



NEW Talisman
GOLD MINES LIMITED
ANNUAL REPORT 2020



TALISMAN GOLD MINE ESTABLISHED 1894

THE No. 8 LEVEL AT THE TALISMAN GOLD MINE, KARANGAHAKE.

www.newtalisman.co.nz



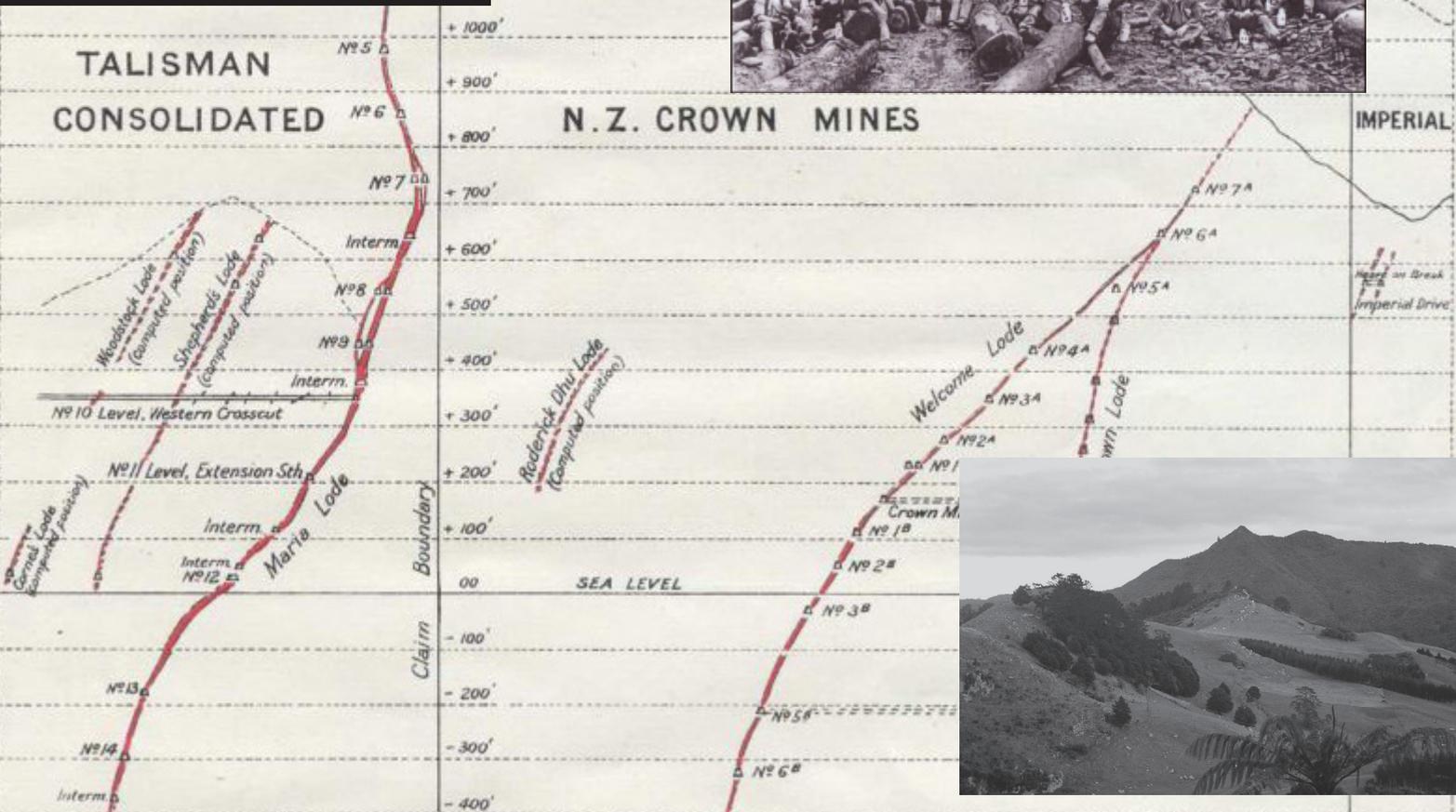
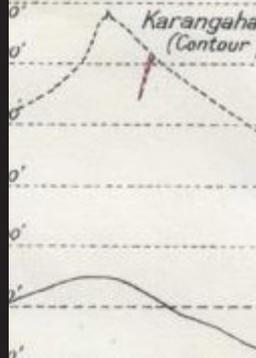
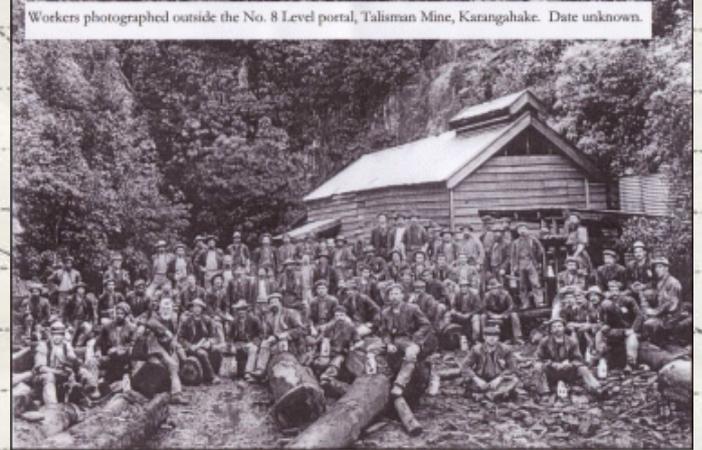
TALISMAN GOLD MINE ESTABLISHED 1894

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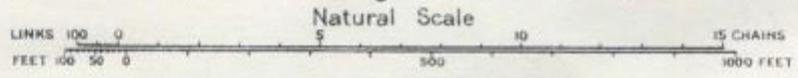
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Workers photographed outside the No. 8 Level portal, Talisman Mine, Karangahake. Date unknown.



Vertical Section along Line A-B (Plan No 7)

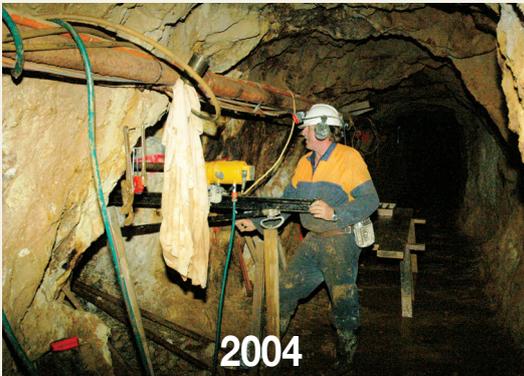




1903



2003



2004



2013

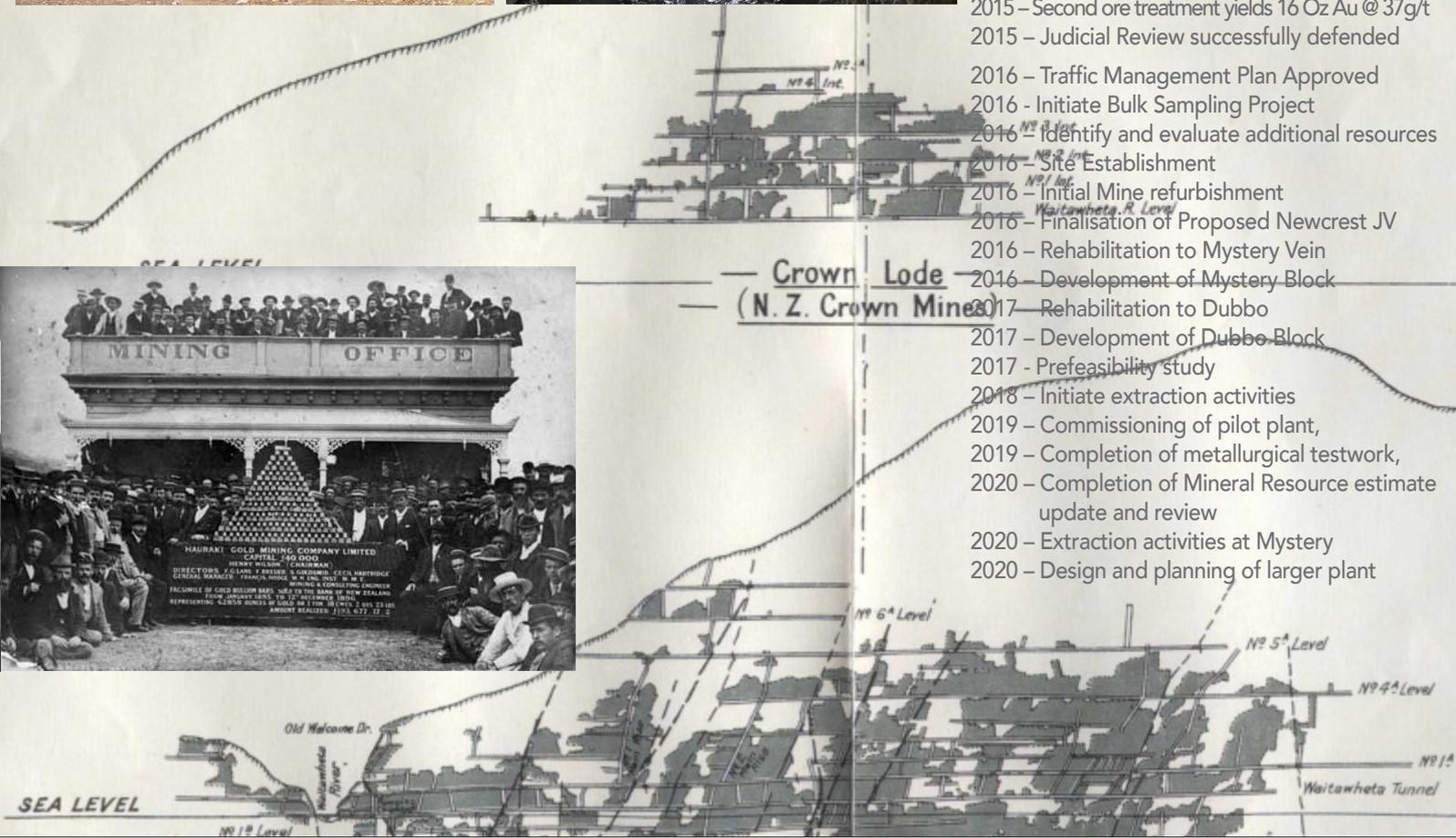


2017



2018

- 1852 – Gold discovered on the Coromandel
- 1875 – Ohinemuri goldfield opened for prospecting
- 1882 – Maria Vein discovered at Mt Karangahake
- 1883 – Crown Mine established
- 1887 – Woodstock Mine established
- 1894 – Historical Talisman Mine established
- 1904 – Woodstock Mine incorporated into Talisman
- 1919 – Talisman Closure
- 1928 – Crown Mine closure
- 1971 – Southern Cross Minerals begin exploration
- 1980 – NZ Goldfields registered
- 1985 – NZ Goldfield/Freeport JV
- 1987 – NZ Goldfields/Cyprus Minerals JV
- 1989 – Discovery of Dubbo Zone
- 1993 – Southern Mining license lapses
- 1995 – Exploration Permit granted to Heritage Gold
- 2003 – 1st Phase exploration – 109 600 Oz
- 2006 – 2nd Phase exploration – 205 000 Oz
- 2012 – Renamed New Talisman Gold Mines Limited
- 2012 – Scoping Study completed
- 2013 – Pre-Feasibility Study completed
- 2013 – Advanced stage access negotiations
- 2013 – Detailed planning in process for Bulk Sampling
- 2013 – Feasibility Study commissioned
- 2013 – Bulk sampling Project Plan Completed
- 2013 – Resource consent granted
- 2013 – Access Arrangement approved
- 2014 – Authority to Enter and Operate obtained
- 2014 – Rahu Mineral Resource Estimate
- 2014 – First Gold Production of 64Oz Au @47g/t
- 2014 – Health and Safety plan lodged
- 2015 – Water Management Plan reviewed
- 2015 – Second ore treatment yields 16 Oz Au @ 37g/t
- 2015 – Judicial Review successfully defended
- 2016 – Traffic Management Plan Approved
- 2016 - Initiate Bulk Sampling Project
- 2016 – Identify and evaluate additional resources
- 2016 – Site Establishment
- 2016 – Initial Mine refurbishment
- 2016 – Finalisation of Proposed Newcrest JV
- 2016 – Rehabilitation to Mystery Vein
- 2016 – Development of Mystery Block
- 2017 – Rehabilitation to Dubbo
- 2017 – Development of Dubbo Block
- 2017 - Prefeasibility study
- 2018 – Initiate extraction activities
- 2019 – Commissioning of pilot plant,
- 2019 – Completion of metallurgical testwork,
- 2020 – Completion of Mineral Resource estimate update and review
- 2020 – Extraction activities at Mystery
- 2020 – Design and planning of larger plant



REPORT TO THE SHAREHOLDERS OF NEW TALISMAN GOLD MINES LTD

Dear Shareholders

2019 marked the 125th year of the Talisman mine. Even after 125 years the Talisman mine continues to delight and surprise its operators. Despite various challenges over the life of the mine its resilience has shone through and the opportunities still abound. The market climate for the minerals industry in New Zealand during 2020 has been less than optimal with a looming election, Covid 19 and a Labour coalition government that has failed to deliver in a number of key policy areas. Your company however, has been able to operate the Talisman Mine project successfully in the Karangahake Gorge in a manner that recognises the values of environmental sustainability.

