



HALF YEARLY REPORT
to 30 September 2014





NEW Talisman
GOLD MINES LIMITED





DIRECTORS' REPORT

The directors are pleased to present to shareholders the half yearly report for the period ended 30 September 2014.

Highlights

- First ore from stockpile delivered and processed at treatment facility
- Application over Rahu lodged with New Zealand Petroleum and Minerals
- Formal application lodged with New Zealand Petroleum and Minerals for a Change of Conditions at Talisman;
- Rights issue completed in June raising about \$674,000

In the six months to 30 September the Company made excellent progress across a wide range of fronts at its flagship asset, the Talisman mine project. These included completing a series of funding initiatives, receipt of all consents required to initiate bulk sampling, delivery of the first batch of ore for processing and completion of a detailed project plan for the bulk sampling/trial mining phase.

Despite the uncertain times for the minerals sector in general, the Directors remain confident that development of the Talisman mine represents a very attractive commercial opportunity and have put in place measures to continue development whilst conserving shareholder funds.

Corporate

The Company raised \$674,491 before expenses through a rights issue of 78,722,716 shares in June 2014.

Talisman Mine Project

The Company continued to focus on development of the Talisman mine. Further ore was removed from the stockpile on the hard stand area at the mine portal and this was subsequently sampled and sold generating over \$100K in revenues. A second

batch of ore is currently being prepared for sale. This is one of the more significant milestones for the company in decades and puts New Talisman well on its path to gold producer. The high grades recovered from these stockpiles (approximately 1.5 oz per tonne) are indicative of the grade of gold found in some zones of the Talisman mine.

Bulk Sampling Project

A detailed schedule for mine refurbishment and installation of power, water and electrical systems, identifying appropriate equipment and suppliers and the corresponding capital and operating cost estimates was completed during the period. A detailed project plan was completed during the period following the granting of all consents necessary by Hauraki District Council to begin bulk sampling.

As previously announced the Company expects to generate approximately 650 tonnes of material per month once sampling operations are fully established. Estimates of the ore reserves extracted during this period indicate that this will contain an average of 12.0g/t of gold.

Mine Access and Consenting

All consenting for mine access was completed during the period.

Safety and Health Management system

During the period the company developed a Safety and Health Management System to comply with the provisions of new Mining Safety Regulations. NTL is committed to creating a safe and healthy working environment at the Talisman Mine, is fully supportive of the new regulations and very mindful of its overriding duty of care to keep its workforce safe. The Company lodged the final documentation on the 13th October and is currently responding to queries from the High Hazards Unit on aspects of the company's plan. The Regulations provide for a two month review period.

Exploration Projects

Rahu

During the period the company completed a detailed analysis of its exploration results on the Rahu permit. Following detailed body of work the company lodged an application for an Extension of Land to include the Rahu area the Talisman Mining Permit. NTL continues to work closely with a significant gold producer in looking at the Rahu project and will update the market in due course.

Golden Valley

During the period all project exploration data was reviewed to aid selection of favourable drilling targets. These are designed to test several gold and silver geochemical anomalies that overlay geophysical and geological anomalies.

Copper Project (Northland, New Zealand)

Historical data derived from the recent literature survey is being used to design a ground exploration programme. This includes field verification for planned exploration coverage.

Mineral sands and Cobalt (Broken Hill, NSW, Australia) Thackaringa

Broken Hill Prospecting Ltd (ASX code "BPL", 20.29% owned by NTL as at 30 September 2014) was granted five Exploration Licences to explore for heavy mineral sand deposits (titanium and zirconium) in the Murray Basin, south of Broken Hill, NSW.

The new tenements cover substantial heavy mineral sand deposits and confirmation drill testing at two of these (Copi North and Magic) is planned during early 2015.

The Company has received considerable investment interest in its Thackaringa cobalt-pyrite deposit as a source of future cobalt supply to meet a growing demand for the metal for energy storage applications.

Post Period Developments

Following the end of the reporting period:

- Raised \$280,000 from private placement in October 2014
- Raised \$495,547 plus AUD\$28,853 from the rights issue completed in November 2014
- First revenues (\$98,172) received from sales of gold ore
- Discussions initiated with a significant gold producer on the potential for a joint venture on the company's Rahu prospect.

