

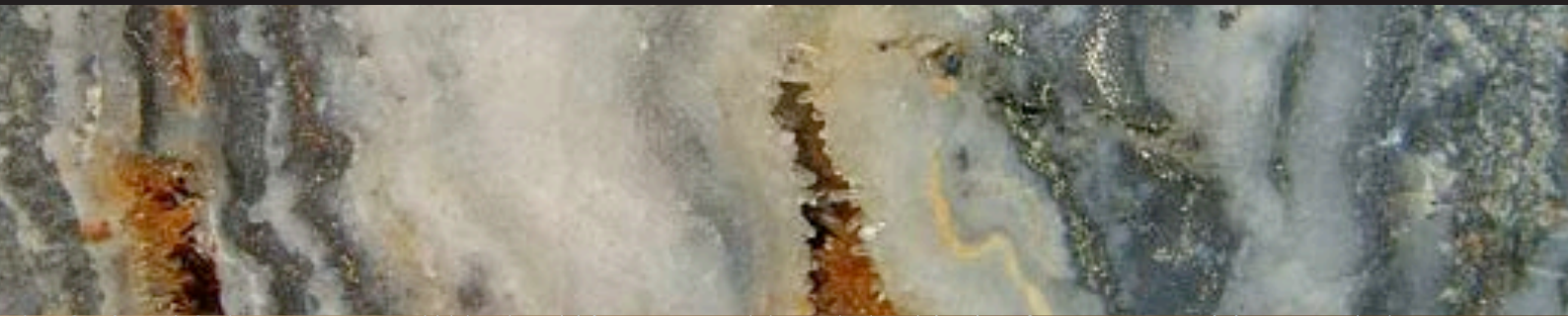


GOLD MINES LIMITED

# ANNUAL REPORT 2021



RESPONSIBLE, ENVIRONMENTALLY SUSTAINABLE MINING



[www.newtalisman.co.nz](http://www.newtalisman.co.nz)





## CONTENTS

Directors' Report	3
Board of Directors	9
Audit Report	10
Financial Statements	14
Notes to the Financial Statements	17
Tenement Schedule	22
Additional Information	26
Corporate Governance	28
Company Directory	back page



## TALISMAN GOLD MINE ESTABLISHED 1894

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  
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 – Prefeasibility study  
2018 – Initiate extraction activities  
2019 – Commissioning of pilot plant,  
2019 – Completion of metallurgical testwork,  
2020 – Completion of Mineral Resource estimate update and review  
2020 – Extraction activities at Mystery  
2020 – Design and planning of larger plant



## REPORT TO THE SHAREHOLDERS OF NEW TALISMAN GOLD MINES LTD

### Dear Shareholders

Without doubt 2020 was a year of frustrations with the impacts of Covid-19 being felt across the New Zealand economy. The stop start of lockdowns and limitations to operating at various response levels made for a challenging operating environment. Much of the world is still severely impacted by the virus while NZ is now relatively back to normal. Despite these challenges we have made progress on our revised strategy. In the first half of the year your directors and management when Covid 19 restrictions limited activities, took the opportunity to review the Company's priorities and set a course for the future. The Board determined three key areas of priority:

- Identifying a treatment route of the ore
- Identify a secondary source of ore to allow for economic scale of operations
- Identify additional targets within the Talisman Mine and leverage off the large inferred resource outlined in the Talisman Deeps work.

In the second half of the year we have begun to execute on that plan by identifying opportunities for expansion of our resource base and locating a suitable site for development of a processing plant.

The market climate for the minerals industry in New Zealand during 2021 remains generally less than optimal. Your company continues to operate the Talisman Mine project in the Karangahake Gorge in a manner that recognises the values of environmental sustainability and has successfully had its access arrangement and authority to enter and operate renewed by the Department of Conservation post balance date.

While the year again has been a challenging one, it is never the less one which marks the achievement of several milestones in the development of your company. Of the numerous accomplishments during the year some require particular mention:

- **Strategic management review of the business complete**
- **NZ based environmentally sustainable treatment options identified for gold ore processing.**
- **NTL secures option to purchase Broken Hills Historical Mine Ltd**
- **Authority to enter and Operate Talisman renewed**
- **Access agreement with Department of Conservation renewed.**
- **Mystery planning complete and blasting to commence shortly once processing route is finalised**
- **Work programme for exploiting further identified targets for resource development**
- **Mystery Vein drive planned and TFM engaged to recommence at Mystery**
- **Coromandel Gold Limited to develop exploration projects and to be listed on NZX or ASX**
- **Coromandel Gold identify additional assets on the NZ West Coast.**
- **Company to leverage its extensive exploration database on mineral projects in NZ to look at critical minerals opportunities.**

Management and the directors greatly appreciate the continued support from existing and new shareholders and note that the share trading platform Sharesies now holds 7.24% of the Company giving small investors the opportunity to participate in the development of NTL's environmentally sustainable gold projects.

### HIGHLIGHTS





## TALISMAN MINE –OPERATIONS

Development and extraction activities are now focused on gaining a better understanding of the Mystery Vein with activities focused on extending the drive further along strike to the north and stockpiling extracted ore.

From the perspective of the Hauraki District Council the resource consent for bulk sampling only commences once trucks commence transporting ore on the access road. Once this commences the Company has a two year window to transport ore off site for processing. All underground work to date has been preparatory to triggering the consent to transport.

Progress was made during the year on areas which will support the permitting application required to be lodged for a scaled-up processing plant to treat Talisman and potentially other ores. A suitable site for processing of ore has now been located and water discharge and other requirements are being worked through prior to lodgment. The identification and commercial scope of a registered mine surveyor was undertaken during the year and Terra Firma (TFM) are in the process of making the appointment as SSE which is a statutory appointment required under the Health and Safety in Employment (Mining Operations and Quarrying Operations) Regulations 2015 and is a prerequisite to commencement of activities at Mystery.

In preparing the short term development plans TFM and NTL management looked at various ways to maximize the Mystery drive extension as well as locating and planning a programme to upgrade the resource category at Mystery, (currently 14,000t @ 25g/t Au(equiv) Inferred and extend and quantify a larger resource here incorporating the extensions along strike toward the Rhoderick Dhu workings.

The Mystery vein has been exposed over a strike length of some 50m and regular sampling carried out by New Talisman identified samples on the face of Mystery with grades of up to 50 g/t Au. The northward strike extension of the vein represents an exploration target with resource potential of between 200,000t to 500,000t at between 10g/t Au and 20g/t Au. This potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The connection between Mystery and Rhoderick Dhu is conceptual in nature and will need to be tested by step-out drilling.

NTL continues to contract Terra Firma to ensure compliance with relevant legislation through regular inspections of the condition of underground workings, monitoring of underground air quality and maintenance of the ventilation and electrical infrastructure. General maintenance and pest control continues to be routinely undertaken.

NTL has implemented its programme of resource confirmation and modelling work under phase 4 of the Talisman Deeps project, which continued during the year. This is focusing on areas within the mine and nearby that can be readily accessed using existing underground infrastructure and which target areas that can be added to the current resources. This includes evaluating areas of the large 350Koz Indicated and Inferred resource confirmed during the earlier phases of the Talisman Deeps project. Once completed the results will be released and incorporated into the resource estimate at Talisman.

## TALISMAN MINE-CURRENT RESOURCES

Resource Category	Ore Zone/Vein	Tonnes	Grade g/t Bullion equivalent	Ounces Bullion equivalent
Indicated	Talisman Bonanza	29,000	4.3	4,100
Indicated	Dubbo	15,000	9.0	4,400
Indicated	Dubbo splay	4,300	19.0	2,600
Indicated	Woodstock	35,000	5.1	5,600
Indicated	Woodstock splay	22,000	5.1	3,600
<b>Total Indicated</b>		<b>110,000</b>	<b>6.0</b>	<b>20,000</b>
Inferred	Talisman-Bonanza	300,000	19.0	190,000
Inferred	Dubbo	150,000	23.0	110,000
Inferred	Dubbo splay	560	14.0	250
Inferred	Woodstock	62,000	5.6	11,000
Inferred	Woodstock splay	20,000	4.7	2,900
Inferred	Mystery	14,000	25.0	11,000
<b>Total Inferred</b>		<b>550,000</b>	<b>19.0</b>	<b>330,000</b>
<b>Total Resources (* Crown excluded)</b>		<b>660,000</b>	<b>17.0</b>	<b>350,000</b>

Note: - Data sources include historic bullion samples, drill holes and underground channel samples

- Mineral Resources are reported on a 100% basis to a nominal 2.2 Bullion equivalent grams per tonne cut-off grade which was determined in 2017 based on estimates of mining costs, metallurgical recoveries, treatment and refining costs, general and administration costs, royalties, and commodity prices.
- Ounces are estimates of metal contained in the Mineral Resource and do not include allowances for processing losses.
- For reporting purposes, all resources are reported as equivalent bullion values, due to bullion values rather than gold and silver grades being the only grade information that is available for historic channel samples. Conversion of more recent gold and silver values to equivalent bullion values uses the formula: Equivalent bullion grade = Gold grade + (Silver grade \* 0.031609), which



is based on historical prices of gold and silver. The equivalent bullion value of the resource is the same as an estimated gold equivalent grade due to the manner in which the historic and modern bullion values have been determined. Bullion conversions by NTL were based on a constant gold price of at £4-6s-0d/oz or USD20.47/oz during the period of historical production. Silver prices ranged from USD 0.49 to USD 1.03/oz.

