

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Talisker Resources Ltd. (“Talisker” or “the Issuer”).

Trading Symbol: TSK

Number of Outstanding Listed Securities: 127,042,296 (as at December 31, 2019)

Date: January 8, 2020

Report on Business:

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Talisker is a junior resource company involved in the exploration of gold projects in British Columbia, Canada. Talisker's projects include the Bralorne Gold Complex, an advanced stage project with significant exploration potential from a historical high grade gold producing mine as well as its Spences Bridge Project where the Issuer holds ~85% of the emerging Spences Bridge Gold Belt and several other early stage Greenfields projects. With its properties comprising 271,132 hectares over 286 claims, three leases and 154 crown grant claims, Talisker is a dominant exploration player in the south central British Columbia. Talisker is well funded to advance its aggressive systematic exploration program at its projects.

2. Provide a general overview and discussion of the activities of management.

In the month of December, Talisker closed its previously announced acquisition of a 100% interest in the Bralorne Gold Project (the “Project”) located in southwestern British Columbia from Avino Silver & Gold Mines Ltd. (“Avino”) through the payment of \$8.7 million in cash and the issuance of 12,580,000 common shares of Talisker and 6,290,000 common share purchase warrants exercisable at \$0.25 for a period of three years. Talisker also closed an associated financing of \$10.2 million, comprised of a non-brokered private placement of \$4.0 million and a 1.2% net smelter returns royalty transaction with Osisko Gold Royalties Ltd (“Osisko”) for \$6.2 million.

Located in southern British Columbia, the Bralorne mine complex produced approximately 4.2 million ounces of gold at a grade of 17.7 g/t Au from 30 veins in three adjacent mines; Bralorne, Pioneer and King, until eventual closure in 1971 due to depressed gold prices. The Project currently consists of over 4,200 hectares and has a historical mineral resource estimate of 41,660 tonnes at 12.43 g/t for 16,642 ounces in the Measured category, 206,113 tonnes at 11.30 g/t for 74,885 ounces in Indicated category, giving a total of 247,773 tonnes at 11.46 g/t for 91,527 ounces of Measured and Indicated mineral resources, and 329,786 tonnes at 7.91 g/t for 83,900 ounces in the Inferred category, as included in the October 20, 2016 technical report “Bralorne Gold Mine, British Columbia, Canada, NI 43-101 Technical Report” (the “2016 Technical Report”) prepared for Avino. The effective date of the historical estimate is October 20, 2016.

Talisker believes that the historical estimate is reliable and relevant to continuing exploration on the Project. No more recent estimates of the mineral resource or other data are available to Talisker. A qualified person has not done sufficient work on behalf of Talisker to classify the historical estimate as current mineral resources and Talisker is not treating the historical estimate as current mineral resources. Key assumptions, parameters, and methods used to prepare the historical estimate are disclosed in the 2016 Technical Report. Talisker intends to complete a new technical report that will reflect more recent drill results and upgrade the historical estimate as current mineral resources.

Qualified Person - All scientific and technical information concerning the Project was prepared under the supervision of Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), an independent consulting geologist and a “qualified person” within the meaning of NI 43-101. Leonardo de Souza has verified all of the scientific and technical information respecting the Project in the press releases issued November 21, 2019 and in this Form 7.

On its Spences Bridge Project, in the month of December 2019, Talisker continued work on its regional stream sediment and geological reconnaissance program analysing data collected thus far in the Phase 1 program and planning for continuation of the Phase 1 and initiation of Phase 2 in May 2020. The phase 1 program consists of a planned collection of 4,500 stream samples over two field seasons. The phase 1 program commenced in May 2019. Sediment samples are taken from the -80 mesh fraction from first-order drainages and are analyzed for gold, multi-element and vapor phase elements known as pathfinders for upper level epithermal systems. From May until November 2019, a team of 22 geologists executed the phase 1 program, which number was reduced to four in November due to seasonal factors in the northern areas of the Issuer’s Spences Bridge land package. In parallel to the regional geochemistry program, a detailed phase 2 program consisting of alteration and geological mapping, soil and rock chip sampling and in some cases geophysics to identify resistors is being conducted over selected anomalies identified in the phase 1 program, as well as from previously identified government mineral file occurrences and historic anomalies identified in assessment reporting.

On October 24, 2019, Talisker provided an update on exploration activities indicating that a total of 2,217 planned samples sites have been reviewed with 1,332 stream sediment samples collected. 885 of the planned sample sites were discarded due to either insufficient drainage incision, poor stream channel development, insufficient sediment material or overwhelming input from colluvial media. A total of 1,112 assays from ultra-trace ICP-MS analysis have been received with 220 currently outstanding. Geostatistical analysis of assay results has identified 22 anomalous basins within the 98th percentile defined by values above 37.5ppb 32 ppb Au and a total of 10 basins have been identified as highly anomalous with values above 100ppb Au (0.1g/t) to a maximum returned value of 315ppb Au (0.315 g/t). Mean sediment background value (50th percentile) has been identified as 1ppb Au. Talisker noted that these additional results identify anomalies enriched from 37 to 315 times normal background values.

