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FOR IMMEDIATE RELEASE

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL, NTLOA or NTLO)

RAHU RESOURCE DECLARED AND APPLICATION LODGED

New Talisman Gold Mines today announces that it has filed an application for an Extension of Land (EOL) to incorporate the Rahu exploration permit into the Talisman mining permit (MP51326) following a resource being declared over Rahu. NTL have worked diligently with an independent geologist and believe that the criteria set out in the minerals program in order to apply for an EOL have been met.

Key to these criteria is the declaration of an indicated resource. An independent report filed with the application declares an inferred and indicated resource of 2,394,573 tonnes at 0.54g/t gold for 41,591oz gold using a cutoff grade of 0.3g/t and 258,419oz Ag. This has been based around the extensive work conducted by NTL over the period it has held the Rahu exploration permit. The Company has applied for the EOL as a contiguous piece of land to the Talisman MP. This required successfully obtaining consent to overlap a small piece of land held by another mining company. The resources are tabulated below.

	Lower cut off (g/t)	Tonnes	Au g/t	Au Oz	Ag (g/t)	Ag Oz
Indicated	(0.3)	277,669	0.6	5,327	8.79	78,430
Inferred	(0.3)	2,116,904	0.53	36,264	2.64	179.989
Total	(0.3)	2,394,573	0.54	41,591	3.36	258.419

Refer Appendix 1 :Jorc Code, 2012 edition – Table 1

Background on Rahu

From having made a discovery at Rahu and demonstrating the geology is an extension of the Talisman Vein system NTL has applied to include Rahu as part of its Talisman Mining Permit.

NTL have completed some 2,492m of drilling at Rahu which, together with previous drilling campaigns and geological investigations, provides evidence that mineralisation and alteration present at Rahu represent the upper levels of and northern extension of the Talisman epithermal gold system. Most of the drilling has intersected broad zones of low-medium grade Au and Ag mineralization with narrower higher grade intervals. This is characteristic of the upper parts of an epithermal system. Highly mineralised quartz vein fragments (up to 7.6g/t Au) in hydrothermal breccia zones present within drill core attest to the presence of deeper higher-grade quartz veining that is characteristic of the veins mined within the Talisman Mine and provides further evidence that Rahu is an extension of the Talisman. The EOL to include Rahu in the Talisman MP will allow for a natural extension of mining operations from the Talisman.

Coromandel Gold Limited

As previously announced through its exploration arm Coromandel Gold Limited "CGL", NTL is working with CGL to develop a work program over the Talisman permit to exploit target areas which may include Rahu. CGL representatives are currently in discussions with a major gold producer regarding the potential for a joint venture arrangement on NTL's exploration targets at Rahu.

Matthew Hill said "Whilst continuing to complete steps toward the Talisman Mine, the technical team have completed a significant body of work to make an application on Rahu and have met the criteria set out in the minerals program. It has always been our view that Rahu is an extension of the Talisman Vein systems and would become part of the longer term future of the sustainable mining development at the Talisman mine. The Rahu deposit has increased the Talisman Groups total resources by approx. 25% to just under 250,000 oz of Gold."

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Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, and Mineral Resources is based on information compiled by Murray Stevens, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stevens is employed by Stevens and Associates and is an independent consultant engaged by New Talisman Goldmines Limited from time to time on a consulting basis. Mr Stevens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 Stevens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with 1800 shareholders who are mainly from Australia and New Zealand. It is a leading New Zealand minerals development and exploration company with a portfolio of high quality mineral interests. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a JORC compliant mineral resource within the original Talisman underground mine, and an adjacent exploration permit along strike from the mine. The company is now advancing its plans to develop the mine, and advance the exploration project.

Through a subsidiary company, New Talisman Gold owns 21.7% of Broken Hill Prospecting Limited, which is planning to develop a cobalt project at Thackaringa, about 25 kilometres south-west of Broken Hill in Australia. BPL is listed on both the ASX and NZSX (Code: BPL).

