



NEW TALISMAN GOLD MINES LIMITED
OFFER DOCUMENT



**3 for 1 Renounceable Rights Offer
of Ordinary Shares**

Dated 25 May 2016

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IMPORTANT INFORMATION

General information

This document has been prepared by New Talisman Gold Mines Limited (the Company or New Talisman) in connection with a 3 for 1 renounceable rights offer. The offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) and section 708AA of the Corporations Act 2001 (Commonwealth of Australia). This document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the Offer or the Company.

Additional information available under New Talisman's disclosure obligations

New Talisman is subject to continuous disclosure obligations under the NZX Main Board and ASX Listing Rules. Market releases by New Talisman are available at www.nzx.com under stock code NTL.

Offering restrictions

This Offer is made only in New Zealand and Australia. No action has been taken to permit a public offering of the New Shares in any jurisdiction outside New Zealand and Australia. The distribution of this document in a jurisdiction outside New Zealand and Australia may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions.

No person may subscribe for, purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations. Without limiting the foregoing, this document may not be sent into or distributed in the United States.

No Guarantee

No person named in this document (nor any other person) guarantees the New Shares to be issued pursuant to the Offer or warrants the future performance of New Talisman or any return on any investment made pursuant to this document.

Decision to participate in the Offer

The information in this document does not constitute a recommendation to acquire New Shares or financial product advice. This document has been prepared without taking into account the investment objectives, financial, or taxation situation or particular needs of any Applicant or investor.

Privacy

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form will be held by New Talisman and/or the Registry at the addresses set out in the Directory. This information will be used for the purposes of administering your investment in New Talisman. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993 (New Zealand), you have the right to access and correct any personal information held about you.

Dividend Policy

The Company has a policy of not paying dividends and the Board is unable to predict when any dividend may be paid in the future. This will depend on a number of factors including the future success, profitability and financial position of the Company.

Competent Person's Statements

The information in this report that relates to Exploration Targets, Exploration Results, and Mineral Resources is based on information compiled by Murray Stevens, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stevens is employed by Stevens and Associates and is an independent

consultant engaged by New Talisman Goldmines Limited from time to time on a consulting basis. Mr Stevens has sufficient experience that 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stevens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Talisman Project Pre-Feasibility Study and the Ore Reserve estimates was 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 2012 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.

Enquiries

Enquiries about the Offer can be directed to a Primary Market Participant, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on the Entitlement and Acceptance Form that accompanies this document, or how to complete the Entitlement and Acceptance Form, please contact the Registry.

Times

All references in this document to times are to New Zealand time.

1.0 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the board of New Talisman Gold Mines Ltd, I am pleased to recommend to you a 3 for 1 pro-rata renounceable rights offer of new shares.

In recent months the relevant local and regional government agencies have either reconfirmed that the resource consents issued previously are valid or that no consent is required. The traffic management plan for the mine has been approved in principle. The majority of the Health and Safety hazard plans needed to commence underground operations have been accepted by the High Hazards Unit of Worksafe NZ and the remainder will be finalised as part of the work on establishing utility services to the mine site and underground. Ore from the mine has been successfully processed under a toll treatment agreement with a neighbouring operation and the gold and silver profitably extracted and sold. We are now confident we are in a position to "press the button" subject to the Company holding sufficient funds to undertake the full scope of works for the bulk sampling project.

In an exciting new development Newcrest, the company New Talisman partnered with to pursue further exploration on the Rahu permit, was successful in its application for the permit. The Heads of Agreement between New Talisman and Newcrest provide for the parties to enter into a Joint Venture agreement covering equity participation and operatorship arrangements. We expect the Joint Venture agreement will be finalised in the coming weeks. Again, we are confident your Company can play an active and constructive role in the joint venture that will add value to the Company's resource base, although no assurance can be given that joint venture negotiations will be successfully concluded.

The developments at Talisman and Rahu take place against a steady upward trend in the price of gold driven by renewed concerns regarding the world financial system, a return to quantitative easing in some economies and heightened conflict or threats of conflict in many regions. In that light we believe the Company is perfectly positioned to reap the benefits of its disciplined, strategic approach to exploration, mine development and production

To fund the developments at Talisman and Rahu and provide working capital the Company is offering 2,453,167,758 new Shares at an Issue Price of NZ\$0.005 or AU\$0.005 per New Share, on the basis of 3 New Shares for every 1 Existing Share held as at the Record Date. The offer is deeply discounted from the closing price on the NZX of 1.5 cents on the 16th May preceding the announcement of the offer. If eligible shareholders do not take up their rights their shareholdings will be significantly diluted. We expect shareholders will find this opportunity to participate directly in the growth of the Company very attractive.

All Eligible Shareholders are entitled to participate in this Offer. If you accept your Entitlement in full, you can also apply for Additional New Shares (i.e. Shares in excess of your pro rata Entitlement) through the Oversubscription Facility.

I commend this offer to you and look forward to your support to bring the historically rich Talisman mine back into production after a 24 year halt.

Yours sincerely,



J Murray McKee

Chairman

New Talisman Gold Mines Limited

2.0 KEY TERMS OF THE OFFER

Issuer	New Talisman Gold Mines Limited
The Offer	A pro-rata renounceable rights issue of 3 New Shares for every 1 Existing Share held on the Record Date (with fractional entitlements being rounded down to the nearest share)
Eligible Shareholder	Shareholders with registered addresses in New Zealand or Australia on the Record Date
Issue price	NZ\$0.005 or AU\$0.005 per New Share
Offer Size	Maximum amount to be raised under the Offer: NZ\$12,265,838.79
Oversubscriptions	If you accept your entitlement in full, you may apply for any number of Additional New Shares pursuant to the Oversubscription Facility
Expenses of the Offer	Expenses associated with the Offer are expected to total approximately NZ\$35,000
New Shares	The same class as (and rank equally with) existing Shares on the Issue Date
Shares currently on issue	817,722,586 Shares
Maximum number of New Shares being offered	2,453,167,758 New Shares
Maximum Shares on issue on completion of the Offer	3,270,890,344 Shares
How to apply	Application must be made through the enclosed Entitlement and Application Form together with payment in New Zealand dollars (or Australian dollars). See Section 6 of this document for actions to be taken by Eligible Shareholders

3.0 IMPORTANT DATES

Rights trading commences ASX	23 May 2016
Rights trading commences NZX Main Board	23 May 2016
Record Date for determining Entitlements	7.00pm (NZ time), 24th May 2016
Opening Date	25 May 2016
Expected dispatch of document enclosing the Entitlement and Acceptance Forms	25 May 2016
Rights trading ends ASX	7.00pm (NZ time) and 5.00pm (AEST), 6th June 2016
Rights trading ends NZX Main Board	5:00pm (NZ time) and 3:00pm (AEST), 8th June 2016
Closing Date (last day for receipt of the completed Entitlement and Acceptance Form with payment)	5.00pm (NZ time) and 3.00pm (AEST), 14th June 2016
Allotment and issue of New Shares and dispatch of holding statements (Issue Date)	17th June 2016
Expected date for quotation of New Shares on NZX	20th June 2016
Expected date for quotation of New Shares on ASX	20th June 2016

These dates are subject to change and are indicative only. New Talisman reserves the right to amend this timetable (including by extending the Closing Date) subject to applicable laws and rules of NZX and ASX. New Talisman reserves the right to withdraw the Offer and issue New Shares at any time before the Issue Date in its absolute discretion.

4.0 DETAILS OF THE OFFER

4.1 The Offer

The Offer is an offer of New Shares in New Talisman to Eligible Shareholders under a renounceable rights issue. Under the Offer, Eligible Shareholders are entitled to subscribe for 3 New Shares for every 1 Existing Share held on the Record Date. The New Shares are of the same class as (and rank equally with) Existing Shares, which are quoted on the NZX Main Board and on the ASX. It is a term of the Offer that New Talisman will take any necessary steps to ensure that the New Shares are, immediately after the issue, quoted.

The maximum number of New Shares being offered under the Offer is 2,453,167,758.

4.2 Issue Price

The Issue Price is NZ\$0.005 or AU\$0.005 per New Share. Applicants may choose whether to pay the New Zealand dollar Issue Price or the Australian dollar Issue Price. The Issue Price must be paid in full on application with a completed Entitlement and Acceptance Form delivered (either by mail, delivery, email or fax) to the Registry in accordance with the instructions set out in the Entitlement and Acceptance Form. New Talisman may accept late Applications and Application Monies, but has no obligation to do so. New Talisman may accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers is not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form.

If an Eligible Shareholder fails to accept any New Shares and pay the associated Application Monies by the Closing Date 5.00pm (NZ time) and 3.00pm (AEST), 14th June 2016, their Rights will lapse.