- Tonnage and grade measurements are in metric units. Gold ounces are reported as troy ounces. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.

The table above excludes the Mineral Resource Estimate for the Crown/Welcome vein system, that were not reassessed during 2019 and were not included in the review by AMC but remain part of the total Talisman Mineral Resource. Resources attributable to the Crown/Welcome system were estimated previously at 31,000 equivalent bullion ounces. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The more detailed information, including JORC Table 1, was released to the market on 24/06/2020. Please see the full report at <https://www.asx.com.au/asxpdf/20200624/pdf/44jxg7jlm05d5q.pdf>

NTL is aware that the updated estimate of mineral resources within the Maria and Mystery Veins is likely to have a material effect on the outcome of any previously announced studies and/or Ore Reserves.

## TALISMAN MINE-PROCESSING

The Company has previously announced the results of its pilot plant test work on Dubbo and Mystery ores with encouraging results for recovery of gold and silver using gravity techniques alone and/or a combined gravity/flotation process route.

During the year NTL have been pursuing the best route to economic production scale recovery. The Company has been in discussions with the New Zealand Institute for Minerals to Materials, (NZIMMR) to assist in developing an economic scale process route. The Company is pleased to advise that it has despatched a one tonne sample of crushed Talisman ore to NZIMMR where it will undergo a range of tests to optimise the process flow route and plant sizing for commercial production.

In conjunction with this the Company is in the final phases of site selection in an industrial zoned site for setting up its processing plant for commercial production.





## Broken Hill Gold Mine Project

During the year the opportunity to acquire 100% of the shares in Broken Hills Historic Mine Limited arose. NTL have negotiated an option agreement to purchase with the owners of Mining Permit 53173 and Special Purpose Mining Permit 42024 which cover the historic Broken Hills Mine near Tairua on the Coromandel Peninsula.

The Broken Hills Historic Mine has been developed and mined by a family group on a small scale for over 20 years in an environmentally sustainable manner and its acquisition subject to favourable due diligence by NTL has a number of additional benefits to the Talisman project and NTL shareholders, environment and the community at large. Broken Hills Historic Mine use narrow vein mining techniques that are well proven to maximise extraction of high grade ore and minimisation of dilution with negligible environmental impact.

The Broken Hills mine utilises rail as the main transportation method and an electric locomotive to haul rolling stock.

The Broken Hills Mine is an example of a rhyolite hosted epithermal gold silver deposit and is one of the few economic gold deposits of this type on the eastern side of the Coromandel Peninsula.

Gold and silver mineralization at Broken Hills is hosted in a series of north, northwest trending, steeply westward dipping quartz veins that pinch and swell from several centimeters up to several meters. Up to 6 main veins are recognised to date. Additional ore is found in hydrothermal breccia and breccia pipes.

The deposit is regarded as representing the upper levels of an epithermal system as evidenced by the presence of hot spring sinters and hydrothermal breccia. This gives scope in the future of depth continuations of the deposit.

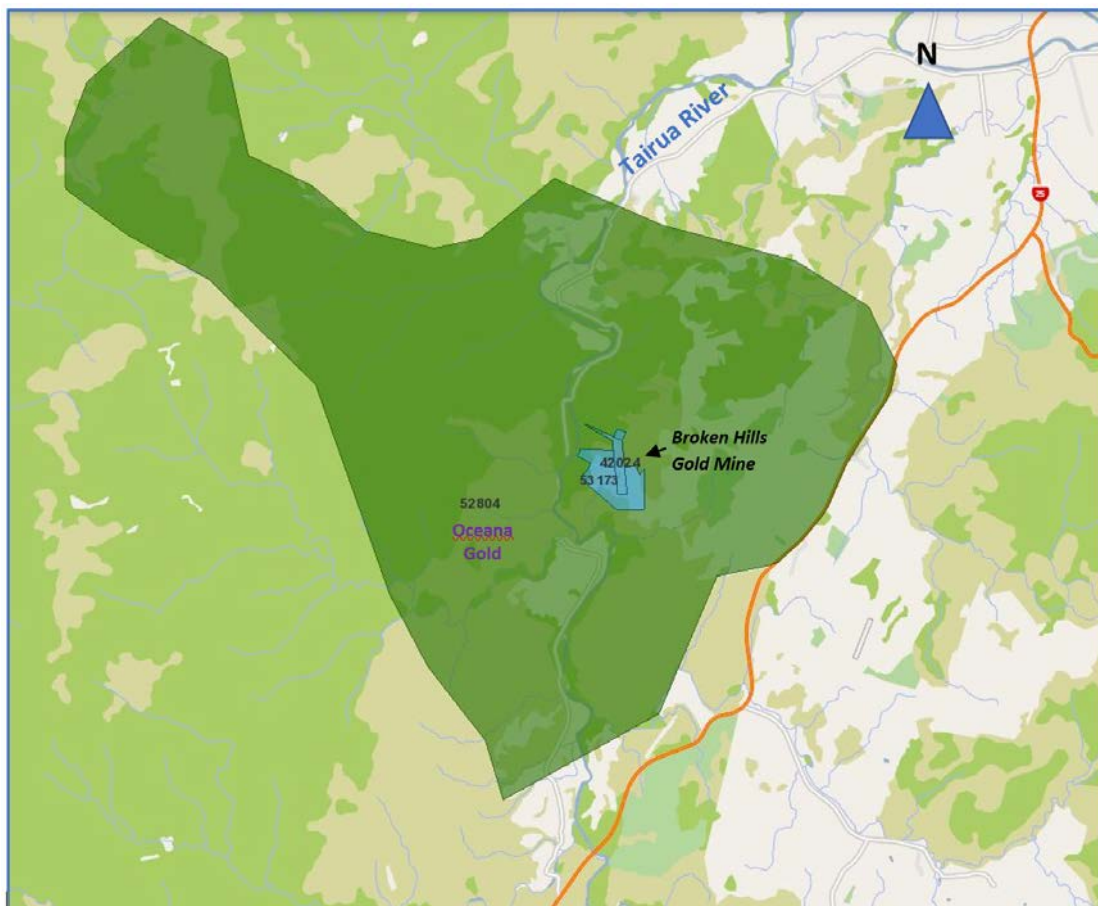
NTL are particularly encouraged by the fact that modern mining has been confined to the current battery level and drives off this but there has been virtually no development at depth. We see an opportunity here to establish a substantial resource below the current workings, evidence of this potential is indicated by the results of historic drill hole ACM DDH-03 that intersected 4 veins approx. 40m vertically beneath the current workings. (Drilled by ACM minerals in 1989)

ACMDDH-03: 73.0-74.0m, 1.0m @ 6.3g/t Au,  
84.0-85.0m, 1.0m @ 4.0g/t Au  
121.0-122.05m, 1.05m @ 35.0g/t Au  
158.95 – 160.0m. 1.05m @ 4.8g/t Au

The Company sees the potential to continue mining of the high grade epithermal veins and augment ore from Talisman as they are metallurgically similar at a processing site that minimizes transport costs.

