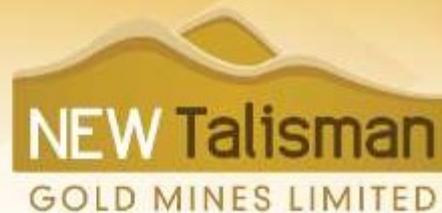


Market Announcement

For Immediate Release



Quarterly Activities Report to 30 June 2021

New Talisman Gold Mines Limited

***Responsible,
Environmentally
Sustainable Mining***

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board

Charbel Nader Chairman/Independent Director
Matthew Hill Chief Executive/ Managing Director
Murray Stevens Non-Executive Director
Jane Bell Company Secretary

Capital Structure

Ordinary Shares at 30/06/2021 2,792m

Share Price

Share Price at 27/07//2021 (NZX) 0.4cps
Share Price at 27/07//2021 (ASX) 0.4cps



New Talisman Gold Mines Limited

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New Talisman Gold Mines Limited (NTL) is pleased to present a report on activities for the quarter ended 30 June 2021.

HIGHLIGHTS

- **Talisman secures industrial site for a processing plant**
- **Vanuatu acquisition complete**
- **Critical Mineral Resources strategy to develop NZ REE project**
- **Broken Hills Historic Mine Limited acquisition progress update.**
- **Review of board composition**

The period under review has been a productive quarter and has resulted significant progress on a number of fronts. This includes key milestones which management have been progressing over the last 12-18 months now being close to fruition, setting the pathway for commencement of the development of a processing plant and recommencement of underground activities once mine planning and resourcing is complete.

As announced in the annual report the technical team have continued to work on the resource update at Talisman and mine planning is being undertaken as set out below to ascertain the economic volumes needed to cater for the proposed processing plant.

During the period commercial discussions progressed with NZIMMR and a formal proposal has been received which sets out the basis upon which a stand-alone entity could be formed as an incorporated joint venture to develop a processing and refining business for which NTL would look to provide both Broken Hills and Talisman ore from any extraction undertaken and existing stockpiles. Should the NZIMMR proposal be finalized the site which has been identified would be used for this purpose.

As announced the company has halted underground extraction works at Talisman underground in order to finalize mine planning as recommended by Terra Firma given the geotechnical and geophysical nature of the Dubbo face.

In parallel with the development of a more substantive mine plan aimed at maximizing outputs from Talisman and Broken Hills and following the identification of an industrial site with existing infrastructure a flow sheet capable of processing the ore from both mines is in place and a search for plant and equipment for processing is currently underway. The extent of which will be dependent on whether the Broken Hills acquisition is complete. The Broken Hills acquisition includes plant which is ready for immediate mobilization to the new processing site and would take approximately 60 days to commence processing small volumes once due diligence is complete and the acquisition finalised.

Processing Route and Stockpiles

The board is delighted to announce that it has identified an industrial site for the processing of ore. A formal lease agreement is currently being reviewed and allows for the stockpiling of ore. This means that following execution of the agreement Ore can be transported from Talisman to the site while the plant is installed.

As set out in the annual report the current stockpiles at Talisman have grown to some 1,330 tonnes which is expected to provide at least 6 months of feedstock while mine planning for extraction is reworked to cater for the capacity and logistics of the plant.

Coromandel Gold Limited

As previously announced the strategic review outlined the basis for restructuring the group to have a head company with an exploration subsidiary focused on the south pacific including New Zealand and Critical Mineral Resources Limited (previously Northland Minerals) operating in the critical minerals REE space focused on developing a commercial critical minerals/REE project in NZ by leveraging the exploration database and geological skillsets which traditionally were developed as Heritage Gold Limited. As a grass roots exploration company CMR will seek to take leases over prospective ground in the coming months. The first of the assets to be vended into CGL is the Capella Vanuatu project.

Vanuatu Project

Through its wholly owned subsidiary, Coromandel Gold Limited, NTL completed an agreement to acquire the Vanuatu assets of Canterbury Resources Limited (ASX:CBY) by purchasing its wholly owned subsidiary Capella Vanuatu Limited. Please see market announcement released on 6 July, 2021 www.nzx.com/announcements/375147 .

The purchase price of the assets is a mixture of cash and shares.

