



## ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL)

### CHAIRMAN'S ADDRESS

#### ANNUAL MEETING 20 SEPTEMBER 2017

**Introduction.** The Directors' report for the year to 31 March 2017 was circulated with the Annual Report. Before I ask you to formally receive the Annual Report together with the Financial Statements and the report of the Auditors I would like to highlight several areas of recent progress.

**Shareholder Support.** I'm pleased to say that the market and investors have to over the year shown a greater appreciation at least in part the value of the Company with our value as measured by market capitalisation moving up from \$13m to over \$40m approx. As a Company we are committed to continuing to build and demonstrate value to existing shareholders and new shareholders. In reflecting upon the year since we last gathered, the Directors and Management team are pleased but not satisfied with our progress.

The macro economic conditions have been benign to slightly favorable, with the gold price over the last 12 months with prices ranging from US\$1,128 per oz to US\$1,349 per ox with a current price of US\$1,331 per oz. However from an NZD perspective the gold price is the highest it has been for a number of years. It is interesting to note that NTL shares are one of the few if not the only stock that gives direct exposure to NZD gold values.

**Background.** As you may be aware our main asset the fabled Talisman mine has over its life produced an estimate of over 3m oz bullion.

We have a permit and access arrangements are in place.

Key infrastructure is being established.

We are based on the hard work and understandings gained over the last year working on an updated pre-feasibility study and developing a more detailed mine plan.

The work to date has established that we have one of the highest-grade gold projects in New Zealand (and of international significance).

#### **Current Activities.**

We have seen a major uplift in known gold resources including significant uplift in the high grade "Dubbo Zone":

We have this year increased our high grade gold resources by completion of Resource modelling of the Maria Vein Talisman Deeps to JORC 2012 compliance.

Maria vein measure, indicated and inferred resources increased to 427,600oz at a grade of 17.6g/t gold equivalent.

Additional high grade Global Exploration Targets of approximately 800 thousand oz's have been identified within the Dubbo Zone and the Bonanza/Talisman Zones with potential to add to the existing JORC compliant resource base.

It is important to note that the Mystery and Crown Veins have not yet been reassessed.

At a technical level, your team has been very busy in compiling the largest private database on the Talisman mine from every known source of mining activity on the permit. Some of the data dates back to the late 1890's.

The Geological and resource modelling has been a significant body of work and has paid off with the establishment and further development of the Talisman 'Deeps' project generating targets which provide opportunities to leverage the extensive vein system within the historic mine footprint.

It is expected ongoing evaluation of the Maria Vein as well as other veins such as the Crown Welcome Vein system will lead to targeting additional areas for ongoing development and bulk sampling opportunities.

In short the work completed over the last twelve months new opportunities have been identified to add further value to your company.

The current SPP is in part driven by a desire to provide the company the latitude to explore those new opportunities.

### **Mine Safety**

At New Talisman the health and safety of our workers remains paramount we adhere to strict health and safety processes to ensure the safety of our workers and all those that enter our project area. Interestingly we were the first company to submit a health and safety management plan under the new health safety regulations.

### **Community and Environment.**

I want to emphasize to all that we are committed to responsible, and sustainable mining.

We are engaging with local community on a regular basis and exploring ways in which we can further support the communities in which we operate.

### **Administrative matters.**

Early in the year we re-organized our board with the appointment of three new directors and later in the year we had a change of Chairman. We have established and developed charters for three sub committees of the board to handle audit and financial risk, nomination and remuneration, and the Health Safety Security and environment.

Further we have engaged a new Audit firm, KS Black with experience in auditing mining entities of our size and nature.

### **So what opportunities lie ahead?**

- Significant opportunity within the Talisman permit area and adjacent Rahu Permit area to increase gold resources
- Accelerate developments into the high-grade resources; and increase production levels to the maximum allowable under the resource consent being 20,000 cubic meters per annum
- Accelerate completion of a bankable feasibility study

- Finalise toll treatment options in NZ and look at other options including concentrate production and export.

Perhaps in reviewing and summarizing the progress over the last year or so, it is instructive to note the company's recent releases and announcements [which appear on screen]:

#### **Highlights from releases**

- Completed successful capital raising of \$6.5mNZD
- Renewed Dept of Conservation consent to enter and operate
- Renewed the Access Agreement with DOC
- Initiated and advanced discussions with Amer
- Secured a binding agreement on Rahu with Newcrest Mining Ltd
- Continued development of Talisman Deeps Project
- Progressed the Bulk Sampling Project and Traffic Management Plan with Hauraki District Council
- Talisman Deeps Project established and resource modelling near completion
- New Audit firm appointed -KS Black
- Appointed 2 new directors and chairman
- Certificate of compliance issued which allows establishment of site facilities and underground activities at Talisman Mine
- Operations commenced at Talisman with site establishment complete and underground refurbishments commenced.
- Resources at Dubbo Deeps increase to 312,829 oz gold equivalent at 21.8g/t
- Resources at Woodstock increase to 41,000oz gold equivalent
- Underground work passes 300m underground
- Prospecting commences underground
- Underground mine access upgrades underway
- Bulk sampling planned to commence early 2018
- Updated pre-feasibility study underway
- Acceleration/expansion options available
- Multiple ore bodies within the license area
- 16 levels of historic underground workings
- We operate under strict environmental conditions and are proud of our excellent record on the site
- NTL is targeting net long-term benefits to shareholders, the environment and community through development of the Talisman Gold Project

#### **Conclusion:**

Thank you to our management team, staff and contractors who have helped make it a productive year. I note and commend their efforts in at times difficult circumstances.

I also note and thank the community for their support and encouragement to continue to have "a go" at bringing activity and jobs back to the region.

Most importantly I thank you our shareholders whose continued support is the foundation upon which this company is built.

Thank You.