Competent Person Statements:

The information in this announcement that relates to the Talisman Project Pre-Feasibility Study, Ore Reserve estimates and Metallurgical Testwork were prepared by Mr Wayne J Chowles, a Mining Engineer and member of the AusIMM. Mr Chowles is a full time employee of New Talisman Gold Mines Limited and the author of the Talisman Prefeasibility Study referred to in this release. He 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Chowles consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



NEW TALISMAN GOLD MINES LIMITED

Consolidated Statement of Financial Position

As at 30 September 2014

	Note	30-Sep-14 \$ Unaudited	31-Mar-14 \$ Audited	30-Sep-13 \$ Unaudited
Equity				
Attributable to parent company shareholders	5	9,532,495	9,184,869	10,042,159
Term liabilities				
Provision for closure and rehabilitation		666,023	666,023	-
Total term liabilities		666,023	666,023	-
Current liabilities				
Payables		123,009	80,713	132,074
Employee benefits		8,297	12,947	35,320
Total current liabilities		131,306	93,660	167,394
Total liabilities		797,329	759,683	167,394
Total equity and liabilities		10,329,824	9,944,552	10,209,553
Current assets				
Cash		370,453	334,745	229,144
Receivables and prepayments		90,709	48,100	369,917
Total current assets		461,162	382,845	599,061
Non-current assets				
Property, plant & equipment		6,813	5,779	6,691
Assets under construction		7,356,394	7,020,965	-
Intangible assets	6	2,041,263	1,998,433	8,991,525
Investments		8,649	7,770	29,013
Investment in associate company	4	455,543	528,760	583,263
Total non-current assets		9,868,662	9,561,707	9,610,492
Total assets		10,329,824	9,944,552	10,209,553
Net tangible assets per security		1.2 cents	1.5 cents	0.2 cents

For and on behalf of the Board:



J M McKee
Dated: 12 December 2014



M G Hill
Dated: 12 December 2014

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NEW TALISMAN GOLD MINES LIMITED

Consolidated Statement of Comprehensive Income

For six months ended 30 September 2014

Note	6 Months 30-Sep-14 \$ Unaudited	6 Months 30-Sep-13 \$ Unaudited
Continuing Operations		
Interest received	4,006	4,561
Other operating income	1,317	1,174
Administrative expenses	(293,971)	(377,675)
Loss from operations	(288,648)	(371,940)
Share of results of associates	(73,217)	(89,197)
Loss before tax for the period	(361,865)	(461,137)
Income tax expense	-	-
Total comprehensive income/(loss)	(361,865)	(461,137)
Attributable to:		
Equity holders of the parent	(361,865)	(461,137)
Earnings per share		
Basis earnings/(loss) per share	(0.06) cents	(0.09) cents
Diluted earnings/(loss) per share	(0.05) cents	(0.07) cents

NEW TALISMAN GOLD MINES LIMITED

Consolidated Statement of Changes in Equity

For six months ended 30 September 2014

Note	6 months 30-Sep-14 \$ Unaudited	6 months 30-Sep-13 \$ Unaudited
Total comprehensive income/(loss)	(361,865)	(461,137)
Proceeds from share capital issued	709,491	551,427
Equity at beginning of period	9,184,869	9,951,869
Equity at end of period	9,532,495	10,042,159

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NEW TALISMAN GOLD MINES LIMITED

Consolidated Cash Flow Statement

For six months ended 30 September 2014

	Note	6 months 30-Sep-14 \$ Unaudited	6 months 30-Sep-13 \$ Unaudited
Cash flows from operating activities			
Cash inflows		6,253	5,664
Cash outflows		(256,750)	(352,833)
Net cash outflows from operating activities	7	(250,497)	(347,169)
Cash flows from investing activities			
Cash inflows		-	325
Cash outflows		(424,099)	(322,007)
Net cash outflows from investing activities		(424,099)	(321,682)
Cash flows from financing activities			
Cash inflows		709,491	641,414
Cash outflows		-	(59,851)
Net cash inflows from financing activities		709,491	581,563
Net increase / (decrease) in cash held			
Effect of changes in exchange rates		813	(9,448)
Cash at beginning of period		334,745	325,880
Cash at end of period		370,453	229,144
CASH COMPRISES:			
Cash		265,453	48,516
Short term deposits		105,000	180,628
		370,453	229,144

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General

New Talisman Gold Mines Limited is a company that is incorporated and domiciled in New Zealand. The Company is a profit oriented entity, registered under the Companies Act 1993. It is an issuer for the purposes of the Financial Reporting Act 2013 and is listed on both the New Zealand Exchange and the Australian Stock Exchange.

