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Talisman Mining – Further 36% Cu Massive Sulphides Assays from Monty – Portfolio Stock

Talisman Mining (ASX: TLM, Share Price: \$0.47, Market Cap: \$68m) is one of our favourite exploration plays. Its flagship Springfield exploration project in Western Australia involves a seemingly company-making farm-out JV with Sandfire Resources (ASX: SFR), under which Sandfire can earn up to a 70% stake in three of Talisman's projects by spending at least \$15m over a 5½-year period.

Talisman has advised that it has intercepted significant new intercepts within the interpreted bornite zone include at its Monty prospect, including 25.8 metres grading 24.1% Cu and 0.5g/t Au from 299.0m down-hole in TLDD0061 and 9.6 metres grading 14.1% Cu and 1.5g/t Au from 292.3m down-hole in TLDD0036.



Market Significance

Talisman's share price has performed strongly for more than six months as the market digests the commercial significance of the massive sulphide hits being generated by its ongoing Monty drilling campaign - the first significant high-grade massive sulphide copper-gold discovery outside of Sandfire's DeGrussa copper deposit. The geological significance of the recently discovered bornite occurrences are yet to be determined, but in terms of project economics they are a very positive signal - reflecting richer copper ore (containing more copper per tonne) that could produce a higher-grade copper concentrate.

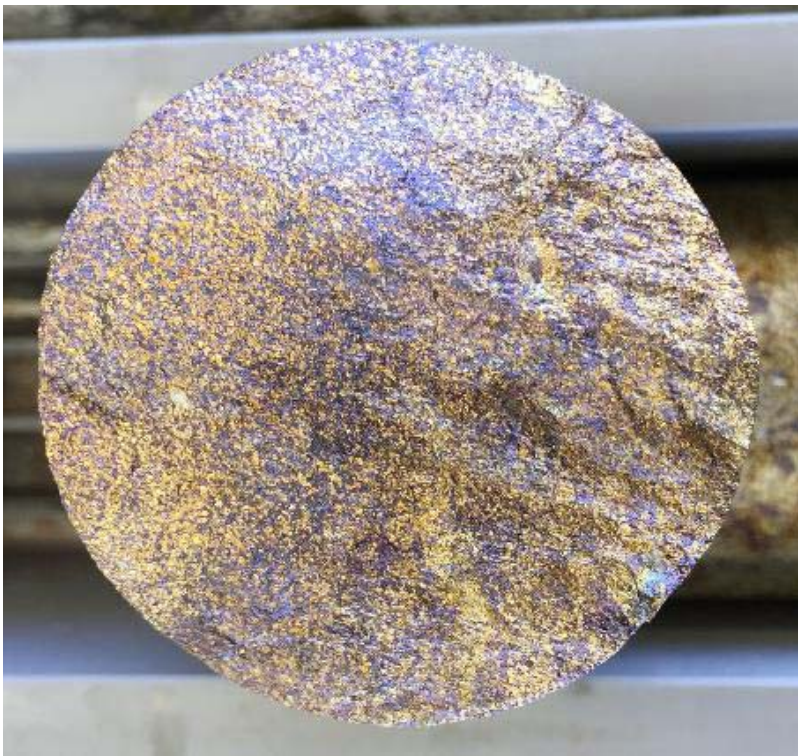
Announcement Detail – Spectacular Copper Grades

In our October coverage, we initially highlighted the potential significance of the Talisman – Sandfire joint venture's reporting of bornite mineralisation from the latest drill-hole on its Monty prospect.

Hole TLDD0026 was a step-out hole that successfully intersected three horizons of massive sulphides, 45 metres along strike from the previous hole TLDD0021 (7.3 metres of massive sulphides from 286.2 metres down-hole).

What was particularly significant about TLDD0026 was that within its 19.9-metres thick zone of massive sulphides from 340.2 metres down-hole there was bornite - a copper mineral not previously encountered by Sandfire in any significant quantities at Doolgunna.

Bornite typically has a copper content of ~63% by mass, which means it has twice the copper content of the typical Monty copper host rock - chalcopyrite - that has ~35% by mass).



Cross-section through TLDD0026 NQ2 drill core showing bornite disseminated in the matrix of the sulphides (359.3 metres down-hole).