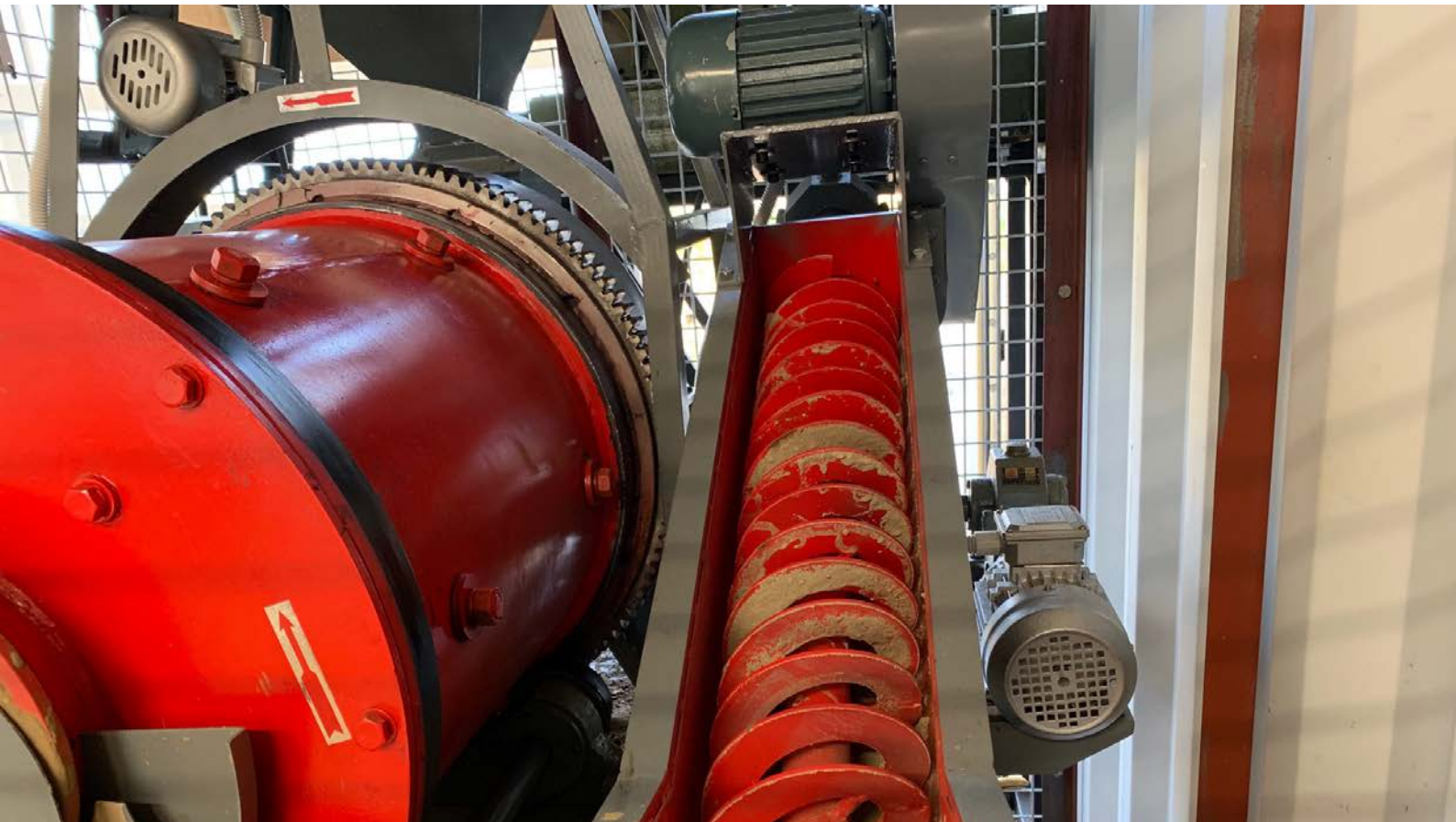
Of note is that this rhyolite hosted deposit style is now recognised to have potential to host major gold deposits and Broken Hills is located around 20 kilometers north of the largest deposit of this type of mineralization discovered to date, the Wharekurauponga ("WKP") deposit which is currently being developed by OceanaGold Corporation (TSX: OGC) (ASX: OGC) where they have announced Indicated and Inferred resources of approximately 1.45 million oz of gold and 2.3 million oz of Ag.

Further detail about the acquisition can be found in the release dated January 27, 2021 <https://www.nzx.com/announcements/366790>  
<https://www.nzx.com/announcements/366790>



Location map of the Broken Hills Gold Mine Project near Tairua







## CORPORATE

Following the end of the year the executive team progressed commercial discussions and subsequently the management and technical team met with a major industry group's Metallurgy and Minerals science experts at their processing and research facility. The facility provides for the analysis and processing options for various minerals, ores and other elements using a variety of separation processes and potential to concentrate other minerals and inclusions which hold commercial value.

A long term proposal is currently under review by the major group which allows for an initial processing of Talisman stockpiled ore. The management team are in the process of agreeing the initial transport of ore from stockpiles located off site for metallurgical analysis, mineralogy and processing route options while the potential for a commercial processing agreement is negotiated subject to test work results.

## Summary

2021 has been a challenging year however your Company has made progress amid the current political environment and continuing Covid 19 complications. We aim to continue progressing the development plan as we head toward production. It has only been in recent weeks that we have identified suitable facilities to locate our processing facilities.

The Board continues to take measures to conserve the Company's cash with a continuation of the 20% reduction to directors fees, management costs and corporate overheads still in place.

## Tenement Holdings

Project	Permit Number	Ownership
Talisman	MMP 51326	100% New Talisman Gold Mines Ltd

## Competent Persons Statements

The information in the report to which this statement is attached that relates to Exploration Targets or Mineral Resources contained within the Maria and Mystery Vein systems is based on information compiled by Jackie Hobbins, a Competent Person who is a Member of the Australian Institute of Geoscientists. She 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'. Ms Hobbins is an independent consultant employed by Hobbins Consulting Limited and has no financial interests in New Talisman Gold Mines Limited or any associated companies and was remunerated for this report on a standard fee for time basis.

The information in this report that relates to exploration results, exploration targets and mineral resources contained within the Crown and Welcome vein systems is based on information compiled by or supervised by Mr Murray Stevens. Mr Stevens is a consulting geologist and director of New Talisman Gold Mines Ltd, who is a corporate member of the AusIMM. Mr Stevens 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".





## BOARD OF DIRECTORS



From L-R: Murray Stevens, Charbel Nader, Matt Hill

### Mr Charbel Nader B.com, M App Fin, CA, CTA

*Chairman and Non-executive Director*

Mr Nader is an investment banker with extensive experience in corporate finance and strategic advisory and board roles, including experience in mergers and acquisitions project finance. Charbel has worked across a range of industries and has expertise in the finance of capital intensive projects with volatile returns. Charbel was formerly deputy chairman of Aspermont Ltd publisher of the Mining Journal and organiser of the Mines and Money events in Hong Kong, London and Melbourne.

Mr Nader was, head of Pitt Capital Partners, and founding Chairman of a successful media start up and oversaw its sale to Fairfax Ltd for in excess of \$100m.

He is currently a Non-Executive Director of Madman Entertainment, Hubify Ltd (ASX: HFY), Realestateview.com.au Ltd and Chairman of Movigo Group Ltd (Right 2 Drive).

He has a Bachelor of Commerce and Masters of Applied Finance from the University of Melbourne, is Chartered Accountant and is fellow of the Tax Institute of Australia. First appointed August 24, 2016 and re-elected September 18, 2019

### Matthew Geoffrey Hill MBA, MAICD, Ffin

*Chief Executive Officer*

Mr Hill is an Executive Director of International Pacific Capital Limited, and Managing Director of Asia Pacific Capital Group Limited. Matthew is an experienced merchant banker having worked previously at Potter Warburg (now UBS); Eventures (a joint venture between NewsCorp and Softbank); Pitt Capital and Souls Private Equity Limited. Matthew specialises in resources and company listings on the ASX and NZX.

Matthew has been responsible for leading the company from exploration into the development phase at the Talisman mine since his appointment in late 2012 and is primarily responsible for day to day operations and capital raising initiatives of the company. Mr. Hill is a non-executive director of Broken Hill Prospecting Limited ASX:BPL which holds interests the Thackaringa cobalt project near Broken Hill in NSW Australia and a portfolio heavy mineral sands tenements in the Murray Basin. Matthew is also alternate director for Geoffrey Hill on Pacific American Coal ASX:PAK.

Mr Hill Holds a Graduate Diploma in Applied Finance and Master of Business Administration. He is a fellow of the FINSIA and a member of the Australian Institute of Company Directors.

Mr Hill was appointed to the New Talisman Board as Alternate Director for Geoffrey Hill on 1 December 1999, and has served as a full Director for nearly 13 years since his appointment on 10 October 2006 and Appointed as CEO/Managing Director on 3 September 2012. Re-elected September 18, 2019.

