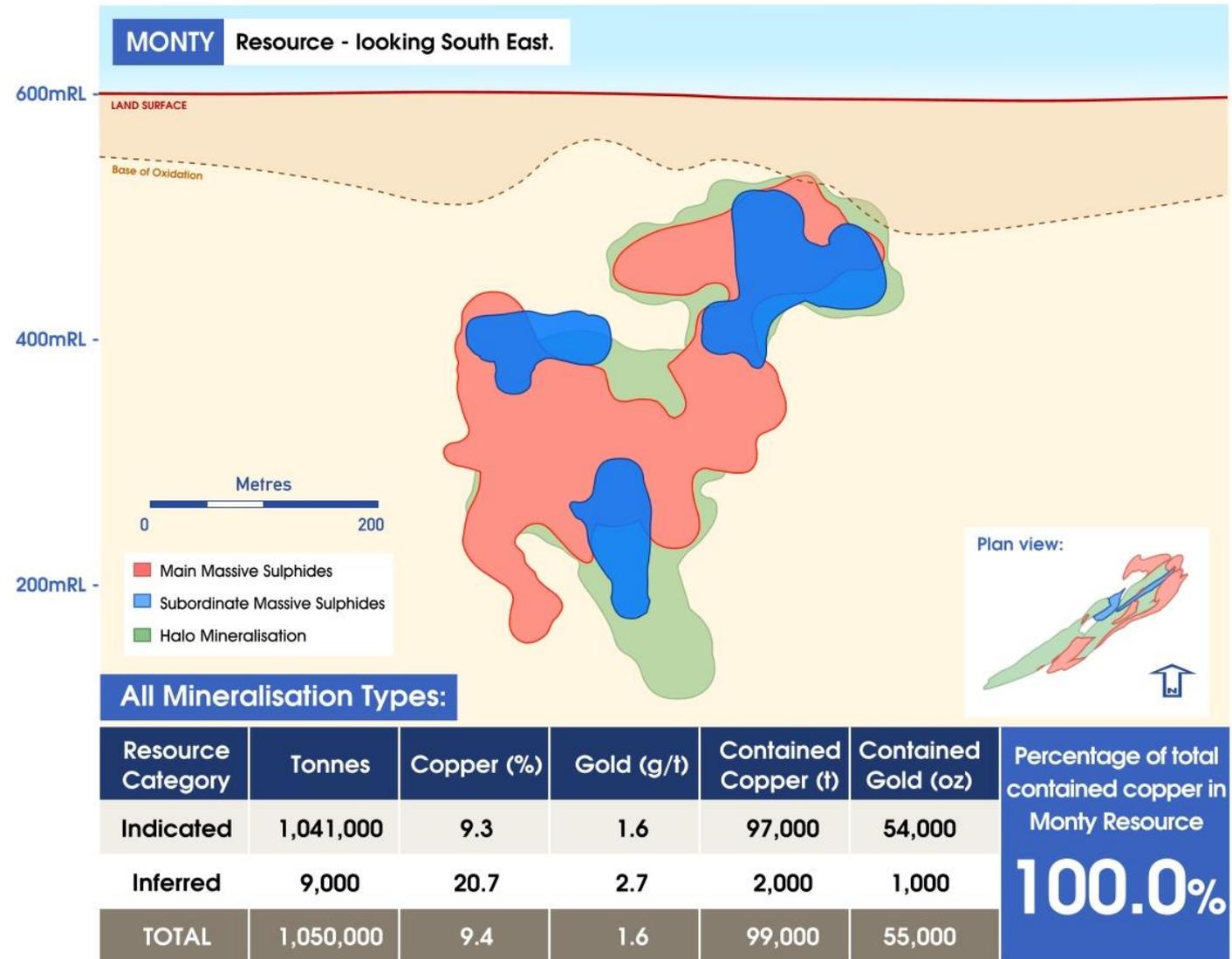
- Halo Mineralisation both internal & external to Massive Sulphide lenses
- Identified by Chlorite alteration and massive, disseminated &/or blebby sulphides
- Interpreted by Sandfire to extend below massive sulphide mineralisation
- Planned deep diamond drilling and DHEM to test down-dip and down-plunge



# Monty Geology – Building the model



- high-grade & high quality Mineral Resource estimate:
  - *high-grade – 1.05Mt @ 9.4% Cu & 1.6g/t Au for 99kt Cu & 55kOz Au<sup>1</sup> contained.*
  - *Massive Sulphide Component - 763kt @ 12.1% Cu & 2.1g/t Au for 92kt Cu & 52kOz Au<sup>1</sup>*
- 99% Indicated –available for conversion to future Ore Reserves
- Seven stacked lenses of massive sulphide:
  - *Two main lenses -87% Contained metal*
  - *Five subordinate lenses -including 2 bornite zones*
- Lower grade geological envelope of halo mineralisation (internal and external)