More about New Talisman Gold at www.newtalismangold.co.nz

APPENDIX 1: JORC CODE, 2012 EDITION – TABLE 1
JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Surface sampling comprised C-horizon soil sampling, rock outcrop sampling, chip sampling and underground channel sampling using standard industry techniques. RC drill samples collected through cyclone and cone and quartered, at 1m intervals, approx. 5kg placed in labelled plastic sample bags, residue retained for check sampling, skeleton kept for logging reference. Diamond core sampling, based on determination of mineralization from logging, all core halved using diamond saw, mineralized intervals sampled on nominal 1m lengths or to geological boundaries. Remainder of non mineralised material sampled on 2m intervals. A comprehensive system of logging procedures used as described in the following sections. Samples dispatched to SGS Waihi laboratories where pulverized subsamples used for 50g Fire Assay determinations for Au with AAS finish and AAS determination for Ag and basemetals.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation percussion for the first holes drilled by NTL used 5.5inch face sampling hammer. • Diamond core all PQTT to competent ground and then HQTT to completion. All core oriented using plasticene and holes surveyed with Eastman multi or single shot cameras every 50m and at end of hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC samples visually checked and noted intervals with poor recovery • Diamond core was measured by drillers on site and again by site geologist who recorded run length, measured core recovered and calculated recovery. Data entered into database. • Use of triple tube coring maximizes core recovery and ensures maximizing core integrity. • No known sample bias is likely to have occurred using the sample techniques employed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC chips were logged onto paper logs on site by the site geologist and checked by the supervising geologist, noting lithology, mineralization, water content, issues such as uphole contamination. • Core logging follows detailed regime of geological logging, noting core orientations of structures, lithology, mineralization, structure, core photography, geotechnical logging undertaken by experienced field geologists and senior geologists. • Logging quality suitable for use and appropriate for resource estimation purposes. • Overall core recovery 92%

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core sawn in half. Half taken for sampling, half retained for reference logging, petrology, check logging. • RC samples collected through cyclone, roll mixed, cone and quartered. • Sampling was undertaken by professional geologists under supervision using a set of QAQC measures recommended by independent consultants RSG Global who reviewed the procedures. • Field duplicates were taken every 10th sample and a preparation duplicate taken every alternate 10th sample. • Results show good correlation between original samples and field and preparation duplicates. • Use of PQ and HQ core provides a larger sample and more representativity.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All assays including the historic drill data used were carried out by certified assay laboratories. NTL used SGS in Waihi using their standard sample preparation and analytical procedures and internal quality control procedures. All gold assays used a 50g charge fire assay with AAS finish and a detection limit of 0.01ppm. • NTL employed a system of field duplicates off the primary crush, preparation duplicates off the 2kg pulverized material with a 50g subsample for the fire assay. The prep duplicate was taken to check for lab preparation consistency, induced nugget effect from over grinding, etc. • Blanks of barren material were introduced every 30 samples and a system of certified standards obtained from RockLabs inserted every 10th sample. • Approximately 10% of the samples from mineralized intervals were sent as umpire samples to Amdel Laboratories at the Macraes site in Central Otago for check sampling against the original SGS samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intervals were calculated initially manually but subsequently checked and revised using the compositing functions in CAE software product Down Hole Explorer and also within Datamine Studio software. This has been carried out by company personnel and independently. • Assay data adjustments of a minor nature were required. The only significant data issue concerned a data entry error in Amoco Hole 6 where a 0.07g/t Au interval was incorrectly entered as 7.00g/t Au. This has been corrected.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes were located and planned using hand held Garmin or Silva GPS units, grid surveys for geophysics used backpack GPS units. Once drill holes had been completed registered surveyors surveyed the hole positions. • Downhole surveys at 50m intervals using Eastman single or multi-shot cameras were used. • Grid system used historically was MT Eden Circuit. • NTL used NZMG(1949) and converted all earlier data to this grid system.