While the year has been a challenging one, it is never the less one which marks the achievement of several milestones in the development of your company. Of the numerous accomplishments during the year some require particular mention :

- **Completion of rehabilitation works opening up both Mystery and Dubbo veins**
- **Completion of Phase 1 Metallurgical testwork –Gold and precious metals recovery rates achieved.**
- **Phase 2 metallurgical testwork commenced**
- **Commencement of extraction activities**
- **Completion of successful capital raising of 3.6M**
- **Commencement of design and planning for larger volume plant**
- **Completion of an updated Mineral Resource estimate for the Maria and Mystery veins**
- **Completion of peer review of the Resource estimate by AMC Consultants**

HIGHLIGHTS

The second half of the year was heavily influenced by the completely unforeseen effects of the COVID pandemic. Restrictions began with implementing distancing controls, which are more difficult in the close confines underground at Talisman, and eventually led to the halting of almost all commercial activities in New Zealand and across the globe. Many economies remain in various levels of lockdown.

The uncertainty caused widespread panic and volatility across the world's capital markets with the US markets crashing leading the US government to inject billions of dollars into the equity markets. The resulting rally did not reflect the widespread damage growing exponentially across many states in the US causing volatility and uncertainty.

With uncertainty, investors fled to the safety of gold with both Reserve Banks increasing their gold reserves as well as major institutions. This has resulted in gold reaching new highs in NZD terms further driven by supply interruptions caused by the impact of lockdowns on mining operations across the globe.

The lockdowns and restrictions had a significant impact on the implementation of the mine plan and international supply chains ultimately resulting in the decision to focus the team on two key areas least impacted, being, the completion of the Mineral Resource estimate and peer review, and the processing plant design and equipment specification.

The primary focus remains on delivering a production route for the Talisman ore following the completion of a majority of the testwork at the pilot plant as set out in the following report.



TALISMAN MINE –OPERATIONS

The financial year commenced in a strong position through completion of an SPP which was strongly supported by shareholders, raising 3.6M NZD. This met the estimated extraction activities at the mine and allowed activities to be accelerated in the first quarter resulting in access to the BM37 Dubbo area to be completed. This area had been inaccessible for decades following a major rock fall which occurred after the last mining which ceased in 1992.

The removal of over 200 tonnes of material to gain access to the BM37 rise revealed an excavation that was larger than expected. Poor support and less than optimal mining methods used by previous operators resulted in challenging geotechnical conditions. This prevented easy access to mining blocks which could be targeted for initial extraction due to the costs to support and stabilize the area above the historic excavation. The production plan was reviewed to take into account the conditions and a revised plan to develop a decline system providing access to the ground 7m below BM37 was completed. This plan was outlined to shareholders at the 2019 AGM. This planning was complete in the first quarter of the financial year while at the same time the pilot plant was consented and commenced processing high grade ore into a concentrate which graded at 800g/t Au.

Focus then turned to Mystery with an aim to complete rehabilitation works through to the face of the Mystery vein, these works were complete by the end of the first half of the financial year. It was decided through the Terra Firma team to commence blasting and drive the face of Mystery forward revealing the continuation of the vein with samples resulting in grades as high as 40g/t Au. The continued mineralization further highlights Mystery as having both high grade blast ready ore blocks as well as the potential to expand the resources.



The face of the Mystery Drive showing the extension of the vein before sidewall waste is removed

Mystery – Blast ready - Highly prospective

The Mystery Vein was discovered in the 1980's, by then operator Cyprus Mines Corporation in joint venture with New Zealand Gold Fields Ltd, when developing Keillors Crosscut to connect the Talisman Mine with the adjacent Crown Mine. This crosscut intersected a previously unidentified vein, now called Mystery Vein, approximately mid-way between the historically productive Maria and Crown vein systems. It is believed that this vein had not been identified previously because of its location on the boundary between the two historic mining permits, although there is evidence that the vein may have been encountered in the lower levels of the Talisman Mine.

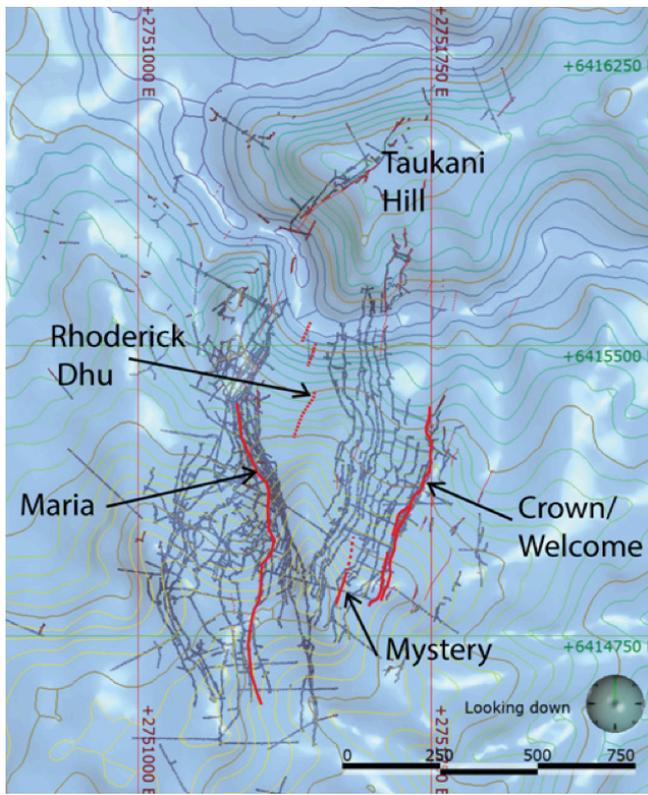
The vein shows similar geological characteristics to the adjacent veins and follows a similar north south strike direction, suggesting that this may be the same vein system worked at the historic Rhoderick Dhu Mine, which is located roughly mid-way between the Talisman and Crown Mines around 100m below the current exposure on No 8 Level and some 500m to the north.

A focal point of the underground activities at the Talisman was to extend the face of the Mystery north drive. The drive was extended by an additional 6.1m and significant in fill sampling carried out. This data was incorporated in the recently released mineral resource estimate and the Company is greatly encouraged by the increased grade of this resource, (14,000 tonnes at 25 g/t equivalent bullion¹ grade for 11,000 equivalent bullion ounces inferred). This estimate supports NTL's view of the future production potential of the Mystery and as part of the ongoing drive to production from this area and activities over the next quarter prioritize enhancing the Company's understanding of this vein given its potential to be a major contributor to mine life.

The vein has been exposed over a strike length of some 50m and regular sampling carried out by New Talisman (then called Heritage Gold) identified samples on the face of Mystery with grades of up to 50 g/t Au . The northward strike extension of the vein represents an exploration target with resource potential of between 200,000t to 500,000t at between 10g/t Au and 20g/t Au. This potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The connection between Mystery and Rhoderick Dhu is conceptual in nature and will need to be tested by step-out drilling. There is also potential to track the southward extent of the Roderick Dhu vein, and other veins that crop out in the corridor between Maria and Welcome using lower-cost, surface exploration techniques prior to drill testing.

Testing of the rescue mining method at the Mystery vein, where the vein and associated waste material are extracted in separate cuts, is proving successful with the primary extraction of the vein achieving a clean break on the contact between the vein and host rock. This enables the vein material to be loaded separately from the waste, maximising the grade of ore trammed to the run of mine stockpile. Successful long-term implementation of this mining method will hold significant commercial advantages for the mine through reducing the tonnage of ore to be transported and milled, and correspondingly reducing the costs involved, while at the same time increasing the feed grade of the milled material as very little waste would be included.

¹ For reporting purposes, all resources are reported as equivalent bullion values, due to bullion values rather than gold and silver grades being the only grade information that is available for historic channel samples. Conversion of more recent gold and silver values to equivalent bullion values uses the formula: Equivalent bullion grade = Gold grade + (Silver grade * 0.031609), which is based on historical prices of gold and silver. The equivalent bullion value of the resource is the same as an estimated gold equivalent grade due to the manner in which the historic and modern bullion values have been determined. Bullion conversions by NTL were based on a constant gold price of at £4-6s-0d/oz or USD20.47/oz during the period of historical production. Silver prices ranged from USD 0.49 to USD 1.03/oz



Exploration and Resource Development

During 2019 the company undertook to update the Mineral Resource estimate for the Maria and Mystery veins as new information became available. The update included all the previous Resource areas with the exception of the Crown resource which remains at 31,000 equivalent bullion ounces.

This update includes all geochemical and geotechnical data and incorporates new survey data gathered by the Company during the reopening of the mine's No 8 level. It incorporates several recommendations made by GEOS Mining during their independent review of the 2017 MRE as well as those recommendations made by AMC Consultants following their review of the 2019 MRE also being adopted in the update.

Potential extensions to the current resources have been also been identified within the main quartz vein host structures and proximal veins. These are in the process of being prioritized with the focus on those areas that can, with additional cost effective exploration, be developed into viable exploration targets with potential to upgrade to an appropriate resource category under the JORC Code 2012.

The resource estimate, internal documentation and data were submitted for independent peer review by Mr. Peter Stoker of AMC Consultants (Pty) Ltd. AMC are an internationally recognized consultancy. Mr. Stoker is regarded as a world leading authority on the reporting of mineral resources.

Resource Category	Ore Zone/Vein	Tonnes	Grade g/t	Ounces Bullion equivalent
Indicated	Talisman Bonanza	29,000	4.3	4,100
Indicated	Dubbo	15,000	9.0	4,400
Indicated	Dubbo splay	4,300	19.0	2,600
Indicated	Woodstock	35,000	5.1	5,600
Indicated	Woodstock splay	22,000	5.1	3,600
Total Indicated		110,000	6.0	20,000
Inferred	Talisman-Bonanza	300,000	19.0	190,000
Inferred	Dubbo	150,000	23.0	110,000
Inferred	Dubbo splay	560	14.0	250
Inferred	Woodstock	62,000	5.6	11,000
Inferred	Woodstock splay	20,000	4.7	2,900
Inferred	Mystery	14,000	25.0	11,000
Total Inferred		550,000	19.0	330,000
Total Resources (* Crown excluded)		660,000	17.0	350,000

Note: - Data sources include historic bullion samples, drill holes and underground channel samples

- Mineral Resources are reported on a 100% basis to a nominal 2.2 Bullion equivalent grams per tonne cut-off grade which was determined in 2017 based on estimates of mining costs, metallurgical recoveries, treatment and refining costs, general and administration costs, royalties, and commodity prices.
- Ounces are estimates of metal contained in the Mineral Resource and do not include allowances for processing losses.
- For reporting purposes, all resources are reported as equivalent bullion values, due to bullion values rather than gold and silver grades being the only grade information that is available for historic channel samples. Conversion of more recent gold and silver values to equivalent bullion values uses the formula: Equivalent bullion grade = Gold grade + (Silver grade * 0.031609), which is based on historical prices of gold and silver. The equivalent bullion value of the resource is the same as an estimated gold equivalent grade due to the manner in which the historic and modern bullion values have been determined. Bullion conversions by NTL were based on a constant gold price of at £4-6s-0d/oz or USD20.47/oz during the period of historical production. Silver prices ranged from USD 0.49 to USD 1.03/oz.
- Tonnage and grade measurements are in metric units. Gold ounces are reported as troy ounces. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.

