

# FORM 7

## MONTHLY PROGRESS REPORT

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

**Trading Symbol:** TSK

**Number of Outstanding Listed Securities:** 91,240,074 (as at November 30, 2019)

**Date:** December 6, 2019

### **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 Resources Ltd. is a junior resource company involved in the exploration of projects in British Columbia, Canada. Talisker’s projects consist of several early stage Greenfields projects encompassing 266,201 hectares over 255 claims and three leases. Talisker’s focus is on its south central BC properties - Spences Bridge, Lola, Dora and Remington properties where the Company is undertaking an aggressive exploration program. The Company’s south central BC properties comprise 233,606 hectares representing ~85% of the emerging Spences Bridge Gold Belt.**

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

**In the month of November, Talisker continued its regional stream sediment and geological reconnaissance program for the Spences Bridge land package. The phase 1 program consisting of a planned collection of 4,500 stream samples commenced in May 2019 and is planned to be executed over the coming two field seasons. Sediment samples taken from the -80 mesh fraction from first-order drainages are being analyzed for gold, multi-element and vapor phase elements known as pathfinders for upper level epithermal systems. Over the summer and into the fall, a team of 22 geologists was executing the phase 1 program, which number is now reduced to four due to seasonal factors in the northern areas of the Company’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, the Issuer 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 98<sup>th</sup> 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 (50<sup>th</sup> percentile) has been identified as 1ppb Au. The Company noted that these additional results identify anomalies enriched from 37 to 315 times normal background values.

The Company 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 November, the Company 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. the Company's Qualified Person as defined by NI 43-101 has reviewed and approved the technical information in the press release issued October 24<sup>th</sup> and in this Form 7.

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On November 21, 2019, Talisker announced that it has entered into a definitive purchase agreement (the "Agreement") to acquire (the "Acquisition") a 100% interest in the Bralorne Gold Project (the "Project") located in southwestern British Columbia from Avino Silver & Gold Mines Ltd. ("Avino"). Talisker also announced a financing of up to \$10.2 million, comprised of a non-brokered private placement of up to \$4.0 million and a 1.2% net smelter returns royalty transaction with Osisko Gold Royalties Ltd 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.

### **Transaction Summary**

Pursuant to the terms of the Agreement, Talisker will acquire all of the common shares of Bralorne Gold Mines Ltd. (“Bralorne”), Avino’s wholly-owned subsidiary which owns the Project, in exchange for:

1. A cash payment of \$8.7 million at closing;
2. Common shares of Talisker (“Common Shares”) equal to 9.9% of the number of outstanding Common Shares immediately after closing;
3. Common Share purchase warrants (“Warrants”) equal in number to 50% of the number of Common Shares issued to Avino in 2 above, with each Warrant being exercisable at \$0.25 for a period of three years from closing, 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 the date that is four months and one day after the closing date; and
4. A cash payment of US\$2.5 million on commencement of commercial production of the Project.

At closing Bralorne will have sufficient cash on hand to finance flow-through expenditures on the Project in an amount equal to approximately \$2.3 million less the amount of flow-through expenditures incurred on the Project from now until closing (the “Closing Cash”).

The Common Shares and Warrants issued to Avino will be subject to a one-year hold period, subject to certain exceptions. Until Avino holds not less than 5% of outstanding Common Shares, Avino will have a pre-emptive right to participate in future equity financings of Talisker to maintain its share ownership percentage interest in Talisker. Avino will also be subject to certain resale restrictions for a period of one year post closing.

The closing of the Acquisition is subject to the receipt of all necessary stock exchange approvals, Bralorne having the Closing Cash on hand, Bralorne having no debts or liabilities at closing other than environmental, permitting, reclamation and rehabilitation costs associated with the Project, and the satisfaction of certain other customary closing conditions for a transaction of this nature.

### **Financing Transactions**

In connection with the Acquisition, the Company will complete a non-brokered private placement (the “Private Placement”) of up to 22,222,222 common shares at price of \$0.18 per common share for gross proceeds of up to \$4.0 million and will sell to Osisko Gold Royalties Ltd a 1.2% net smelter returns royalty on all minerals produced from the Project in exchange for \$6.2 million in cash (the “Royalty Transaction”). The closing of the Private Placement is subject to, among other things, the receipt of all necessary approvals (including the conditional listing approval of the CSE) and all conditions to complete the Acquisition having been satisfied or waived. The Company has received commitments for \$4.0 million of Private Placement proceeds from strategic investors, including Eric Sprott, and commitments for \$1,115,020 from certain insiders of the Company. The common shares issued under the Private Placement will be subject to a four month hold

period from the date of issue in accordance with applicable securities laws. The closing of the Royalty Transaction is subject to, among other things, execution of definitive agreements and the completion of the Acquisition.

Closing of the Acquisition, the Private Placement and the Royalty Transaction are expected to occur in December 2019.

Maxit Capital LP is acting as financial advisor to Talisker and Cassels Brock & Blackwell LLP is acting as its legal advisor.

Qualified Person - Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), an independent consulting geologist and a “qualified person” within the meaning of NI 43-101, verified all of the scientific and technical information respecting the Project in the press release issued November 21<sup>st</sup> 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.

**None.**

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 November, the Issuer staked 2,187.3698 hectares (two mineral claims) on its Spences Bridge Project.**

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.

**The Company terminated agreements with 18 geologists that were on short term full time contracts.**

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.

**None.**

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.**

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**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: December 6, 2019.

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
<b>Talisker Resources Ltd.</b>	<b>November 2019</b>	<b>December 6, 2019</b>
Issuer Address		
<b>1 First Canadian Place, 100 King Street West, Suite 7010</b>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
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Contact Name	Contact Position	Contact Telephone No.
<b>Terence Harbort</b>	<b>CEO</b>	<b>(416) 361 2808, ext 9266</b>
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