Criteria	JORC Code explanation	Commentary
		• Topographic and survey control is considered adequate for the purpose that the data is being used.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• At the Barbara North resource area drill hole spacing ranges from 25 to 50m and is considered sufficient for part of this zone to be modelled as Indicated. • At the other 3 zones, namely Barbara North Extended, Barbara Central and Barbara South the holes used for the estimate ranged in spacing from 25 to more than 50m apart but there was only sufficient continuity to ascribe them to Inferred. • The majority of samples intervals were at near one meter intervals an d compositing was not deemed appropriate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The structures at Rahu are generally NE trending and steeply dipping to the NW. Drill holes are designed to be inclined and to cross the structures perpendicular to strike. • Sampling bias based on the knowledge of the structure is considered unlikely.
Sample security	• *The measures taken to ensure sample security.*	• Samples are collected on site by NTL personnel, either senior field technician or site geologist, transported to NTL's core and sample handling facility in Waihi. Here samples are prepared for dispatch to the assay laboratory. At night the facility is locked and during the drill programme security patrols used. • Once samples are prepared they are transported the approx. 100m to the SGS assay facility for preparation and analysis. • NTL has a system of order and dispatch numbering for sample tracking. • Once delivered to SGS their protocols for security apply.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• RSG Global reviewed the QAQC procedures for the Talisman project in 2005 and these same procedures have been applied to all NTL's projects including Rahu.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Work carried out under Exploration Permit 40117 held by New Talisman Gold Mines Limited, located in the Waihi District. Permit is wholly owned. • Land on which project sited is privately owned with agreements in place with landowners for exploration. Some portions administered by Department of Conservation where work has been conducted under access arrangement. • Tenure is secure at time of reporting
Exploration	• *Acknowledgment and appraisal of*	• Previous exploration has been carried out by Amoco Minerals,

Criteria	JORC Code explanation	Commentary
done by other parties	*exploration by other parties.*	(later changed name to Cyprus mines Corporation) until 1992 when NTL (formerly Heritage Gold) applied for and was granted the permit.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Rahu deposit is a low sulphidation epithermal vein system and is the northern extension of the veins mined to the south at Karangahake, a 4 plus kilometer long vein system
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	

BHID	Easting	Northing	RL	Az	Incl	Length
R1	2751350	6417440	78	90	-60	90.1
R2	2751800	6417530	133	100	-50	126.5
R3	2751945	6417045	164	270	-45	319.9
R4	2752075	6417416	149	270	-45	329.7
R5	2752170	6417750	129	300	-45	171.6
R6	2752170	6416740	105	293	-45	321.6
R7	2751385	6417480	82	340	-45	101.9
R8	2751110	6417700	139	150	-50	88.0
R9	2751560	6416720	203	110	-40	140.9
R10	2751110	6417700	139	0	-90	101.8
R11	2751530	6416725	192	110	-65	113.5
R12	2751400	6416775	165	110	-45	187.1
RHRC-1	2752096	6417928	142	120	-60	25.5
RHRC-2	2751865	6417682	115	110	-60	24.0
RHRC-3	2752301	6417922	167	110	-60	30.0
RHRC-4	2752214	6417892	153	290	-60	32.0
RHRC-5	2751708	6417109	164	110	-60	14.0
RHRC-6	2751701	6416977	182	110	-60	29.8
RHRC-7	2751684	6416825	205	110	-60	31.0
RHRC-8	2751723	6416798	207	110	-60	45.8
RHDD-01	2752259	6417953	165	108	-55	144.1
RHDD-02	2751835	6417669	111	107	-60	127.6
RHDD-03	2751726	6417485	130	106	-52	119.9
RHDD-04	2751679	6417117	156	110	-75	112.8
RHDD-05	2751695	6416835	206	110	-45	241.7
RHDD-06	2751973	6417187	154	290	-57	121.3
RHDD-07	2752062	6417054	138	290	-47	219.6
RHDD-08	2751787	6417628	120	110	-70	167.9
RHDD-09	2752132	6417978	141	110	-45	310.0
RHDD-10	2751573	6417645	116	110	-60	449.9
RHDD-11	2751554	6417084	131	90	-60	245.8

BHID	From (m)	To (m)	Int	Au g/t	Ag g/t
R01	3.00	11.00	8.00	0.45	4.93
R01	38.00	41.00	3.00	0.58	3.50
R01	56.00	59.00	3.00	0.57	1.00
R01	69.20	87.00	17.80	0.48	6.95
R01	69.20	90.10	20.90	0.47	6.29
R01	74.70	90.10	15.40	0.58	7.75
R02	20.20	45.50	25.30	0.34	5.92
R02	20.20	32.60	12.40	0.43	3.17
R03	50.70	52.00	1.30	0.31	1.60
R05	30.00	32.00	2.00	0.36	1.20
R06	66.00	72.00	6.00	0.31	3.53