The table opposite excludes the Mineral Resource Estimate for the Crown/Welcome vein system, that were not reassessed during 2019 and were not included in the review by AMC but remain part of the total Talisman Mineral Resource. Resources attributable to the Crown/Welcome system are estimated previously at 31,000 equivalent bullion ounces. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. A revised assessment of the resource potential of Crown/Welcome, conforming to the reporting standards of the 2012 JORC Code, is planned for the future and will include the remaining data acquired in 2004. The more detailed information, including JORC table 1, was released to the market on 24/06/2020. Please see the full report at <https://www.asx.com.au/asxpdf/20200624/pdf/44jxg7jlm05d5q.pdf>

NTL is aware that the updated estimate of mineral resources within the Maria and Mystery Veins, as well as the change in gold price, are likely to have a material effect on the outcome of any previously announced studies and/or Ore Reserves. In the coming year further sampling and exploration activities at the mine will aim to identify key exploration targets with a focus on supporting the Mystery vein developments.

Metallurgical testwork and Processing plant

The primary effort in the first half of the financial year was directed towards securing a means of processing the ore produced at the mine. This has involved procurement, consenting and operation of a pilot processing plant to verify previous metallurgical testwork results. The pilot plant comprises scaled-down processing units (jaw crusher, rod mill, centrifuge, shaker table) that replicate the operations of a commercial plant to the same design as was used in metallurgical testwork carried out in South Africa. The plant relies on gravitational effect to separate gold and other metals from the host rock, resulting in a metal concentrate, which can be treated further or sold directly, and inert tailings that can be disposed of in a number of ways without any environmental consequences.

It is likely that these tailings will have a commercial value through use in industrial applications which will contribute towards the overall value of the project while at the same time relieving the company of the cost of disposal.

This critical milestone allows the scoping siting and ultimately procurement of a suitable plant meeting higher volumes with an application for resource consent for the larger plant to be lodged once the specific plant has been identified. While a number of plants which may suit have been located the travel restrictions still in place mean site visits may be some time away.

The process schematic of the proposed flowsheet and plant process is shown below.

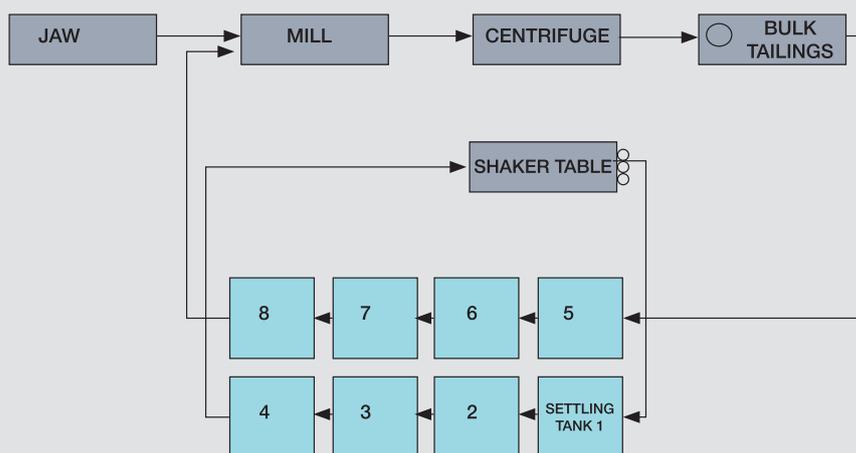


Figure 1: Process flow diagram

Following grant of resource consent in early July commissioning of the plant was completed and processing of the high-grade samples taken from the Talisman Mine commenced early in the September quarter.

Testwork Results

Phase 1 of the testwork was completed during the year and positive results been obtained. The full results are contained in the following market announcement <https://www.asx.com.au/asxpdf/20191031/pdf/44b43j3bbh8kx0.pdf> and are discussed in subsequent sections.

Grind size

A particle size analysis of samples taken of ore exiting the mill was carried out by SGS analytical laboratories. The results of these tests confirm that the mill is effective at achieving the desired grind size with 98% of the ore less than 100µm and 96.1% less than 75µm.

Primary Recovery

In order to quantify the effectiveness of gold recovery into the primary concentrate a total of nine test batches were run, six on ore sourced from the Dubbo Zone and three from Mystery. The results are as follows:

- On average 64% of the gold and 38% of the silver is recovered into 15% of the ore i.e. each tonne of ore treated yields 150kg of concentrate;
- The average feed grade for Maria Ore was 10.05 g/t and for the Mystery Vein 9.61g/t both measured through sampling of mill output;
- Concentrate grade of 41.5g/t was achieved for the Maria vein and 40.7g/t for the Mystery Vein;

The results prove that the process is capable of producing a concentrate that can be sold directly to a third-party operator.

Secondary Concentrate

The effectiveness of further processing concentrate over the shaker table was quantified through the treatment of approximately 40kg of primary concentrate in two batches which yielded 650g and 600g of secondary concentrate at grades of 989g/t gold and 4,120g/t silver, and 876g/t gold and 2800 g/t silver respectively. High levels of other metals such as iron, copper and zinc are reported in the concentrate. Approximately 1.2kg of this concentrate has been produced to date.

While there is significant opportunity to improve on the above results through varying of grind size etc. the results have provided the company with sufficient confidence in the process to proceed with the design and costing of a larger facility to cater for the needs of the project.



The ability to replicate the results is of primary importance to the consent, design and commissioning of a commercial scale gold processing plant capable of processing the mines planned output.

Plant configuration and design

The company carried out the initial design work for the larger gravity plant by Terra Firma. Terra Firma have also expressed interest in working with the company to develop a larger capacity plant and, with completion of Phase 1 both parties are now able to negotiate commercial terms

CORPORATE

During the period the company progressed discussions with a number of parties who have approached the company on the Talisman Mine project, once the second phase of metallurgical testwork is complete the board will be in a better position to contemplate commercial proposals.

Joint venture opportunity

While planning has been focused on the development of a plant internally, the board determined that there is a potential opportunity for a third party to finance the plant or part of a plant with NTL reducing the funding requirement from shareholders for a processing capability which did not form part of the previous capital raising. The development of a processing facility is the key focus currently further highlighted with the recent closure of the Waihi plant leaving no processing facility in the area for potential toll treatment in the near term. While yet to reach a commercial conclusion, the company is confident that it may secure a partner to develop a processing and milling function which is currently absent from the NZ market. This will allow the company to focus its resources on extractive activities and evaluate the potential mineral targets which have been further highlighted in the updated 2019 MRE report, through to exploration activities with potential to enhance the various resource categories and support the growing geological concept around the Mystery Vein amongst other near term targets.

Corporate discussions have been underway for some time with both Terra Firma Mining, New Talisman's contractor, and a NZ based group focused on the minerals industry, in regard to the potential for a long term toll treatment agreement to be offered by New Talisman in return for building operating and financing a regionally based plant. NTL is currently developing a base case which would deliver a processing capability for Talisman and provide excess capacity for Talisman's long term needs as well as a number of projects which would be viable if a processing capability was available. NTL has identified three projects that are targeted for engagement following the team completing market soundings on the level of interest in a fixed rate per tonne processing fee. Discussions suggested that consolidation of feedstock from mining projects which are capable of extracting ore but have no processing capability may be viable.

A business planning memorandum is currently underway in order to evaluate the economic viability of a processing plant in a joint venture which would allow NTL to accelerate the developments at the mine and allow increased volumes of ore to be extracted and stockpiled while the plant is being commissioned.

Work also continues on the planning and costings to attain a resource consent application for full mining in line with the 15 years remaining on the mine permit and expert consultants were engaged to assist in the application process.

Summary

2020 has been a year not as planned but we continue to progress amid the charged political environment and continuing covid complications. We anticipate the balance of 2020 year to require careful navigation however we aim to continue progressing the development plan as we head toward production. It has only been in recent weeks following the removal of most restrictions that the mine has been able to be accessed so that the planning for blasting at Mystery could be completed. Terra Firma have now completed the planning activities for Mystery aimed at both driving the face forward as well as seeking to confirm that the encouraging gold grades sampled continue along strike. This has the potential to deliver both tonnage of paydirt for stockpiling and important geological data supporting the Mystery – Rhoderick Dhu geological concept.

The Board took measures early in the year to conserve the company's cash and a 20% reduction to directors fees, management costs and corporate overheads was made prior to the issue of an SPP raising 3.6M these reductions remain in place and the board continues to maintain cost controls in activities being undertaken.

With extraction commencing and resulting ore being stockpiled the strategy is to align the processing capability so as Ore can be processed once the resource consent which has a 2 year limit is triggered.

The Mineral Resource Estimate which was completed in 2017 was peer reviewed in 2018 and the recommendations resulted in the decision to update the Mineral Resource Estimate by an independent Senior Geologist and engage an expert to peer review the updated MRE. The completion of the updated Mineral Resource estimate and peer review of such by internationally recognized AMC Consultants confirmed that the estimate is reported in accordance with the JORC Code 2012 edition. The completion of the recent MRE and other new data gained during the year has supported the near term focus on the highly prospective and recently discovered Mystery vein.

The core focus is on the development of a processing route for the ore so as to ensure that the bulk sampling resource consent is not deemed to have commenced until the first ore is transported from the mine portal to the plant.

During the year the company advanced both areas of underground operations and resource development.

Tenement Holdings

Project	Permit Number	Ownership
Talisman	MMP 51326	100% New Talisman Gold Mines Ltd
Rahu	MEP 60144	100% Rahu Resources Pty Ltd a 100% owned subsidiary of NTL

Competent Persons Statements

The information in the report to which this statement is attached that relates to Exploration Targets or Mineral Resources contained within the Maria and Mystery Vein systems is based on information compiled by Jackie Hobbins, a Competent Person who is a Member of the Australian Institute of Geoscientists. She 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'. Ms Hobbins is an independent consultant employed by Hobbins Consulting Limited and has no financial interests in New Talisman Gold Mines Limited or any associated companies and was remunerated for this report on a standard fee for time basis.

The information in this report that relates to exploration results, exploration targets and mineral resources contained within the Crown and Welcome vein systems is based on information compiled by or supervised by Mr Murray Stevens. Mr Stevens is a consulting geologist and director of New Talisman Gold Mines Ltd, 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".



From L-R: Murray Stevens, Tony Haworth, Charbel Nader, Matt Hill

BOARD OF DIRECTORS

Mr Charbel Nader B.com, M App Fin, CA, CTA

Chairman and Non-executive Director

Mr Nader is an investment banker with extensive experience in corporate finance and strategic advisory and board roles, including experience in mergers and acquisitions project finance. Charbel has worked across a range of industries and has expertise in the finance of capital intensive projects with volatile returns. Charbel was formerly deputy chairman of Aspermont Ltd publisher of the Mining Journal and organiser of the Mines and Money events in Hong Kong, London and Melbourne.

