

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]

FOR PUBLIC RELEASE

Quarterly Activities Report to March 31st 2016

New Talisman Gold Mines Limited is pleased to present the quarterly report on activities for the period ended 31st March 2016.

HIGHLIGHTS

- Change of conditions on Talisman Permit lodged
- Traffic Management Plan Approved
- Heads of Agreement with Newcrest Extended on Rahu
- Sale of Broken Hill Prospecting shares
- Discussions with Chinese group advanced

Corporate

As announced NTL has continued negotiations with a Major Chinese group following its visit to their headquarters in November 2015. We are pleased to announce the group is Amer International a large private enterprise with significant expertise in the manufacturing and metals industry. The group have indicated that they will visit New Zealand in the next month to advance discussions on a potentially significant stake in the company. Both parties are working closely with one another to deliver an outcome which is beneficial to Amer and our existing shareholders.

TALISMAN GOLD PROJECT (100%) – Hauraki District, NZ

During the period under review NTL applied to vary one of the conditions on the Talisman permit. The change proposed will allow the required lead time for the company to begin its bulk sampling project.

On the operational front, during the quarter the company directed its efforts toward gaining approval for the traffic management plan from the Hauraki District Council. The process had to be approached carefully order to both ensure the safety of visitors to the forest park in which the mine is situated and protect the company's interests. We are pleased that the plan has been approved in principle and that there is certainty over the requirements for implementation of the plan. The company will now direct its attention to quantifying and implementing the controls to ensure the safety of all road users prior to undertaking ore transport from the mine.

During the quarter the company undertook an update of the pre-feasibility study which was completed in 2013. This update is required to quantify the effects on mine design and extraction

rates of all information that has been gathered since completion of the original pre-feasibility study. The update will include all data assimilated in the past two years including the metallurgical test work completed at a local gold plant and changes to design brought about through compliance with regulatory changes. The update will additionally be informed by the historical data acquired by the company in 2015 and will take into account changes in metal prices and exchange rates over the period. Completion of the update is expected in the August quarter.

Further to the above the company has commissioned detailed design of the ventilation airlock which will be constructed at the portal of No 8 level in order to create a pressurised ventilation environment within the mine, which is currently naturally ventilated.

During the period under review NTL executed an extension to the Heads of Agreement signed with Newcrest on the proposed joint venture at Rahu. As announced the application for an extension of land over Rahu was declined

BROKEN HILL PROSPECTING LTD 'BPL' – NSW, AUSTRALIA [ASX/NZSX: BPL]

New Talisman sold down its holding in BPL over the quarter and now remains at under 5%. Funds received from the sale totalling approx. \$167K will be applied to the Talisman mine and working capital.

During the quarter Broken Hill Minerals Pty Ltd (a 100% owned subsidiary of BPL) continued exploration activities at the Copi North heavy mineral sand ('HMS') JV project in western NSW.

A scoping study was completed for the Copi North HMS deposit and this has defined a robust project with potential for 1.4 million tonnes per year throughput, an initial 5-year mine life and production of about 100,000 tonnes per year of heavy mineral concentrate (zircon, rutile and ilmenite). The study showed a mine operating cash flow after costs of AUD45.2m from AUD163.6m total revenue and each year of extra production could add about AUD12M to undiscounted net cash.

Drilling at the western end of Copi North in EL8835 (Sunshine Lease) has shown that the deposit extends at least for another four kilometres and the deposit is now more than 16km in length. The results confirm a substantial increase in the size of Copi North, and will form the basis of a new JORC resource estimate expected to be announced in late May 2016.

BPL's Thackaringa Cobalt-Pyrite Project has attracted international attention as concerns over future cobalt supplies to supply the growing market for lithium-ion cobalt batteries. BPL share price has gained considerably climbing from 2 cents to a high recently of 9 cents per share.

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 1900 shareholders who are mainly from Australia and New Zealand. 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. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a JORC compliant mineral resource within the original Talisman underground mine, and a Heads of agreement with Newcrest on an adjacent exploration permit along strike from the mine. The company is now advancing its plans to develop the mine, and advance the exploration project.

More about New Talisman Gold at www.newtalisman.co.nz



Competent Person Statements

Exploration activities and results contained in this report on Broken Hill Prospecting Limited are based on information compiled by Dr Ian Pringle, a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Broken Hill Prospecting Ltd and also a Director of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Pringle has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

