



30 January 2023

Talisman Strengthens Copper-Gold Portfolio With Acquisition of South Australian IOCG Project

Acquisition of under-explored Gawler Craton project provides Tier-1 copper-gold discovery potential in a highly prospective district

Highlights:

- Talisman has entered into a binding agreement with First Au Limited (ASX: FAU) to acquire the Mabel Creek IOCG Project in South Australia.
- Talisman will acquire a 100% interest in Exploration Licences EL6619, EL6620 and EL6627 (subject to receiving SA Department for Energy and Mining approvals) which cover a combined area of 1,048km² in the under-explored northern Gawler Craton.
- The Gawler Craton hosts several IOCG deposits including the world-class Olympic Dam mine (BHP Group) and the Carrapatena & Prominent Hill Projects (OZ Minerals).
- Strategic acquisition provides Talisman with exposure to Tier-1 deposit discovery potential in an extremely prospective area known to host multiple deposits concealed below cover.
- Acquisition further strengthens Talisman's Australian copper-gold portfolio as it embarks on a potentially transformational drilling campaign at its Lachlan Copper-Gold Project in NSW.

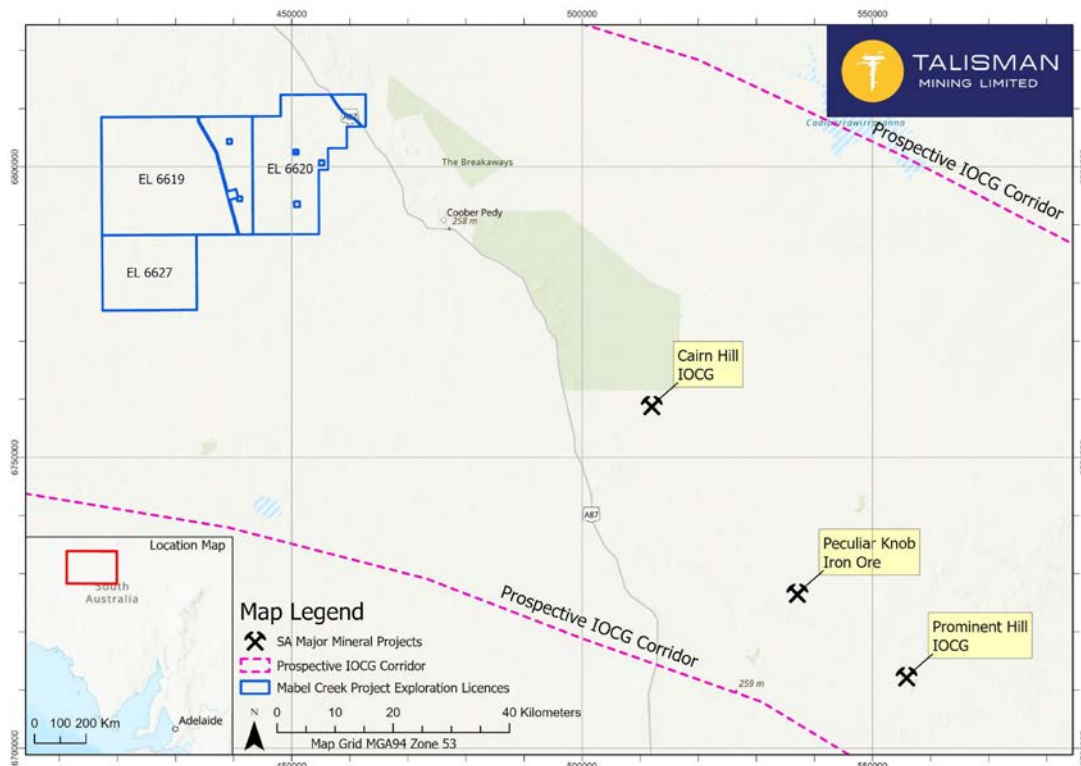


Figure 1 – Location map of Mabel Creek Project, South Australia.





Talisman Mining Ltd (ASX: TLM, **Talisman**) is pleased to advise that it has further strengthened its Australian copper-gold exploration portfolio after entering into a binding Sale and Purchase Agreement (the **Agreement**) with First Au Limited (ASX: FAU, **First Au**) to acquire a 100% interest in First Au's Mabel Creek IOCG Project in South Australia.

Encompassing Exploration Licences EL6619, EL6620 and EL6627 (collectively, the **Mabel Creek Project** or the **Project**), the Mabel Creek Project covers a contiguous area of 1,048km² in the Gawler Craton of South Australia, and is located 130km to the north-west of the Prominent Hill Mine operated by Oz Minerals (ASX:OZL) and 40km west of Coober Pedy (*Figure 1*).

The Mabel Creek Project contains prospective lithologies and a number of significant structures thought to be associated with Olympic Dam-style IOCG mineralisation and Gawler Craton-style gold mineralisation.

