

11 September 2015

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL, NTLOA, or NTLO)

FOR IMMEDIATE RELEASE

CHAIRMAN'S ADDRESS ANNUAL MEETING

11 SEPTEMBER 2015

Introduction

The Directors' report for the year to 31 March 2015 was circulated with the Annual Report. Before I table 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

During the course of my address to shareholders last year I outlined a number of milestones the company had passed on its journey from explorer to developer to producer. These milestones included grant of an access agreement to the Talisman mine site by the Department of Conservation and grant of the resource consents needed for the bulk sampling operations at Talisman mine from Hauraki District Council (HDC).

At the time of last year's AGM we had received informal advice that an anti-mining group intended to file an application for a judicial review of the process by which New Talisman was granted the resource consents by Hauraki District Council. Just prior to Christmas 2014 we received formal advice that an application for a judicial review was about to be filed.

We were advised by legal counsel that our position was very sound and resolved to contest the group's application robustly. At considerable expense HDC engaged independent consultants to advise them on the effects of our intended operations under the bulk sampling program and whether they had properly processed our application for the necessary consents. All of the independent consultants supported the Council and Company's position.

At the instigation of the protest group Environment Waikato also engaged an independent consultant to review the water take and treatment process proposed by New Talisman. Their consultant found that the matter had been properly considered by EW.

So in the face of overwhelming evidence that there was no basis for the judicial review application the group filed a notice of discontinuance in June this year just before the case was to be heard in the High Court.

In effect we lost six months' time and incurred considerable cost defending our position. Nevertheless, we consider that action was necessary to protect the company's most valuable strategic asset.

Despite the fact that the group initiated the discontinuance motion they continue to protest. For our part we are very confident of the terms and conditions of our mining permit, our access agreement and our resource consents. In short they provide for us to extract up to 20,000 cubic metres per annum from the start of bulk sampling through the duration of the programme.

The real tragedy of all this is that if there was one location where mining should be accepted and welcomed it is at Talisman where all operations will take place within the footprint of the historic mining operations, no water will be taken from or discharged to the surface and ore processing will take place at a fully consented existing treatment facility.

Other Developments

During the year we advanced the company's interests on a number of other fronts. In particular we entered into a heads of agreement with Newcrest Mining Limited covering our Rahu interest. We spent considerable time working with Newcrest and NZPAM on our application for an extension of land that was submitted in August last year. We delineated a maiden resource at Rahu and completed a significant body of work to support our application. We have always believed that Rahu holds significant upside to mining at Talisman with a contiguous and similar vein system at depth. We expect to have a formal response to our application for an extension of land in the very near future.

Our technical team have been hard at work during the year while we were unable to proceed at Talisman due to the judicial review. Recently, we acquired a comprehensive digitised dataset containing all available data on Talisman going back to the early 1900's. Some of the base data is so old it is mapped on silk cloth. The data indicates significant target areas at depth many averaging over 10g/t.

The team is currently working on modelling and analysis of this data and at the end of my address I will invite Wayne Chowles to outline for you a bit more about what this data means and how it can be effectively used for both resource extension and mine planning purposes.

Finally, under other developments, we successfully negotiated changes to the terms and conditions of the Talisman mining permit to protect our tenure.

High Grade Ore Province.

Volatility in the price of gold over recent years has brought a renewed focus on high grade ore reserves and potential for scale. So we have seen several new players coming into Waihi district which we welcome. We consider we are well positioned to benefit from the renewed levels of activity in the district given our long involvement as an explorer and our understanding of the geology of the district.

First Gold Production

At last year's AGM I noted that we had reached agreement with Newmont Waihi on the terms of treatment for ore from Talisman and that we had the first batch of ore laying on the pad at Newmont's facility awaiting processing. This ore was subsequently treated and generated the company's first revenues from gold production. The grades of the ore processed were significant at over 1oz per ton which is reflective of the potential of some of the vein systems at Talisman.



The External Environment

At the conclusion of my last two or three 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. Regrettably those indications proved a false dawn and today the US dollar price per ounce hovers around the mid \$1,100 whereas at the time of last year's AGM it was a fraction over \$1,200.

However, one important point now becoming apparent in both Australian and NZ mining investment circles is the effect of the decline in each country's currency. As at today the NZ\$ price that New Talisman would receive for an ounce of gold is hovering around the NZ\$1750 per oz mark. We have not seen this price level since mid-2013 when we completed the feasibility study and the US\$ gold price was approximately \$1350 per ounce.

Capital Raising

Over successive AGM's shareholders have made the point that they wished to be involved in funding the Talisman mine into production. In recognition of this the board completed a number of capital raisings during the year which were pleasing but insufficient to embark upon a fully funded project. We appreciate the huge support we have received from New Zealand shareholders during what was undoubtedly a difficult time for junior miners and resource stocks in general. Your board remains acutely aware of the need to conserve cash and took some hard cash conservation measures which involved personal financial sacrifices.

The funds raised to date have been positively applied to progress the bulk sampling project where possible and a substantial sum was spent defending the resource consents to protect shareholder value. 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. We are also considering other options including disposal of liquid assets, joint venturing and farm-ins.

That concludes my address.

J Murray McKee
Chairman
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About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZX & 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. New Talisman owns 18.04% 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