# Monty – Maiden Resource high-grade & high quality



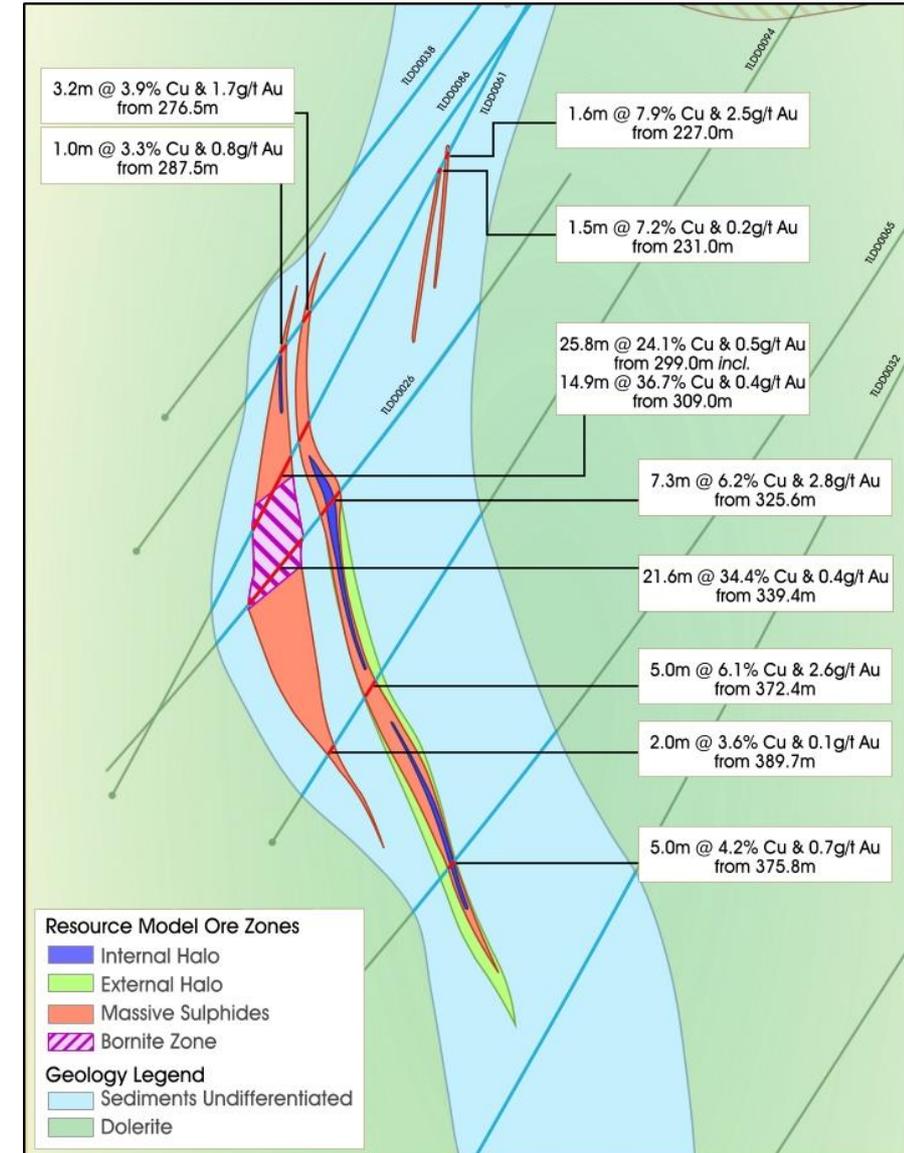
MONTY MINERAL RESOURCE – APRIL 2016 <sup>1</sup>							
Type	Mineral Resource Category	Tonnes	Grade Cu (%)	Contained Cu (t)	Grade Au (g/t)	Contained Gold (oz)	
	Massive Sulphide	Indicated	754,000	12.0	91,000	2.1	51,000
		Inferred	9,000	20.7	2,000	2.7	1,000
		TOTAL	763,000	12.1	92,000	2.1	52,000
	Halo	Indicated	287,000	2.2	6,000	0.3	3,000
		Inferred	-	-	-	-	-
		TOTAL	287,000	2.2	6,000	0.3	3,000
	TOTAL	Indicated	1,041,000	9.3	97,000	1.6	54,000
		Inferred	9,000	20.7	2,000	2.7	1,000
		TOTAL	1,050,000	9.4	99,000	1.6	55,000

Numbers are presented at a 1.0%Cu cut-off grade and are rounded

# Monty Bornite Mineralisation



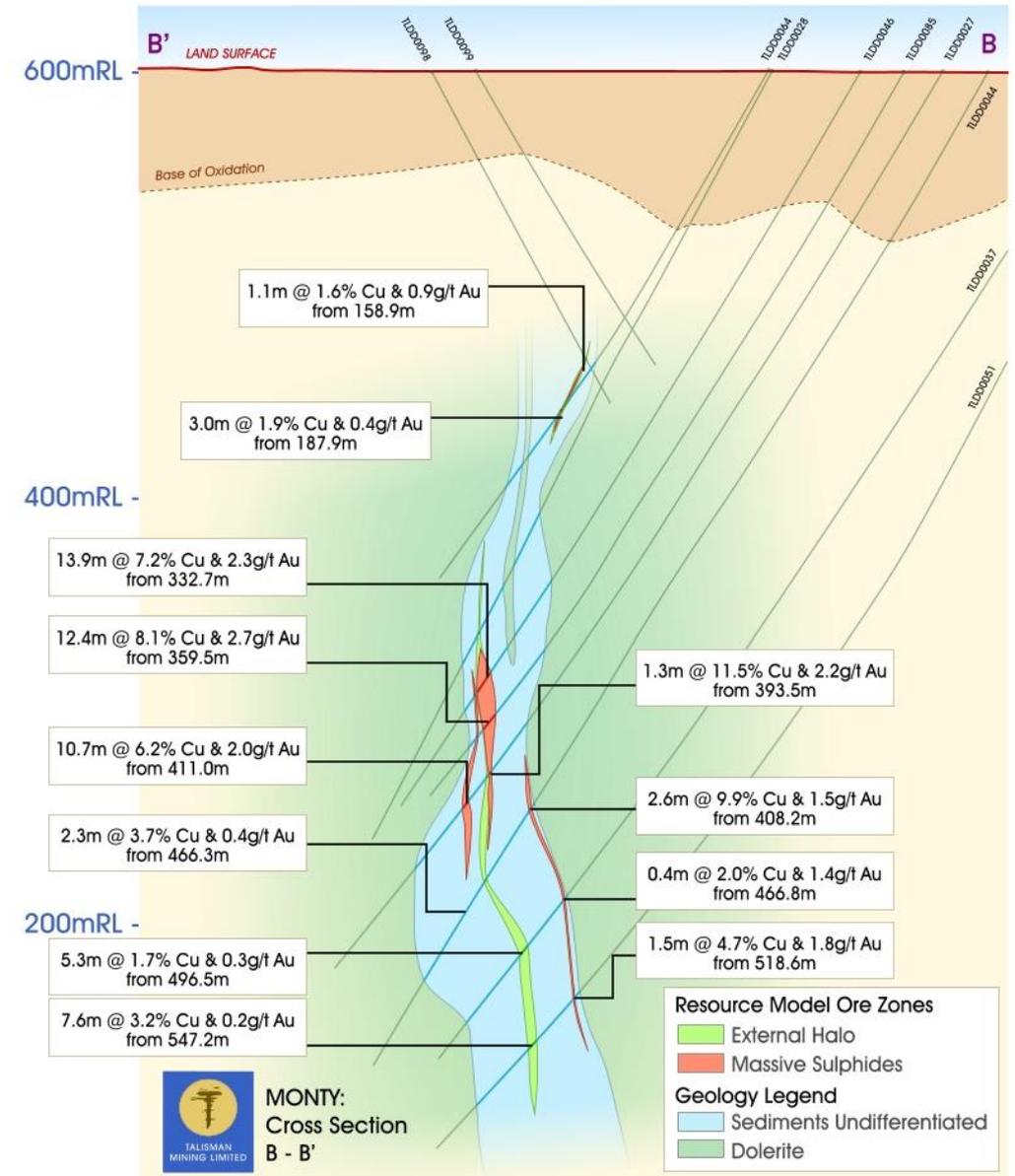
- Two separate lenses of high-grade bornite mineralisation within the main massive sulphide lenses
- Significantly higher tenor than other massive sulphide zones
- Interpreted by Sandfire to be approximately orthogonal to lithological layering
- Interpreted geometry based on 4 holes intersecting bornite mineralisation
- Further work is required to:
  - *Better define and understand the potential extent of bornite mineralisation*
  - *Assess potential opportunity to mine direct shipping ore (DSO)*