### Mr Murray Ronald Stevens, BSc, MSc(Hons), Dip.Geol.Sci, MAusIMM

*Non-executive Director*

Mr Stevens has BSc and MSc (Hons) degrees in geology from the University of Auckland and a Post-graduate Diploma in Geoscience from Macquarie University in Sydney majoring in Mineral Economics.

Mr Stevens has over than 35 years of experience as a geologist and has provided consulting services to NTL since 2002.

Mr Stevens has extensive expertise exploring for epithermal gold deposits in the Coromandel and the wider Asia-Pacific region. He has held Senior Management and consulting roles in a number of public and private companies and was NTL's (formerly Heritage Gold Ltd) first Exploration Manager from 1987 to 1996. He was instrumental in recognizing the potential for the Talisman Mine and the Rahu area when NTL acquired these areas in the early 1990's. Murray played a key role in the original discovery made at Rahu and was the exploration consultant for NTL when the work undertaken between 2003 and 2006 delineated the current resources at Talisman.

First appointed May 9, 2016 and re-elected August 06, 2020.



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### INDEPENDENT AUDITOR'S REPORT

To the Members of New Talisman Gold Mines Limited

#### Report on the Financial Statements.

##### Opinion

We have audited the financial report of New Talisman Gold Mines Limited ("the company") and its subsidiaries (together "the group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the group, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the group as at 31 March 2021 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than our capacity as auditor, we have no other relationship with, or interest in New Talisman Gold Mines Limited and its subsidiaries.

##### Key audit matters

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Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of mining tenements</b></p> <p>Refer to note 10 (Assets under Construction)</p> <p>At 31 March 2021, the Group has capitalised mining tenement costs of NZ\$13.69m. IAS 136, 'Impairment of Assets' requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.</p> <p>The Market Cap of the Group at reporting date was NZ\$9.7m compared with net assets of NZ\$15.4m and pursuant to ISA 136 presents an indication of impairment.</p> <p>The Group's assessment of the recoverable amount of its producing and non producing Ore Reserves and the indication of impairment are a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of</p>	<p><b>Our procedures included, amongst others:</b></p> <ul style="list-style-type: none"> <li>Assessing whether the external expert that had been engaged by management to provide independent valuations was appropriately experienced and qualified.</li> <li>We evaluated management's key assumptions and estimates used to determine the recoverable amount of its assets, including those related to forecast commodity prices and revenue costs, discounted rates and estimated residual values.</li> <li>We checked the mathematical accuracy of the cash flow models, testing inputs, from valuation reports produced, as well as external inputs, including spot and forecast process for gold at the reporting date.</li> <li>We assessed the accuracy of management's forecasting by assessing the reliability of historical forecasts and reviewing whether current market conditions would impact those forecasts.</li> <li>Assessing whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.</li> <li>We reviewed the Technical Valuation Report dated 8 June 2018 prepared by GEOS Mining.</li> <li>We considered any impact of COVID-19 with the inputs used in the valuation methodology.</li> <li>In our assessment of impairment, we considered the impact of historical gold prices on the market capitalisation of the Group.</li> </ul>

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recoverable amounts incorporated  
significant internal and external  
judgments and assumptions including  
commodity prices, available reserves,  
residual values and discount rates.

## Information Other than the Financial Statements and Auditor's Report

The directors of the company are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

## Directors' Responsibilities for the Financial Report

The directors are responsible, on behalf of the Group, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or cease operations, or have no realistic alternative but to do so.

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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at External Reporting Board's website: [https://www.xrb.govt.nz/Site/Auditing\\_AssuranceStandards/CurrentStandards/Page1.aspx](https://www.xrb.govt.nz/Site/Auditing_AssuranceStandards/CurrentStandards/Page1.aspx). This description forms part of our auditor's report.

## Report on the Other Legal and Regulatory Requirements

The engagement partner on the audit resulting in this independent auditor's report is Scott Bennison.

Scott Bennison  
A Partner of KS Black & Co  
Chartered Accountants



Dated: 29/5/2021  
Sydney

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# NEW TALISMAN GOLD MINES LIMITED

## Statement of Comprehensive Income

For year ended 31 March 2021

	Note	Group 2021 NZ\$	2020 Restated NZ\$	Parent 2021 NZ\$	2020 Restated NZ\$
<b>Continuing Operations</b>					
Other Operating income	2	247,718	39,511	247,718	39,511
Operating and administrative expenses	3, 5	(763,892)	(970,145)	(751,729)	(946,074)
Exploration costs written off	10	-	(2,757,313)	-	-
<b>Gain/(loss) from operations</b>		(516,174)	(3,687,947)	(504,011)	(906,563)
<b>Finance Costs</b>	4	(1,483)	-	(1,483)	-
<b>Net profit/(loss) for the year</b>		(517,657)	(3,687,947)	(505,494)	(906,563)
<b>Other Comprehensive Income /(Loss)</b>		-	-	-	-
<b>Total comprehensive income/(loss)</b>		(517,657)	(3,687,947)	(505,494)	(906,563)
<b>Net profit/(loss) attributable to equity holders of the parent</b>		(517,657)	(3,687,947)	(505,494)	(906,563)
<b>Comprehensive profit/(loss) attributable to equity holders of the parent</b>		(517,657)	(3,687,947)	(505,494)	(906,563)
<b>Earningspershare</b>					
<b>Basic earnings/(loss) per share</b>					
From continuing operations		(0.03)cent	(0.14)cent	(0.02)cent	(0.03)cent
<b>Diluted earnings/(loss) per share</b>					
From continuing operations		(0.03)cent	(0.14)cent	(0.02)cent	(0.03)cent

The accompanying notes form part of these financial statements

# NEW TALISMAN GOLD MINES LIMITED

## Statement of Changes in Equity

For the Year Ended 31 March 2021

	Note	Group 2021				Group 2020 Restated			
		Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$	Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$
Profit/(Loss)		-	-	(517,657)	(517,657)	-	-	(3,687,947)	(3,687,947)
Other comprehensive income/(loss)		-	-	-	-	-	-	-	-
Proceeds from share capital issued		-	-	-	-	-	-	-	-
Transfer to accumulated income	8	-	-	-	-	-	-	-	-
Equity at beginning of year		38,216,371	-	(22,250,534)	15,965,837	38,216,371	-	(18,562,587)	19,653,784
Equity at end of year	8	38,216,371	-	(22,768,191)	15,448,180	38,216,371	-	(22,250,534)	15,965,837
	Note	Parent 2021				Parent 2020 Restated			
		Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$	Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$
Total comprehensive income/(loss)		-	-	(505,494)	(505,494)	-	-	(906,563)	(906,563)
Proceeds from share capital issued		-	-	-	-	-	-	-	-
Transfer to accumulated income	8	-	-	-	-	-	-	-	-
Equity at beginning of year		38,216,371	-	(22,185,159)	16,031,212	38,216,371	-	(21,278,596)	16,937,775
Equity at end of year	8	38,216,371	-	(22,690,653)	15,525,718	38,216,371	-	(22,185,159)	16,031,212

The accompanying notes form part of these financial statements

# NEW TALISMAN GOLD MINES LIMITED

Balance Sheet  
As at 31 March 2021

		Group		Parent	
		2021	2020	2021	2020
	Note	NZ\$	Restated NZ\$	NZ\$	Restated NZ\$
<b>Equity</b>					
Attributable to parent company shareholders	8	15,448,180	15,965,837	15,525,718	16,031,212
		15,448,180	15,965,837	15,525,718	16,031,212
<b>Term liabilities</b>					
Long term lease liabilities	23	41,305	-	41,305	-
Rehabilitation Reserve	10	32,215	32,215	32,215	32,215
<b>Total term liabilities</b>		73,520	32,215	73,520	32,215
<b>Current liabilities</b>					
Payables	21	132,577	46,585	132,577	46,585
Employee benefits	22	-	18,240	-	18,240
Short Term Lease Liabilities	23	24,141	-	24,141	-
<b>Total current liabilities</b>		156,718	64,825	156,718	64,825
<b>Total liabilities</b>		230,238	97,040	230,238	97,040
<b>Total equity and liabilities</b>		15,678,418	16,062,877	15,755,956	16,128,252
<b>Current assets</b>					
Cash		1,110,695	2,495,718	1,110,695	2,495,718
Receivables and prepayments	24	414,643	178,619	493,453	245,266
<b>Total current assets</b>		1,525,338	2,674,337	1,604,148	2,740,984
<b>Non-current assets</b>					
Property, plant & equipment	10	191,388	227,421	191,388	227,421
Assets under construction	10	13,699,688	13,143,901	13,699,688	13,143,901
Right of use assets	10	64,539	-	64,539	-
Intangible exploration assets	11	11,637	11,637	10,575	10,575
Investments	12	185,828	5,581	185,618	5,371
<b>Total non-current assets</b>		14,153,080	13,388,540	14,151,808	13,387,268
<b>Total assets</b>		15,678,418	16,062,877	15,755,956	16,128,252

For and on behalf of the Board:



C Nader (Chairman)  
29 June 2021



M G Hill  
29 June 2021

The accompanying notes form part of these financial statements . \* See note 13.