Criteria	JORC Code explanation	Commentary					
		R07	18.00	22.00	4.00	0.92	11.00
		R07	26.00	40.00	14.00	1.40	4.01
		R07	34.00	38.00	4.00	4.20	6.80
		R07	51.00	56.00	5.00	0.42	2.28
		R07	58.00	60.00	2.00	0.48	2.60
		R07	62.00	64.00	2.00	0.33	1.30
		R07	66.00	68.00	2.00	0.36	0.90
		R08	8.00	18.00	10.00	0.34	3.14
		R09	22.00	30.00	8.00	0.29	0.90
		R09	39.60	44.00	4.40	0.47	4.03
		R10	20.00	22.00	2.00	0.31	2.30
		R11	6.00	14.00	8.00	0.39	1.70
		R11	26.00	30.00	4.00	0.33	0.40
		R11	42.00	71.90	29.90	0.41	1.25
		R11	48.20	49.20	1.00	0.40	0.50
		R11	62.00	67.80	5.80	0.92	1.69
		R12	38.00	48.00	10.00	0.32	0.88
		R12	44.00	46.00	2.00	0.53	1.00
		R12	62.00	68.00	6.00	0.55	1.40
		R12	90.00	106.00	16.00	0.57	3.80
		R12	100.00	104.00	4.00	1.47	5.05
		R12	114.00	149.40	35.40	0.62	3.54
		RHRC-2	4.00	5.00	1.00	0.45	8.40
		RHRC-2	10.00	19.00	9.00	1.74	45.76
		RHRC-3	7.00	30.00	23.00	0.92	2.03
		RHRC-4	1.00	2.00	1.00	0.80	2.60
		RHRC-4	6.00	7.00	1.00	0.46	4.70
		RHRC-4	9.00	10.00	1.00	0.45	3.40
		RHRC-6	15.00	26.00	11.00	0.42	0.27
		RHRC-7	1.00	4.00	3.00	0.55	0.27
		RHRC-7	14.00	21.00	7.00	0.71	0.20
		RHRC-8	24.00	28.00	4.00	0.42	0.98
		RHRC-8	37.00	39.00	2.00	0.46	5.65
		RHDD-01	15.00	46.00	31.00	0.65	1.92
		RHDD-01	115.00	116.00	1.00	0.54	0.80
		RHDD-01	124.00	127.00	3.00	0.64	0.73
		RHDD-01	125.00	127.00	2.00	0.73	0.90
		RHDD-02	36.00	60.00	24.00	0.93	13.87
		RHDD-02	36.00	49.00	13.00	1.25	23.22
		RHDD-02	52.00	57.00	5.00	0.82	2.16
		RHDD-02	83.00	85.00	2.00	0.63	0.15
		RHDD-03	33.00	50.00	17.00	0.75	4.67
		RHDD-03	76.00	88.00	12.00	0.53	3.98
		RHDD-04	54.00	55.00	1.00	0.46	1.30
		RHDD-04	67.00	68.00	1.00	0.44	9.80
		RHDD-04	79.00	84.00	5.00	0.32	1.28
		RHDD-05	47.00	57.50	10.50	0.57	1.11
		RHDD-05	64.00	67.00	3.00	0.69	0.15
		RHDD-05	177.00	179.00	2.00	0.31	0.80
		RHDD-05	204.00	206.00	2.00	0.72	2.30
		RHDD-06	75.00	76.00	1.00	0.49	1.20
		RHDD-06	85.00	86.00	1.00	0.52	0.60
		RHDD-07	64.00	80.00	16.00	0.63	2.14
		RHDD-07	64.00	83.00	19.00	0.58	2.05
		RHDD-07	206.00	210.00	4.00	0.44	1.88

Criteria	JORC Code explanation	Commentary

RHDD-08	48.00	50.00	2.00	0.47	8.60
RHDD-08	67.00	75.00	8.00	0.45	12.08
RHDD-08	78.00	91.00	13.00	0.68	3.82
RHDD-08	81.00	91.00	10.00	0.74	4.41
RHDD-08	103.00	106.00	3.00	1.14	0.23
RHDD-09	30.00	32.00	2.00	1.26	1.15
RHDD-09	38.00	54.00	16.00	0.73	0.90
RHDD-09	170.00	172.00	2.00	0.42	0.65
RHDD-11	106.00	111.00	5.00	0.62	2.26
RHDD-11	114.00	121.00	7.00	0.72	2.37
RHDD-11	130.00	139.00	9.00	0.77	3.59
RHDD-11	143.00	165.00	22.00	0.51	2.32

