

Talisman Mining Ltd (TLM \$0.46) Spec Buy

Analyst	Date	Price Target
Greg Chessell	20 th Jan 2016	\$0.88/sh

Monty Update

Key Points

Drilling around the previously announced (5th Dec 2015) high grade Cu (in bornite) intersection in hole TLDD0026 (22m @ 34% Cu) has confirmed its presence and extended the zone along strike by 40-50m. The high grade zone remains open along strike to the NE at a level 250-350m below surface.

High grade bornite mineralisation in the NE area is now also noted within holes:

- TLDD0061: 26m @ 24% Cu from 299m;
- TLDD0036: 10m @ 14% Cu from 292m;

Mineralisation also remains open in the SW strike extent, at a level of 250-400m below surface. In this horizon on the SW margin only one of five holes has recorded a negative result. Otherwise previously announced Holes TLDD00025 and TLDD00024 in this SW area are now also supported by:

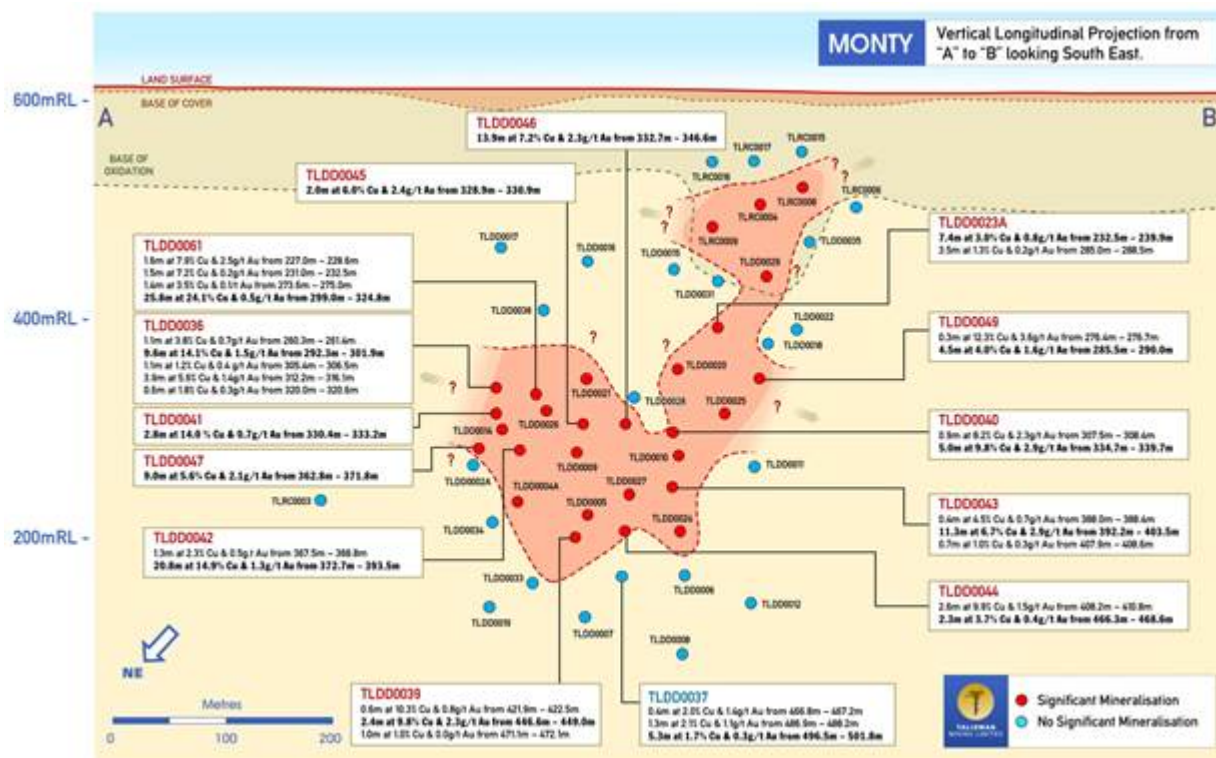
- TLDD0049: 4.5m @ 4% Cu from 285m
- TLDD0043: 11m @ 6.7% Cu from 392m.

Other infill drilling results are a mixed bag of above or slightly below expectation. Drilling is ongoing with 4 core rigs and 1 RC rig.

Overall we are encouraged by the heightened blue sky of Monty which calls for more strike extension drilling.

A single "wild-cat" hole TLDD0068 on Homer Prospect, a 2.8km step-out, failed to intersect the targeted DeGrussa C5 host rocks.

Talisman is now contributing the JV expenditure after Sandfire earned its 70% interest by sole funding the \$15m as previously agreed.



Investment Case

Talisman Mining is the leveraged exposure to the very high grade Monty Cu deposit, in JV with Sandfire Resources (TLM 30% and SFR 70%), located near SFR's DeGrussa mine. The maiden resource estimate is expected in March'16 and we expect ~900kt grading 11% Cu. We see scope for the resource to grow above expectation, and eventually develop into a very profitable mine, courtesy of its high grade. TLM's management track record and strong shareholder base, coupled with this quality asset, should result in value creation.

Talisman Mining Limited (TLM)

Share Price	0.46	A\$/sh
Price Target	0.88	A\$/sh
Valuation	0.88	A\$/sh
Shares on issue	150	m(dil)
Market Capitalisation	71	A\$m

Enterprise Value	60	A\$/m
Debt	0	A\$/m
Cash	11	A\$/m
Largest Shareholder	K Harmanis	12.5%

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