# NEW TALISMAN GOLD MINES LIMITED

## Statement of Cash Flows

For year ended 31 March 2021

		Group		Parent	
	Note	2021	2020	2021	2020
		NZ\$	NZ\$	NZ\$	NZ\$
<b>Cash flows from operating activities</b>					
<i>Cash was provided from:</i>					
Interest received		1,669	4,463	1,669	4,463
Other		-	-	-	-
		1,669	4,463	1,669	4,463
<i>Cash was disbursed to:</i>					
Interest expense on leases		(1,483)	-	(1,483)	-
Payments to suppliers and employees		(682,838)	(1,213,341)	(682,838)	(1,221,341)
Rent		(13,406)	(23,414)	(13,406)	(23,414)
		(697,727)	(1,236,755)	(697,727)	(1,244,755)
<b>Net cash outflows from operating activities</b>	15	(696,068)	(1,232,292)	(696,068)	(1,240,292)
<b>Cashflows from investing activities</b>					
<i>Cash was provided from:</i>					
Intercompany loan repayments		-	-	-	-
Proceeds from disposal of property, plant and equipment		1,304	-	1,304	-
Proceeds from sale of shares		-	-	-	-
		1,304	-	1,304	-
<i>Cash was applied to:</i>					
Prospecting and mine development expenditure		(529,787)	(1,117,326)	(529,787)	(1,109,326)
Purchase of property, plant and equipment		-	(19,169)	-	(19,169)
Investments		(164,472)	-	(164,472)	-
Intercompany loans		-	-	-	-
		(694,259)	(1,136,495)	(694,259)	(1,128,495)
<b>Net cash outflows from investing activities</b>		(692,955)	(1,136,495)	(692,955)	(1,128,495)
<b>Cash flows from financing activities</b>					
<i>Cash was provided from:</i>					
Issue of shares		-	3,625,522	-	3,625,522
Other		-	-	-	-
		-	3,625,522	-	3,625,522
<i>Cash was applied to:</i>					
Issue of shares		-	-	-	-
Lease liabilities & right of use assets		(9,177)	-	(9,177)	-
		(9,177)	-	(9,177)	-
<b>Net cash inflows from financing activities</b>		(9,177)	3,625,522	(9,177)	3,625,522
<b>Net increase /(decrease) in cash held</b>		(1,398,200)	1,256,735	(1,398,200)	1,256,735
Effect of changes in exchange rates		13,177	(4,673)	13,177	(4,673)
Cash at beginning of year		2,495,718	1,243,656	2,495,718	1,243,656
<b>Cash at end of year</b>		1,110,695	2,495,718	1,110,695	2,495,718
<b>CASH COMPRISES:</b>					
Cash		1,005,695	2,390,718	1,005,695	2,390,718
Short term deposits		105,000	105,000	105,000	105,000
		1,110,695	2,495,718	1,110,695	2,495,718

All cash balances are available without restriction except for NZ\$105,000 held on deposit as security for guarantees issued by the bank. The bank holds a \$75,000 bond on behalf of the NZ Stock Exchange for the term of the exchange listing and a \$30,000 bond on behalf of the Department of Conservation held for any potential mining rehabilitation.

# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

## 1. STATEMENT OF ACCOUNTING POLICIES

### Reporting entity

New Talisman Gold Mines Limited is a profit-oriented company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).

The company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the financial statements of the company and group have been prepared in accordance with the Financial Markets Conduct Act 2013 and comply with NZX Listing Rule 10.6.1 with the exception that separate financial statements for the parent have been presented as the parent engages in the majority of the group's business activities.

The group consists of New Talisman Gold Mines Limited (the "company") and its subsidiaries (the "group") and these financial statements comprise the separate financial statements of the parent company and the consolidated financial statements of the group. The group is engaged in mine development and mineral exploration.

These financial statements were approved for issue by the Directors on 29 June 2021.

### Statement of compliance

These consolidated and parent financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP), the requirements of the Companies Act 1993 and comply with New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS).

### Measurement base

The accounting principles adopted are those recognised as appropriate for the measurement and reporting of financial performance and financial position on the historical cost basis modified by the revaluation of certain assets. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The information is presented in New Zealand dollars which is the company's functional currency.

### Use of estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The group has made significant accounting estimates in respect of:

- the assessment of impairment to capitalised exploration and development expenditure, and
- the anticipated rehabilitation costs at the conclusion of mining. The estimate does not have a profit effect in the current year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

### Specific accounting policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied consistently.

#### (a) Prospecting costs

Acquisition, exploration and development expenditure on exploration and mining tenements is initially recorded at cost. Exploration and evaluation costs are capitalised as deferred expenditure.

In the event where exploration demonstrates a permit area is no longer prospective for economically recoverable reserves, or the exploration or prospecting permit is relinquished, the value or cost of the tenement is immediately recognised as an expense in the statement of comprehensive income.

Prospecting costs are expected to be recovered from future mining revenues. The recoverability of exploration and evaluation assets is contingent upon future events, such as technical success and commercial development, sale of the area of interest, the results of further exploration, agreements entered into with other parties, and also upon meeting commitments under the terms of the permits.

#### (b) Mining tenements

When a tenement is assessed as capable of sustaining commercial mining operations, capitalised exploration and evaluation expenditure is reclassified as assets under construction and is disclosed as a component of property, plant and equipment. All subsequent development expenditure, net of any proceeds from ore sales during the development stage, is capitalised and classified as assets under construction. On completion of development, the value or cost of accumulated exploration and development costs will be reclassified as other mineral assets and amortised on the basis of units of production over the expected productive life of the mine. Provisions for closure and rehabilitation are initially recognised when an environmental disturbance first occurs. The estimate for the rehabilitation provision is reviewed by management at each reporting date and an assessment is made on whether the estimate continues to reflect the company's present legal and constructive obligations.

#### (c) Property plant and equipment

All property, plant and equipment is initially recorded at cost.

When an item of property, plant and equipment is disposed of, the gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between the sale price and the carrying value.

#### (d) Depreciation

Depreciation is provided on all tangible property, plant and equipment on a straight line basis at rates calculated to allocate the difference between the cost and residual values of each asset over its estimated useful life. For this purpose, the company has adopted the depreciation rates set by the Inland Revenue Department as appropriate.

Rates used during the year were:

Computer software and hardware	Straight line	13.5-67%
Field equipment	Straight line	7-30%
Fixtures and fittings	Straight line	9-10%
Motor Vehicles	Straight line	10.5-30%

#### (e) Impairment of assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount and the write down recognised as an expense in the statement of comprehensive income. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the carrying value of intangible capitalised exploration expenditure exceeds the value determined by an independent valuation, the asset is written down and the write-down recognised as an expense. A reversal of an impairment loss for an asset is recognised immediately in the statement of comprehensive income.

#### (f) Segment information

Operating segments are reported if:

- Revenue is 10% or more of combined operating segment revenues;
- The absolute value of profit or loss is greater than 10% of the combined reported profits or losses of all operating segments, whichever is greater;



# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

- Assets are 10% or more of the combined assets of all operating segments; or
- Information about the segment would be useful to users of the financial statements.

## (g) Income tax

The company is a mining company for New Zealand tax purposes. All exploration and development expenditure, including the cost of mining assets, is tax deductible in the year the expenditure is incurred. Mining losses can be set off against non-mining income in the ratio 3:2.

Deferred taxation assets are recognised in the financial statements only to the extent that it is probable that there will be future taxable profit to utilise them.

## (h) Share capital

Ordinary shares and options are classified as equity. Direct costs of issuing shares and options are deducted from the proceeds of the issue.

## (i) Cash flows

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less.