Mr Nader was, head of Pitt Capital Partners Melbourne office (a subsidiary of Washington H Soul Pattinson), and founding Chairman of a successful media start up and oversaw its sale to Fairfax Ltd for in excess of \$100m. He is Non-Executive Director of Madman Entertainment, distributor of the highly successful New Zealand film *The Hunt for the Wilderpeople*. He has been a director of gold mining companies with assets in Hungary. Mr Nader is a non executive Director of United Networks Ltd, Chairman Growth Factor Ltd. He has a Bachelor of Commerce and Masters of Applied Finance from the University of Melbourne, is Chartered Accountant and is fellow of the Tax Institute of Australia. First appointed August 24, 2016 and re-elected September 18, 2019

Matthew Geoffrey Hill MBA, MAICD, Ffin

Chief Executive Officer

Mr Hill is an Executive Director of International Pacific Capital Limited, and Managing Director of Asia Pacific Capital Group Limited. Matthew is an experienced merchant banker having worked previously at Potter Warburg (now UBS); Eventures (a joint venture between Newscorp and Softbank); Pitt Capital and Souls Private Equity Limited. Matthew specialises in resources and company listings on the ASX and NZX.

Matthew has been responsible for leading the company from exploration into the development phase at the Talisman mine since his appointment in late 2012 and is primarily responsible for day to day operations and capital raising initiatives of the company. Mr. Hill is a non-executive director of Broken Hill Prospecting Limited ASX:BPL which holds interests the Thackaringa cobalt project near Broken Hill in NSW Australia and a portfolio heavy mineral sands tenements in the Murray Basin. Matthew is also alternate director for Geoffrey Hill on Pacific American Coal ASX:PAK .

Mr Hill Holds a Graduate Diploma in Applied Finance and Master of Business Administration. He is a fellow of the FINSIA and a member of the Australian Institute of Company Directors.

Mr Hill was appointed to the New Talisman Board as Alternate Director for Geoffrey Hill on 1 December 1999, and has served as a full Director for nearly 13 years since his appointment on 10 October 2006 and Appointed as CEO/Managing Director on 3 September 2012. Re-elected September 18, 2019.

Mr Murray Ronald Stevens, BSc, MSc(Hons), Dip.Geol.Sci, MAusIMM

Non-executive Director

Mr Stevens has BSc and MSc (Hons) degrees in geology from the University of Auckland and a Post-graduate Diploma in Geoscience from Macquarie University in Sydney majoring in Mineral Economics.

Mr Stevens has over than 35 years of experience as a geologist and has provided consulting services to NTL since 2002.

Mr Stevens has extensive expertise exploring for epithermal gold deposits in the Coromandel and the wider Asia-Pacific region. He has held Senior Management and consulting roles in a number of public and private companies and was NTL's (formerly Heritage Gold Ltd) first Exploration Manager from 1987 to 1996. He was instrumental in recognizing the potential for the Talisman Mine and the Rahu area when NTL acquired these areas in the early 1990's. Murray played a key role in the original discovery made at Rahu and was the exploration consultant for NTL when the work undertaken between 2003 and 2006 delineated the current resources at Talisman.

First appointed May 9, 2016 and re-elected September 20, 2017.

Mr Tony Haworth, M.Sc (Tech), M.Sc (Fin), M.AusIMM, MAICD

Independent Director

Mr Haworth has over 20 years' experience spanning a variety of geological, corporate, finance and governance roles across the minerals industry and as a corporate adviser and investment banker.

Mr Haworth began his career as an Exploration Geologist with Heritage Gold (now NTL) and has worked in New Zealand and offshore for a range of private and public listed companies. His other previous roles include General Manager of Mawarid Mining (formerly National Mining Company) in Oman, Director of Liberty Gold Corporation in London and Director at New Zealand corporate advisory firm Campbell MacPherson Ltd. He is currently an Investment Manager with New Zealand Trade & Enterprise.

Mr Haworth holds a Masters in Finance from London Business School and a Masters in Earth Science from the University of Waikato. He is a corporate Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors. First appointed August 24, 2016 and re-elected September 12, 2018.

AUDITOR'S REPORT

Scott Bennison

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INDEPENDENT AUDITOR'S REPORT

To the Members of New Talisman Gold Mines Limited

Report on the Financial Statements.

Opinion

We have audited the financial report of New Talisman Gold Mines Limited ("the company") and its subsidiaries (together "the group"), which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the group, and the notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report present fairly, in all material respects, the financial position of the group as at 31 March 2020 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than our capacity as auditor, we have no other relationship with, or interest in New Talisman Gold Mines Limited and its subsidiaries.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of mining tenements Refer to note 9 (Assets under Construction)</p> <p>At 31 March 2020, the Group has capitalised mining tenement costs of NZ\$13.1m. IAS 136, 'Impairment of Assets' requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.</p> <p>The Group's assessment of the recoverable amount of its producing and non producing Ore Reserves was a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of recoverable amounts incorporated significant internal and external judgments and assumptions including commodity prices, available reserves, residual values and discount rates.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Assessing whether the external expert that had been engaged by management to provide independent valuations was appropriately experienced and qualified;• We evaluated management's key assumptions and estimates used to determine the recoverable amount of its assets, including those related to forecast commodity prices and revenue costs, discounted rates and estimated residual values;• We checked the mathematical accuracy of the cash flow models, testing inputs, from valuation reports produced, as well as external inputs, including spot and forecast process for gold at the reporting date;• We assessed the accuracy of management's forecasting by assessing the reliability of historical forecasts and reviewing whether current market conditions would impact those forecasts; and• Assessing whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.• Technical Valuation Report dated 8 June 2018 prepared by GEOS Mining.

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Information Other than the Financial Statements and Auditor's Report

The directors of the company are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' Responsibilities for the Financial Report

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

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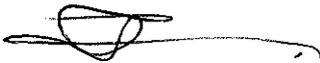
aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at External Reporting Board's website: https://www.xrb.govt.nz/Site/Auditing_AssuranceStandards/CurrentStandards/Page1.aspx. This description forms part of our auditor's report.

Report on the Other Legal and Regulatory Requirements

The engagement partner on the audit resulting in this independent auditor's report is Scott Bennison.

Scott Bennison
A Partner of KS Black & Co
Chartered Accountants



Dated: 29 June 2020
Sydney

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NEW TALISMAN GOLD MINES LIMITED

Statement of Comprehensive Income

For year ended 31 March 2020

	Note	Group		Parent	
		2020 NZ\$	2019 NZ\$	2020 NZ\$	2019 NZ\$
Continuing Operations					
Other Operating income	2	39,511	86,734	39,511	86,734
Operating and administrative expenses	3, 4	(996,071)	(1,290,061)	(972,000)	(1,276,164)
Exploration costs written off	10	(2,757,313)	-	-	-
Gain/(loss) from operations		(3,713,873)	(1,203,327)	(932,489)	(1,189,430)
Net profit/(loss) for the year		(3,713,873)	(1,203,327)	(932,489)	(1,189,430)
Other Comprehensive Income / (Loss)		-	1,783	-	1,783
Total comprehensive income/(loss)		(3,713,873)	(1,201,544)	(932,489)	(1,187,647)
Net profit/(loss) attributable to equity holders of the parent		(3,713,873)	(1,201,544)	(932,489)	(1,187,647)
Comprehensive profit/(loss) attributable to equity holders of the parent		(3,713,873)	(1,201,544)	(932,489)	(1,187,647)
Earnings per share					
Basic earnings/(loss) per share					
From continuing operations		(0.15) cent	(0.06) cent	(0.04) cent	(0.05) cent
Diluted earnings/(loss) per share					
From continuing operations		(0.15) cent	(0.06) cent	(0.04) cent	(0.05) cent

The accompanying notes form part of these financial statements

NEW TALISMAN GOLD MINES LIMITED

Statement of Changes in Equity

For the Year Ended 31 March 2020

	Note	Group 2020				Group 2019			
		Share Capital	Capital Reserves	Retained Earnings	Total Equity	Share Capital	Capital Reserves	Retained Earnings	Total Equity
		NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Profit/(Loss)		-	-	(3,713,873)	(3,713,873)	-	-	(1,203,327)	(1,203,327)
Other comprehensive income/(loss)		-	-	-	-	-	1,783	-	1,783
Proceeds from share capital issued		-	-	-	-	-	-	-	-
Transfer to accumulated income	7	-	-	-	-	-	-	-	-
Equity at beginning of year		38,216,371	-	(18,562,587)	19,653,784	34,590,849	-	(17,361,043)	17,229,806
Equity at end of year	7	38,216,371	-	(22,276,460)	15,939,911	34,590,849	-	(18,562,587)	16,028,262
		Parent 2020				Parent 2019			
	Note	Share Capital	Capital Reserves	Retained Earnings	Total Equity	Share Capital	Capital Reserves	Retained Earnings	Total Equity
		NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Total comprehensive income/(loss)		-	-	(932,489)	(932,489)	-	-	(1,187,647)	(1,187,647)
Proceeds from share capital issued		-	-	-	-	-	-	-	-
Transfer to accumulated income	7	-	-	-	-	-	-	-	-
Equity at beginning of year		38,216,371	-	(21,278,596)	16,937,775	34,590,849	-	(20,090,949)	14,499,900
Equity at end of year	7	38,216,371	-	(22,211,085)	16,005,286	34,590,849	-	(21,278,596)	13,312,253

The accompanying notes form part of these financial statements

NEW TALISMAN GOLD MINES LIMITED

Statement of Financial Position

As at 31 March 2020

Equity	Note	Group		Parent	
		2020 NZ\$	2019 NZ\$	2020 NZ\$	2019 NZ\$
Attributable to parent company shareholders	7	15,939,911	16,028,262	16,005,286	13,312,253
		15,939,911	16,028,262	16,005,286	13,312,253
Term liabilities					
Rehabilitation Reserve	9	32,215	32,215	32,215	32,215
Total term liabilities		32,215	32,215	32,215	32,215
Current liabilities					
Payables	20	72,511	402,046	72,511	402,046
Employee benefits	21	18,240	19,997	18,240	19,997
Total current liabilities		90,751	422,043	90,751	422,043
Total liabilities		122,966	454,258	122,966	454,258
Total equity and liabilities		16,062,877	16,482,520	16,128,252	13,766,511
Current assets					
Cash		2,495,718	1,243,656	2,495,718	1,243,656
Receivables and prepayments	22	178,617	172,066	245,266	206,641
Total current assets		2,674,337	1,415,722	2,740,984	1,450,297
Non-current assets					
Property, plant & equipment	9	227,421	259,960	227,421	259,960
Assets under construction	9	13,143,901	12,034,575	13,143,901	12,034,575
Intangible exploration assets	10	11,637	2,760,950	10,575	10,575
Investments	11	5,581	11,313	5,371	11,104
Total non-current assets		13,388,540	15,066,798	13,387,268	12,316,214
Total assets		16,062,877	16,482,520	16,128,252	13,766,511

For and on behalf of the Board:



C Nader (Chairman)
29 June 2020



M G Hill
29 June 2020

The accompanying notes form part of these financial statements . * See note 13.