The Issuer also disclosed that it has defined eight multi-basin areas anomalous in gold and epithermal pathfinder elements and that Phase 2 soil sampling, detailed mapping and geophysics have been initiated on these areas.

As of the end of December, Talisker has completed approximately 65% of the phase 1 program.

A summary of results to date is available on Talisker's website.

Qualified Person - Luis Arteaga M.Sc. P.Geo. Talisker's Qualified Person as defined by NI 43-101 has reviewed and approved the technical information in the press release issued October 24, 2019 and in this Form 7.

3. Describe and provide details of any new products or services developed or offered.

No new products or services developed or offered.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

On December 24, 2019, Talisker announced that it had completed the previously announced royalty purchase agreement and royalty agreement (the "Royalty Transaction") with its wholly-owned subsidiary Bralorne Gold Mines Ltd. ("Bralorne") and Osisko for the sale of a 1.2% net smelter returns royalty on all production from the Project in exchange for cash proceeds of \$6.2 million. Osisko is not a related party to the Issuer.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

In the month of December, Talisker acquired a 100% interest in Bralorne from Avino. Located in southern British Columbia, the Bralorne mine complex produced approximately 4.2 million ounces of gold at a grade of 17.7 g/t Au from 30 veins in three adjacent mines; Bralorne, Pioneer and King, until eventual closure in 1971 due to depressed gold prices. The Project currently consists of over 4,200 hectares and has a historical mineral resource estimate of 41,660 tonnes at 12.43 g/t for 16,642 ounces in the Measured category, 206,113 tonnes at 11.30 g/t for 74,885 ounces in Indicated category, giving a total of 247,773 tonnes at 11.46 g/t for 91,527 ounces of Measured and Indicated mineral resources, and 329,786 tonnes at 7.91 g/t for 83,900

ounces in the Inferred category, as included in the October 20, 2016 technical report “Bralorne Gold Mine, British Columbia, Canada, NI 43-101 Technical Report” (the “2016 Technical Report”) prepared for Avino. The effective date of the historical estimate is October 20, 2016.

Qualified Person - All scientific and technical information concerning the Project was prepared under the supervision of Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), an independent consulting geologist and a “qualified person” within the meaning of NI 43-101. Leonardo de Souza has verified all of the scientific and technical information respecting the Project in the press releases issued November 21, 2019 and in this Form 7.

The consideration paid by the Issuer for the acquisition of Bralorne was: (i) \$8.7 million in cash at closing; (ii) 12,580,000 common shares; (iii) 6,290,000 common share purchase warrants exercisable at \$0.25 until December 13, 2022, subject to acceleration in the event the closing price of Common Shares is greater than \$0.35 for 20 or more consecutive trading days at any time following April 14, 2020; and (iv) the agreement to pay a cash payment of US\$2.5 million on commencement of commercial production of the Project. Avino is not a related party to the Issuer and the purchase consideration was determined by arm’s length negotiation.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

In the month of December 2019, Talisker issued 35,802,222 common shares and 6,290,000 common share purchase warrants (“Warrants”) exercisable at \$0.25 for a period of three years expiring December 13, 2022, subject to acceleration in the event the closing price of the common shares is greater than \$0.35 for 20 or more consecutive trading days at any time following April 14, 2020. Of the 35,802,222 common shares and 6,290,000 Warrants issued, 12,580,000 common shares and 6,290,000 Warrants were issued to Avino in relation to the acquisition of Bralorne, 1,000,000 common shares were issued as partial payment of a success fee to Maxit Capital LP, and 22,222,222 common shares were issued pursuant to a private placement at \$0.18 per common share for aggregate gross proceeds of \$4.0 million.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

There are no identified market trends that are expected to impact the Issuer.

Certificate of Compliance:

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: January 8, 2020.

Terence Harbort
Name of Director or Senior Officer

Signed: "Terence Harbort"
Signature

Chief Executive Officer
Official Capacity

<i>Issuer Details</i>		
Name of Issuer	For Month End	Date of Report
Talisker Resources Ltd.	December 2019	January 8, 2020
Issuer Address		
1 First Canadian Place, 100 King Street West, Suite 7010		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5X 1A0	(416) 361 2821	(416) 361 2808
Contact Name	Contact Position	Contact Telephone No.
Terence Harbort	CEO	(416) 361 2808, ext 9266
Contact Email Address	Web Site Address	
terry.harbort@taliskerresources.com	www.taliskerresources.com	