## (j) Employee entitlements

The liability for annual leave is accrued and recognised in the statement of financial position. Annual leave is recorded at the undiscounted amount expected to be paid for the entitlement earned.

## (k) Foreign currencies

Transactions in foreign currencies are converted into NZ currency at the rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange variations resulting from these translations are recognised in the statement of comprehensive income.

## (l) Leases

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A depreciation charge for right-of-use assets for lease liabilities and an interest charge for lease liabilities will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Leases on a short term basis or of low value assets are recognised as lease payments which are included in the statement of comprehensive income in equal instalments over the lease term.

The permits held by the Group for the exploration of the mine has not been capitalised as permitted by NZ IFRS 16.

## (m) Basis of consolidation

The consolidated financial statements include the parent company and all subsidiaries over which the parent company has the power to control the financial reporting and operating policies. The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intercompany transactions are eliminated on consolidation. In the parent company's separate financial statements, the investment in subsidiaries is stated at cost less any impairment losses.

## (n) Financial instruments

Financial instruments recognised in the statement of financial position include cash balances, receivables, payables, investments in and loans to others and borrowing. The parent and group have no off-balance sheet financial instruments.

### (1) Receivables and payables

Receivables and payables are initially recorded at fair value and subsequently at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). The resulting carrying amount for receivables is not materially different from estimated realisable value.

### (2) Share investments

Share investments in listed companies are designated as financial assets at fair value. They are initially recorded at cost and subsequently at market value. Gains or losses are recorded in the statement of comprehensive income. Share investments in unlisted companies cannot be reliably valued. They are therefore carried at cost less any impairment losses. Impairment losses, once recognised, are not reversed even if the circumstances leading to the impairment are resolved.

A gain or loss on financial instruments stated at market value is recognised in the statement of comprehensive income.

## (o) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST. The net amount of GST recoverable or payable is included as part of the receivables or payables balance in the statement of financial position.

## (p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders outstanding, adjusted for the effects of all dilutive potential ordinary shares, comprising share options.

## (q) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of GST. Revenue is recognised when the significant risks and rewards of ownership of gold-bearing ore have been transferred to the buyer.

## (r) Change in Accounting Policies

There have been no significant changes in accounting policies. All policies have been applied on bases consistent with those used in the prior period.

## (s) Inventories

Inventories are valued at the lower of weighted average cost and net realisable value. Costs include mining and production costs as well as commercial, environmental, health and safety expenses, and stock movements.

## 2. OPERATING INCOME

	Group Mar 2021 NZ\$	Group Mar 2020 NZ\$	Parent Mar 2021 NZ\$	Parent Mar 2020 NZ\$
Interest	1,669	4,463	1,669	4,463
Reimbursement of Expenditure	-	-	-	-
Sundry income	246,049	35,048	246,049	35,048
Total operating income	247,718	39,511	247,718	39,511

# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

## 3. OPERATING AND ADMINISTRATION EXPENSES BY NATURE

	<b>Group Mar 2021 NZ\$</b>	<b>Group Mar 2020 NZ\$</b>	<b>Parent Mar 2021 NZ\$</b>	<b>Parent Mar 2020 NZ\$</b>
Accountancy fees	110,273	117,406	110,273	117,406
Auditor's fees – auditing financial statements	37,813	33,119	37,813	33,119
Consultancy fees	68,224	116,456	68,224	107,593
Depreciation	41,769	51,708	41,769	51,708
Director fees	85,333	110,500	85,333	110,500
Foreign exchange loss/(gain)	(13,177)	4,673	(13,177)	4,673
Insurance	59,836	34,257	59,836	34,257
Kiwisaver	-	3,980	-	3,980
Legal fees	23,979	26,642	23,979	26,642
Rental and lease costs	13,406	23,414	13,406	23,414
Secretarial expenses	52,000	55,250	52,000	55,250
Security	79,282	84,283	79,282	84,283
Share registry	59,514	118,635	59,514	118,635
Share revaluation loss/(gain)	(15,775)	5,732	(15,775)	5,732
Stock exchange fees	56,690	49,105	56,690	49,105
Other	104,725	134,985	92,562	119,777
Total administration expenses	763,892	970,145	751,729	946,074

## 4. FINANCE COSTS

	<b>Group Mar 2021 NZ\$</b>	<b>Group Mar 2020 NZ\$</b>	<b>Parent Mar 2021 NZ\$</b>	<b>Parent Mar 2020 NZ\$</b>
Interest and finance charges paid on lease liabilities	1,483	-	1,483	-
Total operating income	1,483	-	1,483	-

## 5. DIRECTOR AND EMPLOYEE REMUNERATION

### Director remuneration

	<b>2021 NZ\$</b>	<b>2020 Restated** NZ\$</b>
MG Hill (Executive Director)*	288,000	306,000
C Nader	40,000	42,500
A V Haworth	13,333	34,000
M R Stevens	32,000	34,000

\*Of which \$37,440 (2020: \$39,780) is expensed as consultancy fees and the remainder is capitalised in the Statement of Financial Position as Talisman development expenditure. The development expenditure amount is based on time spent on directly attributable mine development activities.

\*\*Please refer to note 25 for further details on the prior period restatement.

All director fees paid were reduced by 20% effective 1 September 2019.

A V Haworth resigned as Director effective 1 September 2020.

During the reporting period, no options were issued to directors or employees. In the prior year, no options were issued to directors or employees.

### Remuneration of Employees

During the reporting period, one employee received remuneration and benefits of \$50,083. The remuneration included Kiwisaver contributions of \$495. The employee resigned in May 2020.

## 6. TAXATION

	<b>Group 2021 NZ\$</b>	<b>Group Restated 2020 NZ\$</b>	<b>Parent 2021 NZ\$</b>	<b>Parent Restated 2020 NZ\$</b>
Operating loss before taxation	(517,657)	(3,687,947)	(505,494)	(906,563)
Prima facie income tax at 28%	(144,944)	(1,032,625)	(141,538)	(253,838)
Add/(subtract) the taxation effect of permanent differences:				
Non- Deductible Legal Fees Adjustment	-	6,612	-	6,612
Non- Deductible Entertainment Adjustment	155	158	155	158
Other Non-Deductible Expenses	-	14,419	-	14,419
Tax losses not recognised	(144,789)	(1,011,436)	(141,383)	(232,649)
Temporary differences not recognised	-	(600)	-	(600)
Income tax expense/(benefit) not recognised	(144,789)	(1,012,036)	(141,383)	(233,249)



# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

Deferred tax will not be recognised unless future taxable profit is probable.

The parent company has the following estimated taxation losses available:

- (a) mining losses to offset against future mining income of NZ\$10,911,653 (2020: NZ\$10,902,295) and
- (b) non-mining taxation losses of NZ\$18,564,463 (2020: NZ\$18,082,741).

The mining losses are currently being assessed by the IRD and the company is working closely with their representatives to confirm balances brought forward from previous years. Such losses will only be available to be offset if:

- (a) the company derives future assessable income of a nature and an amount sufficient to enable the benefit of the losses to be realised;
- (b) the company continues to comply with the conditions for deductibility imposed by the law;
- (c) there are no adverse changes in tax legislation or tax rates which affect the company in realising the benefit from the deduction for the losses.

At balance date the company's imputation credit account balance was \$559 (2020: \$3,087).

## 7. SEGMENT INFORMATION

During the current period, the company had only one business segment - mineral exploration, within New Zealand.

## 8. EQUITY & RESERVES

### Equity

	Group 2021 NZ\$	Group 2020 Restated NZ\$	Parent 2021 NZ\$	Parent 2020 Restated NZ\$
Share capital	38,216,371	38,216,371	38,216,371	38,216,371
Accumulated deficit	(22,768,191)	(22,250,534)	(22,690,653)	(22,185,159)
Total parent shareholder equity	15,448,180	15,965,837	15,525,718	16,031,212

The group's capital is managed with the objective of maintaining adequate working capital so that all obligations can be met on time. All components of equity are regarded as "capital". All internal capital management objectives have been met. This has not changed since last year.