Application Monies received will be held in a trust account with the Registry until the corresponding New Shares are allotted or the

Application Monies are refunded. Interest earned on the Application Monies will be for the benefit, and remain the property, of New Talisman and will be retained by New Talisman whether or not the issue and allotment of New Shares takes place. Any refunds of Application Monies will be made within 10 Business Days of allotment (or earlier date that the decision not to proceed with the Offer is made).

4.3 Eligibility

The Offer is only open to Eligible Shareholders, being those persons with registered addresses in New Zealand or Australia, who are registered as Shareholders at the Record Date.

New Talisman considers that the legal requirements of other jurisdictions in which Shareholders have a registered address are such that it would be unduly onerous for the Company to make the Offer, having regard to the low number of such Shareholders, the number and value of New Shares such Shareholders would be offered, the financial resources of the Company and the costs of complying with overseas legal requirements. However, the Entitlements of all ineligible Shareholders will be issued to a nominee who will endeavour to sell those Entitlements and the proceeds will be paid to those Shareholders.

4.4 Oversubscription Facility

Eligible Shareholders who accept their full Entitlement may also apply for Additional New Shares (in excess of their Entitlement) at the Issue Price pursuant to the Oversubscription Facility. Applicants may apply for any number of Additional New Shares, but there is no guarantee that Applicants will be allocated any or all of the Additional New Shares for which they apply.

The number of New Shares available under the Oversubscription Facility will

equal the number of New Shares for which valid applications are not received by the Closing Date. No applicant for Additional New Shares will be allocated any greater number of Additional New Shares than the number for which they have applied and paid.

If the total number of Additional New Shares applied for exceeds the total number of New Shares in the Oversubscription Facility, the Company may scale the oversubscription applications in the following manner. The number of New Shares in the Oversubscription Facility will be allocated, subject to there being a sufficient number of New Shares in the Oversubscription Facility, as follows:

- firstly, all applicants for Additional New Shares will be allocated the lesser of:
 - the number of Additional New Shares applied for; and
 - 200,000 New Shares (being the rounded down average number of Shares held by the Company's Shareholders).
- if New Shares remain unallocated in the Oversubscription Facility such shares shall be allocated to unsatisfied applicants pro-rata to those applicants' holdings of Existing Shares.
- if New Shares remain unallocated in the Oversubscription Facility after the above two scaling steps, such shares will be allocated to unsatisfied applicants pro-rata to the number of Additional New Shares applied for (as a proportion of all such remaining unsatisfied applications).

If the number of New Shares in the Oversubscription Facility is insufficient to allocate under the first step of the scaling methodology set out above, the

Company reserves the right to ballot, reduce the upper limit of New Shares allocated or scale the applications in any other manner that it deems appropriate (subject to applicable laws and the Listing Rules). The Company's decision on scaling will be final.

4.5 Opening and Closing Dates

The Offer will open for receipt of acceptances on 25th May 2016 (Opening Date). The last day for receipt of the completed Acceptance and Entitlement Form with payment is 5.00pm (NZ time) and 3.00pm (AEST), 14th June 2016 (Closing Date), subject to New Talisman varying those dates in accordance with the NZX Main Board and ASX Listing Rules.

4.6 Allotment and issue of New Shares

New Shares are expected to be allotted and issued on 17th June 2016 (Issue Date). Statements for New Shares will be issued and mailed in accordance with the Listing Rules.

4.7 Terms and Ranking of New Shares

New Shares allotted and issued will be fully paid and will be the same class as (and rank equally in all respects with) other Shares on issue that are quoted on the NZX Main Board and ASX on the Issue Date. They will give the holder the right to one vote on a resolution at a meeting of shareholders (subject to any restrictions in the Company's constitution or the Listing Rules), the rights to dividends authorised by the Board and the right to a proportionate share in any distribution of surplus assets of the Company on any liquidation.

4.8 Rights

If you are an Eligible Shareholder, you are not required to subscribe for all of the New Shares to which you would be entitled under the Offer. You may subscribe for a proportion of your New Shares, sell your entitlement or allow your Entitlement to lapse. See further details in Section 6.

4.9 Use of Proceeds

New Talisman intends to use the proceeds from the Offer to cover the expenses associated with this Offer (estimated at NZ\$35,000), to continue toward further production at the Talisman mine and fund general working capital.

4.10 NZX and ASX listing

Application has been made for permission to quote the Rights on the NZX Main Board and all the requirements of NZX relating thereto that can be complied with on or before the date of this document have been duly complied with. However NZX accepts no responsibility for any statement in this document. The New Shares have been accepted for quotation by NZX and will be quoted upon completion of allotment procedures. NZX Main Board is a licensed market under the Financial Markets Conduct Act 2013 (New Zealand).

Application has been made for permission to quote the Rights on the ASX and all requirements of ASX relating thereto that can be complied with on or before the date of this document have been duly complied with. However ASX accepts no responsibility for any statement in this document. The Company has made an application for admission of the

New Shares to quotation on ASX. All requirements of ASX relating to such an application that can be complied with on or before the date of this document have been, or the Company expects will be, duly complied with. The resulting Shares are therefore expected to be quoted on ASX following the completion of allotment procedures. A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares now offered for subscription.

Neither NZX, ASX nor ASIC accepts any responsibility for any statements in this document.

5.0 BUSINESS OVERVIEW

Summary of application of funds raised

The Company intends utilising the funds raised through this offer as follows in order of priority:

1. Initiating the bulk sampling programme and associated works immediately following completion of the raise
2. Accelerating the bulk sampling programme to maximise ore extraction within the terms of the granted resource consents and traffic management plan
3. Complete the feasibility study on the project
4. Accelerating the transition from bulk sampling to Phase 1 of the longer term production plan
5. Identifying additional gold mineralisation that could be upgraded to JORC 2012 compliant resources from the recently acquired digital historic production data and new exploration targets within the permit
6. Fund the Company's obligations under the Rahu Joint Venture with Newcrest Mining.
7. Working Capital

The bulk sampling project plan which will be immediately undertaken as set out in 1) above requires 2,1m NZD. The remaining amounts allocated to each of the above will be determined based on the analysis of the data and reconfiguration of the mine plan. If insufficient funds are raised under the Offer the Company will seek to place the shortfall or explore alternative funding sources, and if those strategies are not successful will not be able to undertake all of its plans.

Initiating Bulk Sampling Project

The first funds raised will be applied to initiating the bulk sampling project which contemplates that NTL will extract on average 650 tonnes per month for a period of 18 months to 24 months. Works to initiate the project include improvements to the mine access road, extension of the electrical supply lines to the hardstand area, installation of an airlock and ventilation fan at the mine portal and refurbishment and strengthening of the main underground drive.

Accelerating and increasing extraction under resource consents

NTL intends to expend further funds to optimise the rate of ore extraction during bulk sampling phase. The current plan to extract 650 tonnes per month is conservative relative to the amounts allowed under the granted resource consents. NTL anticipates, subject to optimal funding under this offer and further analysis of underground extraction plant capacity, in mine and surface transport and ore processing capability, that it will be feasible to progressively build extraction volumes to an optimal volume consistent with the terms of the consents. Currently the consents allow for up to 20,000 cubic metres of ore per annum to be removed from the mine. Based on a head grade of 10.82 grams per tonne (the average ore reserve grade), a recovery rate of 90% and a gold price of USD1300 per ounce this could yield a maximum output of some 15,000 ounces and revenue of approximately 30M NZD per annum at the current exchange rate.

Moving into phase 1 of mining earlier than previously anticipated

The information gained from the bulk sampling project at the Talisman mine will inform an early review of the overall Talisman project plan as well as providing data for detailed later production scheduling. The early review of the overall project plan will allow plans for phase one production to be finalised and applications for the consents for this stage to be filed promptly, NTL will ensure that any and all effects of its operations during bulk sampling comply with the terms of its consents and that generally its operations meet the "no more than minor" test set out in District Plan. This will facilitate processing of applications for consents for phase 1 within a reasonable time frame. Production and revenue estimates for phase 1 mining are set out in the following table.

