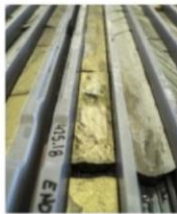




**TALISMAN  
MINING LIMITED**

ASX Code: TLM



**14 July 2016**

**COMPANY SNAPSHOT**

**Board of Directors**

**Jeremy Kirkwood**  
Non-Executive Chairman

**Daniel Madden**  
Managing Director

**Brian Dawes**  
Non-Executive Director

**Karen Gadsby**  
Non-Executive Director

**Alan Senior**  
Non-Executive Director

**Contact Details**

**Telephone:**  
+61 8 9380 4230

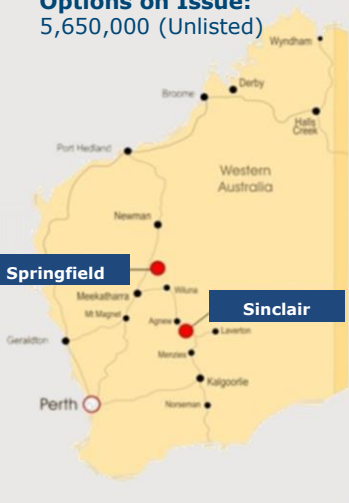
**Email:**  
info@talismanmining.com.au

**Website:**  
www.talismanmining.com.au

**Capital Structure**

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

**Options on Issue:**  
5,650,000 (Unlisted)



**SPRINGFIELD PROJECT UPDATE**

*Monty Mining Lease Application submitted.*

*Feasibility Study underway.*

*Exploration activities continuing on wider Springfield Project.*

**Highlights**

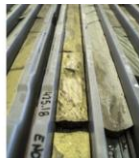
- *Mining Lease Application lodged with the Western Australian Department of Mines and Petroleum for the Monty Copper-Gold Project.*
- *Feasibility Study now being progressed by the Joint Venture with multiple work streams in progress; Feasibility Study targeted for completion in the March 2017 Quarter.*
- *Multi-pronged exploration programs continuing at both the Monty and Homer trends including systematic aircore drilling, RC and diamond drilling, DHEM (down-hole EM) surveys and SQUID EM and IP surveys.*

**Overview**

Talisman Mining Ltd (ASX: TLM; “**Talisman**”) is pleased to advise that Sandfire Resources NL (ASX: SFR; “**Sandfire**”), as manager of the Springfield Joint Venture (“**Joint Venture**”), has submitted a Mining Lease Application (“**MLA**”) on behalf of the Joint Venture to the Department of Mines and Petroleum of Western Australia over the Monty VMS Copper-Gold Project (“**Monty Project**”), located 10km east of Sandfire’s DeGrussa Copper-Gold Mine (“**DeGrussa**”).

The decision to proceed with the MLA follows the completion by the Joint Venture manager of a high-level study to identify the primary value drivers for the Monty Project and determine the development pathway for the project.

This study identified no fatal flaws and investigated the optionality of various project elements including surface infrastructure locations, site access, mining methods as well as permitting and approval pathways.



A maiden JORC 2012 compliant Indicated and Inferred Mineral Resource<sup>1</sup> of 1.05 million tonnes grading 9.4% copper and 1.6g/t gold was completed for the Monty copper-gold deposit in April 2016 (see ASX Announcement – 13 April 2016), providing the foundation for a potential new mining operation located 10km east of DeGrussa.

The area of the MLA is 16.42km<sup>2</sup> and covers the footprint of the known mineralisation of the Monty VMS deposit as well as the surrounding area which will be required for a box-cut and decline portal and other supporting mine infrastructure.

Given the proximity of the Monty Project to DeGrussa, there is potential for the Joint Venture to obtain synergies from the existing mining and infrastructure services and facilities at DeGrussa.

The MLA process will be progressed in parallel with consultations and negotiations with relevant stakeholders and preparations for future mining activities.

### **Feasibility Study**

The Joint Venture has approved a Feasibility Study on the Monty Project, with a budget of A\$3.9M (100% basis). Several work streams are currently in progress, including:

- Metallurgical test work with a specific focus on comminution and flotation test work;
- Geotechnical and structural geology studies following the completion of targeted geotechnical diamond drill holes through the Monty ore body;
- Mine design engineering including stoping, ore access and ventilation work;
- A preferred box-cut location has been selected with follow-up geotechnical drilling to commence shortly; and
- Evaluation of a proposed haul road route between DeGrussa and the Monty Project with design work to follow.

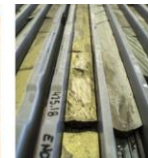
In parallel with the Feasibility Study activities, Sandfire and Talisman are continuing to progress formal exploration and mining joint venture agreements and are investigating potential ore process routes and terms.

### **Exploration**

Recent exploration activities have focused on the completion of the detailed ground-based SQUID EM survey over and along strike from the Monty Deposit with results currently under assessment and an IP survey scheduled to commence in the coming weeks. The compilation of a 3D structural geological model of the Monty Deposit based on the recent structural diamond drilling is now nearing completion.

The 3D structural geological model will provide additional context regarding the location and geological setting of Monty and will assist with the planning of the forthcoming diamond drilling to test the areas down-dip and down-plunge of the Monty deposit.

Adverse weather conditions since the completion of the ground-based SQUID EM survey has limited the ability of the Joint Venture to undertake on-ground drilling activities in recent weeks.



Other exploration programs currently planned or in progress in the Monty area include:

- Systematic aircore drilling to accurately delineate the interpreted VMS horizon along the prospective host horizon;
- Reverse Circulation drilling (with diamond tails if required) within the interpreted VMS horizon along strike from Monty to inform the interpretation of the host stratigraphy; and
- DHEM surveys of all RC and diamond drill-holes as part of this new phase of exploration following completion of the resource definition drill-out.

### Management Comment

Talisman's Managing Director, Mr Daniel Madden, said the lodgement of a MLA and the commencement of a Feasibility Study highlighted the commitment of the Springfield Joint Venture partners to expedite production from the high-grade Monty Copper-Gold Project.

"The continued solid progress on the Monty Project underlies the significance of this new high-grade VMS copper-gold deposit to the Springfield Joint Venture partners. We look forward to receiving the results of the Monty Feasibility Study and working with Sandfire to be in a position to make a decision on the Monty development early next year.

"We continue to have a firm belief in the exploration opportunities in and around Monty, including the potential for discovery of additional, highly valuable VMS lenses, and look forward to the continued progression of exploration activities within the Monty corridor.

"We are also pleased to be contributing to the continuing exploration in the Springfield region and believe the Joint Venture is well placed for future success in this emerging VMS province."

**ENDS**

For further information, please contact:  
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on +61 8 9380 4230

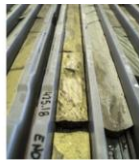
For media inquiries, please contact:  
Michael Vaughan – Fivemark Partners  
on +61 422 602 720

<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.

### Competent Person's Statement

Information in this ASX release that relates to Exploration Results and Exploration Targets is based on information completed by Mr Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Greenaway consents to the inclusion in this report of the matters based on information in the form and context in which it appears.



## Forward-Looking Statements

*This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.*