NEW TALISMAN GOLD MINES LIMITED

Statement of Cash Flows

For year ended 31 March 2020

	Note	Group		Parent	
		2020 NZ\$	2019 NZ\$	2020 NZ\$	2019 NZ\$
Cash flows from operating activities					
<i>Cash was provided from:</i>					
Interest received		4,463	62,081	4,463	62,081
Other		-	-	-	-
		4,463	62,081	4,463	62,081
<i>Cash was disbursed to:</i>					
Payments to suppliers		(1,213,341)	(1,115,353)	(1,221,341)	(1,115,353)
Rent		(23,414)	(25,508)	(23,414)	(25,508)
Payments to and on behalf of employees		-	-	-	-
		(1,236,755)	(1,140,861)	(1,244,755)	(1,140,861)
Net cash outflows from operating activities	15	(1,232,292)	(1,078,780)	(1,240,292)	(1,078,780)
Cash flows from investing activities					
<i>Cash was provided from:</i>					
Intercompany loan repayments		-	-	-	-
Proceeds from sale of shares		-	-	-	-
		-	-	-	-
<i>Cash was applied to:</i>					
Prospecting and mine development expenditure		(1,117,326)	(2,277,704)	(1,109,326)	(2,256,183)
Purchase of property, plant and equipment		(19,169)	(217,188)	(19,169)	(217,188)
Intercompany loans		-	-	-	(21,521)
		(1,136,495)	(2,494,892)	(1,128,495)	(2,494,892)
Net cash outflows from investing activities		(1,136,495)	(2,494,892)	(1,128,495)	(2,494,892)
Cash flows from financing activities					
<i>Cash was provided from:</i>					
Issue of shares		3,625,522	-	3,625,522	-
		3,625,522	-	3,625,522	-
<i>Cash was applied to:</i>					
Issue of shares		-	-	-	-
		-	-	-	-
Net cash inflows from financing activities		3,625,522	-	3,625,522	-
Net increase /(decrease) in cash held		1,256,735	(3,573,672)	1,256,735	(3,573,672)
Effect of changes in exchange rates		(4,673)	(11,422)	(4,673)	(11,422)
Cash at beginning of year		1,243,656	4,828,750	1,243,656	4,828,750
Cash at end of year		2,495,718	1,243,656	2,495,718	1,243,656
CASH COMPRISES:					
Cash		2,390,718	121,884	2,390,718	121,884
Short term deposits		105,000	1,121,772	105,000	1,121,772
		2,495,718	1,243,656	2,495,718	1,243,656

All cash balances are available without restriction except for NZ\$105,000 held on deposit as security for guarantees issued by the bank. The bank holds a \$75,000 bond on behalf of the NZ Stock Exchange for the term of the exchange listing and a \$30,000 bond on behalf of the Department of Conservation held for any potential mining rehabilitation.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

New Talisman Gold Mines Limited is a profit-oriented company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).

The company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the financial statements of the company and group have been prepared in accordance with the Financial Markets Conduct Act 2013 and comply with NZX Listing Rule 10.6.1 with the exception that separate financial statements for the parent have been presented as the parent engages in the majority of the group's business activities.

The group consists of New Talisman Gold Mines Limited (the "company") and its subsidiaries (the "group") and these financial statements comprise the separate financial statements of the parent company and the consolidated financial statements of the group. The group is engaged in mine development and mineral exploration.

These financial statements were approved for issue by the Directors on 29 June 2020.

Statement of compliance

These consolidated and parent financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP), the requirements of the Companies Act 1993 and comply with New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS).

Measurement base

The accounting principles adopted are those recognised as appropriate for the measurement and reporting of financial performance and financial position on the historical cost basis modified by the revaluation of certain assets. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The information is presented in New Zealand dollars which is the company's functional currency.

Use of estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The group has made significant accounting estimates in respect of:

- the assessment of impairment to capitalised exploration and development expenditure, and
- the anticipated rehabilitation costs at the conclusion of mining. The estimate does not have a profit effect in the current year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Specific accounting policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied consistently.

(a) Prospecting costs

Acquisition, exploration and development expenditure on exploration and mining tenements is initially recorded at cost. Exploration and evaluation costs are capitalised as deferred expenditure.

In the event where exploration demonstrates a permit area is no longer prospective for economically recoverable reserves, or the exploration or prospecting permit is relinquished, the value or cost of the tenement is immediately recognised as an expense in the statement of comprehensive income.

Prospecting costs are expected to be recovered from future mining revenues. The recoverability of exploration and evaluation assets is contingent upon future events, such as technical success and commercial development, sale of the area of interest, the results of further exploration, agreements entered into with other parties, and also upon meeting commitments under the terms of the permits.

(b) Mining tenements

When a tenement is assessed as capable of sustaining commercial mining operations, capitalised exploration and evaluation expenditure is reclassified as assets under construction and is disclosed as a component of property, plant and equipment. All subsequent development expenditure, net of any proceeds from ore sales during the development stage, is capitalised and classified as assets under construction. On completion of development, the value or cost of accumulated exploration and development costs will be reclassified as other mineral assets and amortised on the basis of units of production over the expected productive life of the mine. Provisions for closure and rehabilitation are initially recognised when an environmental disturbance first occurs. The estimate for the rehabilitation provision is reviewed by management at each reporting date and an assessment is made on whether the estimate continues to reflect the company's present legal and constructive obligations.

(c) Property plant and equipment

All property, plant and equipment is initially recorded at cost.

When an item of property, plant and equipment is disposed of, the gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between the sale price and the carrying value.

(d) Depreciation

Depreciation is provided on all tangible property, plant and equipment on a straight line basis at rates calculated to allocate the difference between the cost and residual values of each asset over its estimated useful life. For this purpose, the company has adopted the depreciation rates set by the Inland Revenue Department as appropriate.

Rates used during the year were:

Computer software and hardware	Straight line	13.5-50%
Field equipment	Straight line	7-30%
Fixtures and fittings	Straight line	9-10%
Motor Vehicles	Straight line	10.5-30%

(e) Impairment of assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount and the write down recognised as an expense in the statement of comprehensive income. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the carrying value of intangible capitalised exploration expenditure exceeds the value determined by an independent valuation, the asset is written down and the write-down recognised as an expense. A reversal of an impairment loss for an asset is recognised immediately in the statement of comprehensive income.

(f) Segment information

Operating segments are reported if:

- Revenue is 10% or more of combined operating segment revenues;
- The absolute value of profit or loss is greater than 10% of the combined reported profits or losses of all operating segments, whichever is greater;
- Assets are 10% or more of the combined assets of all operating segments; or

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

- Information about the segment would be useful to users of the financial statements.

(g) Income tax

The company is a mining company for New Zealand tax purposes. All exploration and development expenditure, including the cost of mining assets, is tax deductible in the year the expenditure is incurred. Mining losses can be set off against non-mining income in the ratio 3:2.

Deferred taxation assets are recognised in the financial statements only to the extent that it is probable that there will be future taxable profit to utilise them.

(h) Share capital

Ordinary shares and options are classified as equity. Direct costs of issuing shares and options are deducted from the proceeds of the issue.

(i) Cash flows

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less.

(j) Employee entitlements

The liability for annual leave is accrued and recognised in the statement of financial position. Annual leave is recorded at the undiscounted amount expected to be paid for the entitlement earned.

(k) Foreign currencies

Transactions in foreign currencies are converted into NZ currency at the rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange variations resulting from these translations are recognised in the statement of comprehensive income.

(l) Leases

New Talisman group leases certain equipment, land and buildings on a short term basis or of low value assets. The lease payments are included in the statement of comprehensive income in equal instalments over the lease term.

Lease of right to use assets are capitalised at the lower of fair value and the present value of the minimum lease payments. Leased assets are recognised at cost and depreciated over their respective estimated useful lives.

(m) Basis of consolidation

The consolidated financial statements include the parent company and all subsidiaries over which the parent company has the power to control the financial reporting and operating policies. The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intercompany transactions are eliminated on consolidation. In the parent company's separate financial statements, the investment in subsidiaries is stated at cost less any impairment losses.

(n) Financial instruments

Financial instruments recognised in the statement of financial position include cash balances, receivables, payables, investments in and loans to others and borrowing. The parent and group have no off-balance sheet financial instruments.

- Receivables and payables

Receivables and payables are initially recorded at fair value and subsequently at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts).

The resulting carrying amount for receivables is not materially different from estimated realisable value.

- Share investments

Share investments in listed companies are designated as financial assets at fair value. They are initially recorded at cost and subsequently at market value. Gains or losses are recorded in profit or loss. Share investments in unlisted companies cannot be reliably valued. They are therefore carried at cost less any impairment losses. Impairment losses, once recognised, are not reversed even if the circumstances leading to the impairment are resolved.

A gain or loss on financial instruments stated at market value is recognised in the statement of comprehensive income.

(o) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST. The net amount of GST recoverable or payable is included as part of the receivables or payables balance in the statement of financial position.

(p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders outstanding, adjusted for the effects of all dilutive potential ordinary shares, comprising share options.

(q) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of GST. Revenue is recognised when the significant risks and rewards of ownership of gold-bearing ore have been transferred to the buyer.

(r) Change in Accounting Policies

The Group has adopted NZ IFRS 16 during the period (please refer to (s) for further details. There have been no other significant changes in accounting policies. All policies have been applied on bases consistent with those used in the prior period.

(s) New and revised standards

Adoption of Standards, Interpretations and modifications

Adoption of NZ IFRS 16 Leases:

The Group has adopted NZ IFRS 16 during the year. NZ IFRS 16 has had minimal impact on the Group's statement of comprehensive income as the Group only have short term leases which continue to be recognised in the statement of comprehensive income on a cost basis.

The Group does not lease any right of use assets that are not low value assets.

The permits held by the Group for the exploration of the mine has not been capitalised as permitted by NZ IFRS 16.

(t) Inventories

Inventories are valued at the lower of weighted average cost and net realisable value. Costs include mining and production costs as well as commercial, environmental, health and safety expenses, and stock movements.

2. OPERATING INCOME

	Group Mar 2020 NZ\$	Group Mar 2019 NZ\$	Parent Mar 2020 NZ\$	Parent Mar 2019 NZ\$
Interest	4,463	52,252	4,463	52,252
Reimbursement of Expenditure	-	-	-	-
Sundry income	35,048	34,482	35,048	34,482
Total operating income	39,511	86,734	39,511	86,734

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

3. OPERATING AND ADMINISTRATION EXPENSES BY NATURE

	Group Mar 2020 NZ\$	Group Mar 2019 NZ\$	Parent Mar 2020 NZ\$	Parent Mar 2019 NZ\$
Auditor's fees – auditing financial statements	33,119	34,058	34,058	34,058
Consultancy Fees	116,456	44,379	34,503	34,503
Depreciation	51,708	46,906	46,906	46,906
Director fees	136,426	140,000	140,000	140,000
Foreign exchange loss/(gain)	4,673	11,426	11,426	11,426
Kiwisaver	3,980	5,025	5,025	5,025
Legal fees	26,642	97,167	97,167	97,167
Rental and lease costs	23,414	25,508	25,508	25,508
Share revaluation loss/(gain)	5,732	44,685	44,685	44,685
Other	593,921	840,907	836,886	836,886
Total administration expenses	996,071	1,290,061	1,276,164	1,276,164

4. DIRECTOR AND EMPLOYEE REMUNERATION

Director remuneration

	2020 NZ\$	2018 NZ\$
MG Hill (Executive Director)*	306,000	415,000
C Nader	68,426	50,000
J M McKee	-	10,000
A V Haworth	34,000	40,000
M R Stevens	34,000	40,000

*Of which \$39,780 (2019: \$101,800) is expensed as consultancy fees and the remainder is capitalised in the Statement of Financial Position as Talisman development expenditure. The development expenditure amount is based on time spent on directly attributable mine development activities.

Director fees paid were reduced by 20% effective 1 September 2019.

During the reporting period, no options were issued to directors or employees. In the prior year, no options were issued to directors or employees.

Remuneration of Employees

During the reporting period, one employee received remuneration and benefits of between \$170,000 and \$180,000. The remuneration included Kiwisaver contributions of \$3,980.

Employee share option plan

	2020 Number	2019 Number
Unlisted options Issued to employees	-	-
Unlisted options Issued to directors	-	-
Total unlisted options issued during the period	-	-
Balance of options at start of period	Nil	4,250,000
Unlisted options converted to fully paid shares during the period	Nil	Nil
Options cancelled during the period	Nil	4,250,000
Unlisted options on issue at end of the period	Nil	Nil

5. TAXATION

	Group 2020 NZ\$	Group 2019 NZ\$	Parent 2020 NZ\$	Parent 2019 NZ\$
Operating loss before taxation	(3,713,873)	(1,203,327)	(932,489)	(1,189,430)
Prima facie income tax at 28%	(1,039,884)	(336,932)	(261,097)	(333,040)
Add/(subtract) the taxation effect of permanent differences:				
Capital Loss on Disposal of Investments	-	-	-	-
IRD Penalties	-	154	-	154
Non-Deductable Legal Fees Adjustment	6,612	-	6,612	-
Non-Deductable Entertainment Adjustment	158	272	158	272
Other Non-Deductable Expenses	14,419	-	14,419	-
Tax losses not recognised	(1,018,695)	(336,506)	(239,908)	(332,614)
Temporary differences not recognised	(600)	-	(600)	-
Income tax expense/(benefit) not recognised	(1,019,295)	(336,506)	(240,508)	(332,614)

Deferred tax will not be recognised unless future taxable profit is probable.