			Year 1	Year 2	Year 3	Year 4	Year 5
Production							
ROM Tonnes	tons	106,495	5,885	27,888	35,416	21,726	15,580
Primary Development	metres	2,701	374	436	710	859	322
Gold Recovered	Oz	32,217	742	3,346	10,977	12,115.00	5,037.0
Silver Recovered	Oz	102,844	6,296	25,245	36,042	26,956.00	8,305.00
% Operation			40%	80%	100%	100%	40%
Revenue							
Consensus Gold Price	US\$/Oz		1,300	1,300	1,300	1,300	1,300
Gold Revenue	US\$		964,600	4,349,800	14,270,100	15,749,500	6,548,100
Silver	US\$/Oz	30	188,880	757,350	1,081,260	808,680	249,150
Exchange Rate	NZD/USD	0.69	0.69	0.69	0.69	0.69	0.69
Total	NZD	65,170,174	1,671,710	7,401,667	22,248,348	23,997,362	9,851,087

Table 1 – Phase 1 mining production plan

Exploration

There is excellent potential to increase current gold resources and discover new unmined veins within the 4km by 3km epithermal gold system that hosts Talisman and Rahu. The Company intends, once its development targets are reached to use surplus funds raised for an expanded exploration programme on the Talisman mining permit. This includes targets at Taukani Hill (which carried bonanza grades), Dominion Knoll, vertical extensions of the Crown vein system and the southern extensions of the Maria vein. This programme will be developed around the extensive database NTL has put together of all the known data relating to the Talisman mine. Further exploration will be targeted underground once the Company has completed its initial entry into Dubbo and Mystery which will assist in both resource delineation and mine planning. What the Company knows now which it could not previously verify is that there are a number of areas in the Talisman deeps where historic samples indicate zones of high grade gold outside the current modelled resources.

Funding the potential Rahu Joint Venture

Under the Heads of Agreement "HoA" with Newcrest NTL expects it will fund its share of the agreed work programme after the initial period provided for in the HoA. Funds raised under this issue will allow NTL to allocate funds toward the proposed Joint Venture "JV". This includes incorporation costs, ongoing expansion of the program envisaged, staffing and expenses relating to the incorporated JV.

BACKGROUND

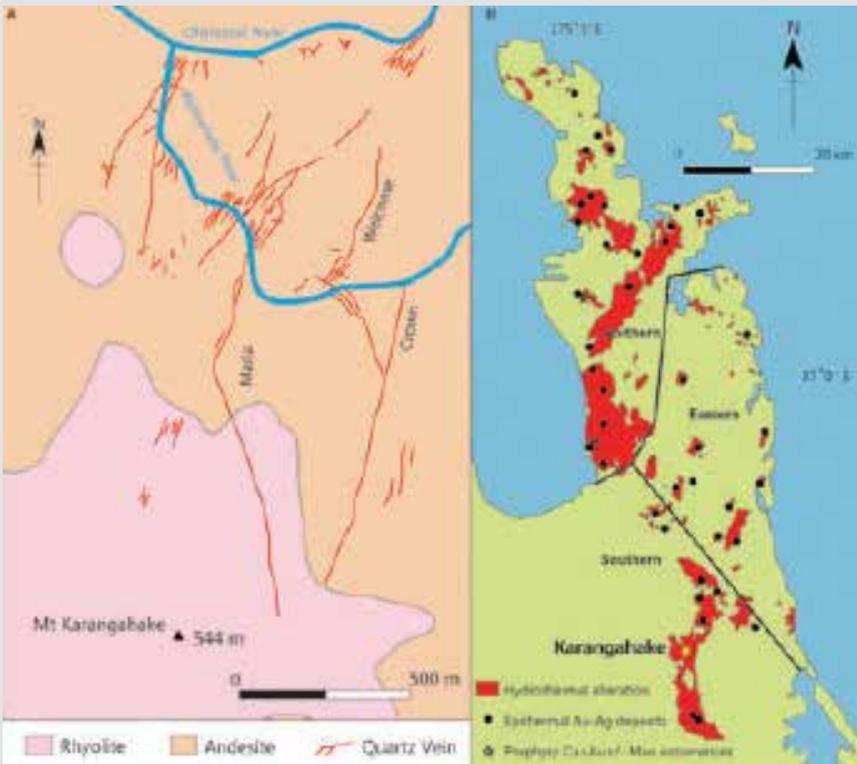
New Talisman Gold Mines Ltd (ASX: NTL, NZX NTL) retains a 100% interest in the Talisman Mine Project, (Minerals Mining Permit 51326) situated at Karangahake, approximately 20km west of the town of Waihi on the Coromandel Peninsula, North Island, New Zealand. NTL also holds 17.9 million shares in Broken Hill Prospecting Ltd (ASX: BPL) representing a current interest of less than 5%. BPL shares are currently trading at 8 cents AUD.

Gold mining on the Coromandel Peninsula

Alluvial gold was discovered on the Coromandel Peninsula in the 1850's and was quickly followed by gold production from hard rock vein deposits in 1862. Major gold production to the current date includes Thames with 1.4 million ounces, Golden Cross 1.4 million ounces, Karangahake 1.0 million ounces and Waihi which is operated by Oceana Gold with 7.1 million ounces of gold.

Gold mining at Mount Karangahake took place between 1875 to the 1940's and occasionally until 1992, and reported historic production of gold with silver credits, (bullion) of around 4.0 million ounces. This equates to approximately 1.0 million ounces of gold and 3.0 million ounces of silver.

New Talisman Gold Mines has completed an exploration programme on the surface and within Mount Karangahake mainly in the 8 Level of the historic Talisman Gold Mine and updated estimates of in situ gold resources.



Map one: the Coromandel Peninsula is the site of historical and current gold production along its 85 kilometre length

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The permit includes the workings of two of New Zealand’s largest historical gold mines – the Talisman and Crown Mines. Together these two mines produced more than a million ounces of gold and three million ounces of silver. The vein systems within these two mines extend over a strike length of at least 1.5km and to a depth of 700 metres within the Talisman Mining Permit and can be traced into the Rahu Exploration Permit to give a total known strike of around 4.0km. Recently, Newcrest have been successful in its application for an exploration permit on Rahu subsequent to NTL applying for an extension of land for which the two companies had executed a heads of agreement. The agreement remains in full force and effect and the companies are working on the final legal documentation for a binding detailed agreement on Rahu.

Talisman Gold Mine - History

The Talisman Mining Company was established in 1893, the companies focus was mining of the Maria Vein which had been discovered by geologists following the initial alluvial discoveries in 1875.

Over its 30 year life the mine grew to assimilate most of the individual claims in the area including the adjacent Woodstock mine. Mining was spread over 16 levels covering a strike length of approximately 800m, peak production of 52 000 tonnes of ore mined was achieved in 1914. During its lifetime the Company produced most of the 3,510,691 oz. of bullion from the area, the average recovered grade of ore mined is estimated at approximately 27.1g/t

Crown Mine

Mining of the Crown claim began in 1883 and focused its efforts on extracting ore from the Crown and Welcome veins. The uppermost level mined was the 5A Level which is on the same elevation as the Talisman 8 Level

Mining operations were conducted over 10 levels with the lowest level, 5B, being some 100m below the level of the Waitawheta River.

The mine was closed in 1928 and, over its life had extracted some 350 000 ounces of gold at an average recovered grade of 15.1 g/t. the surface trails cut into the side of the Karangahake Gorge by these old miners now form the base for the very popular Hauraki cycling track.



Talisman Permit

Historical production from the 10 mines situated within the current New Talisman mining permit is reported at over 4 Million ounces of bullion at an average recovered grade of 23.1 g/t. Records show that mining in the area was terminated largely because of technical constraints relating to water pumping and ventilation and a shortage of labour brought about by the world war. The companies lacked modern exploration equipment and their ability to extend mining along strike was limited by their ability to channel adequate ventilation to the production face. Strike and depth extensions of the Maria and Crown veins have long been considered highly prospective.

Talisman Gold Mine –Exploration

Exploration endeavors were carried out by a number of companies between the early 1970's and 1990's. One highlight of these activities was the discovery, by Cyprus Mining, in the Dubbo Zone, an extension of the Maria reef on the Talisman No 8 Level, where drill hole BM37 yielded core assaying at 682.4 g/t Au and 2094 g/t Ag over 1.8m width.

Another notable achievement from this era was the discovery of the Mystery Reef. The Mystery reef is an unmined vein that was discovered when Keillors crosscut was driven on No 8 Level to connect the Crown and Talisman mines and is a priority development and exploration target for New Talisman.

New Talisman Gold Mines Limited (then Heritage Gold) applied for and exploration permit in 1992 which was granted in 1995. They began a review of all historical data in the area and initiated an aeromagnetic survey, this was followed by several phases of surface and underground mapping and geochemical sampling, data acquisition into a digital database, and ground geophysics which was completed in 1998.

In 2003 New Talisman commenced a programme to evaluate the resource potential of the Talisman Mine. The first phase of this programme had a prime objective of gaining access to the BM37 high grade zone in the Dubbo Section as well as evaluating the other resource areas. This programme identified resources in four blocks namely the Maria vein Woodstock section, the Maria vein Dubbo section, the Mystery vein and the Crown vein, the programme culminated in the declaration of a 109,600oz gold resource.