Mabel Creek Project

The Mabel Creek Project area was initially identified as part of the South Australian Government's "Gawler Challenge" in 2020 and was identified by both the winner and runner-up of the competition as one of the most significantly prospective yet under-explored areas in South Australia for IOCG and Gawler Craton-style gold mineralisation. No on-ground exploration activities have been undertaken on the Project area since 2014, with First Au only conducting desktop studies since the Mabel Creek Project tenements were granted in mid-2021.

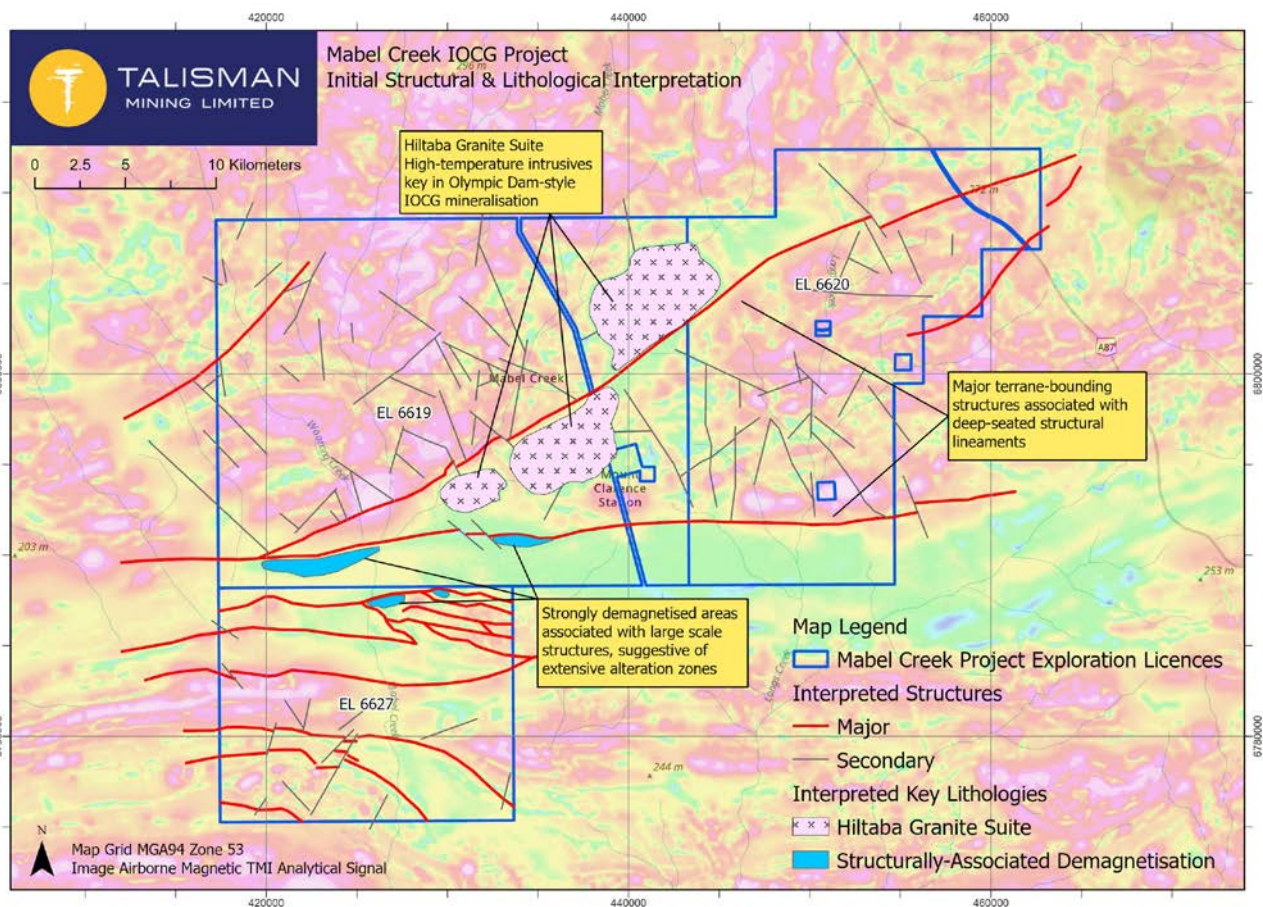


Figure 2 - Mabel Creek IOCG Project structural geology interpretation.



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The Project tenements span a major deep-seated east-west trending fault system which is interpreted to host multiple intrusive lithologies, including the Hiltaba Granite Suite, theorised as instrumental in the genesis of mineralisation at Olympic Dam (*Figure 2*). Demagnetised areas evident on recently acquired aeromagnetic data from the Geological Survey of South Australia suggest the presence of extensive alteration associated with the fault system, indicating that it has been a fluid conduit potentially hosting mineralisation.