The parent company has the following estimated taxation losses available:

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

- (a) mining losses to offset against future mining income of NZ\$10,886,706 (2019: NZ\$10,878,656) and
 (b) non-mining taxation losses of NZ\$17,128,268 (2019: NZ\$16,029,805).

The mining losses are currently being assessed by the IRD and the company is working closely with their representatives to confirm balances brought forward from previous years. Such losses will only be available to be offset if:

- (a) the company derives future assessable income of a nature and an amount sufficient to enable the benefit of the losses to be realised;
 (b) the company continues to comply with the conditions for deductibility imposed by the law;
 (c) there are no adverse changes in tax legislation or tax rates which affect the company in realising the benefit from the deduction for the losses.

At balance date the company's imputation credit account balance was \$8,944.40 (2019: \$8,943.45).

6. SEGMENT INFORMATION

During the current period, the company had only one business segment - mineral exploration, within New Zealand.

7. EQUITY & RESERVES

Equity	Group 2020 NZ\$	Group 2019 NZ\$	Parent 2020 NZ\$	Parent 2019 NZ\$
Share capital	38,216,371	34,590,849	38,216,371	34,590,849
Capital reserve	-	-	-	-
Share premium reserve	-	-	-	-
Asset revaluation reserve	-	-	-	-
Share revaluation reserve	-	-	-	-
Accumulated deficit	(22,276,460)	(18,562,587)	(22,211,085)	(21,278,596)
Total parent shareholder equity	15,939,911	16,028,262	16,005,286	13,312,253

The group's capital is managed with the objective of maintaining adequate working capital so that all obligations can be met on time. All components of equity are regarded as "capital". All internal capital management objectives have been met. This has not changed since last year.

Accumulated deficit	Group 2020 NZ\$	Group 2019 NZ\$	Parent 2020 NZ\$	Parent 2019 NZ\$
Balance at beginning of year	(18,562,587)	(17,361,043)	(21,278,596)	(20,090,949)
Net loss attributable to shareholders	(3,713,873)	(1,203,327)	(932,489)	(1,189,430)
Other Comprehensive Income	-	1,783	-	1,783
Transfer of Reserves	-	-	-	-
Balance at end of year	(22,276,460)	(18,562,587)	(22,211,085)	(21,278,596)

Share capital	Group and Parent			
	2020 Number	2019 Number	2020 NZ\$	2019 NZ\$
Ordinary shares				
Balance beginning of year	2,164,503,303	2,164,503,303	34,590,849	34,590,849
Shares Issued	527,681,022	-	3,625,522	-
Transfer from Reserves	-	-	-	-
Balance at end of year	2,692,184,325	2,164,503,303	38,216,371	34,590,849

All authorised shares have been issued, are fully paid, have equal voting rights and will share equally in dividends and surplus on winding up. The shares have no par value.

Share based payments

There were no share-based payment arrangements that existed during the period under review. (2019: Nil)

Transfer of Reserves

During the period under review all Asset Revaluation, Share Premium and Capital reserves were transferred to Accumulated Income.

Listed options

Listed options	Group and Parent	
	2020 Number	2019 Number
Balance at beginning of year	17,036,384	17,036,384
Expired Options	-	-
Issued Options	-	-
Balance at end of year	17,036,384	17,036,384

Listed options can be exercised on or before 30 September 2022. Conversion price is A\$0.055. When exercised, one option will convert to one fully paid ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

Unlisted Options

	Group and Parent	
	2020 Number	2019 Number
Options issued to employees:		
Opening Balance of options on issue	1,250,000	1,250,000
Unlisted options cancelled during period	1,250,000	1,250,000
Unlisted options converted to fully paid share at A 1.1 cent each	-	-
Total unlisted options on issue to employees	-	-
Options issued to directors:		
Unlisted options issued during the period	-	-
Total unlisted options on issue to directors	-	-
Total unlisted options on issue at end of year	-	-
Total listed and unlisted options on issue at end of year	17,036,384	17,036,384

Options issued to directors and employees have not been recognised in these financial statements because they were issued for no consideration during a rights issue.

Nil unlisted employee options were converted during the year (Last Year Nil).

New Talisman Gold Mines Limited issued 527,681,022 ordinary shares during the period. These newly issued shares were issued as part of a share purchase plan whereby New Talisman Gold Mines Limited will issue or transfer to each shareholder that were issued shares under the share purchase plan 1 loyalty share for every 5 shares provided the shareholder continues to hold those shares on 26 June 2020. The loyalty shares will be issued for nil additional consideration. The share purchase plan loyalty shares will potentially give rise to 105,536,204 new shares being issued.

8. RELATED PARTY TRANSACTIONS

Payments for consulting services to companies in which directors and major shareholders have a substantial interest amounted to NZ\$328,629 (2019:NZ\$462,447). At balance date, creditors included NZ\$Nil payable to directors and other related companies (2019:NZ\$149,894). Related party debtors totalled \$2,194 at balance date (2019:NZ\$2,194) and no related party debts were written off during the year.

9. PROPERTY, PLANT & EQUIPMENT

	Group and Parent				Total NZ\$
	Fixtures & fittings NZ\$	Office equipment NZ\$	Field equipment NZ\$	Motor Vehicles NZ\$	
Year ended 31 March 2019					
Carrying amount 1 April 2018	390	29,198	37,798	22,291	89,677
Additions	-	701	216,487	-	217,188
Depreciation	(125)	(17,262)	(20,623)	(8,896)	(46,906)
Carrying amount	265	12,637	233,664	13,395	259,960
31 March 2019					
Cost	1,260	47,378	262,878	29,655	341,171
Depreciation	(995)	(34,741)	(29,215)	(16,260)	(81,211)
Carrying amount	265	12,637	233,664	13,395	259,960
Year ended 31 March 2020					
Carrying amount 1 April 2019	265	12,637	233,664	13,395	259,961
Additions	-	4,169	-	15,000	19,169
Depreciation	(125)	(13,123)	(28,645)	(9,816)	(51,709)
Carrying amount	140	3,683	205,019	18,579	227,421
31 March 2020					
Cost	1,260	51,547	262,878	44,655	360,340
Depreciation	(1,120)	(47,864)	(57,859)	(26,076)	(132,919)
Carrying amount	140	3,683	205,019	18,579	227,421

ASSETS UNDER CONSTRUCTION

Talisman mine development	Group and Parent	
	2020 NZ\$	2019 NZ\$
Balance at beginning of year	12,034,575	9,638,268
Development expenditure	1,109,327	2,396,307
Balance at end of year	13,143,901	12,034,575

A mine is currently being developed on the Talisman Mining permit and development expenditure has been recorded at cost in the statement of financial position.

Development expenditure consists of mining development costs, professional salaries, data acquisitions and all overhead expenses relating to the operation of the mine. Management assesses the allocation of directly attributable overheads at the end of each reporting date.

The directors have provided for rehabilitation costs of the Talisman mine site on its closure. The estimated cost is \$32,215 (2019: \$32,215). The same value has been included in the development expenditure.

In June 2018, an independent valuation report that complies with the 2015 Valmin Code was obtained from Geos Mining Mineral Consultants for the Talisman Permit inclusive of Talisman and Talisman Deeps. The independent valuation indicated a value of the Talisman project MP51326 in the range of \$11.7m to \$26.4m with a preferred value of \$18.8m.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

The Geos report confirmed that the Company's technical statement on the Talisman mine and Technical reports, including the 2018 Prefeasibility and Scoping studies are reported in compliance with the reporting requirements of the 2012 JORC Code. The Geos report confirmed that the resource classifications of the 2017 Mineral resource estimate are consistent with the principles of the JORC Code 2012.

10. INTANGIBLE EXPLORATION ASSETS

	Group		Parent	
	2020 NZ\$	2019 NZ\$	2020 NZ\$	2019 NZ\$
Prospecting costs				
Balance at beginning of year	2,760,950	2,752,900	10,575	10,575
Development expenditure	8,000	8,050	-	-
Impairment of prospecting costs	(2,757,313)	-	-	-
Balance at end of year	11,637	2,760,950	10,575	10,575
	Group		Parent	
	2020 NZ\$	2019 NZ\$	2020 NZ\$	2019 NZ\$
Gross prospecting costs				
Gross cost of current permit	11,637	2,760,950	10,575	10,575
Balance at end of year	11,637	2,760,950	10,575	10,575

Exploration and evaluation expenditure is recorded at cost. The Group recorded an impairment in the carrying value of the Rahu exploration asset due to uncertainty around access to the land.

TENEMENT SCHEDULE:

Permits held by New Talisman Gold Mines Limited Group:

51 326 Talisman (Mining) – Granted mining permit, Coromandel, New Zealand

60 144 Rahu (Exploration)

11. SHARE INVESTMENTS

	Group 2020 NZ\$	Group 2019 NZ\$	Parent 2020 NZ\$	Parent 2019 NZ\$
Investment in listed companies – at fair value	5,581	8,142	5,371	7,933
Investment in unlisted companies – at cost	-	3,171	-	3,171
Total share investments	5,581	11,313	5,371	11,104

Investment in listed companies includes the investment in Broken Hill Prospecting Limited.

Unlisted shares are held for the long term. They are stated at cost because fair value cannot be reliably measured.

12. SUBSIDIARY COMPANIES

Subsidiaries	Percent held		Incorp in	Balance date	Activity
	2020	2019			
Coromandel Gold Limited	100%	100%	NZ	31 March	Share investment
Northland Minerals Limited	100%	100%	NZ	31 March	Minerals exploration
Rahu Resources Pty Limited	100%	100%	NZ	31 March	Minerals exploration

All subsidiaries are direct subsidiaries of the Company. The investment in each subsidiary is recorded at cost (NZ\$Nil) in the company's statement of financial position. Coromandel Gold and Northland Minerals did not trade during the year.

13. FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the company to credit risk principally consist of bank balances and receivables. Surplus funds are placed in interest bearing accounts with major trading banks and the company does not anticipate non-performance by those parties. Maximum exposure to credit risk at balance date is represented by the carrying value of the financial instruments. No collateral is held on these assets and the balances are stated net of recognised impairment losses. Cash at bank represented 97% of total cash and receivables. The group deals only with banks having at least an A credit rating.

Currency Risk

The company has exposure to foreign exchange risk as a result of transactions from normal trading activities mainly denominated in Australian currencies. The company holds funds in an Australian currency bank account. Exposure to exchange risk is unhedged.

Liquidity Risk

Management supervises liquidity through cashflow forecasting, budgeting and by carefully controlling cash outflows from existing cash resources. The group relies on new equity to fund exploration and mine development expenditure.

Interest Rate Risk

At balance date the company had no exposure to interest rate risks. The table below shows short term deposits held at balance date:

Re-pricing Analysis	Effective Interest Rate	Total NZ\$	6 months or less NZ\$
Short term bank deposits	2.65-2.95%	105,000	105,000

Over the long term, changes in interest rates and reduced amounts on deposit will affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

Fair Values

Fair values used in the measurement of financial instruments may vary from values directly observed in active markets to those that must be derived without reference to observable data. Investments in listed companies are measured at fair value based on quoted prices in active markets. As stated in Note 11, the fair value of unlisted shares cannot be reliably measured and are stated at cost. Except for unlisted shares, there is no material difference between the carrying amounts and estimated fair values of the company's financial assets and liabilities.

14. COMMITMENTS

Short Term lease commitments

Lease commitments under non-cancellable operating leases:

	Group & Parent	
	2020 NZ\$	2019 NZ\$
Not later than one year	20,465	23,535
Later than one year but not later than five years	-	-
	20,465	23,535

The company currently leases offices on an annual basis.