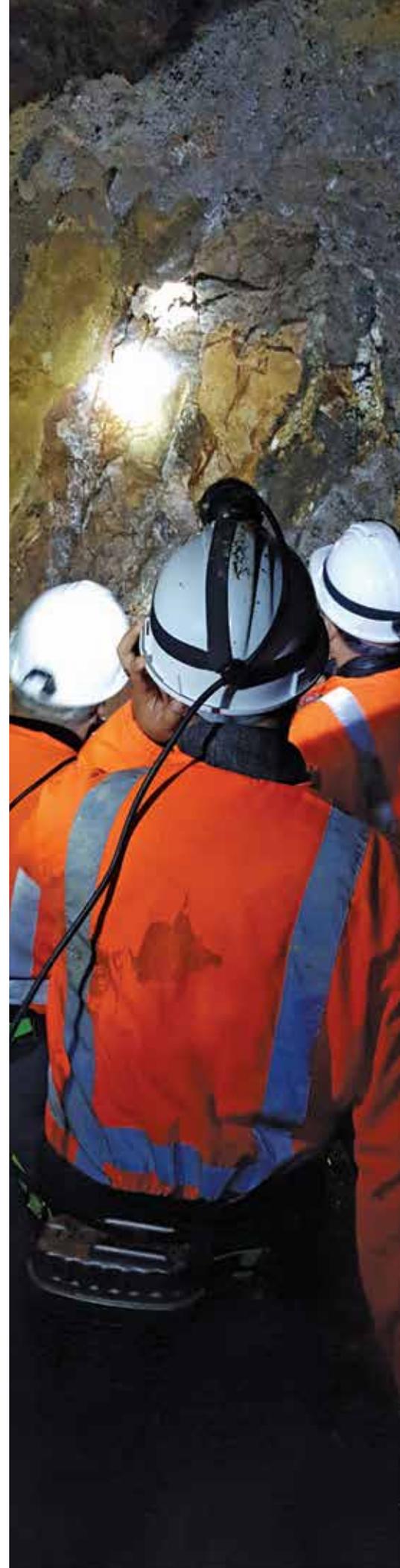
A second phase exploration programme was completed in April 2005 and built on the work carried out in phase one, this resulted in a JORC compliant 205,000oz gold resource being declared. In 2008 the Company commissioned a scoping study which suggested that an economic case could be made to further uplift the project. In 2012 the decision was made to restructure the Company to focus on the development of the Talisman Mine.

Key Infrastructure

The mine is situated approximately mid-way between the well-established towns of Paeroa and Waihi in the Hauraki District of North Island. The proximity to these towns provides the Company excellent access to local infrastructure and an excellent transport network. A sealed road leads to within 1 km of the mine site and access to the portal is via a well maintained unformed road. Lines carrying 3 phase power are equipped to the mine site can be reconnected at minimal cost.

A stable and fit for purpose engineered hardfill immediately outside the No 8 portal provides sufficient area for ore transport requirements, engineering infrastructure, offices and stores area.

The Company has water take consents to provide sufficient service water to the mining operation and has designed a water reticulation system that will make efficient use of internal water while ensuring that contamination of discharge water is minimal and presents no danger of contamination to the natural environment



Mineral Resource Estimates and Exploration Potential

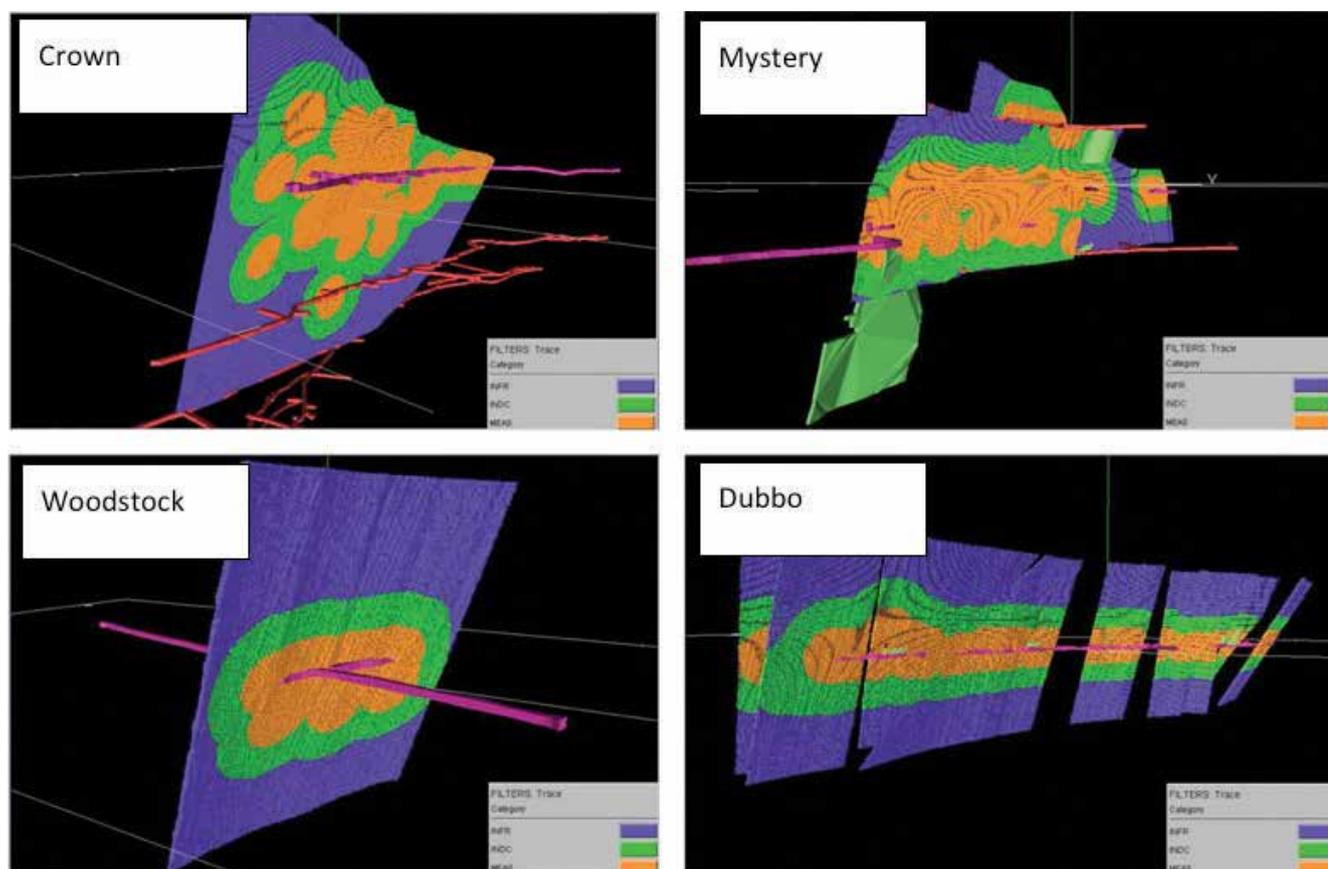
The current JORC compliant Resource Estimate is tabulated below:

Mineral Resources			Au	Ag		
	Category	Tonnes	Grade	Ounces	Grade	Ounces
	Inferred	507,200	8.5	139,100	27.2	442,800
	Indicated	197,690	5.0	31,660	26.5	168,140
	Measured	212,500	5.0	34,000	27.5	187,900
	TOTAL	917,390	6.9	204,760	27.1	798,840

Talisman Gold Mine – Mineral Resource Blocks

The mineral resources in the Talisman Mine comprise four individual ore blocks as shown in Diagram Two

Diagram Two: 8 Level Portal Leads into Woodstock, Dubbo, Crown and Mystery Blocks



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The Woodstock block is located 160 metres from the 8 Level portal and presents an opportunity for immediate on reef development. Access is also available from 7a Level. The resource has been estimated over a strike length of 335 metres and includes an initial target resource of 92,100 tonnes at a grade of 4.7 g/t au for 13,800 ounces of gold.

The Dubbo block is an immediate on reef development that is accessed from No 8 Level portal. The initial resource target is estimated over a 204 metre strike length and includes an initial resource target of 23,000 tonnes at a grade of 38.3 g/t au for 26,800 ounces. Analysis of the newly acquired database has provided evidence of the extension of this ore shoot to depth.

The Mystery block is an unmined virgin target that is accessed from No 8 Level. The resource has been estimated over a strike length of 105 metres and includes an initial resource target of 7,400 tonnes at a grade of 17.7 g/t au for 4,200 ounces of gold. This block has potential to develop into a long life mining opportunity.