The company's principal activity is gold exploration.

Statement of compliance

These interim consolidated financial statements presented are for New Talisman Gold Mines Limited and its wholly-owned subsidiaries, Coromandel Gold Limited and Northland Minerals Limited ("Group"). The information is presented in New Zealand currency which is the company's functional currency. The interim financial statements are condensed in accordance with NZ IAS-34, Interim Financial Reporting.

These consolidated financial statements have not been audited. The comparative information for the year ended 31 March 2014 has been audited. The comparative information for the year ended 30 September 2013 has not been audited.

2. Accounting policies

The accounting policies adopted in the preparation of these financial statements are the same as those adopted in the preparation of the annual financial statements for the year ended 31 March 2014. Those policies are set out in the annual report for the year ended 31 March 2014. There have been no changes to those accounting policies.

3. Seasonality of operations

The results are unaffected to any significant extent by seasonality factors.

4. Associate company

The Company holds 17,929,000 shares (20.29%) in Broken Hill Prospecting Limited, an associate. In accordance with NZ IAS 28, the Company has recorded the carrying value of the investments at written down value in the parent company (\$0.937m) and on an equity accounting basis in the group (\$455,543). Market value of the shares at balance date is A\$753,018. The Company also holds 8,964,500 options in Broken Hill Prospecting Limited. These are exercisable at A\$0.20 any time up to 17 February 2016.

5. Debt and equity securities

Share capital increased by \$674,491 in June 2014 when 78,722,716 shares were issued through a rights issue and \$35,000 in August 2014 when 4,375,000 further shares were issued. At balance date 648,981,217 shares and 128,351,516 options were on issue.

6. Prospecting Costs and Mining Tenements

	6 months 30-Sep-14	Year ended 31 Mar 14	6 months 30-Sep-13
	\$	\$	\$
	Unaudited	Audited	Unaudited
Opening balance	1,998,433	8,720,090	8,720,090
Development expenditure	42,830	91,863	271,435
Transfer to assets under construction	-	(5,613,340)	-
Less prospecting expenditure written off	-	(1,200,000)	-
Balance at end of period	2,041,263	1,998,433	8,991,525

7. Reconciliation of net deficit and operating cash flow

	6 months Sep 2014 \$ Unaudited	6 months Sep 2013 \$ Unaudited
Net deficit after taxation	(288,648)	(371,940)
Add non-cash items:		
Depreciation	1,306	626
Exchange (gain)/loss	813	23,221
Unrealised revaluation (gain)/loss	-	(124)
	2,119	23,723
Add (less) movement in working capital:		
Decrease (increase) in debtors	541	104
Increase (decrease) in creditors	37,646	(846)
Decrease (increase) in accrued income	(180)	54
Decrease (increase) in GST	(1,975)	1,736
	36,032	1,048
Net cashflows from operating activities	(250,497)	(347,169)

8. Expenses

A percentage of certain expenses including wages, consulting fees and other operational expenditure is capitalised as mining tenements and assets under construction based on a calculation prepared by management.

9. Commitments

Capital commitments at the end of the period were \$nil. The company has a lease commitment of \$9,582 in respect of office rental for the 6 months until March 2015.

10. Contingent liabilities

Contingent liabilities at the end of the period were \$nil.

11. Going concern

The financial report has been prepared on a going concern basis. Development of the Talisman mine project will require further funding, some of which was raised since 30 September 2014 from a renounceable rights issue and a share placement. The validity of the going concern basis is dependent on the success of future fundraising initiatives.

