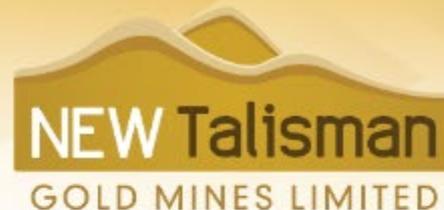


Market Announcement

For Immediate Release



Quarterly Activities Report to 30 September 2021

New Talisman Gold Mines Limited

***Responsible,
Environmentally
Sustainable Mining***

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board

John Upperton Chairman/Independent Director

Calum McKenzie Independent Director

Victor Rabone Non-Executive Director

Jane Bell Company Secretary

Capital Structure

Ordinary Shares at 30/09/2021 3,207m

Share Price

Share Price at 28/10//2021 (NZX) 0.3cps

Share Price at 28/10//2021 (ASX) 0.2cps



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

HIGHLIGHTS

- **Vanuatu Transaction Complete**
- **Shareholders send message at ASM**
- **Broken Hill Deal Signed Off**
- **A\$670k Placement Made**
- **Board Changes**

Activities in the Quarter ended 30 September 2021 focused primarily around completion of acquisitions and corporate administrative matters. Activities at the Talisman mine were put on hold while focus was applied to preparations for a Capital Raise to fund ongoing activities.

In July the Company announced it had completed the acquisition of Canterbury Resources Ltd's Vanuatu assets. The New Talisman technical team recognized 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. Please see market announcement released on 6 July, 2021 www.nzx.com/announcements/375147. During the Quarter the renewal of the Prospecting License 1851 in Vanuatu was lodged with the relevant authorities in Vanuatu. It is understood at this stage that renewal has been agreed in principle and the Company expects to receive formal confirmation of the renewal in coming days.

At the end of July the Company announced a SPP Capital Raising see market announcement <https://www.nzx.com/announcements/376493>. The SPP Capital Raising was subsequently replaced by a Renounceable Rights Issue at NZ\$0.002 or AU\$0.002 per new share, please refer to the announcement dated 20 September 2021. <https://www.nzx.com/announcements/379423>. Subsequent to the end of the quarter this Rights Issue was terminated. Further discussion on the reasons for termination of that issue are outlined under post quarter events later in this update.

Towards the end of the quarter NTL concluded a private placement of AU\$670,000 for 335,000,000 ordinary shares on the same terms as the then upcoming Rights Issue. Please see market announcement released 14 September 2021 <https://www.nzx.com/announcements/379090>.

On 27 September the Company announced the acquisition of Broken Hill Historic Gold Mine Ltd that was conditional upon the Crown Licence being successfully transferred. <https://www.nzx.com/announcements/379875>

Much of the quarter was occupied with preparing documentation for the Acquisition of Broken Hill and the Rights Issue. There were also responses required to numerous queries from NZX following shareholder enquiries of them which resulted in a clarification notice being issued by the Company on 26 August 2021 <https://www.nzx.com/announcements/377962>

The Annual meeting of Shareholders (ASM) was held as a Virtual event at the end of September. The shareholders gave clear direction to the Company in voting majority support of non-binding motions from the floor to remove then Chair Charbel Nader and the Executive Director Matthew Hill from the Board.

Prior to the ASM two new Directors were appointed to the Talisman Board to fill gaps in mining and financial expertise. Ms Kelly Wyse and Mr Victor Rabone were appointed on 13 September 2021, these appointments needed to be confirmed at the ASM. The Notice of Meeting for the ASM carried recommendations from the Board to confirm the new directors and to oppose the nomination of shareholder John Upperton. The ASM saw shareholders reject the Board's recommendation to confirm Ms Wyse and also to reject the Board recommendation to oppose Mr Upperton, who was elected to the Board. Mr Rabone was confirmed with a strong mandate. As earlier mentioned the non-binding motions from the floor to remove Directors Nader and Hill sent a further strong message of disapproval as to the performance level of the Board and as to who shareholders deemed responsible.

Post Quarter Activity

Board member Mr Murray Stevens resigned on the evening of 6th October and fortunately remains available to the company on a consultative basis. Mr Stevens has indeed already assisted with matters in Vanuatu, and continues to assess production records from the Broken Hill mine. The ability to access Mr Stevens depth of knowledge of the Talisman mine is welcomed by the Company.

On 7th October a trading halt was put in place and an urgent Board meeting was convened, after concerns were raised by the NZX on a number of matters put to it by Mr Upperton. It was clear at that meeting that there was divergence of opinion as to the appropriate strategic direction for the Company. Following the meeting, on the 8th October, the Company made the following announcement:

“The Board met on 7 October for a lengthy discussion on these and other matters and reached the conclusion that the reconstituted Board are no longer confident that the strategy outlined in the Rights Offer document can be fulfilled in a timely manner, as was anticipated by the previous Board. The Company has therefore decided to withdraw the Rights Offer until such time as a clear and united path forward can be found at which point it can revisit its capital requirements and any capital raising plans.”

Full text of the announcement made 8 October 2021 may be found on the following link <https://www.nzx.com/announcements/380598>

Later on October 8, 2021 Mr Nader resigned from the Board effective immediately, followed later that afternoon by Matthew Hill resigning his position as Director.

Company Secretary Ms Jane Bell also resigned at that point, but remained in a capacity to assist until

a replacement could be found. The Company is pleased to announce that Ms Bell has reconsidered her decision and entered an agreement this week to remain as Company Secretary on a part time contract.

The Director resignations received in such short order instigated the need for immediate action on appointment of Directors to satisfy NZX listing rules. Over the weekend of 9th/10th October Mr Calum McKenzie MBA was appointed to the Board in an interim capacity to stabilise the Company. The Board is indebted to Calum for stepping up and assisting the company through a turbulent time. Mr Upperton was elected Chair. The Board also began a process of selecting suitable candidates to broaden the skill base of the Board and hopes to be in a position to appoint two highly experienced Directors upon completion of their due diligence.

On 13th October the Company announced it had given notice to terminate the management contract of Asia Pacific Capital Group Ltd (APAC), whose principal Matthew Hill would be acting with reduced delegated authority for the notice period. <https://www.nzx.com/announcements/380876> .

On October 28th the Company received a claim of constructive dismissal from Mr Hill asserting that Mr Hill is an employee, contrary to the contractual position between NTL and APAC agreed in March 2014. Given the position taken by APAC, NTL considered the contractual relationship had come to an end.

Mr Hill asserts he is entitled to various employment related entitlements and compensation, provisionally quantified at \$892,000. NTL does not accept that Mr Hill has been an employee and denies the claims. <https://www.nzx.com/announcements/381747>

Director Victor Rabone has been contracted on an interim basis for a three month period as Operations manager reporting direct to the Chair, to oversee day to day requirements of the Talisman mine.

Strategic Plan

The Chair has begun engaging with key stakeholders to reassure and maintain those relationships. Considerable work has also gone into formulating a strategic plan for the company moving forward under new direction and management, which once appraised and confirmed by the fully fledged Board will be announced to the market. As previously indicated, a focus on core business will be central to that plan.

While the events of early October were without doubt turbulent, shareholder sentiment from the ASM has prevailed and the sought after changes have occurred, although it must be said, perhaps more rapidly than anticipated. A clear date of demarcation in New Talisman's history was set on 9 October 2021. The new Board has set about implementing necessary change in performance and delivery of objectives, and is determined to realise and indeed, add value to the Company, in line with shareholder expectations of ethical and environmental standards.

Tenements

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited
Capella Vanuatu – PL1851 (subject to application for renewal)