
**ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]
FOR PUBLIC RELEASE**

Quarterly Activities Report to 30 September 2016

New Talisman Gold Mines Limited is pleased to present the quarterly report on activities for the period ended 30th September 2016.

HIGHLIGHTS

- Successful completion of shortfall raising a further 1.77M
- Board appointments
- Talisman Deeps project initiated
- Discussions with Amer International advanced

Corporate

During the Quarter NTL focussed on completion of the capital raising and expanding the company's board.

Two directors were recently appointed during the period. Mr Charbel Nader who brings to the board a wealth of skills in global corporate finance and Tony Haworth a NZ based corporate advisor with extensive corporate and mining skills.

In addition to the earlier appointment of Murray Stevens who has been NTL's geological consultant for many years and instrumental in the development of the Talisman and Rahu resources, the board is in a strong position and has increased its breadth of skills as the company progresses into production.

Amer International

Both Amer and NTL continue to progress discussions and are working through several items which have changed as a result of NTL's recent significant progress. NTL is working closely with Amer toward a commercial outcome which the company aims to be well advanced in the coming quarter.

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

This has been a busy quarter for your company with preparations for the bulk sampling programme ramping up. Following the Hauraki District Councils approval in principle of the company's proposals for the management of traffic safety on the mine road the focus was directed at the preliminary design for road construction. This preliminary design has been completed and final road design is underway. Once complete the company will be in a position to issue tender documents for the full scope of works including earthworks and traffic control requirements.

Design of the ventilation airlock to be constructed at the entrance to the No 8 Level portal has been completed and costing is underway. During the quarter the company also commissioned the preliminary design of the electrical and compressed air reticulation systems. Preliminary design of these systems has been completed and detailed design is now underway. This detailed design includes all safety features required under the HSWA and associated legislation and, once complete will generate the equipment list necessary to initiate the procurement process.

During the previous quarter the company announced that it had begun an update of the pre-feasibility study which was completed in 2013. Following a review of the historic data obtained in 2015 it became apparent that the scope of the project could be significantly broadened through inclusion of all or some of this data into the mineral resource estimates and production planning and it was necessary to fully understand these implications prior to updating the pre-feasibility study. Accordingly, the company commissioned the Talisman Deeps Project which is discussed further below.

Talisman Deeps Project

NTL announced commencement of the Talisman Deeps Project analysis, (*see release dated 17 August, 2016 "Talisman Deeps Project" for full details*) during the quarter.

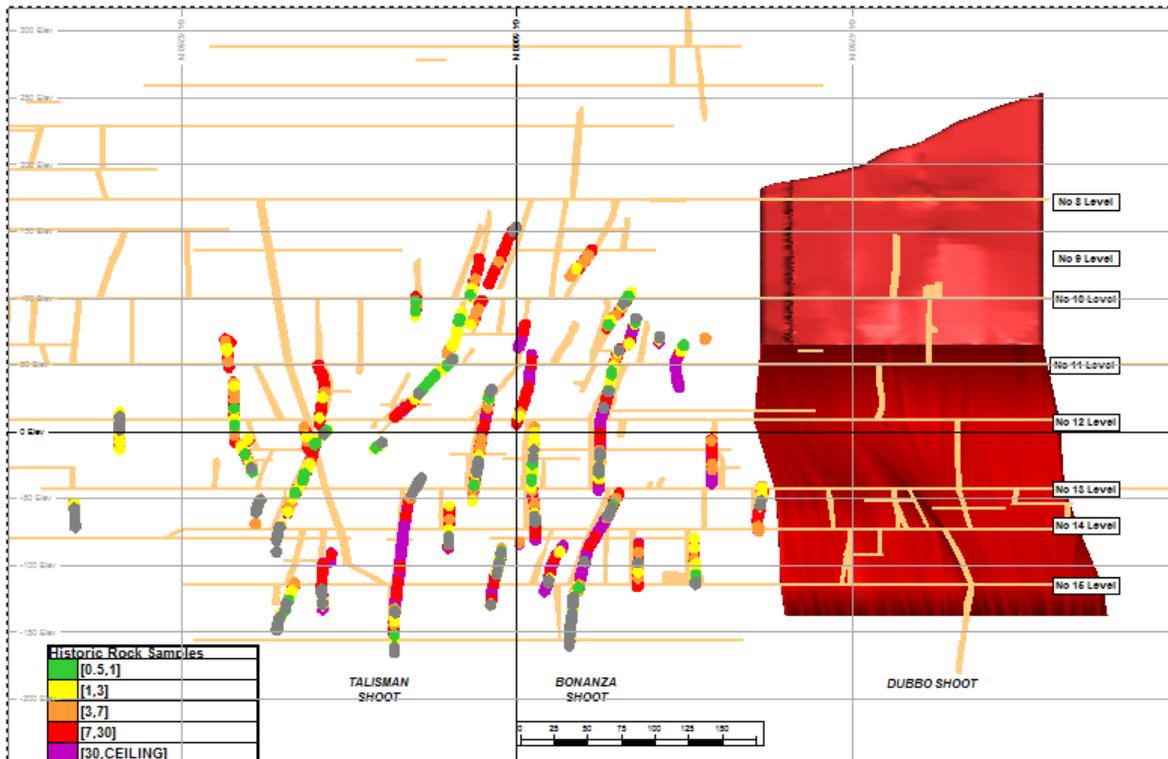
Initial analysis of historic assay and geological data from the deeper parts of the Talisman mine that was acquired in 2015 identified areas where extensions to the current indicated and inferred resources can be targeted.

Detailed and systematic analysis is in progress and will include data verification, digitising historic mine plans and building a detailed geological computer model over the coming months.

This work will be used to support a scoping study on quantifying the resources, production volumes and economics of expanding the current development plans to include this section of the mine immediately north of the Dubbo Shoot, (145,000 oz gold at 10.1 g/t gold), in the Maria Vein taking into account, vein widths, unmined and mined areas.

Preliminary results previously reported suggest sizeable blocks of unmined ground remain between the 10 and 16 Levels in sections of the Maria Vein referred to as the Talisman and Bonanza Shoots.

The figure below shows the existing resource block in the Dubbo Shoot and gold equivalent grades in grams per tonne from channel samples collected circa 1919 in the old workings in the Talisman and Bonanza Shoots.



Mined out blocks are not shown as their locations and dimensions are still being evaluated from historic mine plans.

The quality control and assurance procedures in place at the time that the samples were taken cannot be verified at this stage and therefore the data cannot currently be used to generate mineral resource or reserve estimates that will comply with the requirements of the JORC code 2012 but do constitute an Exploration Target as defined in the 2012 JORC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Tenements

The interest in Mining Tenements Held by New Talisman Gold Mines (and its subsidiaries) at the end of the quarter and related percentage of ownership.

Permit Number	Type	Permit Name	Interest
MP51326	Mining	Talisman	100%
EP60144	Exploration	Rahu	80% Newcrest/20% Held in Trust by Newcrest on Behalf of NTL

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

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.