The group has capital commitments of NZ\$Nil (2019:Nil).

15. RECONCILIATION OF OPERATING CASHFLOW AND REPORTED DEFICIT

	Group		Parent	
	2020 NZ\$	2019 NZ\$	2020 NZ\$	2019 NZ\$
Net profit/(deficit) after taxation	(3,713,873)	(1,203,327)	(932,489)	(1,189,430)
Add non-cash items:				
Depreciation	51,708	46,906	51,708	46,906
Impairment of prospecting costs	2,757,313	-	-	-
Field expenditure write off	-	-	-	-
Share revaluation (gain)/loss	5,732	44,685	5,732	44,685
Provision For Doubtful Debts	-	-	-	-
Share based payments	-	-	-	-
Capital loss on sale of shares	-	-	-	-
In Specie Share Distributions	-	-	-	-
Development expenditure owing	-	-	-	-
Revaluation of Investments	-	-	-	-
Exchange (gain)/loss	4,673	11,426	4,673	11,426
	2,819,426	103,017	62,113	103,017
Add (less) movement in working capital:				
Decrease (increase) in debtors	(88)	1,112	4,076	1,112
Increase (decrease) in creditors	(331,292)	187,129	(331,292)	187,129
Decrease (increase) in accrued income	5,365	9,829	5,365	9,829
Decrease (increase) in Stock on Hand	(35,048)	(34,482)	(35,048)	(34,482)
Decrease (increase) in Development WC	-	(110,455)	-	(102,405)
Decrease (increase) in prepayments	(43,564)	(3,644)	(43,564)	(3,644)
Decrease (increase) in intercompany loans	-	-	(36,235)	(22,410)
Decrease (increase) in GST	66,782	(27,959)	66,782	(27,496)
	(337,845)	21,530	(369,916)	7,633
Net cash outflows from operating activities	(1,232,292)	(1,078,780)	(1,240,292)	(1,078,780)

16. CONTINGENT LIABILITIES

	Group and Parent	
	Mar 2020 NZ\$	Mar 2019 NZ\$
Contingent liabilities	-	-

17. NET TANGIBLE ASSETS PER SECURITY

	Group and Parent	
	Mar 2020 NZ\$	Mar 2019 NZ\$
Net tangible assets	15,931,398	13,267,312
Net tangible assets per security	0.59 cent	0.61 cent



NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

18. GOING CONCERN

The financial report has been prepared on a going concern basis. The directors have raised sufficient funds to ensure that financial obligations can continue to be met for longer than 12 months.

19. EARNINGS PER SHARE

	Group Mar 2020	Group Mar 2019	Parent Mar 2020	Parent Mar 2019
Profit/(loss) from continuing operations	(3,710,748)	(1,203,327)	(929,365)	(1,189,430)
Weighted average number shares	2,495,247,337	2,164,503,303	2,495,247,337	2,164,503,303
Basic earnings per share	(0.15) cent	(0.06) cent	(0.04) cent	(0.06) cent
Diluted average shares on issue	2,512,283,721	2,187,705,676	2,512,283,721	2,187,705,676
Diluted earnings per share	(0.15) cent	(0.06) cent	(0.04) cent	(0.06) cent
Weighted average number shares	2,495,247,337	2,164,503,303	2,495,247,337	2,164,503,303
Weighted average number options	17,036,384	17,036,384	17,036,384	17,036,384
Diluted average share on issue	2,512,283,721	2,181,539,687	2,512,283,721	2,181,539,687

20. PAYABLES

	Group Mar 2020 NZ\$	Group Mar 2019 NZ\$	Parent Mar 2020 NZ\$	Parent Mar 2019 NZ\$
Trade payables	54,898	384,046	54,898	384,046
Audit Accrual	17,613	18,000	17,613	18,000
	72,511	402,046	72,511	402,046

Trade Payables

Trade payables are unsecured and are usually paid within 30 days of recognition.

21. EMPLOYEE BENEFITS

	Group Mar 2020 NZ\$	Group Mar 2019 NZ\$	Parent Mar 2020 NZ\$	Parent Mar 2019 NZ\$
Balance at beginning of year	19,997	21,330	19,997	21,330
Additional provision	-	-	-	-
Amount utilised	(1,757)	(1,333)	(1,757)	(1,333)
Balance at end of year	18,240	19,997	18,240	19,997

Employee benefits accrued comprise holiday pay.

22. RECEIVABLES AND PREPAYMENTS

	Group Mar 2020 NZ\$	Group Mar 2019 NZ\$	Parent Mar 2020 NZ\$	Parent Mar 2019 NZ\$
Sundry receivables	97,516	129,162	97,516	133,327
Accrued income	-	5,365	-	5,365
Prepayments	81,103	37,539	81,103	37,539
Intercompany advances	-	-	66,647	30,410
	178,619	172,066	245,266	206,641

Trade Receivables

All financial assets are within the contractual terms. None are overdue and none are impaired. No collateral is held for receivables.

23. PRIOR PERIOD ADJUSTMENT

No prior period adjustments have been made.

24. SIGNIFICANT EVENTS SINCE BALANCE DATE

Subsequent to balance date the final peer review of the updated 2019 Mineral Resource Estimate(MRE) was finalised and best practice recommendations adopted. The peer review of the 2019 MRE confirmed JORC 2012 compliance. The peer review was completed by Mr. Peter Stocker of AMC Consultants (pty) Ltd. AMC is an internationally recognised consultancy.

W Chowles, the operations manager transitioned from an employee to a consultant on 31 May 2020 and has been retained as a principal mining engineer. There has been no effect on the operations of the company.

ADDITIONAL INFORMATION

DIRECTOR INFORMATION AND DISCLOSURE OF DIRECTORS INTERESTS

The following general disclosures of interest were received in relation to the year ended 31 March 2020:

Director	Relevant interest in Ordinary Shares	Relevant Interest in Unlisted Options
M G Hill	42,159,085	0
M Stevens	60,000	0
C Nader	0	0
A V Haworth	4,500	0

TOP 20 OPTION HOLDERS as of 19 JUNE 2020			
Rank	Name	Units	% of Units
1.	COSMO BRYAN BOREHAM	1,000,000	5.87
2.	CHARLES PLEWINSKI	533,636	3.13
3.	KA FU TSE	287,064	1.69
4.	MURRAY LAWRENCE CAMERON	286,364	1.68
5.	STEPHEN BAGGETT	254,545	1.49
6.	WARWICK JOHN LANGE	244,090	1.43
7.	MICHAEL MCGOWAN	200,000	1.17
8.	CITICORP NOMINEES PTY LIMITED	181,818	1.07
9.	ALAENA THERESA WILLIAMS	136,364	0.80
10.	ANDREW WARREN MCLAUGHLIN	136,364	0.80
11.	BART KLUMPERS & MARYKE CORNELIA KLUMPERS	136,364	0.80
12.	BEAZER INVESTMENT LIMITED	136,364	0.80
13.	BENJAMIN PETER WOOLLCOMBE	136,364	0.80
14.	BOON SIN LIEW	136,364	0.80
15.	BOYI WEI	136,364	0.80
16.	BRUCE JEFFREY DALTON & KAREN JOY DALTON	136,364	0.80
17.	CHI HUA CHEN	136,364	0.80
18.	CHRISTOPHER DAVID ENGLISH & JACQUELINE ENGLISH	136,364	0.80
19.	CHRISTOPHER JOHN POSTLEWAIGHT	136,364	0.80
20.	CHUNG KAN CHOW	136,364	0.80
Total top 20 holders of 30/09/2022 Aud \$0.05 Options		4,623,885	27.14
Total listed options		17,036,384	

HOLDING RANGE		Ordinary Shares as of 31 May 2020		
Range	Total holders	Shares Held	% of Issued Capital	
1 - 1,000	103	12,593	0.00	
1,001 - 5,000	213	618,312	0.02	
5,001 - 10,000	150	965,364	0.04	
10,001 - 100,000	959	36,547,211	1.36	
100,001 - 9,999,999,999,999	644	2,654,040,845	98.58	
Total	2,820	2,692,184,325	100.00	

TOP 20 ORDINARY SHAREHOLDERS as of 19 June 2020				
Rank	Name	Units	% of Units	
1.	HAMISH EDWARD ELLIOT BROWN	311,081,818	11.55	
2.	BEVERLEY IDA EVANS	93,104,545	3.46	
3.	RIUO HAURAKI LIMITED	89,855,819	3.34	
4.	JOHN KILDARE UPPERTON	69,301,709	2.57	
5.	NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	55,705,865	2.07	
6.	RA KOURA LIMITED	46,999,999	1.75	
7.	MATTHEW GEOFFREY HILL	42,940,903	1.60	
8.	INTERNATIONAL PACIFIC SECURITIES LIMITED	42,154,117	1.57	
9.	FEOH PTY LTD <KARLSON INVESTMENT A/C>	39,538,962	1.47	
10.	CHRISTOPHER DAVID ENGLISH + JACQUELINE ENGLISH <KRINGLES SUPER FUND A/C>	35,758,910	1.33	
11.	HILL FAMILY GROUP PTY LIMITED	28,096,507	1.04	
12.	THOMAS HERBERT TEBBS GOTHORP	26,253,783	0.98	
13.	CHI HUA CHEN	20,546,588	0.80	
14.	BOYI WEI	20,000,000	0.74	
15.	PETER WILLIAM HALL	20,000,000	0.74	
16.	HOI YEE JULIE TSE	19,118,103	0.71	
17.	RONALD JOHN SCOTT	19,090,908	0.71	
18.	CHUNG KAN CHOW	18,583,186	0.69	
19.	ROBERT MARSHALL WALSHAM + RACHEL SANDRA WALSHAM <R & R WALSHAM FAMILY A/C>	18,059,978	0.67	
20.	BEAZER INVESTMENT LIMITED	16,363,966	0.76	
Total Top 20 holders of Ordinary Shares		1,033,555,666	38.39	
Total issued Capital		2,692,184,325		

CORPORATE GOVERNANCE

In accordance with the NZX Corporate Governance Code 2020 ("NZX Code"), and the ASX Corporate Governance Council's Principles and Recommendations (4th Edition) ("ASX Recommendations") New Talisman Gold Mines Ltd ("Company") has adopted systems of control and accountability as the basis for corporate governance best practice.

Policies and Charters (for the board and its committees), including the Company's Code of Ethics and other policies and procedures relating to the Board and its responsibilities are available on the Company's website www.newtalisman.co.nz

Commensurate with the spirit of the NZX Code and the ASX Recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company.

After due consideration by the Board during the Company's 2019/2020 financial year ("reporting period") the Company's corporate governance practices departed from the NZX Code or ASX Recommendations only as set out below.

The information in this statement is current at 31 March 2020.

EXPLANATIONS FOR DEPARTURES FROM NZX CORPORATE GOVERNANCE CODE 2020

Recommendation	Notification of Departure	Explanation for Departure
2.5: An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.	The Company has established a diversity policy, a copy of which is disclosed on the Company's website. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity, or for the board to assess annually the objectives and the progress towards achieving them.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity.

EXPLANATIONS FOR DEPARTURES FROM ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (4th Edition)

The Company has followed each of the ASX Recommendations during the reporting period, except in relation to the matters specified below:

Recommendation	Notification of Departure	Explanation for Departure
1.5(b): The Company should establish and disclose a diversity policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and the progress towards achieving them.	The Company has established a diversity policy, a copy of which is disclosed on the Company's website. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity, or for the board to assess annually the objectives and the progress towards achieving them.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity.
1.5(c): Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No measurable objectives for achieving gender diversity have been set by the Board.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity. However, the Board recognises the importance of diversity and has therefore adopted a diversity policy, a copy of which is available on the Company's website.

BOARD COMPOSITION AND EXPERTISE

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in a Statement of Board and Management Functions, which is disclosed on the Company's website.