12. Events subsequent to balance date

A renounceable rights issue was announced on 3 October 2014 and 52,440,108 ordinary shares were issued on 21 November 2014. In addition, following an announcement also on 3 October 2014, 28,000,000 shares were allotted to sophisticated investors under a private placement. NZ\$495,547.37 plus A\$28,853.71 was raised before expenses for the rights issue and NZ\$280,000 for the private placement. On 8 December 2014 2,000,000 unlisted options were converted into ordinary shares. The total shares on issue following the renounceable rights issue, unlisted options conversion and the private placement are 731,421,325.

The company invoiced out \$98,172 for gold ore sales on 11 November 2014 and is expecting to invoice \$80,000 for further gold ore sales in February 2015.

Review report to the shareholders of:

New Talisman Gold Mines Limited

We have reviewed the accompanying interim consolidated financial statements of New Talisman Gold Mines Limited at 30 September, 2014. These financial statements provide information about the past financial performance and cash flows of New Talisman Gold Mines Limited and its subsidiaries ("Group") and its financial position as at 30 September 2014.

The Directors of New Talisman Gold Mines Limited are responsible for the preparation of the interim financial statements. Our responsibility is to issue an independent opinion on these financial statements based on our review and report our opinion to you.

We conducted our review in accordance with Statement of Review Engagement Standards (RS-1) issued by the External Reporting Board. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and the application of analytical procedures to financial data, and thus provides less assurance than an audit.

We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention which would cause us to believe that the attached interim financial report does not present a true and fair view of the financial position of the Group as at 30 September 2014, and the results of its operations and cash flows for the six months ended on that date, in accordance with NZ IAS-34 *Interim Financial Reporting*.

Emphasis of matter

Going concern

Without modifying our opinion, we draw attention to note 11 to the financial statements which refers to a material uncertainty and which states:

"The financial report has been prepared on a going concern basis. Development of the Talisman mine project will require further funding, some of which has been raised since 30 September 2014 from a renounceable rights issue and a share placement. The validity of the going concern basis is dependent on the success of future fundraising initiatives."

In the event that the fundraising strategies are not successful, it may cast significant doubt on the Company's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.


DFK Oswin Griffiths Carlton
12 December 2014
Auckland

12 December 2014

Directors' Statement

The directors of the company declare that:

1. The financial statements and notes, as set out in the Half Yearly Report to 30 September 2014:
 - (a) Comply with New Zealand International Financial Reporting Standards (IFRS), and
 - (b) Give a true and fair view of the economic entity's financial position as at 30 September 2014 and of its performance for the half year ended on that date.
2. In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



J Murray McKee
Chairman
New Talisman Gold Mines Limited



COMPANY DIRECTORY

DIRECTORS

J Murray McKee (Chairman, Independent)
Matthew G Hill (Chief Executive Officer)
Dr Ian J Pringle (Independent Director)

COMPANY SECRETARY

Francesco Giroto

Registered (Head) Office

541 Parnell Road, Parnell
Auckland, New Zealand
Telephone (+64 9) 303-1893
Facsimile (+64 9) 303-1612
Email: office@newtalisman.co.nz
Website: www.newtalisman.co.nz

PRINCIPAL OFFICE IN AUSTRALIA

1st Floor, 25 Richardson Street
West Perth
Western Australia 6005
Telephone (+61 8) 9481-2040
Facsimile (+61 8) 9481-2041

BANKERS

Westpac Bank, Auckland
National Australia Bank, West Perth

AUDITORS

DFK Oswin Griffiths Carlton
Level 4
52 Symonds Street
Auckland 1010

SOLICITORS

Chapman Tripp, Auckland
Simpson Grierson, Auckland
Williams & Hughes, Perth

SECURITIES LISTED

New Zealand Stock Exchange
Code: Shares NTL; Options NTLOA
Australian Securities Exchange
Code: Shares NTL; Options NTLO

SHARE REGISTRARS

New Zealand:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
159 Hurstmere Road
Takapuna, Auckland 0622
New Zealand
Telephone (+64 9) 488-8777
Facsimile (+64 9) 488-8787

Australia:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067, Australia
Telephone 1300 850 505
Overseas callers (+61 3) 9415-4000

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

General enquiries can be directed to:

enquiry@computershare.co.nz

Please assist our registrar by quoting your CSN or shareholder number