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length weighting down hole was used. A lower cutoff of 0.3g/t Au was applied. Occasionally short intervals below cutoff are incorporated where it not result in the interval overall falling below cutoff. • Not applicable • Not applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Only down hole lengths are reported. While generally holes transect the mineralized zones at right angles the downhole intervals can be slightly oblique. • Differences in down hole intervals and true width are factored into the resource estimate based on the estimation methodology.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• These are presented in the full report that this table accompanies.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant results above the cutoff grade of 0.3g/t Au are reported in the tables above and in the accompanying report. All results can be found in the spatial data package that accompanies this report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating*	• A comprehensive summary a previous exploration results, consultant reviews, geophysics, surface sampling, geological mapping is presented in the accompanying report. • Specific metallurgical test work has not been carried out at this stage however mineragraphic examination of samples shows similar mineralogy to Talisman where 95% plus recoveries have been achieved in cyanidation studies. It is highly probable that the mineralization at Rahu will behave similarly to Talisman.

Criteria	JORC Code explanation	Commentary
	substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drill testing to increase the resource is planned. This will involve step out and infill drilling and drilling to depth to increase the resource base, increase the grade, increase the resource category and as part of a feasibility study for incorporating the Rahu resources into the medium to long term planning for the expansion of the Talisman mine. • Areas of possible extensions are shown on diagrams within the body of the report accompanying this table.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data was initially captured on paper logs and then entered into excel spreadsheets using standard logging templates to ensure consistency of data capture. • Databases have been peer checked on a number of occasions over the duration of the permit. • Data validation processes within Excel and in Datamine Studio and down Hole explorer software from CAE were used during the estimation process.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent person has been involved with the project at several stages since 1992 and is familiar with surface geology, underground geology, historic core, RC sampling and NTL drill core having check logged both.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• There is enough continuity based on drill hole geology, surface and underground mapping, geophysics and geochemistry to have confidence in the continuity of the geology for areas estimated. • Surface mapping, resistivity modeling, downhole geology. Assumptions made are that the mineralized zones are steeply dipping to the NW. Alternative interpretations are unlikely to impact on the estimate. • Geology particularly downhole was used to determine mineralization boundaries. Grade within these mineralized zones was then used for creating the wire frames for interpolation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The models were generated by constructing sections at 25m intervals along strike using down hole geology and grade to determine width. Model sections were projected no more than 50m north or south of the northern or southern- most section and half way between drill sections when less than 50m. ie 25m or less. • Down hole projections were up to 100m below the deepest intersection for wire frame construction and where there is reasonable confidence in depth continuity. • Dimensions of each wireframe are as follows • Barbara North Extended: 100m long by 100 to 150m deep, 8m to 20m wide. Volume 515,000cu.m • Barbara North: 200m long by 150 to 200m deep, 20m wide. Volume 934,000cu.m • Barbara Central: 275m long by 225m deep, 40m wide. Volume 3,258,000cu.m • Barbara South:240m long by 250m deep, 2m to 8m wide. Volume 1,350,000cu.m •

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Estimation and modelling techniques</td><td>

The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.
The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.
The assumptions made regarding recovery of by-products.
Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).
In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.
Any assumptions behind modelling of selective mining units.
Any assumptions about correlation between variables.
Description of how the geological interpretation was used to control the resource estimates.
Discussion of basis for using or not using grade cutting or capping.
The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.

</td><td>

The resource zone wireframes were generated in Datamine/CAE Mining by New Talisman Gold Mines staff and validated.
Four resource zone wireframes were constructed and estimated separately. These are starting from the north end of the project and moving south; Barbara North Extended, Barbara North, Barbara Central and Barbara South.
These wireframes were then filled with block model cells orientated orthogonally. And the following estimation parameters applied.

