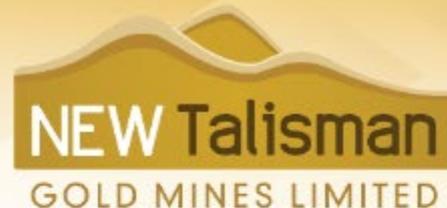


Market Announcement

For Immediate Release



Quarterly Activities Report to 31 December 2019

New Talisman Gold Mines Limited

**Responsible,
Environmentally
Sustainable Mining**

ASX/NZX Code NTL

Commodity Exposure
GOLD and SILVER

Board and Management

Charbel Nader Chairman/Independent Director
Matthew Hill Chief Executive/ Managing Director
Murray Stevens Non-Executive Director
Tony Haworth Independent Director
Jane Bell Company Secretary
Wayne Chowles Chief Operating Officer

Capital Structure

Ordinary Shares at 31/12/2019 2,692m

Share Price

Share Price at 31/12/2019 (NZX) 0.8cps
Share Price at 31/12/2019 (ASX) 0.6cps



New Talisman Gold Mines Limited

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QUARTER HIGHLIGHTS

- Term Sheet signed for processing plant development
- Planning Assessment for Resource Consent completed
- Peer review of Mineral Resource Estimate nearing completion
- Extraction at Dubbo initiated
- Life of Mine planning for feasibility study underway

With eyes firmly on the future the board of New Talisman Gold Mines Limited is pleased to announce that the 2019 Calendar year ended with great strides taken to secure the long-term future of its signature operation, the Talisman Gold Mine in Karangahake. Summary of the highlights during the quarter are summarized below: -

- OceanaGold have announced that the Waihi processing plant is to be placed on care and maintenance for an extended period, which closes out any near-term processing options for NTL. The strategy to build a non-chemical gravity plant implemented by management over the last 2 quarters has provided a self-sufficient alternate processing route. The final requirements for a larger plant consent, which requires data on both the recovery rate and sand produced after processing, is being accelerated in order for the processing of extracted ore to take place in the coming months.
- With planning for the near term extraction of high grade ore in Dubbo, by way of vertical development in and around BM37 in the process of completion, it is expected the removal of high grade ore, suitable for gravity processing in batches at either the pilot plant (with some upgrades) or the larger plant to commence in the near term.
- A processing route for ore from the Talisman Mine has been secured through signing of a term sheet detailing the conditions for development of a processing plant by Terra Firma Mining Limited. Other parties have approached the company with options for working with NTL on the project in various forms and these are also being reviewed with an aim to accelerating gold production from the bulk sampling project.
- The planning assessment for resource consent application for the long term mine has been completed and subject matter specialists are being recruited. Once the application is submitted the external stakeholders will determine the timing and pathway to long term consenting for the mine. With less than minor environmental effect from the mine development the company is confident in securing the resource consents to mine for the duration of the Mining Permit.

Gold Price Soars

Externally, geopolitical tensions and low interest rates have driven the price of gold to a six-year high. Gold is currently trading for just over US\$1,570 an ounce, compared to less than US\$1,100 in 2016. Your company remains the only pure gold play available on the NZX.



Processing Plant

The Company is pleased to announce agreement has been reached with Terra Firma Mining Limited regarding the commercial terms and conditions for construction and operation of a plant sufficient in size to cater for the mines longer term needs. A binding term sheet setting out these terms and the conditions has been signed.

Phase 1 of the metallurgical testwork programme was completed in the latter half of 2019 and has verified that:

- 1) The equipment contemplated for the larger plant is capable of consistently achieving the required sub 106-micron grind size required to liberate gold;
- 2) That commercial recovery rates are achievable through gravity concentration of milled ore via a centrifuge as postulated by Peacock and Simpson in their report in 2018.

Design work on the commercial scale plant is proceeding according to schedule and enquiries have been placed with equipment suppliers.

Mining Resource Consent

NTL currently hold a resource consent at the Talisman Mine allowing bulk sampling of up to twenty thousand cubic meters of ore per year for approximately two years. Securing resource consent to enable the Company to extract the maximum possible value from the mines high grade mineral resource over the ten year plus mine life is a high priority.

During the quarter an independent planner was contracted to assess impact of planned mining operations, which are broadly similar to those for which the operation is already consented, against the requirements of the Operative District Plan. This assessment is complete and has identified a number of technical assessments that will be required to underpin the resource consent application.

While much of the required information has been quantified through the underground rehabilitation,

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prospecting and test mining programme over the past 2.5 years, there are some aspects that need addressing by subject matter experts and these are currently being sourced for availability and cost estimates.