Post-mineral cover is relatively shallow across the Mabel Creek Project compared to other areas of the Gawler Craton, with the cover sequence interpreted as varying from 30m to 250m. This is expected to make exploration techniques such as geophysics and drill testing far more cost-effective than most Gawler Craton exploration.

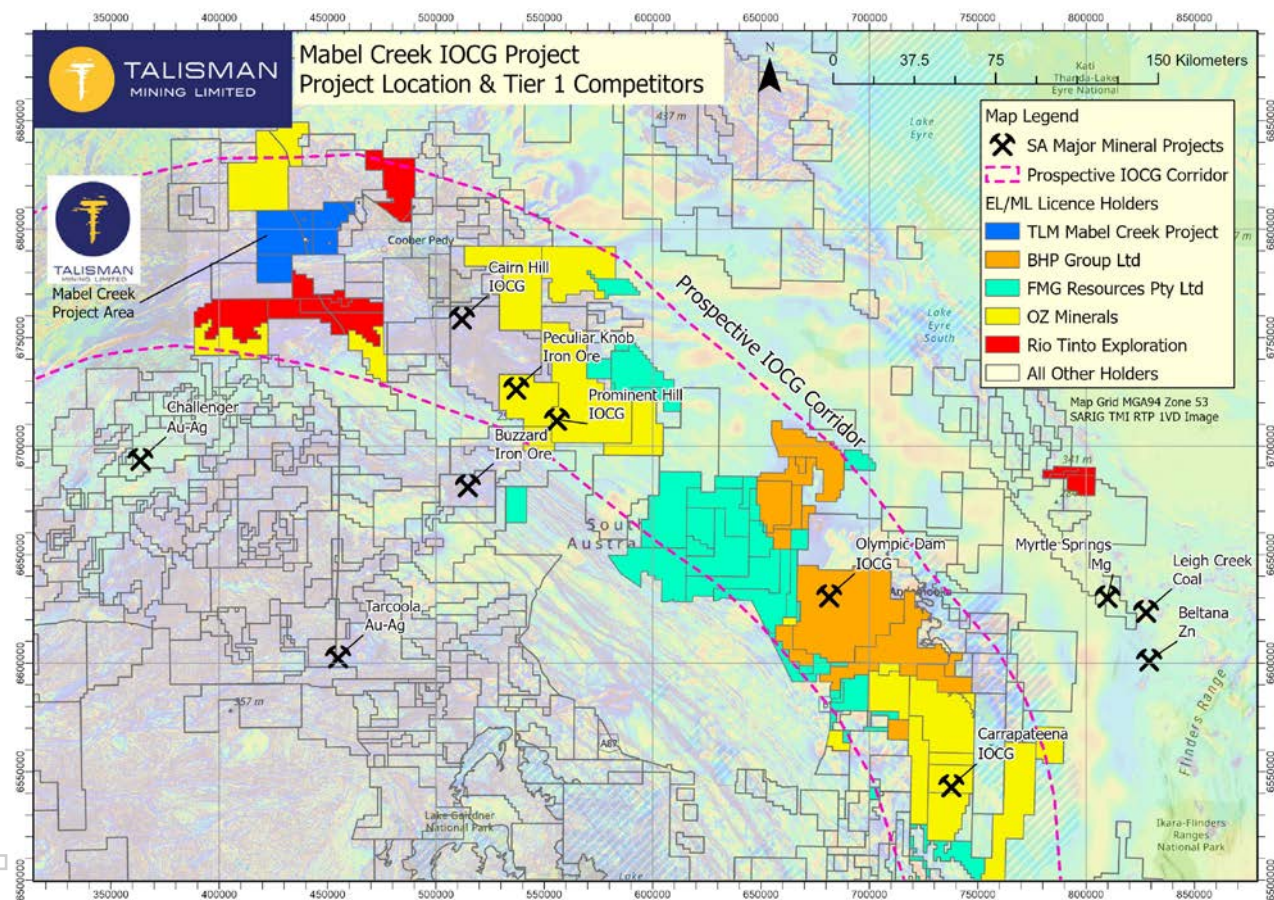


Figure 3 – Talisman’s Mabel Creek Project Area, SA Major Mineral Projects and nearby major mining company mineral licences.

The Project is surrounded by exploration licences held by other major mineral companies, including recent tenements granted to FMG and Rio Tinto Exploration, as well as the exploration ground held by OzMinerals and the BHP Group and their existing Tier-1 mining and development projects (*Figure 3*). The regional presence of these significant mining companies highlights the exploration opportunity for additional significant copper-gold discoveries in the Gawler Craton.