NTL has made a cash payment of \$100,000, and with a further requirement to issue within six months **either**:

- 20m shares in New Talisman Gold Ltd; **or**
- by the issue of the equivalent of \$100,000 worth of ordinary shares in Coromandel Gold Limited (**CGL**), a (currently) wholly owned subsidiary of NTL, at the same issue price per share as the most recent investment round made in CGL prior to, or in conjunction with, any direct listing of CGL on the NZX Main Board.

and subsequently within six months by the issue:

- to the equivalent of \$100,000 ordinary shares in **CGL** at the same issue price per share as the most recent investment round made in conjunction with the direct listing; or
- if CGL has not completed its direct listing, **either**:
 - o CGL has a further 3 months to issue the \$100,000 worth of shares in **CGL**; **or**
 - o At CBY's option, by the issue of \$100,000 NTL shares at a 15% discount to the then volume weighted average price of NTL shares traded through the NZX Main Board.

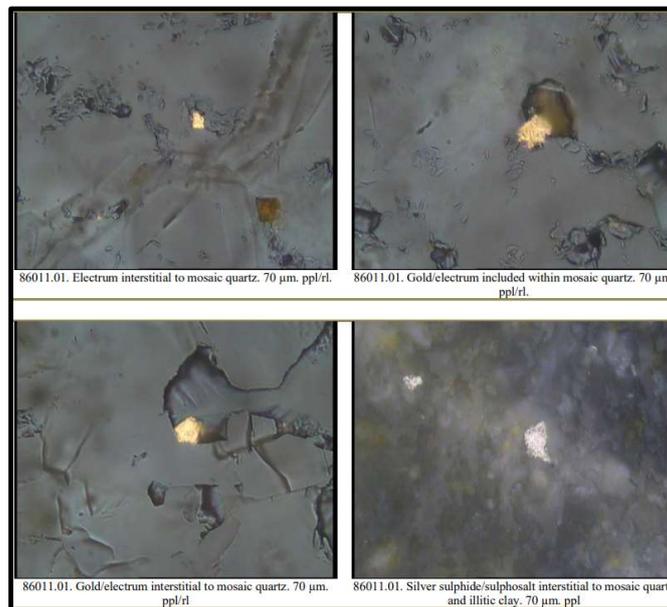
By world standards Vanuatu is extremely underexplored. Modern exploration for gold started in the mid 1980's and with sporadic bursts mainly in the 1990's and briefly in the early 2000's. Further

information about this acquisition can be found on the release dated 10 December 2020 <https://www.nzx.com/announcements/364819>

The New Talisman technical team recognize the close similarities of Vanuatu gold mineralisation and geological setting to that of New Zealand's Hauraki gold deposits which hosts world class deposits such as the Talisman and Martha Hill deposits in Waihi and the Thames Bonanza gold deposits.

Initial field programmes and site establishment will get underway once country borders open. Exploration will focus on target areas delineated previously with an emphasis on the Tafuse prospect where Canterbury geologists completed geological mapping and geochemical sampling in 2019.

This programme confirmed the historic geological and geochemical data from exploration in the mid-1980's. Petrological work confirmed the presence of visible gold in surface samples and that the mineralisation style as low sulphidation epithermal, similar to Coromandel gold deposits and other Pacific rim deposits.



Photomicrographs of gold and electrum plus silver sulphide interstitial with mosaic quartz from the Tafuse Prospect. (Source Applied Petrological Services and Research report to Canterbury Resources)

