

21ST APRIL 2017

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]

FOR PUBLIC RELEASE

Quarterly Activities Report to 31 March 2017

New Talisman Gold Mines Limited is pleased to present the quarterly report on activities for the period ended 31 March 2017

Key Highlights

- ***Operations at Talisman site to commence immediately***
- ***Talisman Deeps data provides evidence of potential to increase gold resources below 15 Level***
- ***Talisman Deeps provides significant opportunity to expand bulk sampling footprint beyond current resource***
- ***Certificate of Compliance issued which allows establishment of site activities at Talisman Mine site***
- ***Road movements allowed for in the certificate granted***
- ***Newcrest completes first quarter activities at Rahu***
- ***K S Black appointed as auditor***
- ***Coromandel Gold in discussions on Vanuatu projects***

During the period under review the company has been busy establishing further components to the Talisman Deeps project development which is proving significant for the long term future of the Talisman Mine. The team has also been focussed on gaining access to the site and the Board is delighted to announce it has today been granted a certificate of compliance which will allow commencement of activities at the site immediately.

As announced in the previous quarterly report the company and council are working together on finalising a traffic management plan (TMP) that meets the needs of council and NTL. Whilst Company mine traffic on the road will be minimal, with reference to safety guidelines we have sought specialist input from our engineers and the council engineers

As detailed further below the company has been working on the Talisman deeps project which has resulted in identification of a number of additional areas of mineralisation which can potentially be included in the bulk sampling project. Accessing these areas will require opening up and making safe a number of the historical drives, particularly those connecting 8 Level with 7 Level above and 10 Level below.

In order to commence these works the company lodged with the Hauraki District Council in December an application for a certificate of compliance to undertake permitted activities under the district plan in order to evaluate the Talisman deeps and Talisman mine projects. The activities, which have been outlined as separate from activities to be undertaken under the resource consent held for bulk sampling, allows the company to begin site works immediately.

To ensure that we are compliant with the requirements of the district plan the company engaged independent planning experts to assist in compiling the scope of work. The scope was examined by planners employed by the District Council and verified by a third party independent consultancy. Whilst this has taken some time, we are pleased to report that it has progressed and has proved ultimately successful.

The Certificate of Compliance has been granted which will allow the company to immediately commence activities on site and begin sampling work at the mine to test Talisman and Talisman Deeps geological data. Many of the activities are core to safe operations at the site and therefore will not have to be duplicated upon commencement of bulk sampling under the resource consent.

The works being undertaken at site include: -

- Perimeter fencing – erection of safety and security fencing around the portal site;
- Construction of the portal pad and associated structures;
- Ventilation fan – installation of a new ventilation fan at the entrance to the mine;
- Installation of a Generator and Air compressor;
- Installation of reticulation services through the underground workings;
- Removal of old beams and replacement of underground structures;
- Sampling and Drilling at Mystery and other targeted areas.;
- Establishment of site office and security office;
- Road use and maintenance – to enable safe and efficient transport of prospecting vehicles;
and
- Vegetation management – trimming and weed control as necessary within the site and within the existing footprint of the mine road.

The Construction of the above will commence immediately and will be carried out in parallel with the works required to fully implement the requirements of the Traffic Management Plan.

Chairman Charbel Nader said “It is a pleasure to say we are commencing works at the Talisman site area. With access now available to establish the site we are well on our way to progressing our ambitions for the historically productive Talisman Mine.

We intend to undertake sampling operations to establish the deeper orebody immediately whilst finalising the Traffic management plan. We are very excited by the prospect of Talisman Deeps



and believe it will likely enhance the bulk sampling project and ultimately the long term future of the mine .”

Design work on the project has progressed well and is approaching completion.