Known copper-gold bearing IOCG deposits and exploration ground held by major mining houses are located along an arcuate “Prospective IOCG Corridor”, associated with the interpreted moderate depth of the Moho boundary beneath continental crust. Talisman’s Mabel Creek Project is located

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centrally within an underexplored area of this corridor, making it highly prospective for a blind IOCG discovery.

Following completion of the Agreement with First Au, Talisman intends to progress negotiation of a Native Title Land Access Agreement (**LAA**), subject to obtaining the necessary approvals, allowing land access for exploration with the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (**AMYAC**), the authorised representatives of the Antakirinja Matu-Yankunytjatjara People as the Native Title Claimants to the area.

Simultaneously, Talisman will incorporate all available geoscientific information and develop a 3D interpretation of the Project, with the aim of defining prospect areas and progressing them for further work. Once a LAA is established, Talisman intends to conduct ground geophysical surveys to develop drill-ready targets with the intention of conducting first drill testing in the second half of 2023.

Management Comment

Talisman's CEO, Shaun Vokes, said: *"The Mabel Creek Project acquisition further enhances our existing exploration portfolio and complements our focus on copper and gold exploration opportunities within highly prospective Australian locations.*

"Such a low-cost acquisition, with no trailing royalty obligation – strategically located near existing world-class mineral deposits – is a great outcome for Talisman. Logistically, the Mabel Creek Project area is easy to access with excellent existing infrastructure and provides our exploration team with an additional focus area alongside our NSW tenure, opening up an exciting new and complementary front for exploration activity and news-flow.

"We are looking forward to working proactively with the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation to finalise an access agreement and commence on-ground exploration activities in what is undoubtedly an excellent exploration address for Tier-1 discoveries."

Key Terms of the Agreement

In consideration for transfer of a 100% interest in the Mabel Creek Project, Talisman will:

- i. on execution of the Agreement, pay First Au \$100,000 in cash; and
- ii. within 5 business days of obtaining the necessary approval from the South Australian Department for Energy and Mining for the transfer of the Project Tenements (the **Deferred Consideration Date**):
 - a. pay FAU a further \$100,000 in cash; and
 - b. issue fully paid ordinary shares in TLM to the value of \$100,000, with the quantity being determined by an issue price equal to the greater of \$0.135 per share or the 5-day volume weighted average price (VWAP) traded on the ASX during the 5 trading day period ending the business day prior to the Deferred Consideration Date (see the attached Appendix 3B).

If the necessary approvals and registration of transfers in respect of a Project Tenement are not obtained within 4 months after the execution of the Agreement, either party may terminate the Agreement in respect of that Project Tenement. In that case, the transfer of that Project Tenement will not occur, the balance of the consideration applicable to that Project Tenement will not be paid, and one-third of the initial cash payment is refundable to Talisman.





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For further information, please contact:

Shaun Vokes – CEO
on +61 8 9380 4230

Nicholas Read (Media inquiries)
on +61 419 929 046

This release has been authorised by the Board of Talisman Mining Limited.

About Talisman Mining

Talisman Mining Limited (ASX:TLM) is an Australian mineral development and exploration company. The Company's aim is to maximise shareholder value through exploration, discovery and development of complementary opportunities in base and precious metals.

Talisman has secured tenements in the Cobar/Mineral Hill region in Central NSW through the grant of its own Exploration Licenses and through a joint venture agreement. The Cobar/Mineral Hill region is a richly mineralised district that hosts several base and precious metal mines including the CSA, Tritton, and Hera/ Nymagee mines. This region contains highly prospective geology that has produced many long-life, high-grade mineral discoveries. Talisman has identified a number of areas within its Lachlan Cu-Au Project tenements that show evidence of base and precious metals endowment which have had very little modern systematic exploration completed to date. Talisman believes there is significant potential for the discovery of substantial base metals and gold mineralisation within this land package and is undertaking active exploration to test a number of these targets.

Talisman also has a majority participating interest in a joint venture with privately-owned Lucknow Gold Limited in relation to the Lucknow Gold Project (EL6455) in New South Wales. The Lucknow Goldfield was discovered in 1851 and was one of the earliest goldfields to be mined commercially in Australia. Historic production records at the Project are incomplete, however in excess of 400,000 ounces of gold has reportedly been produced at grades of 100 to 200 g/t gold¹. Very little modern exploration has been completed outside of the existing mine workings and Talisman intends to undertake a program of geochemical surface sampling and mapping at the Project ahead of a drilling program to test for potential down plunge extensions of the high-grade gold ore shoots and repeat structures throughout the Project area.

Competent Person's Statement

Information in this announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation compiled by Mr Russ Gregory, who is a member of the Australasian Institute of Geoscientists. Mr Gregory 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gregory has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

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 announcement speak only at the date of issue of this announcement. 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.

¹ NSW DIGS report, First Annual Exploration Report EL5770, 2001-R00030162

