

10 September 2014

**ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL, NTLOA or NTLO)**  
**FOR IMMEDIATE RELEASE**

**CHAIRMAN'S ADDRESS ANNUAL MEETING 10 SEPTEMBER 2014**

**Introduction**

The director's report for the year to 31 March 2014 was circulated with the Annual Report. Before I ask you to formally receive the Annual Report together with the Financial Statements and the report of the Auditors I would like to speak to several of the issues raised in the report.

**Developer to Producer**

At the conclusion of my address to shareholders last year our principal mining engineer Wayne Chowles presented the detailed project plan for the Talisman mine development. I am pleased to say that since that time your company has passed a number of significant milestones.

Late last year the company received the resource consents from the Hauraki District Council together with the Access Agreement from the Department of Conservation for the Talisman mine. More recently we filed our work program with the Department of Conservation and have now received the formal authority to Enter and Operate the Talisman mine.

In December last year the Government gazetted the new Health and Safety regulations covering mining and quarrying operations. The regulations represent a completely new prescriptive approach to underground mine safety. New Talisman will be New Zealand's first underground gold mine operator to provide the High Hazards Unit of WorkSafe NZ with its safety management system. The overall system document includes hazard identifications and risk assessments together with principal hazard management plans covering such areas as ventilation and explosives. As we are the first cab off the rank it is taking us just a little longer to work through the issues. We now expect the final document to be filed with the High Hazards unit on 13 October.

Many of you will recall that last year we removed approximately 50 tonnes of stockpiled ore from the hardstand area at the Talisman mine site to a secure offsite storage facility for use in preliminary metallurgical tests and determination of the preferred process route. Earlier this week we announced that we had removed a further 20 tonnes from the hard stand area and had crushed and sampled that 20 tonnes along with the 50 tonnes removed earlier.

Today I am delighted to announce that the 50 tonne batch of ore is now located at Newmont's ore treatment facility at Waihi ready for processing. Indicative analysis of the samples taken at the time this ore was crushed suggests the grade will exceed one ounce of gold per tonne and several ounces of silver per tonne. We expect the results of this batch testing will set the parameters for longer term toll treatment arrangements. The gold produced from this batch test will be the first gold produced from Talisman mine for decades.

## **Balance Sheet**

The Annual Report for the period to March 2014 also reflects the very real progress the Company has made on its journey from explorer to developer to producer. In 2013 the balance sheet reported net tangible assets of \$1.384 million. In 2014 the comparable figure was \$7.946 million. This considerable increase is attributable to the fact that the Talisman mine development project now meets the strict test for development assets which are capitalized to tangible assets under the relevant provisions of IFRS. In the annual report we referred to other valuation methodologies based on enterprise value and discounted future cash flows. Based on these indicators your directors are confident the company continues to offer good value for investors.

## **Coromandel Gold**

As part of its 2012 strategic plan the board made a clear decision to separate the exploration assets into a different legal entity. This has now been completed and the company has identified key management for the exploration company. CGL's portfolio of highly prospective gold tenements has already attracted interest from parties keen to work with the company in developing these assets. Whilst at an early stage these discussions are a positive indication that the market climate for exploration which has been nearly cold for some time may be starting to warm up.

## **The External Environment**

At the conclusion of my last two addresses to shareholders I referred to forecasts for the future price of gold. This time last year there were indications that the gold price was recovering. While the price of gold has not been as volatile over the last year as it was the previous year it has not strengthened either. However many of the forecasts remain just as bullish as they were when gold hit US\$1800 per ounce three years ago. I thought I would share with you one forecast from a reputable international research house Edison. They predict the price of gold may rise to US\$1642 per oz in 2015 and US\$2070 by 2020.

As I noted last year the very high grades contained in some of the seams in Talisman present an opportunity to mix and match ore grades and production rates to the price of gold in the market and still generate an attractive rate of return. Of course the Talisman project is not insensitive to the price of gold but the high grades of the reserves at Talisman afford us the ability to ride out troughs in the price cycle, albeit at lower production levels.



## Capital Raising

This time last year shareholders made the point at the AGM that they wished to be involved in funding the Talisman mine into production. In recognition of this the board made a generous issue of shares at 0.8c per share at a time when the shares were trading well above that level. The issue was reasonably well supported by New Zealand shareholders and in the context of other capital raisings by junior miners at the time was well received. Nevertheless there was a significant shortfall for which the ninety day placement capability expired last Friday.

The funds raised have been positively applied to progress the bulk sampling project and the developments I referred to above with respect to ore treatment speak to that. The future rate of progress is dependent on our ability to fund ongoing development work and you will note that there are two resolutions on the Notice of Meeting that are intended to give your directors flexibility in this regard.

That concludes my address.

**J Murray McKee**

**Chairman**

**NEW TALISMAN GOLD MINES LIMITED**

**+64 9 303 1893**

---

### **About New Talisman Gold Mines Ltd**

New Talisman Gold is a dual listed (NZSX & ASX: NTL) leading New Zealand minerals development company with 1890 shareholders who are mainly from Australia and New Zealand. The company's flagship asset the Talisman mine holds a JORC compliant mineral resource, a JORC compliant reserve and has been granted resource consents and access arrangements for the initial phase of the project. The company is currently initiating bulk sampling at Talisman and continues to advance the development of the mine. New Talisman's wholly owned subsidiary Coromandel Gold Limited with a separate management and board, holds a portfolio of highly prospective mineral interests and gold properties in the Hauraki and Northland Districts of New Zealand. CGL is currently working toward establishing itself as a separate listed entity. Through a subsidiary company, New Talisman Gold owns 20.35% of Broken Hill Prospecting Limited, which holds a significant cobalt project at Thackaringa, about 25 kilometres south-west of Broken Hill in Australia and a heavy mineral sands exploration portfolio. BPL is listed on the ASX (Code: BPL). More about New Talisman Gold at [www.newtalisman.co.nz](http://www.newtalisman.co.nz)