### Accumulated deficit

	Group 2021 NZ\$	Group 2020 Restated NZ\$	Parent 2021 NZ\$	Parent 2020 Restated NZ\$
Balance at beginning of year	(22,250,534)	(18,562,587)	(22,185,159)	(21,278,596)
Net loss attributable to shareholders	(517,658)	(3,687,947)	(505,494)	(906,563)
Other Comprehensive Income	-	-	-	-
Transfer of Reserves	-	-	-	-
Balance at end of year	(22,768,191)	(22,250,534)	(22,690,653)	(22,185,159)

### Share capital

	Group and Parent			
	2021 Number	2020 Number	2021 NZ\$	2020 NZ\$
Balance beginning of year	2,692,184,325	2,164,503,303	38,216,371	34,590,849
Shares Issued	100,041,038	527,681,022	-	3,625,522
Transfer from Reserves	-	-	-	-
Balance at end of year	2,792,225,363	2,692,184,325	38,216,371	38,216,371

All authorised shares have been issued, are fully paid, have equal voting rights and will share equally in dividends and surplus on winding up. The shares have no par value.

### Share based payments

There were no share-based payment arrangements that existed during the period under review. (2020: Nil)

### Transfer of Reserves

During the period under review all Asset Revaluation, Share Premium and Capital reserves were transferred to Accumulated Income.

### Listed options

	Group and Parent	
	2021 Number	2020 Number
Balance at beginning of year	17,036,384	17,036,384
Expired Options	-	-
Issued Options	-	-
Balance at end of year	17,036,384	17,036,384

Listed options can be exercised on or before 30 September 2022. Conversion price is A\$0.055. When exercised, one option will convert to one fully paid ordinary share.

# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

## Unlisted Options

Options issued to employees:	Group and Parent	
	2021 Number	2020 Number
Opening Balance of options on issue	-	1,250,000
Unlisted options cancelled during period	-	1,250,000
Unlisted options converted to fully paid share at A 1.1 cent each	-	-
Total unlisted options on issue to employees	-	-
Options issued to directors:		
Unlisted options issued during the period	-	-
Total unlisted options on issue to directors	-	-
Total unlisted options on issue at end of year	-	-
Total listed and unlisted options on issue at end of year	17,036,384	17,036,384

Nil unlisted employee options were converted during the year (Last Year Nil).

New Talisman Gold Mines Limited issued 100,041,038 ordinary shares during the period by way of loyalty shares as part of the July 2020 share purchase plan whereby New Talisman Gold Mines Limited will issue or transfer to each shareholder that were issued shares under the share purchase plan 1 loyalty share for every 5 shares provided the shareholder continues to hold those shares on 26 June 2020. The loyalty shares were issued for nil additional consideration.

## 9. RELATED PARTY TRANSACTIONS

Payments for consulting services to companies in which directors and major shareholders have a substantial interest amounted to NZ\$338,499 (2020:NZ\$328,629). At balance date, creditors included NZ\$48,394 payable to directors and other related companies (2020:NZ\$Nil). Related party debtors totalled \$3,972 at balance date (2020:NZ\$2,194) and no related party debts were written off during the year.

## 10. PROPERTY, PLANT & EQUIPMENT

	Group and Parent				Total NZ\$
	Fixtures & fittings NZ\$	Office equipment NZ\$	Field equipment NZ\$	Motor Vehicles NZ\$	
<b>Year ended 31 March 2020</b>					
Carrying amount 1 April 2019	265	12,637	233,664	13,395	259,961
Additions	-	4,169	-	15,000	19,169
Depreciation	(125)	(13,123)	(28,645)	(9,816)	(51,709)
Carrying amount	140	3,683	205,019	18,579	227,421
<b>31 March 2020</b>					
Cost	1,260	51,547	262,878	44,655	360,340
Depreciation	(1,120)	(47,864)	(57,859)	(26,076)	(132,919)
Carrying amount	140	3,683	205,019	18,579	227,421
<b>Year ended 31 March 2021</b>					
Carrying amount 1 April 2020	140	3,683	205,019	18,579	227,421
Disposals	-	-	-	(4,349)	(4,349)
Depreciation	(95)	(1,622)	(28,243)	(1,724)	(31,684)
Carrying amount	45	2,061	176,776	12,506	191,388
<b>31 March 2021</b>					
Cost	1,260	51,547	262,878	44,655	360,340
Depreciation	(1,215)	(49,486)	(86,102)	(32,149)	(168,952)
Carrying amount	45	2,061	176,776	12,506	191,388

## ASSETS UNDER CONSTRUCTION

Talisman mine development	Group & Parent	
	2021 NZ\$	2020 NZ\$
Balance at beginning of year	13,149,901	12,034,575
Development expenditure	549,787	1,109,327
Balance at end of year	13,699,688	13,143,901



# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2020

A mine is currently being developed on the Talisman Mining permit and development expenditure has been recorded at cost in the statement of financial position.

Development expenditure consists of mining development costs, professional salaries, data acquisitions and all overhead expenses relating to the operation of the mine. Management assesses the allocation of directly attributable overheads at the end of each reporting date.

The directors have provided for rehabilitation costs of the Talisman mine site on its closure. The estimated cost is \$32,215 (2020: \$32,215). The same value has been included in the development expenditure.

In June 2018, an independent valuation report that complies with the 2015 Valmin Code was obtained from Geos Mining Mineral Consultants for the Talisman Permit inclusive of Talisman and Talisman Deeps. The independent valuation indicated a value of the Talisman project MP51326 in the range of \$11.7m to \$26.4m with a preferred value of \$18.8m.

The Geos report confirmed that the Company's technical statement on the Talisman mine and Technical reports, including the 2018 Prefeasibility and Scoping studies are reported in compliance with the reporting requirements of the 2012 JORC Code. The Geos report confirmed that the resource classifications of the 2017 Mineral resource estimate are consistent with the principles of the JORC Code 2012.

## RIGHT OF USE ASSETS

The company has recognised a right of use asset for the lease of the premises situated at 547 Parnell Road, Auckland. The Group had entered into a lease agreement on 6 October 2020 for a lease term of three years. The Group had previously held a short term lease agreement for its previous premises situated at 541 Parnell Road, Auckland, hence no right of use asset for these premises were previously recorded.

Movements in right of use assets are summarised below:

	Group		Parent	
	2021 NZ\$	2020 NZ\$	2021 NZ\$	2020 NZ\$
Balance at beginning of year	-	-	-	-
Additions	74,624	-	74,624	-
Depreciation Charge	(10,085)	-	(10,085)	-
Balance at end of year	64,539	-	64,539	-

## 11. INTANGIBLE EXPLORATION ASSETS

	Group		Parent	
	2021 NZ\$	2020 NZ\$	2021 NZ\$	2020 NZ\$
<b>Prospecting costs</b>				
Balance at beginning of year	11,637	2,760,950	10,575	10,575
Development expenditure	-	8,000	-	-
Impairment of prospecting costs	-	(2,757,313)	-	-
Balance at end of year	11,637	11,637	10,575	10,575

	Group		Parent	
	2021 NZ\$	2020 NZ\$	2021 NZ\$	2020 NZ\$
<b>Gross prospecting costs</b>				
Gross cost of current permit	11,637	11,637	10,575	10,575
Balance at end of year	11,637	11,637	10,575	10,575

Exploration and evaluation expenditure is recorded at cost. The Group recorded an impairment in the carrying value of the Rahu exploration asset due to uncertainty around access to the land.

## TENEMENT SCHEDULE:

### Permits held by New Talisman Gold Mines Limited Group:

51 326 Talisman (Mining) – Granted mining permit, Coromandel, New Zealand

60 144 Rahu (Exploration) - After consultation with NZPAM, the Group was encouraged to:

- apply for a change of conditions of this permit, and
- apply for an extension of land to the Talisman 51326 permit.

The Group continues to have land access agreements in place with private landholders related to the permit area. Given the complexities and uncertainty related to Rahu, the Group prescribes no value in the balance sheet to this permit.

## 12. SHARE INVESTMENTS

	Group 2021 NZ\$	Group 2020 NZ\$	Parent 2021 NZ\$	Parent 2020 NZ\$
Investment in listed companies – at fair value	21,356	5,581	21,146	5,371
Unlisted options to acquire – at cost value	109,348	-	109,348	-
Vanuatu Project Costs	55,124	-	55,124	-
Total share investments	185,828	5,581	185,618	5,371

# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

Investment in listed companies includes the investment in American Rare Earths Limited.

Unlisted shares are held for the long term. As announced by the company on 27 January 2021, the company has acquired an option to purchase Broken Hills Historic Mine Limited subject to due diligence. As at balance date the option remains unexercised.

