

Talisman Mining Ltd

(TLM \$0.415) Speculative Buy

EUROZ

Analyst	Date	Price Target
Greg Chessell	26 th July 2016	\$0.80/sh

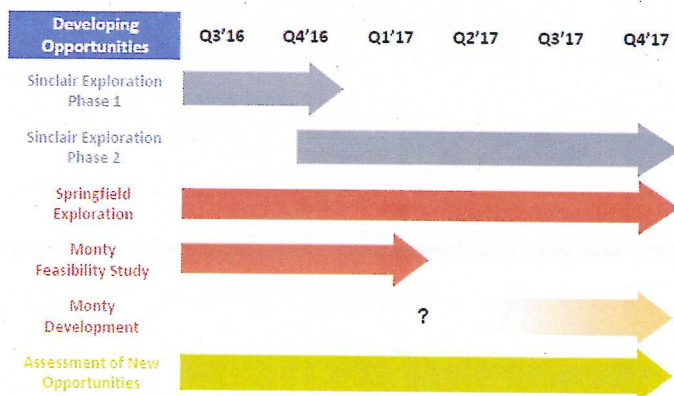
Quarterly Report June 2016

Investment case

Talisman remains the leveraged exposure to the high grade Monty copper project. The maiden resources estimate was a significant milestone in crystallising value, and we see this as a minimum inventory position with low downside risk. TLM's opportunities and key risks are in negotiating terms for access to Sandfire's 100% nearby DeGrussa concentrator and resuming high impact exploration at Monty especially in down plunge positions. The recovery in Ni price should give TLM a new value driver as brownfields exploration ramps up over the next few months. Talisman is well funded with \$20m cash. Our valuation remains \$0.80/sh.

Key points

- A high level development study at Monty (TLM 30%, SFR 70%) completed during the Q with no fatal flaws identified. Feasibility Study now being progressed by the JV with budget of \$3.9m and due for completion in Q1'17.
- Mining Lease Application has been lodged for the Monty Copper-Gold Project.
- Site based exploration completed at Springfield during the quarter included:
 - Diamond drilling for Monty metallurgical and geotechnical samples;
 - On-going campaign of systematic regional air-core drilling at Monty East;
 - RC drilling and DHEM in Monty and Homer regions, and to test discrete air-core geochemical anomalies;
 - Detailed SQUID EM survey over Monty and immediate extensions; and
 - Orientation surface soil sampling over Monty deposit.
- A drilling program has been undertaken with detailed structural interpretation of the Monty deposit nearing completion. This will guide future exploration downplunge of Monty.
- Formal JV negotiations with Sandfire are progressing wrt to exploration and mining.
- Sinclair Ni project (100% TLM) exploration will recommence in Sep Q'16 given the bounce in Ni during the last month. The program is expected to include:
 - DHEM of holes completed in the 2015 drilling;
 - Re-logging of historic drill core;
 - Diamond and RC drilling at Delphi and Schmitz Well prospects.
- Cash at June 30th of \$20m, after expenditure of \$2m during the period. Outflow for the Sep Q is forecast at \$3.6m.



Source: Talisman Mining Ltd

Talisman Mining Ltd	Year End 30 June	
Share Price	0.415	\$/sh
Issued Capital		
Ordinary	185.7	m
Options (@ avg \$0.55/sh)	6.4	m
Total Diluted	192	m

Mkt Capital'n	80	\$m
Enterprise Value	60	\$m
Debt	0	\$m
Cash	20	\$m

Mkt Turnover	0.45m sh / day
12 mth Lo-Hi	33 - 78cps
Balance Date	June 30th

Directors

J Kirkwood	Chair
D Madden	MD acting
B Dawes	NE Dir
K Gadsby	NE Dir
A Senior	NE Dir

Shareholders

Kerry Harmanis	12.5%
Hunter Hall	8.1%

Contact Details

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Subiaco WA 6008
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Share Price Chart



Disclosure

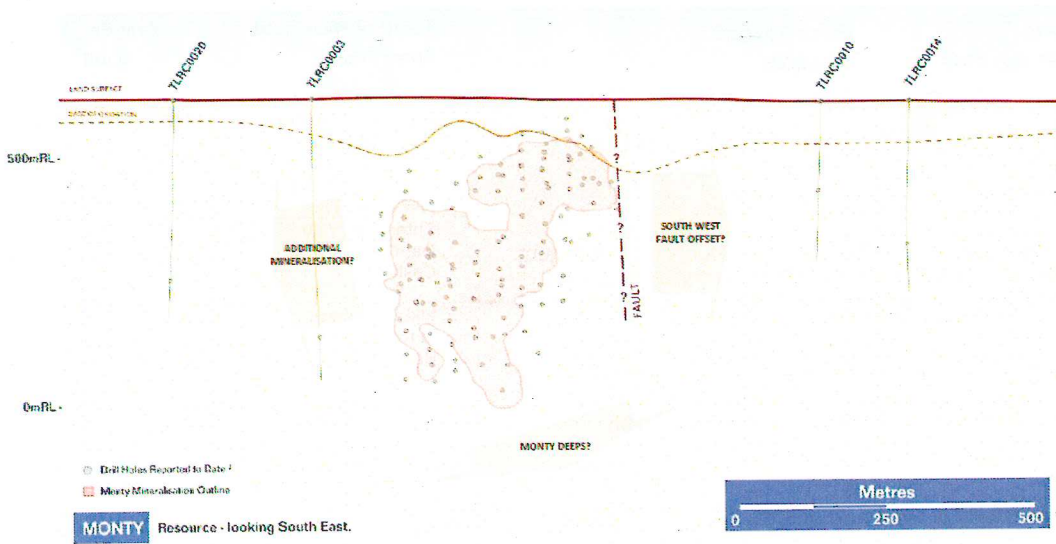
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Euroz Securities Limited

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