Electrical Design

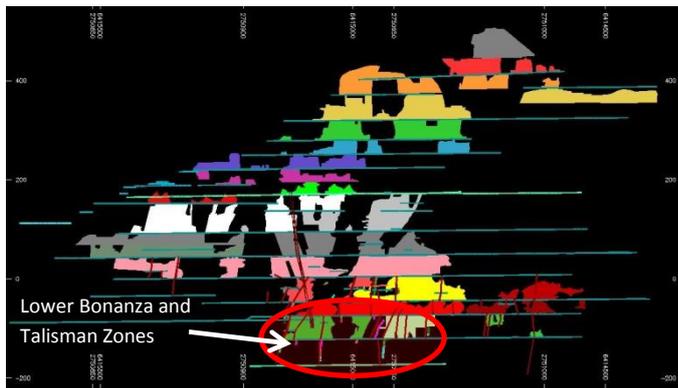
All drawings are drafted and have gone through final checks and verifications, Equipment lists are in place and suitable suppliers for the various components have been identified.

Vent Lock

Final reviews of the mechanical and structural drawings are complete and we are preparing the tender documentation for construction of the lock.

The Talisman Deeps Project - *Talisman Deeps Project identifies High Grade areas >1 oz per ton*

As announced on 16 August 2016 the company is undertaking an exercise to further quantify mineral resources hosted within the Maria Vein system known as the Talisman Deeps project. This



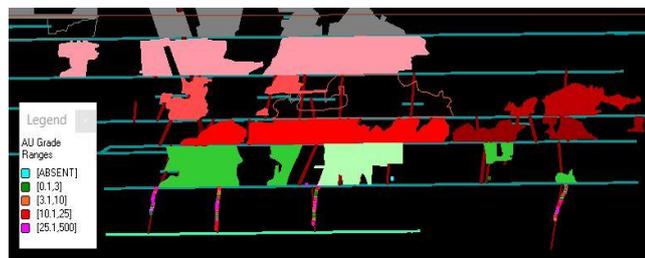
Long Section on Maria Vein showing location of historic stopes and sample positions

exercise was prompted by the acquisition of a large database of historical mine maps and geochemical data which has greatly added to the company's knowledge of the historic mine workings and ore grades mined during the mine's operational history.

Progress on the Talisman Deeps analysis project has now reached an advanced stage with database compilation and verification complete. Historic mine workings have been digitally captured

and modelled into a three dimensional wireframe and structural modelling of the Maria Vein is complete within the Dubbo and Bonanza Sections.

Modelling and analysis completed to date supports NTL's belief that the gold mineralised vein material may extend below the existing mine workings. Analysis of 926 samples taken from raise sampling in the lower workings of the Talisman and Bonanza Zones, highly productive areas of the historical mine and source of the majority of the 3.5 million bullion ounces produced, indicate **a mean grade of 36.75g/t gold equivalent in a range of trace to 219.55g/t**. There is evidence on the mine plans that no stoping took place below No 15 level but that **high grade ore** persists in this area. NTL currently have no quantified mineral resources in this area. Four raises below 15 level, covering a strike length of some 500m and a dip extent of 49m have geo-referenced historic sample values. Some 249 samples taken from these raises indicate a mean grade of 20.19g/t gold equivalent over a mean width of 1.1m and sample spacing of approximately 1.5m. Samples range from below detection to 131.36g/t and sample widths between 0.15m and 2.5m.



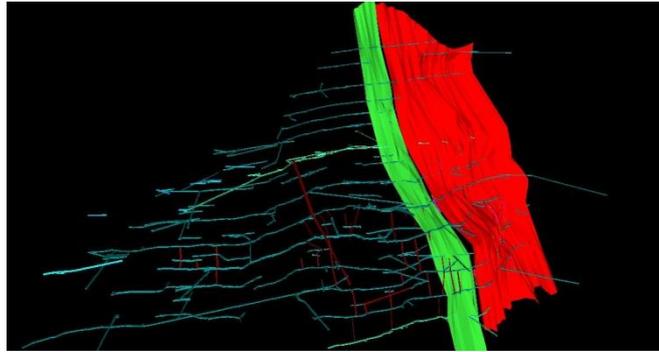
Location of sampled rises below 15 Level

The gold equivalent values are based on a 1895 to 1919 gold price of USD \$20.67 per troy ounce.