# Monty Halo Mineralisation



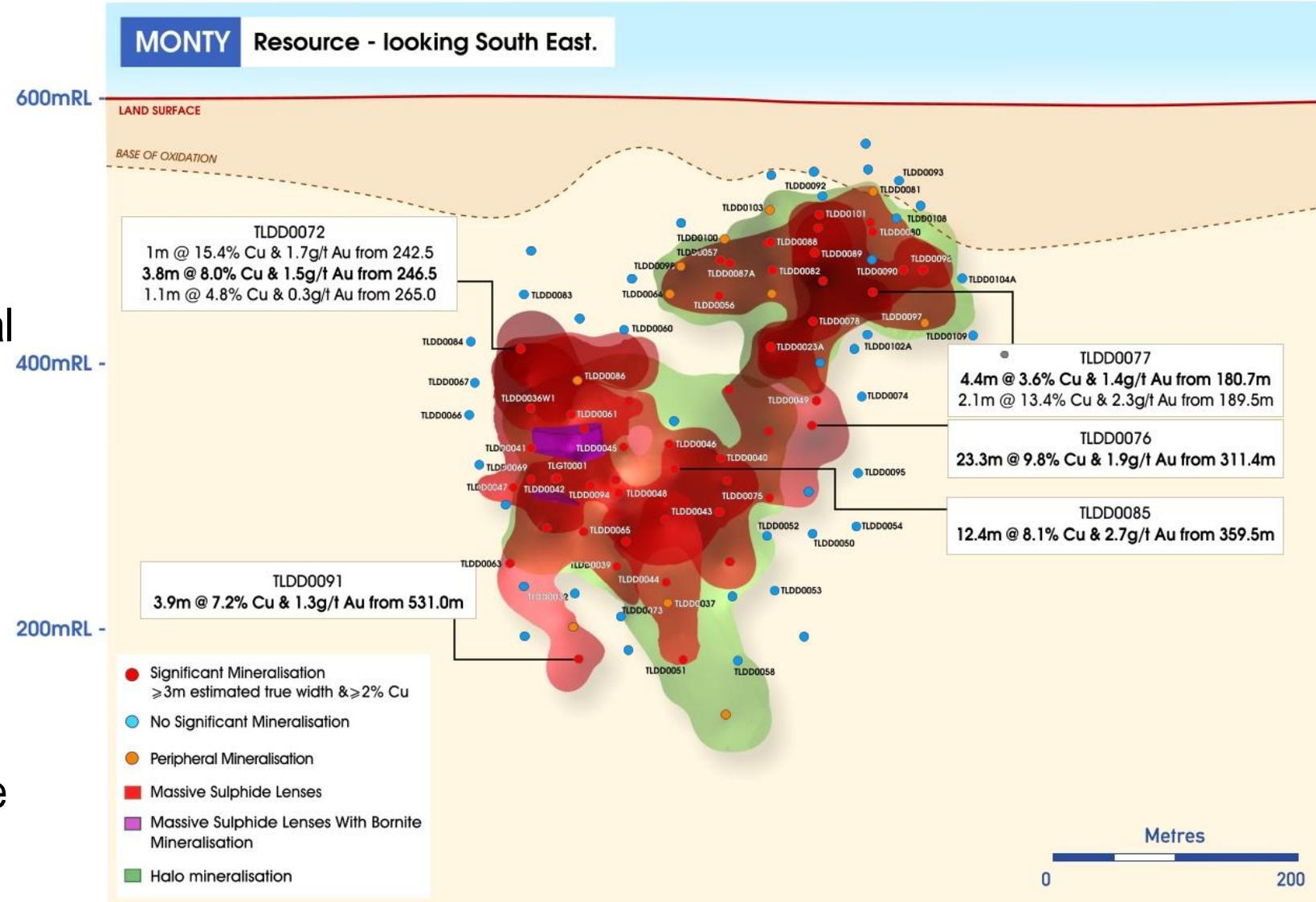
- Halo Mineralisation both internal & external to Massive Sulphide lenses
- Identified by Chlorite alteration and massive, disseminated &/or blebby sulphides
- Interpreted by Sandfire to extend below massive sulphide mineralisation
- Planned deep diamond drilling and DHEM to test down-dip and down-plunge