The Crown / Welcome blocks represent medium term and long life development potential that is accessed from the 8 Level. The resource is estimated over a combined 335 metre strike length and includes an initial development target of 46,500 tonnes at a grade of 8.8 g/t au for 13,200 ounces of gold.

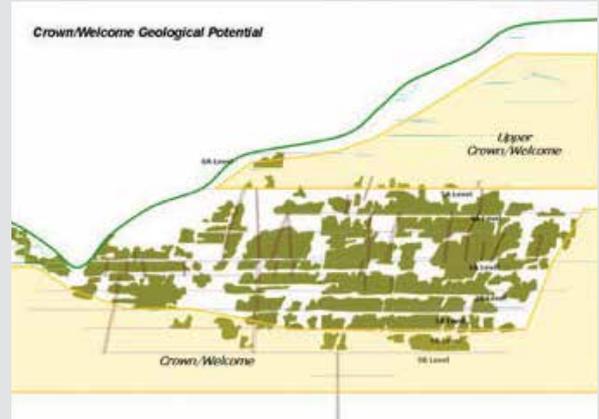
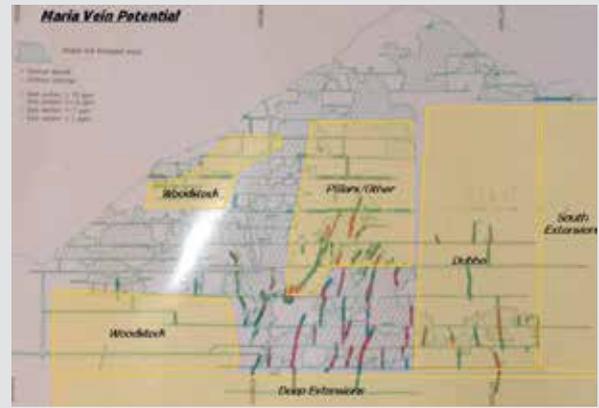
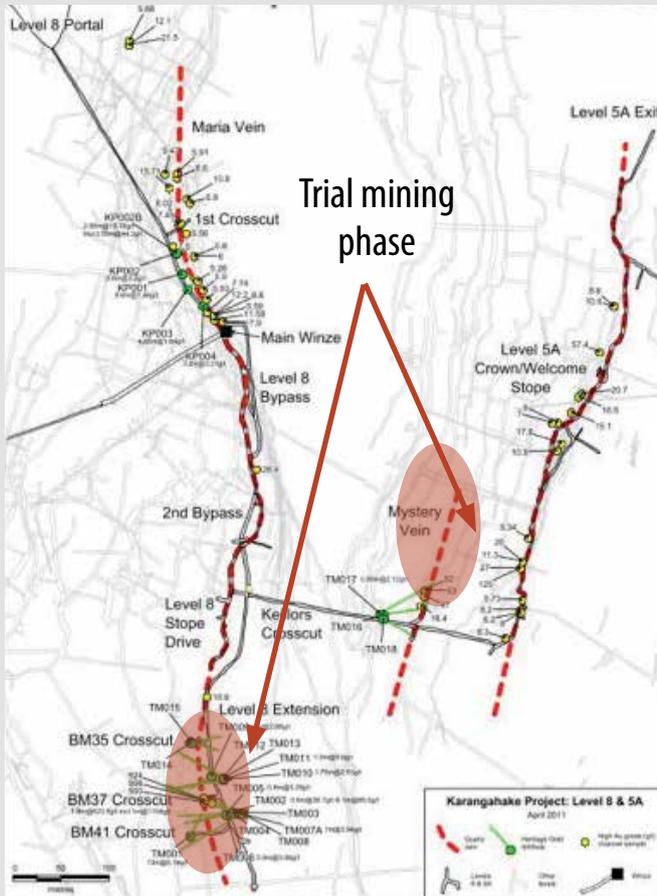


Diagram Three: Map and Cross sections of the Talisman and Crown Mines

Recent Developments

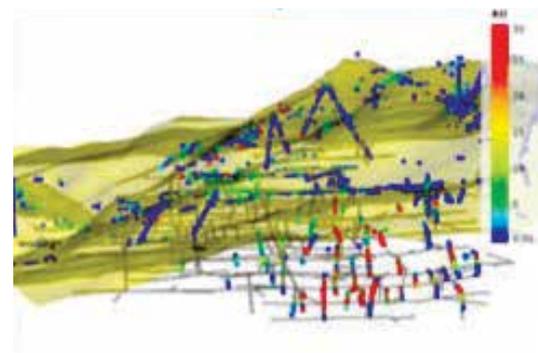
In 2015 the Company acquired a large database of historic information on the Talisman Mine that had been gathered by a previous consultant to Southern Gold Ltd. The data, which comprises assay books and tracings as well as early mine reports and mine cartography has added considerably to the Company's knowledge of the area, particularly for the deeper sections of the mine.

Melding the historic sampling database with the Company's own information has produced the most comprehensive digital database compiled on the Talisman Mine. Reviewing this data has highlighted a number of highly prospective areas situated both within and below the existing workings and provided the Company with a much better understanding of

overall gold distribution in the mine. Should sufficient funds be raised the Company intends launching an intensive opening up and exploration campaign, which will run concurrently to the bulk sampling project, to quantify the resource potential of these areas and include their extraction into future planning.

This data set is also being used for a project which is part of a collaborative research programme between GNS Science, University of Auckland, University of Waikato and University of Otago, which aims to use an interdisciplinary approach to build mineral exploration models in order to drive discovery and reduce exploration risk in New Zealand. The overall aim of this project is to characterise the structural and geochemical controls to gold mineralisation in the Karangahake

system. This will be used to generate a realistic geological model for the localisation of gold ore for the system and to define vectors towards additional resource targets. Through completion of this study and its own investigations the Company expects to have a clearer vision as to where medium to long term exploration efforts should be concentrated.



MINING TIMELINE

- 1852 – Gold discovered on the Coromandel
- 1875 – Ohinemuri goldfield opened for prospecting
- 1882 – Maria Vein discovered at Mt Karangahake
- 1883 – Crown Mine established
- 1887 – Woodstock Mine established
- 1894 – Historical Talisman Mine established
- 1904 – Woodstock Mine incorporated into Talisman
- 1919 – Talisman Closure
- 1928 – Crown Mine closure
- 1971 – Southern Cross Minerals begin exploration
- 1980 – NZ Goldfields registered
- 1985 – NZ Goldfield/Freeport JV
- 1987 – NZ Goldfields/Cyprus Minerals JV
- 1989 – Discovery of Dubbo Zone
- 1993 – Southern Mining license lapses
- 1995 – Exploration Permit granted to Heritage Gold
- 2003 – 1st Phase exploration – 109 600 Oz
- 2006 – 2nd Phase exploration – 205 000 Oz
- 2012 – Renamed New Talisman Gold Mines Limited
- 2012 – Scoping Study completed
- 2013 – Pre-Feasibility Study completed
- 2013 – Advanced stage access negotiations
- 2013 – Detailed planning in process for Bulk Sampling
- 2013 – Feasibility Study commissioned
- 2013 – Bulk sampling Project Plan Completed
- 2013 – Resource consent granted
- 2013 – Access Arrangement approved
- 2014 – Authority to Enter and Operate obtained
- 2014 – Rahu Mineral Resource Estimate
- 2014 – First Gold Production of 64Oz Au @47g/t
- 2014 – Health and Safety plan lodged
- 2015 – Water Management Plan reviewed
- 2015 – Second ore treatment yields 16 Oz Au @ 37g/t
- 2015 – Judicial Review successfully defended
- 2016 – Traffic Management Plan Approved

NEXT STEPS

- 2016 - Initiate Bulk Sampling Project
- 2016 – Identify and evaluate additional resources
- 2016 – Site Establishment
- 2016 – Initial Mine refurbishment
- 2016 – Finalisation of Proposed Newcrest JV
- 2016 – Rehabilitation to Mystery Vein
- 2016 – Development of Mystery Block
- 2017 – Rehabilitation to Dubbo
- 2017 – Development of Dubbo Block
- 2017 - Feasibility Study complete
- 2018 – Initiate Phase 1 mining

Exploration Potential

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The Karangahake gold deposits are part of an extensive epithermal quartz vein system, hosted mainly in andesite, and comprises two major (Maria and Welcome/Crown) vein zones and a number of other vein zones, including the Mystery Vein and Rahu Ridge, within a 4km x 3km area of hydrothermal alteration.

Numerous opportunities to locate and define additional gold resources have been identified by New Talisman in its past exploration activities where it has assessed that potential at between 0.55 million and +2 million ounces of gold, and 1.65 million to 6 million ounces of silver. There is additional potential for recovering ore remnant stockpiles within the mine.