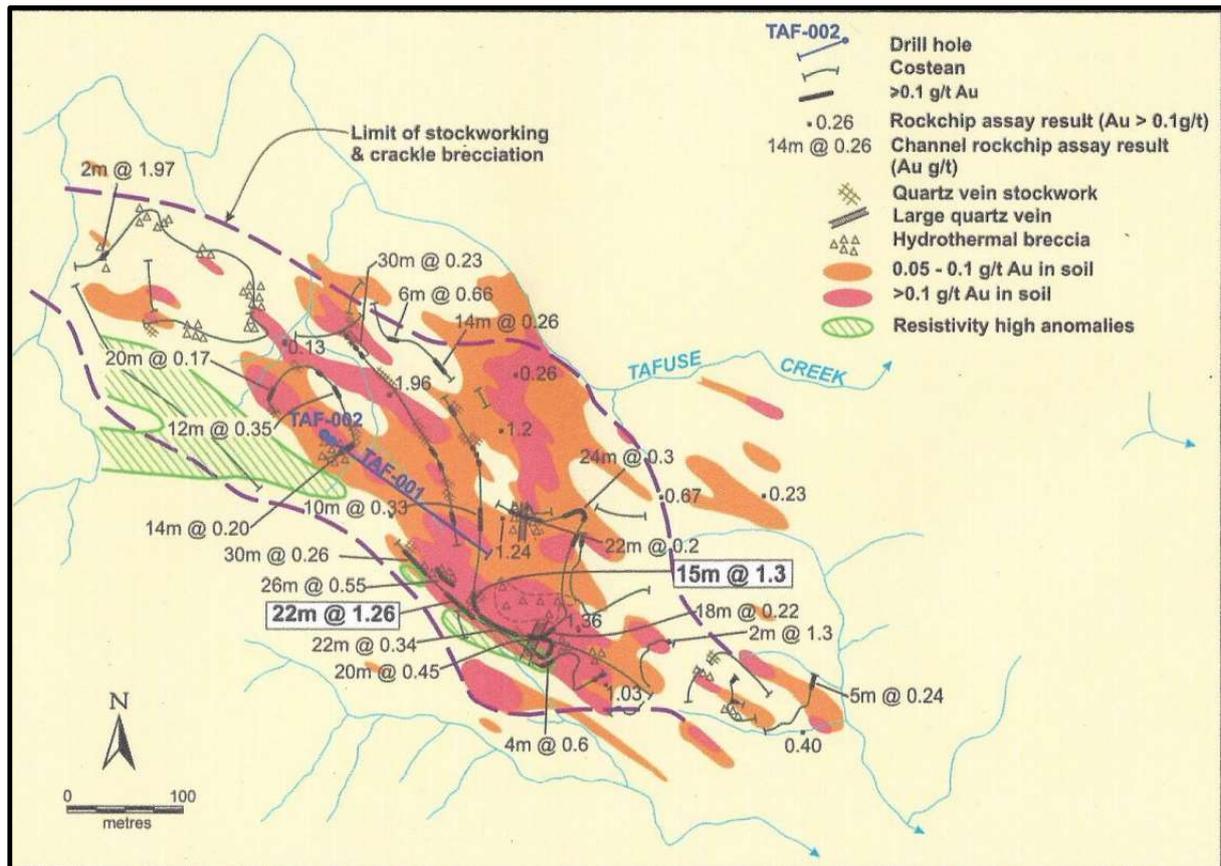


Diagram summarizing previous exploration from the 1980's (Source Canterbury Resources)

The planned programme will have the following key elements:

- Review of Canterbury's database and historic databases that form part of the acquisition.
- Surface exploration including completion of geological mapping and geochemical sampling, surveying to confirm drill targets at the Tafuse prospect.
- Initial scout drilling of Tafuse prospect target.
- Exploration of the other 8 identified prospects within the wider Tafuse Prospecting Licence.

Broken Hills Historic Gold Mine limited

The second material acquisition for which New Talisman has a binding option over is that of the Rabone family gold and silver mining interests by way of the acquisition of Broken Hills Historic Gold Mining company Limited and its subsidiaries. During the quarter the technical team undertook resource and geological due diligence detailed further in this report.

The health and safety due diligence has been undertaken by Terra Firma limited who have been engaged to provide a detailed report the scope of which was the outlining all the required work (and estimated costs) which would need to be undertaken to comply with the formal notices from Worksafe. This is currently being finalized following an interim draft. It is expected the resulting

findings will provide an estimate of the expenditure necessary to get the mine to the New Talisman standards set down by the board in 2012 and implemented by the COO which has resulted in the Talisman mine being one of the few companies at the highest levels of health and safety in the country.

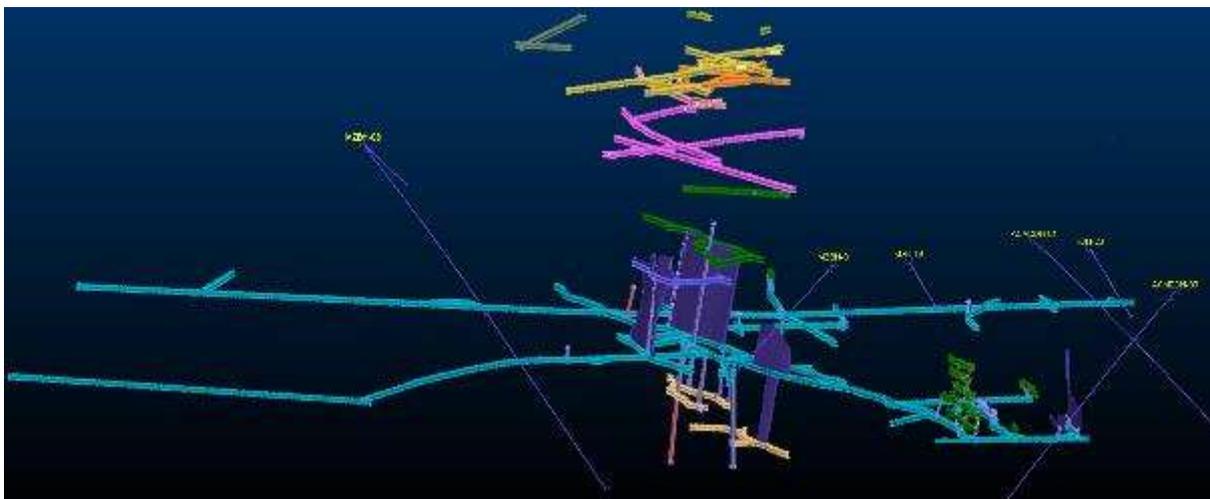
A revised mine plan is currently being finalized by the Broken Hills CEO Victor Rabone which will demonstrate the economics and outputs from the Broken Hills mine. Having produced over 1m per annum for the last 20 years, the outlook appears positive for near term production.