# Monty Deposit – Next Steps planned or under consideration



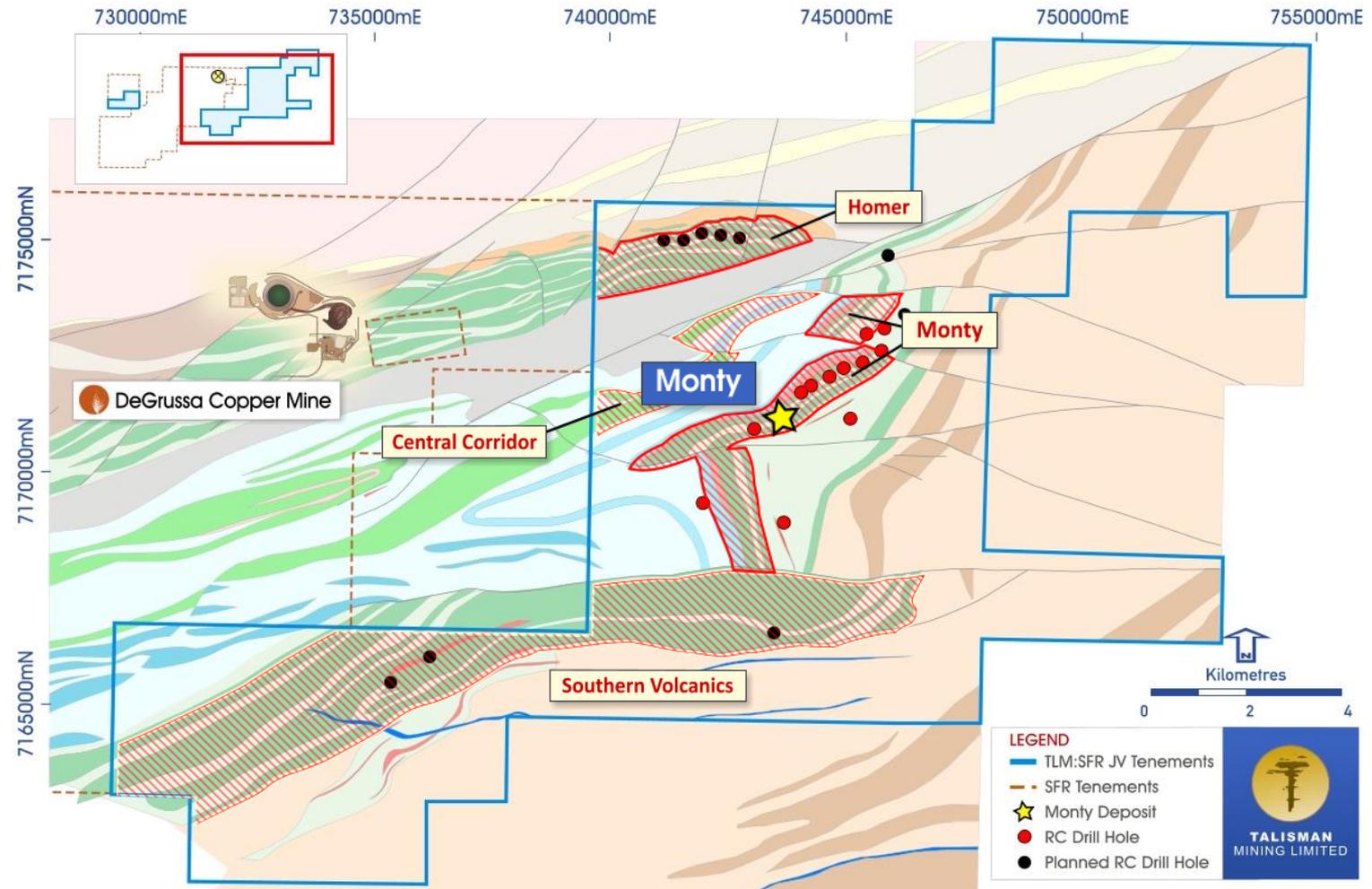
- Targeted structural drilling program
- Development of structural geological model
- Further drilling to understand potential extent of bornite mineralisation
- Planned program of deep diamond drilling and subsequent down-hole EM to test areas down-dip & down-plunge of Monty Deposit
- High-level studies to assess potential development pathways and maximise value of Monty Deposit



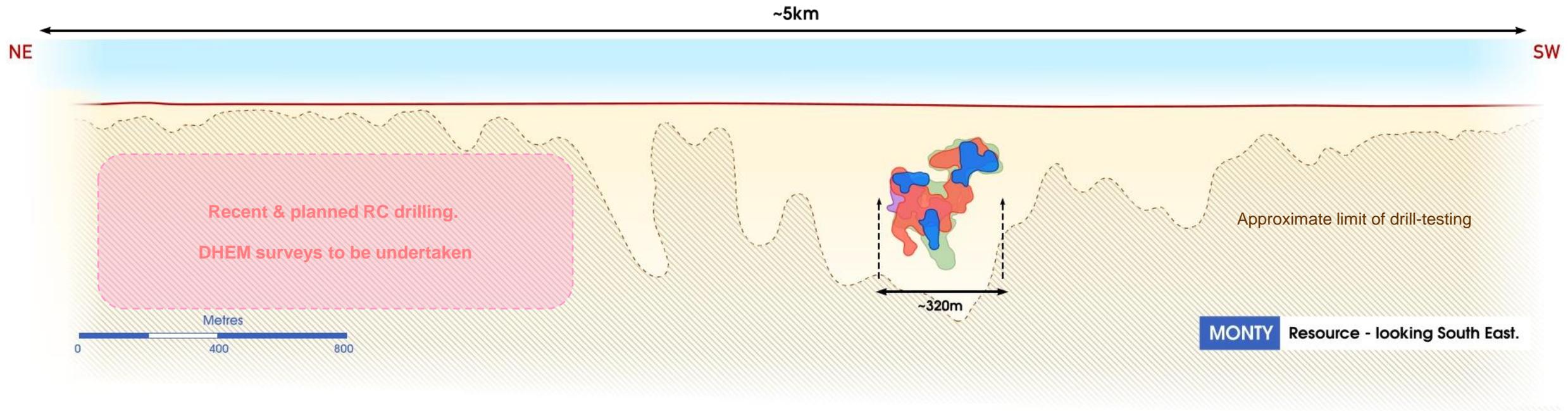
# Springfield Exploration Potential – Multiple Prospective Corridors



- Monty provides proof of concept for Springfield to be part of a larger VMS camp
- Joint Venture exploration over wider Springfield Project at early stage (minimal diamond drilling by JV outside Monty Deposit)
- Four prospective VMS corridors at Springfield:
  - *Monty*
  - *Homer*
  - *Southern Volcanics*
  - *Central Volcanics*
- Significant exploration activities planned in Monty region:
  - *RC drilling along 5km Monty Trend*
  - *RC drilling of geochemical anomalies at Monty South and Southern Volcanics*
  - *In-fill aircore drilling at Monty South*