The current targets in the Maria and Crown/Welcome vein zones are shown diagrammatically in the figure above where potential to the south along strike and at depth are high priority targets to expand gold resources.

The Mystery Vein was discovered during development of the Keillors cross cut by the previous mine owners in the mid-1980's remains a high priority underground target. Where exposed underground, approximately 100m west of the Welcome/Crown vein, the Mystery vein consists of a west dipping vein zone parallel to the Maria and Welcome vein systems. It averages around 1m wide with several splays observed. Typically the quartz is crustiform banded and strongly oxidised, with manganese oxide coatings on remnant primary sulfides. The extent of this vein zone is unknown, but the Roderick Dhu veins approximately 500 to the north and a drive at the projection of the vein down to the No 11 Level cross cut provide some anecdotal evidence that it may be persistent and if sufficient funds are raised will be tested by combined driving on vein and by underground drilling.

Other targets include the northern extensions of the Maria Vein zone and Welcome /Crown Vein zones

where they pass into Taukani Hill. Previous sampling by NTL recorded bonanza grades here from spot rock outcrop samples that range from trace gold to 345g/t Au and a surface channel sample from the Maria Vein of 4m grading 12 g/t gold.

With the recent acquisition of all known historic data including an extensive digital database of assay data from depth in the historic mines and of surface outcropping quartz veins, the Company has commenced evaluation of this data plus its own exploration data to develop additional targets for high grade gold. Some targets will be designed to extend resource zones in the known areas while other targets will be of previously untested vein zones.

Areas which have been identified appear to show high grade zones at deeper levels of the mine these will be investigated fully with an aim of extending mine life and expanding resources.

Project Evaluation Status

In April of 2013 the Company announced the completion of a Pre-Feasibility Study “PFS” for underground mining at the Talisman mine. This study estimated an initial Phase One life of mine of 5 years to generate NZ\$68.2 million in revenues and a cash surplus of NZ\$23.4 million. . Production from Phase One, derived from the PFS production plan, is forecast to peak at an annualised extraction rate of 35,000 tonnes of ore to produce 12,115 ounces of gold and 36,000 ounces of silver. It is envisaged that including the recent data acquisition and ongoing exploration during bulk sampling there is potential to increase current resources.

Start-up capital to generate this level of revenue was estimated at NZ\$5.4 million. However should the maximum amount under the offer be raised it is expected that higher extraction levels in the 2 years of bulk sampling will result in accelerating phase 1 concurrently with the bulk sampling project plan to ensure seamless integration and continued production from the start of bulk sampling.

Phase One operations incorporate funding for additional resource development that is expected to build into Phase Two operations to exceed 5 years.

A sub-level stoping method will be deployed to exploit steeply dipping, narrow vein deposits, and allow mining crews to switch between hand-held and long bore-hole drilling techniques. Gold ore reserves located below the 8 Level will be extracted via a trackless mine fleet that will traverse between stopes along a series of small ramps.

The majority of the ore will initially be derived from the Woodstock, Mystery and Dubbo sections with areas in the Crown Mine identified for later extraction. The primary source of gold production is the higher grade Dubbo zone, the majority of this ore occurs below No8 level and will be accessed through a trackless decline system known as the Dubbo Decline.

Ore Reserves

Based on the outcome of the pre-feasibility study the Company was able to announce a maiden ore reserve comprising the following:

Ore Reserves		Au		Ag		Oz
		Tonnes	Grade	Oz	Grade	
	Probable	19,600	8.5	5,400	36.9	23,300
	Proved	62,900	11.6	23,400	51.6	104,500
	Total	82,500	10.8	28,800	48.1	127,800

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It is expected that data assimilated during the bulk sampling phase of the project, informed by the recently acquired historical data, will increase confidence levels in and allow upgrading of, a portion of the existing inferred resource to indicated level which would allow for conversion to ore reserve status. A conceptual study undertaken by the Company has identified that converting only 20% of the existing inferred resources would extend the mine life by more than a year and have a significant effect on project returns, in conjunction with exploration targets this could increase significantly.

The scoping study referred to above is based on low level technical and economic assessments, and is insufficient to support the estimation of ore reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the study will be realised.

The Company has recently undertaken a revision of the PFS to incorporate both learnings since completion of the study and, where appropriate, information from the data.



Project development

The Company has recently completed planning the development of the mine in greater detail and intends taking a phased approach towards mining which will begin with a bulk sampling project. The project will begin with installation of power, water and compressed air reticulation equipment on surface and construction of the initial ventilation system. Engineering infrastructure will then be extended into the mine where the permanent water handling system will be established and services extended to the production faces on the Mystery and Maria veins. Once this is complete extraction of ore via drill and blast techniques can begin.

Based on current plans the installation of surface plant, refurbishment of mine tunnels and installation of engineering services to the mine face is expected to take approximately six months before the first fresh ore is hauled to the surface for processing.

There is considerable scope to fast track this through deployment of additional resources depending on the results of this issue.

In order to facilitate the execution of this project the Company has applied for, and been granted resource consent from the Hauraki District Council. The resource consent allows for the extraction of

20 000 cubic metres (approximately 50 000 tonnes) of ore per annum over an 18 month to two-year period, subject to a number of conditions. .

Further to the above the Company has entered into an Access Agreement with the Department of Conservation and is in possession of an authority to enter and operate the mine.

As the Company is well aware of its responsibility to protect the health and safety of its employees it has developed a sound healthy and safety management system complimented by a suite of hazard management and control plans which are compliant with the recently released Health and Safety at Work Act.

Most recently the Company has received approval in principle of the proposed controls to be implemented on the local road network that will effectively manage the interaction between general road users and mine vehicles.

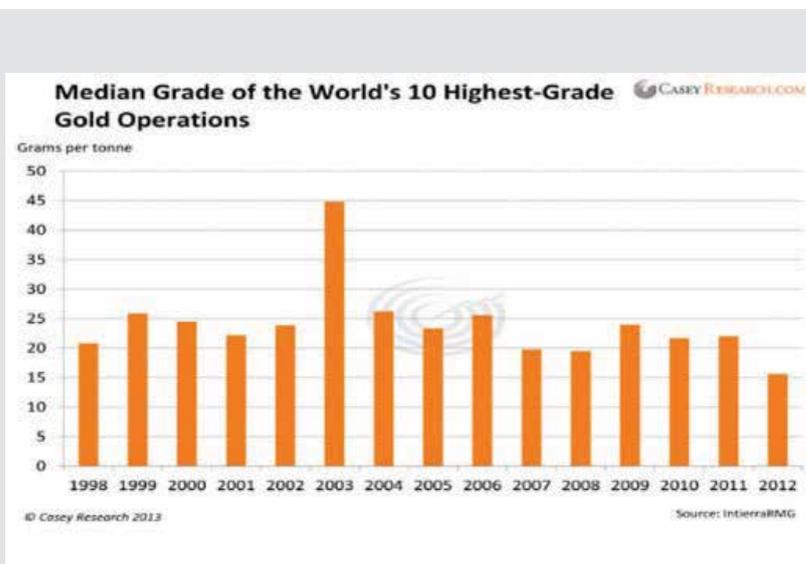
The projected cash flow model is based on production volumes of approximately 650 tonnes per month at an average head grade of 10.82g/t, a gold price of US\$1,200 per ounce (currently US\$1,296.40 per ounce) and a cash production cost of US\$568 per ounce that includes labour and material to

deliver run of mine ore to the surface. Exchange rate is based on NZ\$0.64 (currently NZ\$0.68). for the project requires a cumulative spend of NZ\$2.1 million over 7 months to bring the Talisman Mine into positive cash flow in the 8th month of operations, and recovery of a total of NZ\$1.3 million investment in the 18th month. At current gold price and exchange levels of USD1300 and 0.68 respectively this equates to approximately NZD1.7m.

Beyond the increased revenue delivered through the bulk sampling programme this course of action would allow for a considerably more rapid build-up of production volumes in Phase one (discussed below) and would shorten the time to peak production by more than a year.

This does not take into account the value of stockpiles that may provide additional upside if assaying and recoveries are positive.

Once the 18-24-month bulk sampling phase is completed the Company will then move into Phase One operations that will increase production to a peak annual rate of 12,115 ounces of gold and 36,000 ounces of silver. The Company expects this transition to be seamless with only minor effects on production as the larger mining fleet is introduced. It is important to note that NTL is currently seeking to review the extraction rates under the resource consents to allow for a much higher level of gold production in the 24 months the consent allows for. It is expected the revised project plan will be completed for a high initial capital investment in early June following this offer. Such results may potentially allow for up to 6000 ounces or more per year under bulk sampling.



