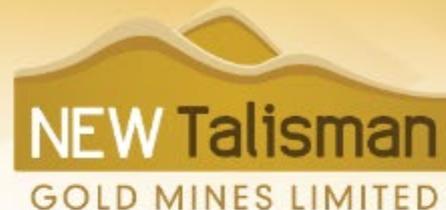


Market Announcement

For Immediate Release



Quarterly Activities Report to 31 March 2020

New Talisman Gold Mines Limited

**Responsible,
Environmentally
Sustainable Mining**

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board and Management

Charbel Nader Chairman/Independent Director
Matthew Hill Chief Executive/ Managing Director
Murray Stevens Non-Executive Director
Tony Haworth Independent Director
Jane Bell Company Secretary
Wayne Chowles Chief Operating Officer

Capital Structure

Ordinary Shares at 31/03/2020 2,692m

Share Price

Share Price at 28/04//2020 (NZX) 0.8cps
Share Price at 28/04//2020 (ASX) 0.6cps



New Talisman Gold Mines Limited

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QUARTER HIGHLIGHTS

- Highly prospective targets identified
- Resource estimate review by AMC
- Primary focus on processing plant

Starting the year few could have expected to see the world entering lockdowns amid global uncertainty created by COVID-19. New Talisman was left, like many companies, restricted in operations while the New Zealand Government imposed complete lockdown on non-essential services by imposing COVID-19 Level 4.

As of 28 April 2020, the COVID-19 Alert Level has been lowered to Level 3 which (although very restricted) will allow access to the site so long as distancing measures are feasible. Underground works remain unlikely in Alert Level 3 due to the size of the tunnels and the nature of ventilation in the mine. The Board has been forced to delay underground works until compliance with all New Zealand government restrictions can be achieved.

With the increasing likelihood for continued restrictions the team set about reviewing the entire NTL database and identified activities which could be safely undertaken and that have the highest resource potential.

While the global climate remains in varying degrees of distress, gold, a traditional safe haven, has driven to recent highs and in NZD terms have peaked as high as NZD2,894 dollars an ounce, bringing refreshed liquidity and new interest in the company and its shares. NTL remains the only NZX-listed gold mine development company.

The primary focus has been on delivering a production route for the Talisman ore following the completion of a majority of the testwork at the pilot plant. The testwork has informed the design of the larger plant with a minimum capacity of 300tpm and forms the basis for the consent. Potential site locations were reviewed which may give some flexibility in council and district plans the plant can operate under.

The highly anticipated Resource Estimate update is under final review following the adoption of the interim report recommendations received from AMC during the period. Shareholders should note that the review marks the final step in the Talisman Deeps project and the commencement of applying the same parameters to the remaining module of the historical database.

TALISMAN RESOURCE ESTIMATE

As previously announced NTL commissioned Peter Stoker of AMC Consultants Pty Ltd (AMC) to undertake an audit of the Talisman Gold Mine (NTGM) Mineral Resource estimate (the 2017 Model) which was superseded by an updated estimate incorporating information obtained during the recent rehabilitation works. This update also includes much of the test work AMC had intended to undertake, including testing the effect of compositing of samples, testing the effect of top capping, and the use of the historical metal prices in the gold equivalent formulae derived from the bullion sampling.

AMC has reviewed this updated Mineral Resource model and documentation and issued an internal report to NTL with recommendations for improvement to the resource estimation methodology. A new estimate, based on those recommendations, was compiled as a check estimate, resulting in no material difference to the reported contained metal. AMC has reviewed the updated report and concurs with the general conclusion that any changes in the estimate are not material.

A number of shareholder queries have been received relating to the resource estimate review and whether the remaining data of the Talisman Deeps resource model is included in the estimate. To clarify, the resource estimate referred to above includes only that data from the modules forming the Deeps in 2014, namely the Dubbo, Talisman and Woodstock zones which utilised the database of historical production data, and an upgrade of the Mystery Vein resource estimate. It does not include the remainder of the data, covering the Crown Mine and broader permit area, which will be evaluated following receipt of the resource estimate.

In compiling the Talisman Deeps resource model, which was released as part of the company resource estimate in 2017 the NTL team followed a very complex process for producing a resource estimate based on the historical database of samples NTL acquired in 2014. The final resource estimate update currently under review by AMC will confirm JORC 2012 compliance of the process NTL used to apply historical data at the mine. The completion of the peer review allows the application of the same process to the remaining data a majority of which relates to the historically productive Crown Vein at the deeper levels of the mine.