# 5km Monty Trend – The Unfolding Story

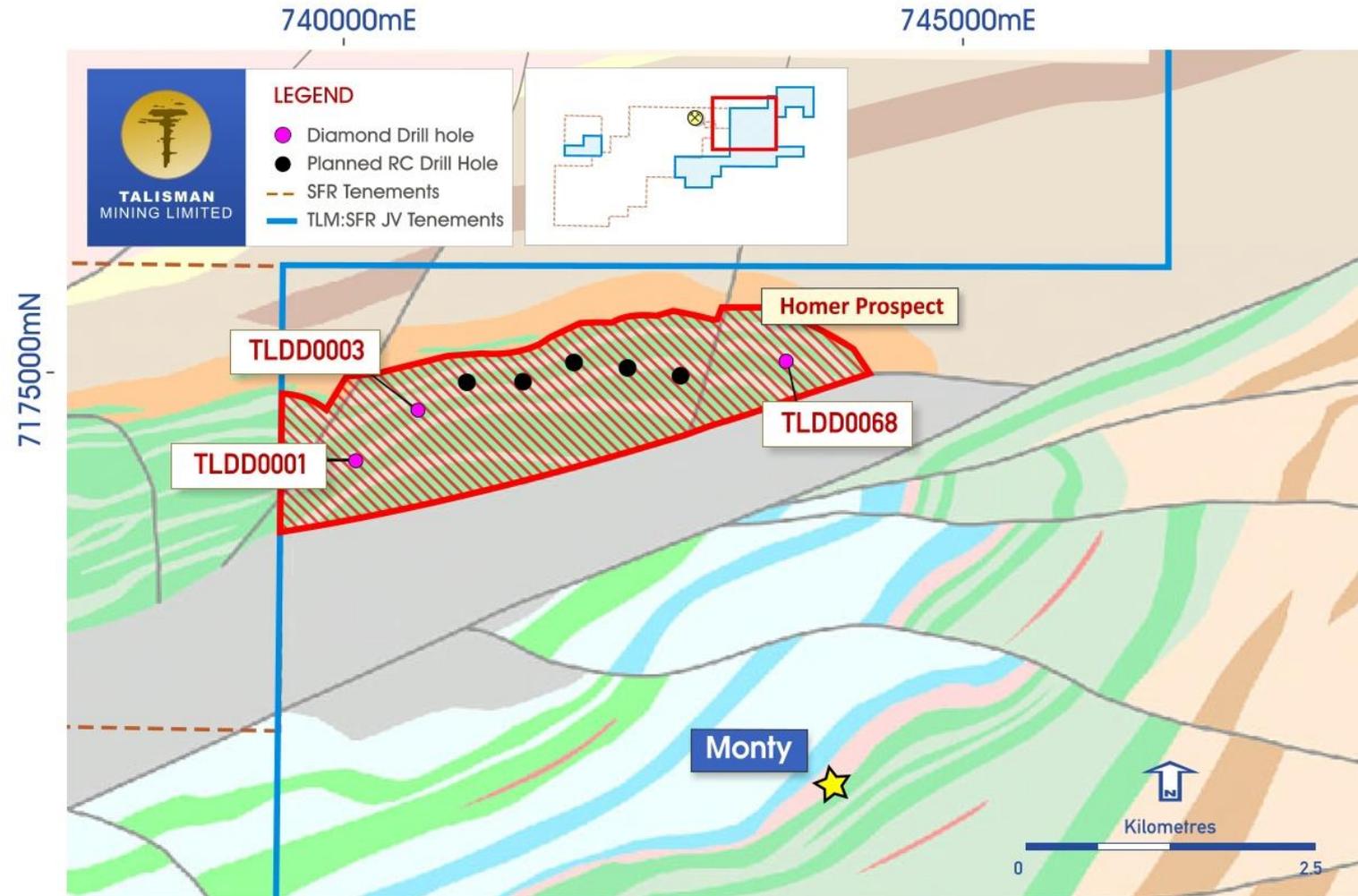


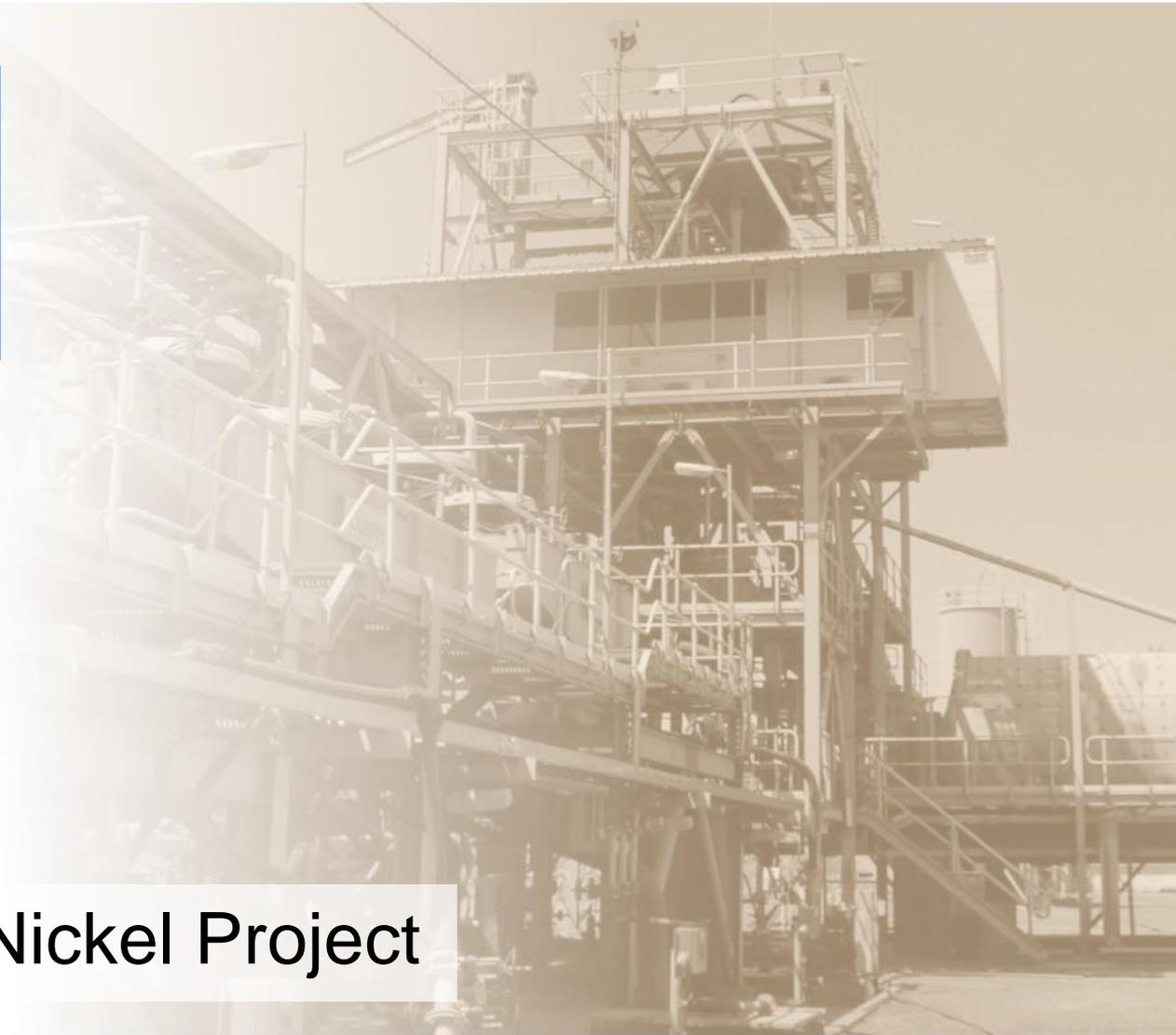
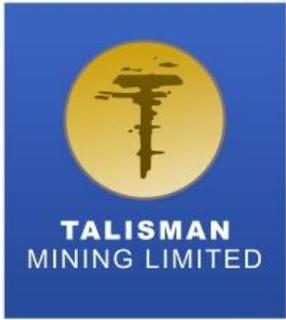
- Systematic AC program to accurately delineate the interpreted VMS host horizon in the Monty area
- RC drilling and down-hole electromagnetic surveys within the interpreted VMS host horizon along strike from the Monty Deposit with follow up diamond drilling where required
- Diamond drilling and DHEM to test the areas down-dip and down-plunge of the Monty Deposit