Preliminary metallurgical testing

The Company has completed initial testing to confirm that Talisman ore does not contain unwanted contaminants and is in discussions with a local treatment facility to process feedstock. A fifty 100 tonne ore sample taken from the mines stockpile was treated at the nearby plant and no difficulty was experienced treating the ore or obtaining acceptable levels of gold and silver recovery. The ore was analysed and found to contain 64.5 ounces of gold and 227.3 ounces of silver at a recovered grade of 42.56g/t and 150.01g/t respectively.



The Next Steps

The Company is now fully geared to proceed with the project, having completed regulatory requirements to initiate bulk sampling and having a full understanding of the impacts of the resource consent conditions. Equipment suppliers have been identified and orders for equipment can be placed immediately. The Company has also identified core personnel with the skills required to make a success of the project and intends proceeding with recruitment as soon as funds become available. Plans to begin works on the road to facilitate ore transport are well advanced and the Company will pursue this as a matter of urgency.

Following completion of this fund raising, and dependent on the amount of funds raised, the Company intends to:

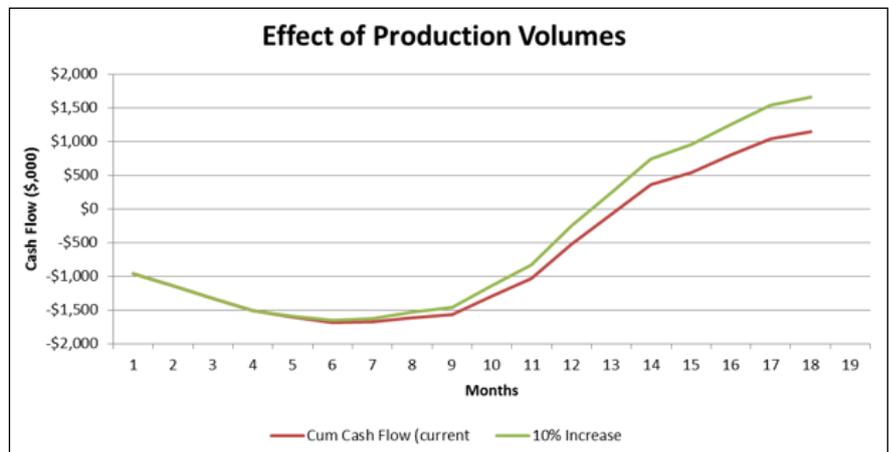
1. Commence execution of the bulk sampling project immediately. As outlined above the project effectively establishes mining operations within the Talisman Mine and is expected to be cash positive within eight months of startup.
2. Investigate the potential to deploy additional resources early in the startup to reduce the equipping and refurbishment period and reduce the time period to the first ore delivery.
3. Investigate methods of increasing efficiencies to take maximum advantage of the tonnage that may be extracted under the existing resource consent. In many cases increases in efficiency are fund related but there is considerable scope to increase production volumes through a combination of reducing the initial equipping time, increasing the size of the mobile fleet to allow concurrent operations in multiple working places and expanding the mines working hours.

The existing project plan expects to deliver some 12 000 tonnes of ore to surface at an average

recovered grade of 10.66g/t generating some \$9 million in revenue. Investigations have shown that small gains in efficiency have a significant effect on cash flow, the graph below illustrates the effect of a 10% increase in delivered tonnage.

The investigation referred to above is based on low level technical and economic assessments, and is insufficient to support the estimation of ore reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the study will be realised.

4. Apply additional resources towards underground exploration activity to delineate and quantify additional mineral resources within the current workings. Analysis of the database has provided the Company with information on areas above 8 level within the Bonanza zone which are likely to contain ore grade resources and could be accessed relatively easily from the existing infrastructure. It is expected that this activity will allow production levels to be maintained at peak levels for longer than is anticipated in the current production plan.



5. Apply funds towards completion of the definitive feasibility study on the Talisman Mine Project
6. Investigate the feasibility of accelerated sinking of the Dubbo decline through the purchase of additional equipment earlier than is currently envisaged. Doing this will bring forward production from the high grade area and create a platform from which additional exploration can be carried out to increase the confidence of the inferred resource block below planned mining limits. Early deployment of a mechanised fleet and associated infrastructure will further enable an incremental increase in production volumes during the latter part of the bulk sampling project through allowing access to the ore reserve below 8 Level. . This course of action will also have a significant impact on the mining phase by making ore from this area available much earlier than is anticipated in the current works programme and create a platform from which additional exploration can be carried out to increase the confidence of the inferred resource block below planned mining limits
7. Subject to funding the Company will advance exploration of the Mystery vein through drilling of a number of boreholes from the current Talisman 8 level directed towards the expected location of the vein. Demonstrating continuity of this vein will have a profound effect on the future direction of the operation and has the potential to considerably increase the life of the mine.

On the broader exploration potential the Karangahake Vein system is still relatively underexplored by world standards. With the Company's own work plus the recently acquired historic data the Company is embarking on synthesising all data into evaluating existing resource targets, identifying and prioritising new exploration targets with a view to expanding resources and mine life.

Rahu

As has been announced the Company currently has in force an executed Heads of Agreement with Newcrest Mining Limited. New Talisman provided key data for the application by Newcrest which was included in the application made. New Zealand Petroleum and Minerals "NZPAM" announced that Newcrest has been granted the Permit. NTL is in the process of working with Newcrest to formalise agreements pertaining to a joint venture and funds raised from this offer will be allocated to the incorporation and activities relating to the joint exploration activities, although no assurance can be given that negotiations for the joint venture will be successfully concluded.

Funds from this issue may be applied to the incorporated joint venture which is dependent on the strategic decisions made by the joint venture committee.

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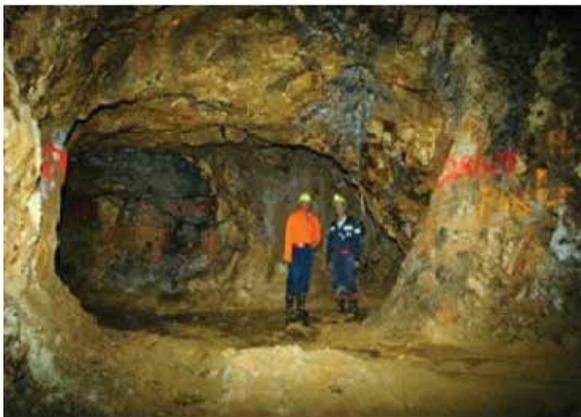
Corporate

The Company has had continuing negotiations with Amer International, a major Chinese group with significant expertise in the manufacturing and metals industry following a visit to their headquarters in November 2015. Amer have indicated that they will visit New Zealand in the next month to advance discussions on subscribing for a potentially significant stake of new shares in the Company. Both parties are working closely with one another to deliver an outcome which is beneficial to Amer and our existing shareholders, although no assurance can be given that negotiations will be successfully concluded.

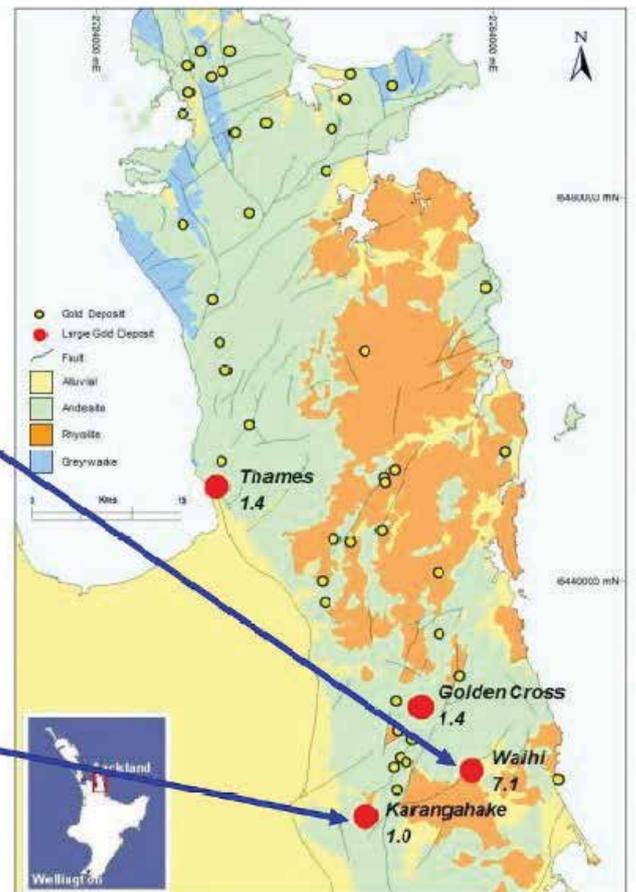




Favona Mine



Historic Talisman Mine



A world class opportunity in a world class gold province

6.0 ACTION TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

6.1 Available actions

If you are an Eligible Shareholder, enclosed in this document is an Entitlement and Acceptance Form showing the number of Rights you have to subscribe for New Shares under the Offer. You may take one of the following actions in respect of your Rights:

- **accept all** or **part** of your Rights;
- **sell all** or **part** of your Rights;
- **accept part** of your Rights and **sell all** or **part** of the balance;
- **accept all** your Rights and **apply for more** Rights; or
- do **nothing** with all or **part** of your Rights.