At this stage there remains a substantial amount of work required to finalize Due diligence as due to external matters relating to Broken Hill resources and management availability, the dataroom has taken a significant amount of time to bring into line with JORC and public reporting standards. Given the delays, BHG have provided a formal extension which commenced on 26th June through to 26th September. It is envisaged that the due diligence will be complete prior to the end of the second quarter.

As part of the due diligence process, independent consultants have been digitising as much historic data as is available and using this data to develop a 3-D model of the past and new mine development.

In addition, geological and geochemical data focussed on the main gold bearing quartz veins has been used to develop 3-D models of these veins to assess their potential for additional economic gold mineralisation.

This work is largely complete and is being used to assist NTL management in deciding on how to proceed with the project.



Perspective view of Broken Hills, current mine development looking from south to north.

Critical mineral resources Limited

The board have identified the REE and Critical minerals space as one which New Talisman can leverage on its wealth of skillsets in geology and grass roots exploration in NZ where a commercial REE or Critical minerals project has not been developed to a commercial stage. While discussions with NZIMMR have focused primarily on the processing joint venture the groups have also been engaged in discussions around ways to establish a grass roots exploration vehicle which is intended to be listed on the NZX. Either jointly or standalone the aim of the strategy is to develop an entity capable of

identifying and targeting the development of NZ first commercial rare earths resource project.

Initial geological search has identified a number of prospective areas which CMR will look to take permits over and commence exploration work.

With the disruption to the supply of REE given the stranglehold on supply by China the rest of the world are looking at alternative supplies of such. This has resulted in end users taking direct interests in early stage exploration vehicles in return for first right of offtake on any minerals produced, The CEO has recently initiated discussions aiming to participate in first mover programs with major end users. While there is no guarantee of making a discovery of a commercial REE or critical minerals resource the board intends to list CMR to commence the exploration work needed to identify the resource potential of which a number of targeted areas are already being reviewed.

Financial

The company Auditors noted during the recent audit the strong financial management during the COVID Pandemic when compared to a number of companies in the mining sector. At the end of the quarter the company retained \$799k in cash which provides 12 months of funding for the company. However with the finalisation of the site to host the processing plant, the board has determined that an SPP will be undertaken in the coming weeks as set out in the announcement prior to this release.

The SPP will be offered to all shareholders at the record date at a price of \$0.003 per share and all those shareholders at the record date will be entitled to an in species offer of shares in Coromandel Gold Limited and Critical Mineral resources Limited and a preference to any capital raising in those entities.. Under the offer all shareholders including those held by Sharesies who hold anywhere from 1-100 shares through to 10m shares will be entitled to take up to NZ\$15,000 of shares in New Talisman. The funds will be applied to the accelerated development of a processing plant at the industrial site, the acquisition of Broken Hills Gold Mine, and working capital requirements for Talisman and its two subsidiaries.

Upon successful completion of the SPP we are looking to expand the executive and board capabilities, this is additional to the appointment of Victor Rabone to the board upon successful completion of the Broken Hills acquisition. The board has commenced consulting with Major shareholders and other key stakeholders as part of this process.

Tenements

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited

Capella Vanuatu – PL1851

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2,950 shareholders who are mainly from Australia and New Zealand and has been listed since 1986. It is a leading New Zealand minerals development and exploration company with a mining permit encompassing the Talisman mine, one of New Zealand's historically most productive gold mines. The company has commenced prospecting and upgrading activities at the mine and advance the exploration project to increase its considerable global exploration target into JORC 2012 resources.

Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including one of New Zealand's highest-grade underground gold mines.