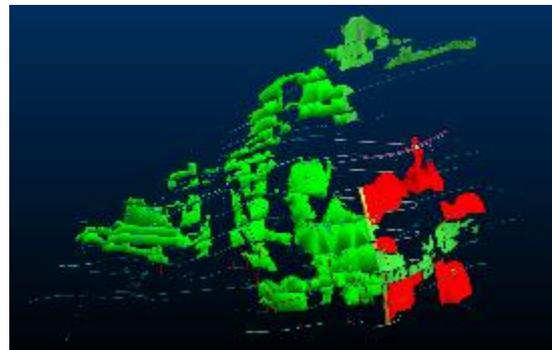
Mineral Resource Estimate

The peer review of the updated Mineral Resource estimate as was announced late in 2019 for the Talisman Mine is nearing completion with no material issues identified. The review process has been very thorough, and the Company is heartened by the positive outcome.

Life of mine planning and mine design, supported by the peer reviewed mineral resource estimate, is well underway.

Mine Design

Life of Mine level design and production planning of the underground mine is underway. This design, which supplements the short term plans discussed in previous announcements and informed by the updated Mineral Resource Estimate, will result in high level operational plan setting out the broad developmental and infrastructure requirements needed to support the company's stated goal of achieving the maximum possible return to shareholders from extracting the world class gold deposit presented at the Talisman Mine.



The desired outcomes of this plan, which is an integral part of the Talisman Mine Feasibility Study, are as follows:

- Identify options for exploitation of the orebody and risk/reward analysis to identify the option with the highest value outcome;
- Design of flexible mining and engineering infrastructure required for the most favourable option,
- A long term mine development schedule and production profile;
- Identify risks to the project and develop strategies to quantify and mitigate those risks;
- Estimates of the capital and operating costs associated with the planned development profile; and
- Estimates of the financial return of the project.

The plan will also identify areas, both within the bounds of the existing mine and the larger permit area, with the potential for economic ore deposits and suggest an exploration strategy to quantify potential mineral resources in those areas for later inclusion in the planning cycle.

Underground 3d Mapping

A key risk to ongoing development of the mine is the potential occurrence of unknown excavations adjacent to new workings. In order to quantify and mitigate these risks the company has aligned with ATS, a local company to investigate the possibility of deploying digital electro seismic mapping underground. this technology may also be used to identify extensions of the vein systems within the mine. A beta test of the technology application for the Talisman mine is underway and results have shown promise. This technology is traditionally used for aquifer mapping. Preliminary work has indicated that the system can potentially be adapted to work in the underground environment. A detailed test regime was developed to enable seismic readings to be correlated with known features identified in exploration boreholes which will allow the equipment to be calibrated to interpret the



Talisman Mines unique geological environment. If successful, this innovative approach will greatly assist with identifying exploration opportunities and aid mine planning.

About the Talisman Mine Project

New Talisman Gold Mines Limited (previously Heritage Gold) holds Mining Permit No 51326 which is situated in the Hauraki Goldfields between Waihi and Paeroa, North Island, New Zealand. The permit amalgamates the workings of the historic Talisman, Crown and Woodstock Mines which, together with some other minor workings, produced over 3.5 million ounces of bullion at an average grade of more than 27g/t. Exploration to date has delineated a mineral resource exceeding 300kOz of gold in the Maria Vein with supplementary resources in the Crown and Mystery veins bringing the total to over 400kOz. The project is consented to undertake a bulk sampling programme and remove approximately 20,000m³ of ore a year over two years. The first stage of mine development has seen the rehabilitation of some 1500m of tunnels providing access to the Mystery Vein and high grade Dubbo Zone on the Maria Vein.

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The Diagram below shows the stages of development and evolution the mine has taken since Heritage commenced exploration activities through to mine development and planning.



Tenements Held

Rahu Resources – EP60144 100% New Talisman

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2250 shareholders who are mainly from Australia and New Zealand and has been listed since 1986. 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. The company has commenced prospecting and upgrading activities at the mine and advance the exploration project to increase its considerable global exploration target into JORC 2012 resources.

Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including one of New Zealand's highest-grade underground gold mines, a JORC 2012 compliant mineral resource of over 469,000 ounces AuEq at an average above 15 g/t AuEq and a JORC compliant reserve statement. The Company owns 100% of the Rahu exploration permit, which lies along strike from the Talisman mine of which 80% was recently acquired from Newcrest Mining. The company will shortly commence exploration activities at Rahu.

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