IMPORTANT: If you do nothing with your Rights before the Closing Date, they will lapse and you will not be able to subscribe for any New Shares under the Rights Offer or realise any other value for your Rights. If Eligible Shareholders choose not to take up their Rights their shareholdings will be diluted.

6.2 Accepting your Entitlement

Eligible Shareholders who wish to accept all or part of their Rights should return their completed Entitlement and Acceptance Form and deliver it to the Registry (by either mail, delivery, email or fax) with the application monies by no later than the Closing Date in accordance with the instructions set out in the Entitlement and Acceptance Form.

The Issue Price is in either New Zealand or Australian dollars, and you can select the currency that you prefer. The Issue Price must be paid in full on application with a completed Entitlement and Acceptance Form delivered (either by mail, delivery, email or fax) to the Registry in accordance with the instructions set out in the Entitlement and Acceptance Form.

There is no minimum number of New Shares which you must subscribe for under the Offer. Applicants will not be treated as having offered to purchase a greater number of New Shares other than the number for which payment is made.

6.3 Oversubscription Facility

Eligible Shareholders who accept their Entitlement in full may also apply for an additional number of New Shares through the Oversubscription Facility. No applicant for Additional New Shares will be allocated any greater number of Additional New Shares than the number for which they have applied and paid.

See further detail on how to subscribe for Additional New Shares under the Oversubscription Facility in the Entitlement and Acceptance Form and in Section 4.4 of this document.

6.4 Selling your Entitlement

The Rights are renounceable. This enables Eligible Shareholders who do not wish to accept all or part of their entitlement to sell those Rights not accepted.

If you wish to **sell all** or **part** of your Rights, this can be done on the NZX Main Board by instructing a NZX Primary Market Participant or on the ASX by instructing your ASX market participant to sell all or part of the number of Rights specified on the Entitlement and Acceptance Form. You will need to provide both your FASTER or FIN and your Common Shareholder Number for NZX or CHES for ASX identification number and your Holder identification number for ASX.

Trading of Rights will commence on the ASX under the code NTLR on 23 May 2016 and cease at 5.00 pm (AEST) on 6 June 2016, and commence on the NZX Main Board under the code NTLRD on 23 May 2016 and will cease at 5.00pm (NZ time) on 8 June 2016. Your Rights may be sold on the NZX Main Board and ASX between these dates, should you choose not to accept your full entitlement. If you wish to sell your Rights using this method you must do so before close of trading on the NZX Main Board and ASX. Renunciations must be lodged with the Registry not later than the Closing Date, 5.00pm (NZ time) on 14 June 2016.

6.5 Accepting part of your Entitlement and selling the balance

There is no minimum number of New Shares that you must subscribe for under the Offer. You may accept as many or as few of your Rights as you wish. If you wish to **accept part** of your Rights and **sell the balance**, you should:

- instruct an NZX or ASX Primary Market Participant to sell the number of Rights you wish to renounce; and
- indicate the number of New Shares you wish to accept in the Entitlement and Acceptance Form and send your completed Entitlement and Acceptance Form, together with the application monies for the number of New Shares applied for, directly to the NZX or ASX Primary Market Participant through whom you sold your Rights.

If New Talisman receives, on or before the Closing Date 5.00pm (NZ time) on 14th June 2016 both an acceptance and a renunciation by an Eligible Shareholder in respect of the same Rights, effect will be given to the renunciation in priority to the acceptance.

6.6 Payment by internet banking

Computershare has provided a bank account in New Zealand for payment in NZD and one in Australia for payment in AUD. Details of the bank accounts are on the Entitlement and Acceptance Form. If you are paying by internet banking **please also complete the Entitlement and Acceptance Form and send it to the Registry following instructions under Section 6.2 above and include your name and holder details on the internet banking funds transfer.**

6.7 Enquiries

If you have any queries about the number of Rights shown on the Entitlement and Acceptance Form which accompanies this document, or how to complete the Entitlement and Acceptance Form, please contact the Registry at Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, Private Bag 92119, Victoria Street West, Auckland 1142, New Zealand. Telephone (09) 488 8777; Fax (09) 488 8787. Email: enquiry@computershare.co.nz.



7.0 GLOSSARY

"Additional New Shares" means New Shares which an Applicant applies for over and above their Entitlement pursuant to the Oversubscription Facility.

"Applicant" means an investor whose application for New Shares has been received by the Registry prior to the Closing Date.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited, ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

"Board" means the board of directors of the Company.

"Business Day" has the meaning given to that term in the Listing Rules.

"Closing Date" means 5.00pm (NZ time) and 3.00pm (AEST), 14th June 2016

"Company" or **"New Talisman"** means New Talisman Gold Mines Limited (New Zealand Company Number 276623, Australian Registered Body Number 009 474 702).

"Eligible Shareholders" means Shareholders of New Talisman with registered addresses in New Zealand and Australia as at the Record Date.

"Entitlement and Acceptance Form" means the personalised entitlement and acceptance form enclosed in this document for Eligible Shareholders.

"Entitlement" means the number of Rights to which Eligible Shareholders are entitled.

"Existing Share" means a fully paid ordinary share in the Company on issue on the NZX Main Board and ASX on the Record Date.

"Issue Date" means 17th June 2016, being the date the New Shares are allotted.

"Issue Price" means NZ\$0.005 or AU\$0.005 per New Share

"JORC Code" means either the 2004 or the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'

"Listing Rules" means the listing rules of the NZX Main Board or ASX, as the context requires, as amended from time to time and for so long as the Company is admitted to the official list of such exchange.

"New Share" means an ordinary share in the Company offered under the Offer of the same class as (and ranking equally in all respects with) Existing Shares at the time of allotment of the New Shares.

"NZX Main Board" means the main board equity security market operated by NZX.

"NZX" means the NZX Limited.

"Offer" means the offer to subscribe for New Shares to Eligible Shareholders as at the Record Date, pursuant to this document.

"Opening Date" means 25 May 2016.

"Oversubscription Facility" means the facility that entitles an Eligible Shareholder who accepts their Entitlement in full to also apply for an additional number of New Shares (details of which are set out in Section 4.4 of this document).

"Primary Market Participant" means a market participant who has been accredited and designated by NZX (or ASX) to bring new offers of securities to a market provided by NZX (or ASX).

"Record Date" means 7.00pm (NZ time), 24th May 2016

"Registry" means Computershare Investor Service Limited.

"Right" means the renounceable right to subscribe for 1 New Share at the Issue Price, issued pursuant to the Offer.

"Share" means one ordinary fully paid share in the Company.

"Shareholder" means a registered holder of Shares on issue.

All New Zealand dollar figures in this Disclosure Document have been calculated on the basis of the Issue price of NZ\$0.005 or AU\$0.005 per New Share, and any references to legislation are references to New Zealand legislation unless stated or defined otherwise.

8.0 DIRECTORY

Enquiries

Enquiries about this Offer should be directed to your stockbroker, solicitor, accountant or other professional adviser.

Directors of New Talisman Gold Mines Limited

J Murray McKee (Chairman, Independent)

Matthew G Hill (Chief Executive Officer)

Dr Ian J Pringle (Independent Director)

Registered (Head) Office of New Talisman Gold Mines Limited

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Parnell, Auckland 1052
New Zealand

Telephone (+64 9) 303-1893

Facsimile (+64 9) 303-1612

Email: office@newtalisman.co.nz

Website: www.newtalisman.co.nz

Principal Office of New Talisman Gold Mines Limited in Australia

1st Floor
25 Richardson Street

West Perth

WA 6005

Australia

Telephone (+61 8) 9481 2040

Facsimile (+61 8) 9481 2041

If you have any queries about your Entitlements please contact the Share Registry:

In New Zealand:

Computershare Investor Services Limited

Telephone: (09) 488 8777

Facsimile: (09) 488 8787

Outside New Zealand: +64 9 488 8777

In Australia:

Computershare Investor Services Limited

Telephone: 1800 501366

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Solicitors for New Talisman Gold Mines Limited

Chapman Tripp

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Auckland 1140
New Zealand



A world class opportunity in a world class gold province



www.newtalisman.co.nz