Sampling and exploration

Activities at Mystery that aim to test grade and geological continuity further forward of the face of the Vein were finalised and costed early in the quarter. Immediately prior to mobilising the underground team the NZ government placed the country on the highest lockdown Level 4 which left no option but to defer the Mystery Sampling.

While limited in the works underground the team focused on prioritizing activities which could be undertaken while restrictions remain likely. Following a comprehensive review of the NTL database 3 target areas on the Permit were identified which could be readily accessed and which provide the highest value data. Analysis of the first of these highly prospective target areas has commenced and will be followed by a surface sampling program.

Talisman Mine Plan

As announced previously the Life of Mine level design continues to be developed. Recent gold prices have risen to such an extent that the impact on the mine design and economic cut-off grade allows for a review of areas such as larger parts of the Woodstock zone which are likely to become economic at the current gold price. The period saw the completion of the main operational plan which broadly sets out the developmental and infrastructure requirements needed to support the mine.

The work completed on the plan during the quarter and which will accompany an application for mining will assist the team to

- Identify options for exploitation of the orebody and risk/reward analysis to identify the option with the highest value outcome.
- Design flexible mining and engineering infrastructure required for the most favourable option,
- Adopt a long term mine development schedule and production profile.

The remaining work on the plan was used, as noted above, to identify areas, both within the bounds of the existing mine and the larger permit area, with the potential for economic ore deposits which can be readily accessed while restrictions and distancing measures are in place.

Following the completion of the resource estimate review the plan will be further developed to exploit any areas within the resource which may not have been previously included.



Processing Plant

The Company commenced reviewing a number of potential sites for a plant giving the option of 2 district plans to operate under which will be determined following the application review process.

At the same time evaluation of the potential for a collaboration on an independent processing operation is being undertaken which may provide an ability for an alternate funding structure to develop a plant for toll treatment by Talisman.

More recently a series of discussions with a high-profile NZ industry group were advanced. The focus was on the potential for a formal collaboration that could facilitate funding, delivery, and operation of a joint processing plant as part of a broader industry offering. NTL is currently working on the delivery of a heads of agreement setting out the key criteria that would need to be met for the development of a Joint venture.

As announced, the resource consent for bulk sampling which allows 2 years from commencement of transporting ore from the portal, has focussed on ensuring that the plant design and commissioning are aligned with extraction activities and the full 2 years of extraction of the maximum volumes can be achieved by seamless material handling from the vein through to processing at the plant.

Mining Resource Consent

NTL currently holds a resource consent at the Talisman Mine allowing bulk sampling of up to twenty thousand cubic meters of ore per year for approximately two years. Securing the resource consent for full scale commercial production to enable the Company to extract the maximum possible value from the mines high grade mineral resource over the ten year plus mine life is a high priority.

During the quarter, an independent planner was contracted to assess the impact of planned mining operations, which are broadly similar to those for which the operation is already consented, against the requirements of the Operative Hauraki District Plan. This assessment is complete and has identified a number of technical investigations that will be required to underpin the resource consent application.

While much of the required information has been quantified through the underground rehabilitation, prospecting and test mining programme over the past 2.5 years, there are some aspects that need addressing by subject matter experts. Key individuals and groups with this expertise have been identified and cost estimates and their availability have been sought.

Corporate

The board continues to maintain a 20% reduction in fees and salaries which were introduced in 2019 while the global economy remains uncertain. The team prioritised activities which provide the lowest cost and that can be undertaken while restrictions are in place and the plant design application and consenting processes are being finalised. This resulted in 3 targets deemed accessible and the activities proposed allowed under current Level 3, being prioritized.

During the quarter, the company reviewed a number of opportunities of which a small NZ based project with an existing ML and resource was under review when Level 4 lockdown was

implemented. Any further work has had to be delayed until restrictions are at an end and the site can be accessed for field review.

Tenements Held

Rahu Resources –EP90144 100% New Talisman

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2250 shareholders who are mainly from Australia and New Zealand and has been listed since 1986. 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. The company has commenced prospecting and upgrading activities at the mine and advance the exploration project to increase its considerable global exploration target into JORC 2012 resources.

Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including one of New Zealand’s highest-grade underground gold mines, a JORC 2012 compliant mineral resource of over 469,000 ounces AuEq at an average above 15 g/t AuEq and a JORC compliant reserve statement.