# Homer Prospect – The New Horizon?

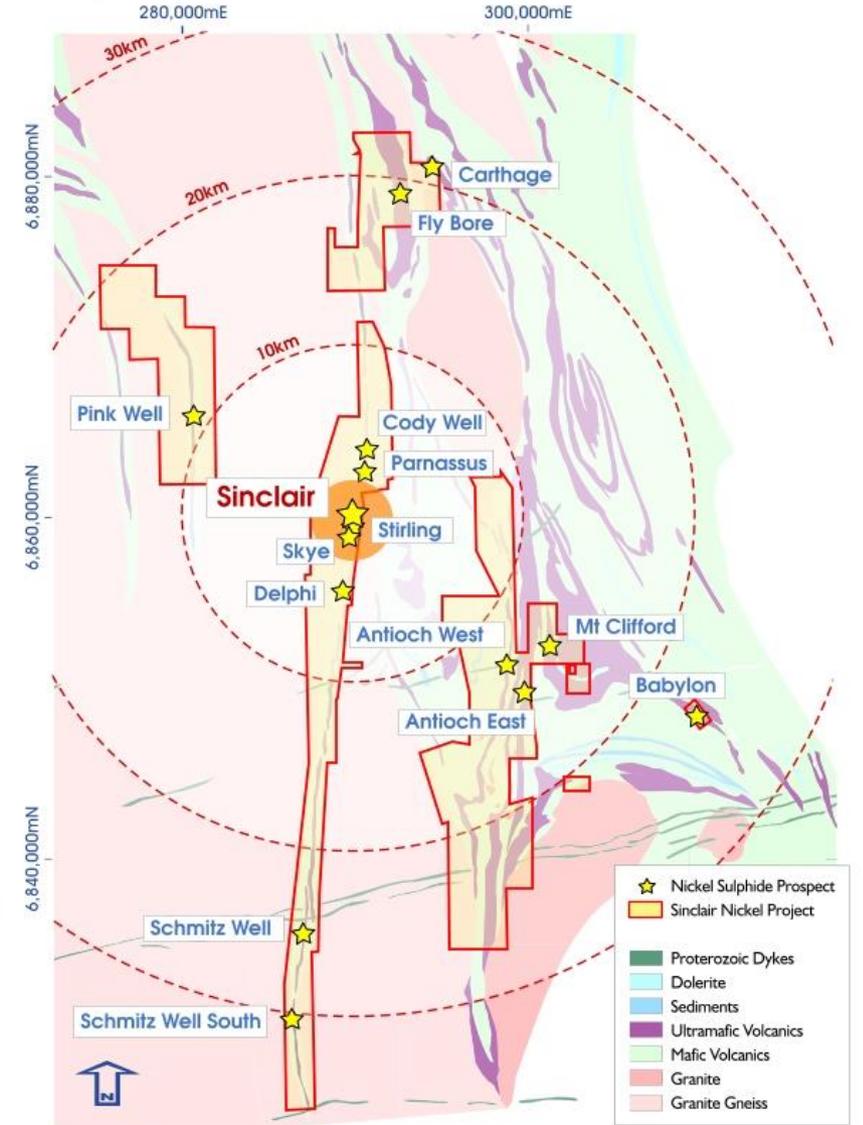


- High priority VMS target corridor located ~4km along strike to the east of Sandfire's DeGrussa mine
- Drilling to date by Joint Venture has:
  - *Identified the interpreted C5 VMS stratigraphic package;*
  - *Intersected a thick sequence of exhalative rocks interpreted to be analogous to the DeGrussa host stratigraphy; and*
  - *TLDD0003 intersected what is interpreted to be C5 host horizon.*
- RC and DHEM surveys planned along the Homer trend