The joint venture then followed up with assaying of core from hole TLDD0026 that returned exceptional assay grades comprising:

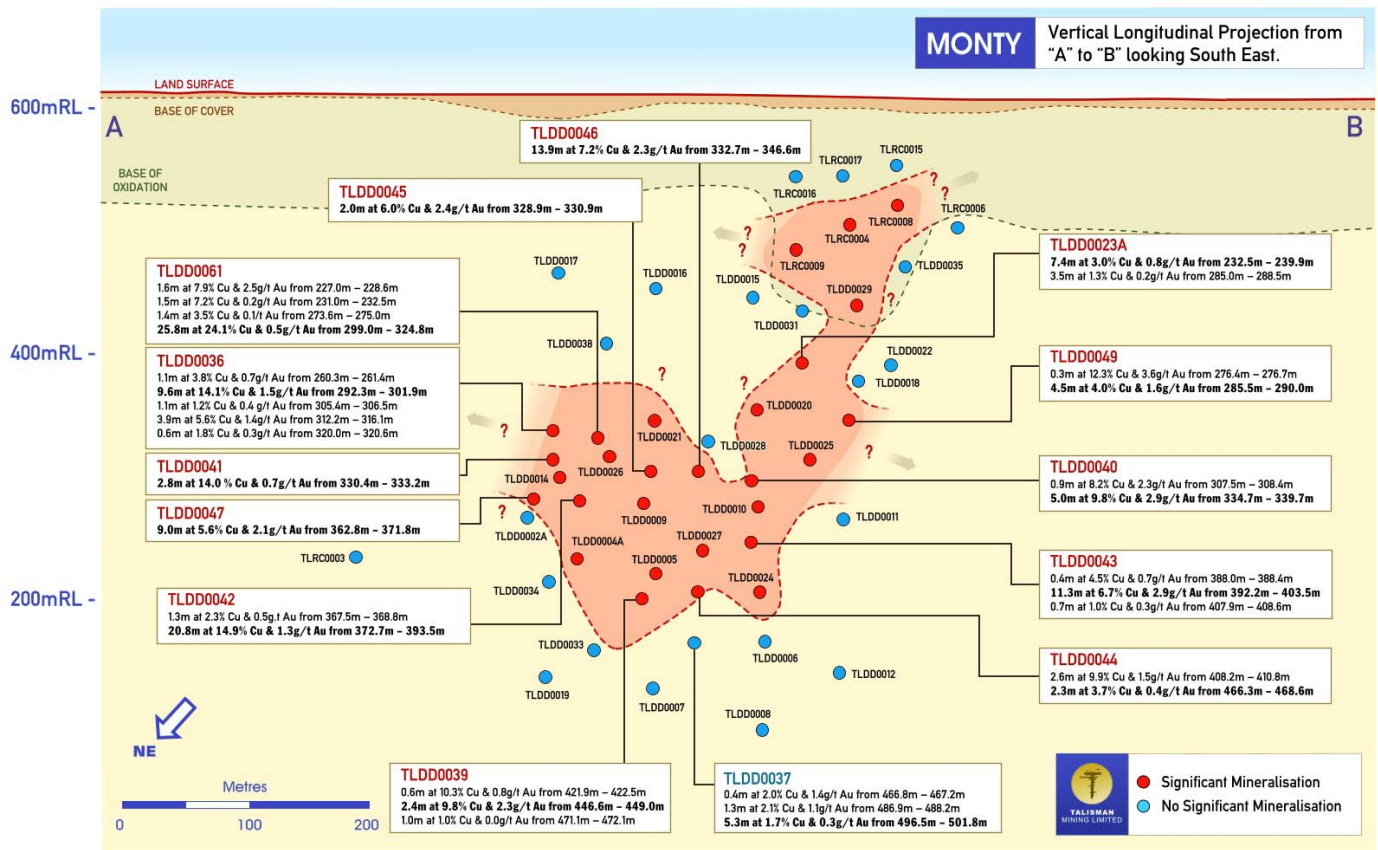
- 7.3 metres grading 6.2% Cu and 2.8g/t Au from 325.6 metres down-hole (*down-hole width, top of intercept is 275 metres vertically below surface*); and
- 21.6 metres grading 34.4% Cu and 0.4g/t Au from 339.4 metres down-hole (*down-hole width, top of intercept is 286 metres vertically below surface*).

Technical Significance

The latest information provided by Sandfire includes significant new thick high-grade intercepts which have extended the previously identified bornite-rich zone both up-dip and along strike, as well as further high-grade results from ongoing in-fill drilling targeting the lower massive sulphide zone.

The geological significance of the bornite occurrences remain is yet to be determined, but in the context of potential project economics it is a positive indication. Essentially, it means there is richer copper ore that potentially contains more copper/tonne of ore that can be made into a higher-grade copper concentrate.

Talisman is encouraged by recent drilling results that both extend the limits of the Monty mineralisation to the northeast and highlight the continuity of the mineralisation within the Monty lenses. It considers that potential exists to further extend the Monty lower zone mineralisation to the northeast as well as to the southwest along strike from the currently interpreted mineralised extents with further drilling.



Summary

Resource drilling of the Monty Lower Zone is anticipated to continue through to early-February on a nominal 40-metre x 40-metre pattern, with the results to be used in calculating the maiden Mineral Resource estimate for Monty in March 2016. The results being generated by the current diamond drilling program at Monty are outstanding and accordingly, Talisman Mining will remain firmly held within our Portfolio.

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