A profile of each director containing the skills, experience, expertise, formal qualifications and term of office of each director is set out in the director profiles in this Annual Report.

The mix of skills and diversity that the Board is seeking to achieve in its membership is significant experience and expertise in: mine development and underground operations, geological modelling, financial reporting, financial markets, risk management, statutory compliance, resource management, health and safety and employment. Each of these skills are represented in the Board's current composition except significant experience and expertise in financial reporting and mine development. These skills are represented in the senior management team. The size of the Board and the development of the Company's projects places constraints on the mix of skills the Board is able to achieve.

It is the policy of the Board that in determining candidates for the Board, the following process shall occur:

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- a. The Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.
- b. A potential candidate is considered with reference to their skills and expertise in relation to other Board members.
- c. If relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic. The Company's Policy and Procedure for Selection and (Re)Appointment of Directors is disclosed on the Company's website.

IDENTIFICATION OF INDEPENDENT DIRECTORS

In considering independence of directors, the Board refers to the criteria for independence as set out in NZX Listing Rule 3.3.2 and Box 2.1 of the ASX Recommendations ("Independence Criteria"). Applying the Independence Criteria during the reporting period and at balance date the Board comprises a majority of independent directors. The independent directors of the Company were the Chair, Charbel Nader, J (Murray) McKee, and Anthony Haworth. Murray Stevens is not an independent director as he provides consultancy services to the company from time to time, and Matthew Hill is not an independent director as he is the Chief Executive Officer.

STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

DIRECTOR REMUNERATION

Details of remuneration are contained in the Notes to the Financial Statements forming part of this report.

The Company's Remuneration Policy is disclosed on the Company's website. Remuneration of Directors and senior executives is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and executives.

There is currently no direct link between remuneration paid to any of the non-executive directors and corporate performance such as bonus payments for achievement of key performance indicators. There are no termination, retirement or Company superannuation scheme benefits for non-executive directors.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND SENIOR EXECUTIVES

The board reviews the size and composition of the board and the mix of existing and desired competencies across members from time to time. Criteria considered by the directors when evaluating prospective candidates are contained in the board's charter. The chair of the board is responsible for ensuring a regular review of the performance of the board, committees and individual directors occurs at least annually. The chair is responsible for determining the process under which this evaluation takes place. The board reviews annually the size and composition of the board and the mix of existing and desired competencies across members.

The board is responsible for evaluating the performance of senior executives. The board evaluates the performance of

senior executives via an ongoing process of assessment and a formal annual review in December. During the formal review, the senior executive's performance is measured against their role's assessment criteria.

The Company's Process for Performance Evaluations is disclosed on the Company's website.

CORPORATE CODE OF CONDUCT

The board has adopted a Corporate Code of Conduct (available on the Company's website). Directors, employees and consultants must comply with the policies which the Board has endorsed to achieve ethical behaviour and efficiency within the authorities and discretions designated to them, avoiding putting themselves in a position where they stand to benefit personally or be accused of insider trading. Compliance with all laws and regulations and maintenance of confidentiality and honesty is expected. The Corporate Code of Conduct forms part of every employment and consultancy agreement. Failure to comply can result in disciplinary action, including, where appropriate, dismissal. The Board has not adopted a Whistleblower Policy. However, employees have direct access to the Chair and are encouraged to contact the Chair with any suspected departure from the Company's Code of Conduct.

GENDER DIVERSITY

The board has adopted a Diversity Policy (available on the Company's website). As noted above, the Diversity Policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Gender diversity at balance date for the reporting period:

Component	Total	Female Component	% Female Component
Board of Directors	4	0	0%
Senior Executives	1	0	0%
Consultants	4	3	75%
TOTAL*	9	3	33%

* Total comprises the figures for the whole organisation.

The Board considers that the Company complied with its diversity policy during the reporting period.

AUDIT COMMITTEE

The Audit Committee as at the end of the reporting period consists of the following non-executive independent directors: Anthony Haworth (Chair), Charbel Nader and Murray Stevens. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

During the reporting period the Audit Committee had the opportunity to meet with the external auditor in respect of the financial reports. The Audit Committee is responsible for reviewing Annual and Interim Financial Statements, related stock exchange announcements and all other financial information published or released to the market; monitoring and making recommendations for improvement in internal control environment, including effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations; overseeing the risk management and compliance framework; the appointment, removal and remuneration of the external auditors; reviewing the terms of their engagement and the scope and quality of the audit, reviewing and approving the nature and scope of non-audit services and ensuring rotation of the external audit engagement partner.

Details of each of the director's qualifications are included in the Board of Director's Profiles. All members of the sub committee considered themselves to be financially literate and have financial experience and industry knowledge. Mr Haworth and Mr Stevens have significant experience in mineral exploration, development and valuation at senior advisory level, Mr Nader has gained

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significant financial experience from his background in investment banking and corporate finance.

The Company has established a Procedure for the Selection, Appointment and Rotation of its External Auditor, which is disclosed on the Company's website. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (N&R) as at the end of the reporting period consists of the following non-executive independent directors: Charbel Nader, Anthony Howarth and Matthew Hill. Some responsibilities of the N&R Committee were also addressed by the full Board at Board and Strategy meetings during the reporting period. The Board has adopted, and the N&R Committee applies a Nomination Committee Charter and a Remuneration Policy which is available on the Company's website.

Duties of the N&R Committee includes reviewing remuneration of executive and non-executive directors, incentive schemes and reviewing the Remuneration Committee Policy (disclosed on the Company's website).

The Board has adopted, and the Remuneration Committee applies, a Remuneration Committee Charter which is available on the Company's website.

HEALTH SAFETY SECURITY AND ENVIRONMENT COMMITTEE

The Health Safety Security and Environment Committee (HSSE) as at the end of the reporting period consists of the following directors: Murray Stevens, Anthony Haworth, and Matthew Hill, independent adviser Craig Smith is also a member of the committee. Some responsibilities of the HSSE Committee were also addressed by the full Board at Board and Strategy meetings during the reporting period. The Board has adopted, and the HSSE Committee applies a HSSE Committee Charter which is available on the Company's website.

The Company's Policy for Trading, which is disclosed on the Company's website, states that key management personnel must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair, Audit Committee Chair or Executive Director; and Key Management Personnel are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

MEETING ATTENDANCE

Director/Consultant	Board	Audit	Nomination	HSSE
M Hill	9/9	2/2	1/1	1/1
M Stevens	9/9	2/2	1/1	1/1
C Nader	9/9	2/2	1/1	n/a
A Haworth	9/9	2/2	1/1	n/a
W Chowles	n/a	n/a	n/a	1/1
C Smith	n/a	n/a	n/a	0/1

RISK MANAGEMENT

The Company has continued to develop its strategies for managing risk during the reporting period, particularly where internal controls are concerned. The Company's internal controls are reviewed by the external auditor twice a year, and are monitored regularly by the independent directors. The Board relies on the sign-off of senior management with respect to the financial reports, which sign-off has been provided in respect of the Company's 2019/2020 financial statements.

The Company has adopted a Risk Management Policy (a summary is available on the Company's website). Under the Policy, the Board delegates day-to-day management of risk to the Chief Executive Officer. The Policy sets out the role of the Chief Executive Officer and accountabilities. It also contains the Company's risk profile and describes some of the policies and practices the Company has in place to manage specific business risks.

The process of management of material business risks is allocated to the business risk owners within the management team. The Board relies on risk controls being implemented effectively and the primary risk controls reviewed monthly through a standing item on the Board agenda. The Company is in the process of updating its Risk Management Policy to include formal processes to identify, manage and mitigate risk, using a risk register. A significant body of work was completed during the reporting period addressing mine operational risks. This document will be reviewed externally by government regulators. Certain risks pertinent to the sector in which the Company operates are not able to be managed at this time, for example the price of gold.

Material business risks reported on during the reporting period included statutory compliance, health and safety in the operational environment, sustainability of the company's ore resources, environmental risk working in a conservation estate, internal audit compliance, adequacy of computer systems, ethical conduct and business practice, retention of key staff, financial reporting and liquidity risk.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board receives on a regular basis reports from management as to the effectiveness of the Company's management of its material business risks, risk evaluation, analysis and treatment. Risk management is a standing item on the Board agenda, giving opportunity for Board discussion. The Audit Committee and the full Board addresses areas of risk and evaluates the effectiveness of controls.

ASSURANCES TO THE BOARD

The Chief Executive Officer (CEO) and the Chief Financial officer (CFO) are not required to provide a declaration to the Board in accordance with section 295A of the Corporations Act (Australia) as the Company is instead subject to the laws of New Zealand. However, the Board requires the CEO and the CFO to provide a declaration confirming that the financial reports for the reporting period present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. Assurance is also given that the financial statements are founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control is operating efficiently and effectively.

CORPORATE GOVERNANCE

CONTINUOUS DISCLOSURE

The Company has adopted a Continuous Disclosure Policy which sets out obligations for directors, employees and consultants in relation to continuous disclosure. The Company has also adopted Compliance Procedures to ensure compliance with the ASX Listing Rule requirements in relation to continuous disclosure, and to ensure accountability at a senior executive level for that compliance. Summaries of both these documents are available on the Company's website. In accordance with the NZX and ASX Listing Rules, the Company is required to disclose to the market matters which could be expected to have a material effect on the price or value of the Company's securities. Management processes are in place to ensure that all material matters which may potentially require disclosure are promptly reported to the Chief Executive Officer or the Company Secretary who is responsible for ensuring that such information is not released to any person until the NZX and ASX have confirmed its release to the market.

SHAREHOLDER COMMUNICATION

The Board has adopted a Shareholder Communication Policy, a copy of which is disclosed on the Company's website.

DIRECTOR AND OFFICER LIABILITY INSURANCE

The Company maintains director and officer liability insurance and indemnifies directors and officers of the Company against all liabilities which may arise out of the performance of normal duties as directors or officers, unless the liability relates to conduct involving a lack of good faith. This includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

MATERIALITY

Independence of directors, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website. Balance sheet items are material if they have a value of more than 10% of pro-forma net asset. Profit and loss items are material if they have an impact on the current year operating result of 10% or more. Items are also material if they impact on the reputation of the Company, they involve a breach of legislation; they are outside the ordinary course of business; they could affect the Company's rights to its assets; if accumulated, they would trigger the quantitative tests; they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%. Criteria for determining the materiality of contracts can be found in "Board and Management" under Corporate Governance on the Company's website.

SHARE TRADING

The Company has adopted a Share Trading Policy to assist with compliance with insider trading regulations under the Securities Market Act 1988 (New Zealand) and the Corporations Act 2001 (Australia). This policy restricts directors, employees and consultants from trading in a number of ways and is available on the Company's website. Application must be made by directors, employees and consultants to the Company for approval prior to trading in the Company's securities. A requirement to comply with this policy forms part of every employment or consultancy agreement. forms part of every employment or consultancy agreement.

SUMMARY OF WAIVERS

No waivers to the rules were requested to the Stock Exchanges during the reporting period.

COMPANY DIRECTORY

DIRECTORS

Charbel Nader (Chairman, Independent)
Tony Haworth (Independent Director)
Murray R Stevens (Director)
Matthew G Hill (Chief Executive Officer)

COMPANY SECRETARY

S Jane Bell

REGISTERED (HEAD) OFFICE

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BANKERS

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National Australia Bank, West Perth

AUDITORS

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c/- K S Black & Co
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350 Kent Street,
Sydney, 2000

SOLICITORS

Chapman Tripp, Auckland
Williams & Hughes, Perth

SECURITIES LISTED

New Zealand Stock Exchange
Code: Shares NTL; Options NTLOB
Australian Securities Exchange
Code: Shares NTL, Options NTLOB

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Managing your shareholding online:

To change your address, update your payment instructions and view your investment portfolio including transactions please visit

www.computershare.co.nz/investorcentre

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Please assist our registrar by quoting your CSN or shareholder number

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EXTENDED

TALISMAN

N. Z. CROWN MINES

Scale 1:100,000