# Sinclair Nickel Project



A counter-cyclical option in nickel

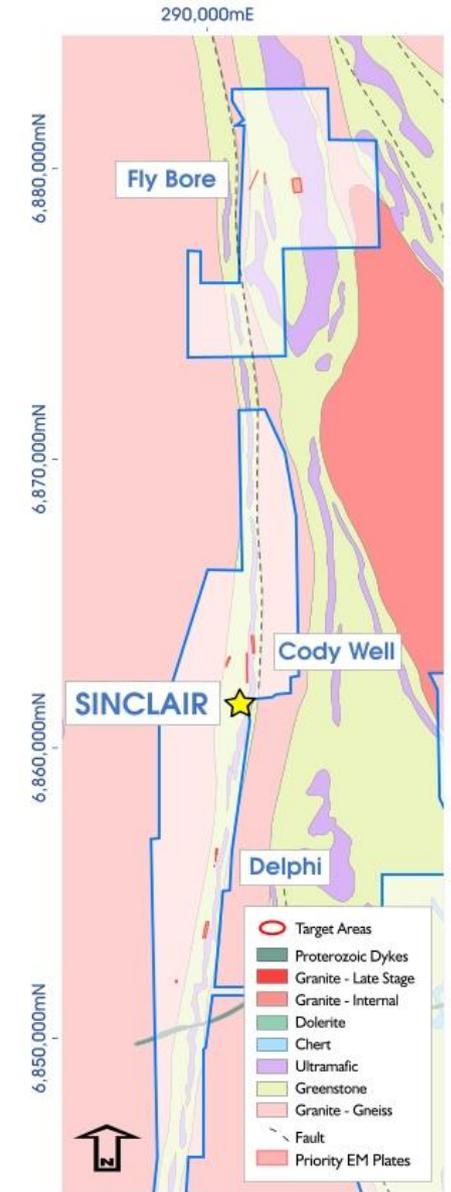
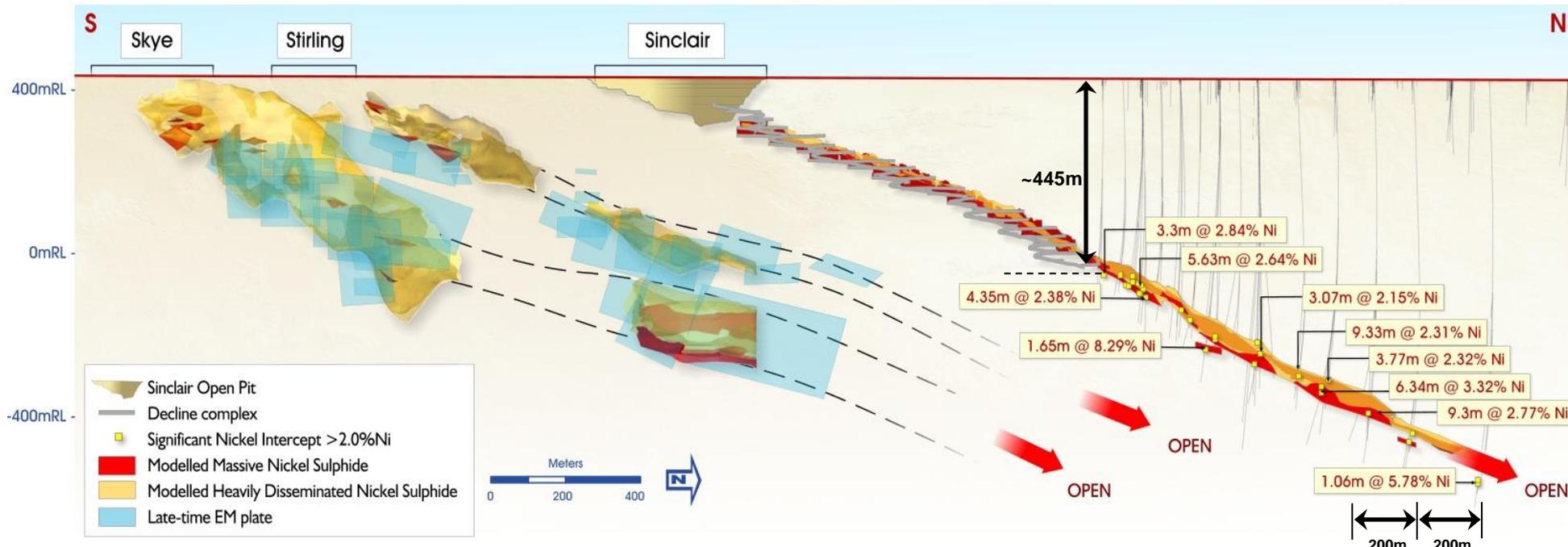
# Sinclair Nickel Project – Background



- Discovered late 2005, developed in 2008
- Historical Sinclair mine production:
  - **1.58 Mt @ 2.44% Ni for 38,500t of contained Ni**
- Care and maintenance since August 2013
- Extensive infrastructure including:
  - **Nickel concentrator, operated at 450ktpa**
  - **200 person village and all-weather airstrip**
- Multiple exploration opportunities:
  - **Potential for mine extension**
  - **Near-mine potential at Skye and Stirling**
  - **Greenfield opportunities, 80 strike km prospective ultramafics**
- Sinclair restart potential enhanced by:
  - **Reduced capital intensity; and**
  - **Substantial exploration potential**