Advanced statistical modelling of geochemical data is now underway in preparation for estimating the gold equivalent content of the modelled vein material. The company expects to be in a position to announce the results of this project within the coming months, once peer review of the final report is complete. It is uncertain at this stage of the Talisman Deeps project if all or parts of the mineralisation modelled will be able to be classified as mineral resources or reserves under the

2012 JORC code, due to uncertainty over verifying the quality control and assurance procedures in place at the time.,

However, the information certainly supports the company's view that gold mineralisation may extend to depth and that there may be some areas of vein marginal to and below historic stoping that will constitute mineral inventory.



Isometric view of Talisman Mine workings and vein modelling of Bonanza and Dubbo Zones (historic stoping is not shown)

Once the estimations are complete and the competent persons are satisfied with the level of data integrity, portions of this mineral inventory may be able to be classified as resources compliant with JORC 2012 or upgraded to JORC compliant resources. Beyond providing evidence of depth extensions of the vein system below 16 Level, work to date has identified several potential ore sources in close proximity to the No 8 Level drives which, if they can be included into the scope of the Bulk Sampling Project, is likely to have a material effect on the final Mineral Resource and Ore Reserve position of the Talisman Mine.

Rahu Update

During the reporting period Newcrest re-logged 2,200m of existing diamond drill core from within the Rahu tenure, including drill holes RHDD-01 to RHDD-11. Spectral (ASD) analysis of all drill core was also completed to identify alteration footprints of the system, and system level exposure.

The aim of the re-logging project was to:

- ☑ Provide an updated stratigraphic framework for the geological setting of Rahu. Historical datasets had over sixty (60) rock types.
- ☑ Document alteration and quartz textural variation (quartz vein mode, texture and mineral facies) throughout the project to identify the 'boiling' zone in the Rahu Project, and determine the more prospective part of the system for drill testing.

In addition to this Newcrest have conducted extensive engagement with local Iwi in preparation for the drilling programme to follow.

Vanuatu and other opportunities

The Company has been investigating Australasian and the Pacific opportunities to take NTL's wholly owned subsidiary Coromandel Gold Limited into exploration and development projects. During the quarter the Company has been in discussions with an unlisted public company to look at potential opportunities that include Vanuatu where similarities to the Coromandel and Waihi Gold Districts are recognised.

Amer

Intermittent discussions with Amer continued during the period. Amer provided an updated non-binding proposal which was at a significant discount to the company's current value, did not contain any premium for control, and was overly complex. We continue to discuss with Amer opportunities to work together, however, our primary focus remains the development and expansion of our mining assets.

Tenements Held by New Talisman

<i>Permit</i>	<i>% Held</i>
<i>Talisman 51326</i>	<i>100% New Talisman</i>
<i>Rahu</i>	<i>20% held in trust for New Talisman</i>

Competent Persons Statement

The information in this report that relates to exploration results, exploration targets and mineral resources is based on information compiled by or supervised by Mr Murray Stevens and Mr Wayne Chowles. Mr Stevens is an independent consulting geologist who is a corporate member of the AusIMM. Mr Stevens has sufficient experience which 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 Chowles is a Mining Engineer and member of the AusIMM. Mr Chowles is a full time employee of New Talisman Gold Mines Limited, he has sufficient experience which 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 Chowles consents to the inclusion in this 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 over 1900 shareholders who are mainly from Australia and New Zealand. It is a leading New Zealand minerals development and exploration company with a mining permit encompassing the Talisman mine, one of New Zealand's historically most productive gold mines. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a JORC compliant mineral resource a JORC compliant reserve statement within the original Talisman underground mine, and a binding Agreement for Newcrest to spend up to \$NZ5M on an adjacent exploration permit along strike from the mine, Rahu. The company is now advancing its plans to develop the mine, and advance the exploration project.

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