<table>
<tr><th>Block Model And Estimation Parameters</th><th>Model And Estimation Parameter Values</th></tr>
<tr><td>Parent Block Block Cell Size</td><td>5m x 5m x5m</td></tr>
<tr><td>Sub Cell Splitting</td><td>Auto fill to maximum of 5m x 5m x 5m</td></tr>
<tr><td>Estimation Method</td><td>Inverse Distance Squared and Nearest Neighbour</td></tr>
<tr><td>Density</td><td>2.6 t/m^3</td></tr>
<tr><td>Search radii (indicated)</td><td>25m</td></tr>
<tr><td>Search radii (inferred)</td><td>50m</td></tr>
<tr><td>Minimum no of samples (Indicated)</td><td>4</td></tr>
<tr><td>Search Volume</td><td>Range</td></tr>
<tr><td>Minimum no of samples (Inferred)</td><td>2</td></tr>
<tr><td>Maximum no of samples (Indicated and Inferred)</td><td>20</td></tr>
<tr><td>Lower cut off</td><td>0.3g/t Au</td></tr>
<tr><td>Top cut</td><td>None</td></tr>
</table>

The estimation was initially carried out using Inverse Distance Squared and then a check estimate using Nearest Neighbour (3D Polygonal). This was found to be within 2% of each other in terms of total ounces of gold.

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<tr><td>Moisture</td><td>

Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.

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Estimates based on dry tonnages.

</td></tr>
<tr><td>Cut-off parameters</td><td>

The basis of the adopted cut-off grade(s) or quality parameters applied.

</td><td>

A lower cut off of 0.3g/t was used based on other examples of resource estimates completed since the price of gold increases in 2011 to 2012. This was also decided as appropriate as it ensured capturing all the mineralization within the wireframe for modelling.

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<tr><td>Mining factors or assumptions</td><td>

Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.

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The project is still at an early stage and part of any feasibility study will need to quantify mining methods etc. However the project lies adjacent to the Talsiman Mine which is currently in the development phase as an initially small scale underground mine. Future expansion of the project will include Rahu as an integral part. The current resources of approx. 40,000 oz Au are low grade but development of them in their current state of knowledge will depend on factors such as an increase in gold price and low development cost utilizing the treatment facilities and other infrastructure being developed at Talisman. It is expected that as part of the feasibility study there would be an increase in grade, ounces and tonnages as more drilling will allow for moving indicated and inferred into measured and indicated and what is currently deemed geological potential into an Inferred or Indicated category depending on results and drill density.

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</table>

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Detailed metallurgical studies are yet to be completed on Rahu mineralization. However mineragraphic examination shows similarities to Talisman ore. • The deposit is typical of the low sulphidation deposits in the Waihi Gold District which are by and large amenable to direct cyanidation, gravity separation of free gold and/or flotation concentrate cyanidation. • There is no evidence at this stage of any deleterious minerals that would impact on processing.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Most of the deposit lies on private land held under an Exploration Permit. • Consents for mining will have to be applied for under the Resource Management Act 1987 from the local authorities. • The local authorities have consented small and large scale mining projects in the District over the last 25 years including NTL's Talisman project in 2013. • Provided the Company prepares sufficient environmental data to back up any development proposal it will be dealt with by the authorities on its merits.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density used in the estimate is 2.6g.cm^{-3}. Individual determinations have not been made at Rahu however as a basis of deciding on the appropriate density the densities determined for Talisman were taken into account where an average density of 2.65g.cm^{-3} was used. For this estimate it was decided to take a more conservative position and use 2.6g.cm^{-3}. • The bulk densities on which this estimate is based were determined at Auckland University and took into account voids and porosity. • The bulk density for the resource modelling is based on quartzose material which based on the geological observations on the surface and in drill core accounts for the majority of the mineralisation.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The models were run using two search radii at 25m and again at 50m. While the 25m model produced results for all 4 areas it was considered that sample density was sufficient only at Barbara North for it to be considered as Indicated. • All other areas and the balance of modeled volume at Barbara North based on the 50m search radii were classified as Inferred. • These estimates assigned a resource category to approximately 0.93Mcu.m out of 5.4Mcu.m in the model. The rest being assigned as geological potential and described in the report accompanying this table. • In the view of the Competent person this fairly represents the data and is considered conservative.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The report and data has been peer reviewed by NTL.
Discussion of relative	• *Where appropriate a statement of the relative accuracy and confidence level in*	• All data used in the estimation was analysed statistically and no major issues detected that would question the reliability of the

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	*the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	data. A conservative approach was taken using an Inverse Distance Squared estimation method. The models were rerun using Nearest neighbour which gave higher grade and less tonnes than the Inverse Distance methodology. • The estimation has been carried out on a conservative basis. The estimates and tonnages and grades are detailed in the report that accompanies this table.