# Sinclair Nickel Project – Multiple Exploration Opportunities



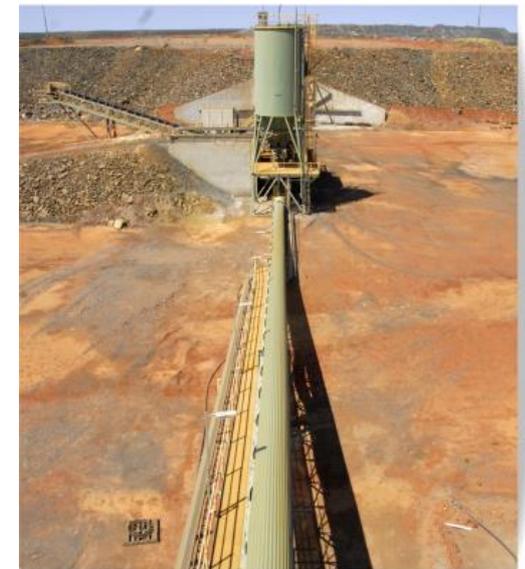
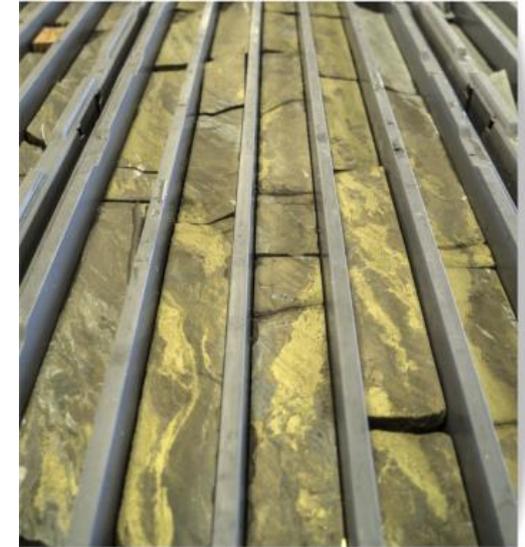
*Wide-spaced drilling of the Sinclair Deposit for 1km beyond current mine development has returned significant intersections*

*Skye & Stirling – two parallel ultramafic channels with EM targets*

*Delphi North now has nickel sulphide mineralisation over a strike length of 600m*



- Multiple opportunities at Springfield Joint Venture:
  - *Maiden Mineral Resource for Monty is high quality & high-grade*
  - *Ultra-high-grade mineralisation in Monty Deposit (bornite zones)*
  - *Halo mineralisation extending below massive sulphide mineralisation*
  - *Studies to unlock Monty value underway*
  - *Exploration potential remains at wider Monty Prospect (RC drilling and DHEM underway/planned along 5km Monty Trend)*
  - *Springfield Project highly prospective for new discoveries across multiple corridors*
- Counter-cyclical growth opportunity at Sinclair Nickel Project
- Diversified asset platform
- Board and management focused on maximising shareholder value





TLDD00026: Bornite-bearing core from Monty assaying up to 46% Cu

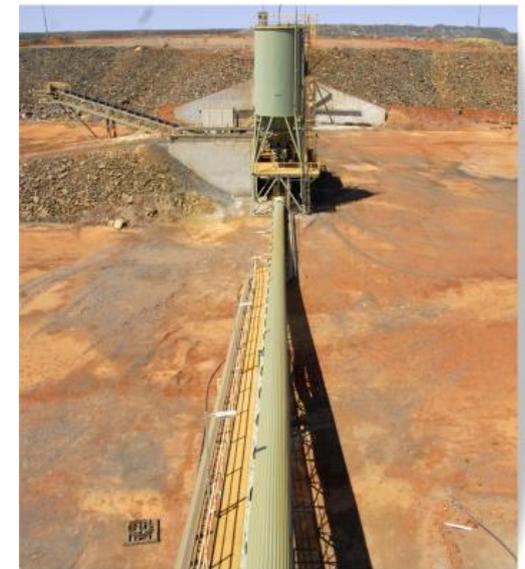
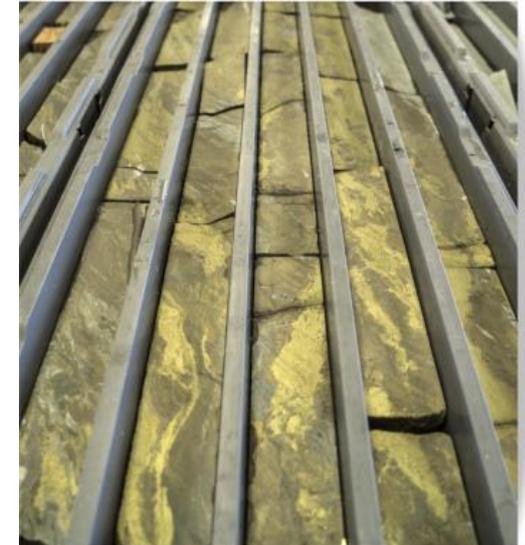
Maiden Mineral Resource – 99kt contained Cu • District-wide VMS potential growing

## Investor Update April 2016

Dan Madden , Acting CEO



- *<sup>1</sup>Information in this release 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.*





## Vertical Long Projection – Explanatory Note

- *The diagrammatic Vertical Longitudinal Projection depicted on slide 14 displays the seven separate modelled massive sulphide mineralisation lenses and two modelled halo mineralisation lenses projected horizontally onto a vertical plane. The massive sulphide component of the Monty Deposit comprises a series of seven individual stacked lenses that overlap in the vertical plane of this schematic representation. All intercepts are shown as down-hole widths.*
- *Pierce points are shown at what Talisman interprets to be the uppermost point of the drill hole intersection with the interpreted primary mineralisation lens and are projected horizontally onto the vertical plane. Where a drill hole has not intersected mineralisation (i.e. no significant results returned), a pierce point has been derived by Talisman by extending the trace of the primary mineralisation lens up or down dip as required, to intersect the barren hole. This point has then been projected horizontally onto the vertical plane*
- *For the purposes of “Monty Deposit – Next Steps planned or under consideration” on slide 14, Significant Mineralisation is defined as any intersection  $\geq 3\text{m}$  estimated true width that has a grade of  $\geq 2.0\%$  Cu, inclusive of non-mineralised material. Intersections that are  $<3\text{m}$  estimated true width are defined as significant if the overall grade remained  $>2.0\%$  Cu when non-mineralised material has been included at a grade of  $0.0\%$  Cu (weighted by width) until a  $3\text{m}$  estimated true width is reached.*
- *For the purposes of “Monty Deposit – Next Steps planned or under consideration” on slide 14, Peripheral Mineralisation, is defined as massive, disseminated and/ or blebby sulphide mineralisation that meets a minimum cut-off grade of  $0.5\%$  Cu, with no more than  $3\text{m}$  of internal dilution and a minimum composite grade of  $1\%$  Cu.*