## 13. SUBSIDIARY COMPANIES

	Percent held 2021	Percent held 2020	Incorp in	Balance date	Activity
Subsidiaries					
Coromandel Gold Limited	100%	100%	NZ	31 March	Share investment
Northland Minerals Limited	100%	100%	NZ	31 March	Minerals exploration
Rahu Resources Pty Limited	100%	100%	NZ	31 March	Minerals exploration

All subsidiaries are direct subsidiaries of the company. The investment in each subsidiary is recorded at cost (NZ\$Nil) in the company's statement of financial position. Coromandel Gold and Northland Minerals did not trade during the year.

## 14. FINANCIAL INSTRUMENTS

### Credit Risk

Financial instruments which potentially subject the company to credit risk principally consist of bank balances and receivables. Surplus funds are placed in interest bearing accounts with major trading banks and the company does not anticipate non-performance by those parties. Maximum exposure to credit risk at balance date is represented by the carrying value of the financial instruments. No collateral is held on these assets and the balances are stated net of recognised impairment losses. Cash at bank represented 97% of total cash and receivables. The group deals only with banks having at least an A credit rating.

### Currency Risk

The company has exposure to foreign exchange risk as a result of transactions from normal trading activities mainly denominated in Australian currencies. The company holds funds in an Australian currency bank account. Exposure to exchange risk is unhedged.

### Liquidity Risk

Management supervises liquidity through cashflow forecasting, budgeting and by carefully controlling cash outflows from existing cash resources. The group relies on new equity to fund exploration and mine development expenditure.

### Interest Rate Risk

At balance date the company had no exposure to interest rate risks. The table below shows short term deposits held at balance date:

Re-pricing Analysis	Effective Interest Rate	Total NZ\$	6 months or less NZ\$
Short term bank deposits	0.55-2.25%	105,000	105,000

### Fair Values

Fair values used in the measurement of financial instruments may vary from values directly observed in active markets to those that must be derived without reference to observable data. Investments in listed companies are measured at fair value based on quoted prices in active markets. As stated in Note 11, the fair value of unlisted shares cannot be reliably measured and are stated at cost. Except for unlisted shares, there is no material difference between the carrying amounts and estimated fair values of the company's financial assets and liabilities.

## 15. RECONCILIATION OF OPERATING CASHFLOW AND REPORTED DEFICIT

	Group		Parent	
	2021 NZ\$	2020 NZ\$	2021 NZ\$	2020 NZ\$
Net profit/(deficit) after taxation	(517,657)	(3,713,873)	(505,494)	(932,489)
Add non-cash items:				
Depreciation	41,769	51,708	41,769	51,708
Impairment of prospecting costs	-	2,757,313	-	-
Loss on disposal of property, plant & equipment	3,044	-	3,044	-
Share revaluation (gain)/loss	(15,775)	5,732	(15,775)	5,732
Exchange (gain)/loss	(13,177)	4,673	(13,177)	4,673
	15,861	2,819,426	15,861	62,113
Add (less) movement in working capital:				
Decrease (increase) in debtors	748	(88)	748	4,076
Increase (decrease) in creditors	59,992	(331,292)	59,992	(331,292)
Increase (decrease) in employee benefits	(18,240)	-	(18,240)	-
Decrease (increase) in accrued income	-	5,365	-	5,365
Decrease (increase) in Stock on Hand	(244,745)	(35,048)	(244,745)	(35,048)
Decrease (increase) in Development WC	-	-	-	-
Decrease (increase) in prepayments	5,447	(43,564)	5,447	(43,564)
Decrease (increase) in intercompany loans	-	-	(9,163)	(36,235)
Decrease (increase) in GST	2,526	66,782	(474)	66,782
	50,473	(337,845)	38,310	(369,916)
Net cash outflows from operating activities	(696,068)	(1,232,292)	(696,068)	(1,240,292)



# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

## 16. COMMITMENTS

The group has capital commitments of NZ\$Nil (2020:Nil).

## 17. CONTINGENT LIABILITIES

Contingent liabilities

Group and Parent	
Mar 2021 NZ\$	Mar 2020 NZ\$
-	-

## 18. NET TANGIBLE ASSETS PER SECURITY

Net tangible assets

Net tangible assets per security

Group and Parent	
Mar 2021 NZ\$	Mar 2020 NZ\$
15,568,058	15,931,398
0.56 cent	0.59 cent

## 19. GOING CONCERN

The financial report has been prepared on a going concern basis. The directors have raised sufficient funds to ensure that financial obligations can continue to be met for longer than 12 months.

## 20. EARNINGS PER SHARE

	Group Mar 2021	Group Mar 2020	Parent Mar 2021	Parent Mar 2020
Profit/(loss) from continuing operations	(516,174)	(3,710,748)	(505,494)	(929,365)
Weighted average number shares	2,765,090,944	2,495,247,337	2,765,090,944	2,495,247,337
Basic earnings per share	(0.03) cent	(0.15) cent	(0.02) cent	(0.04) cent
Diluted average shares on issue	2,782,127,328	2,512,283,721	2,782,127,328	2,512,283,721
Diluted earnings per share	(0.03) cent	(0.15) cent	(0.02) cent	(0.04) cent
Weighted average number shares	2,765,090,944	2,495,247,337	2,765,090,944	2,495,247,337
Weighted average number options	17,036,384	17,036,384	17,036,384	17,036,384
Diluted average share on issue	2,782,127,328	2,512,283,721	2,782,127,328	2,512,283,721

## 21. PAYABLES

	Group Mar 2021 NZ\$	Group Mar 2020 NZ\$	Parent Mar 2021 NZ\$	Parent Mar 2020 NZ\$
Trade payables	112,253	28,972	112,253	28,972
Audit Accrual	20,324	17,613	20,324	17,613
	132,577	46,585	132,577	46,585

### Trade Payables

Trade payables are unsecured and are usually paid within 30 days of recognition.

## 22. EMPLOYEE BENEFITS

	Group Mar 2021 NZ\$	Group Mar 2020 NZ\$	Parent Mar 2021 NZ\$	Parent Mar 2020 NZ\$
Balance at beginning of year	18,240	19,997	18,240	19,997
Additional provision	-	-	-	-
Amount utilised	(18,240)	(1,757)	(18,240)	(1,757)
Balance at end of year	-	18,240	-	18,240

Employee benefits accrued comprise holiday pay.

# NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

## 23. LEASE LIABILITIES

Lease commitments under non-cancellable operating leases:

	Group Mar 2021 NZ\$	Group Mar 2020 NZ\$	Parent Mar 2021 NZ\$	Parent Mar 2020 NZ\$
Balance at beginning of year	-	-	-	-
Leases entered into during the year	74,624	-	74,624	-
Interest Expense	1,483	-	1,483	-
Principal repayments	(10,661)	-	(10,661)	-
Balance at end of year	65,446	-	65,446	-
Short term lease liabilities	24,141	-	24,141	-
Long term lease liabilities	41,305	-	41,305	-
	65,446	-	65,446	-

## 23. RECEIVABLES AND PREPAYMENTS

	Group Mar 2021 NZ\$	Group Mar 2020 NZ\$	Parent Mar 2021 NZ\$	Parent Mar 2020 NZ\$
Sundry receivables	338,987	97,516	341,987	97,516
Prepayments	75,656	81,103	75,656	81,103
Intercompany advances	-	-	75,810	66,647
	414,643	178,619	493,453	245,266

### Trade Receivables

All financial assets are within the contractual terms. None are overdue and none are impaired. No collateral is held for receivables.

## 24. PRIOR PERIOD ADJUSTMENT

In preparation of the 2021 financial statements, a prior period error was identified relating to an overstatement in the Director Fees due to the miscalculation of New Zealand Goods and Service Tax on the payment to Mr C Nader who is an Australian based tax resident.

The impact on the financial statements has been that Mr C Nader's director remuneration was overstated by \$25,926. The 2020 comparatives for both the Group and the Parent have been restated to correct and reduce Mr C Nader's Director Fees by \$25,926 (and therefore the total Directors fees were down to \$110,500).

In addition, the total Directors fees were corrected down to \$416,500 from \$442,426.

No other prior period adjustments have been made.

## 25. SIGNIFICANT EVENTS SINCE BALANCE DATE

Subsequent to year end, the company sent one tonne of Talisman ore to a testing facility run by NZ Institute for Minerals to Materials Research (NZIMMR) for processing and metallurgical assessment to inform the company's planning in relation to the optimal processing route and plant configuration. The company's officers have visited the testing facilities at NZIMMR and discussions are underway to form a joint entity to assist the company with processing and refining of ore.

## ADDITIONAL INFORMATION

### DIRECTOR INFORMATION AND DISCLOSURE OF DIRECTORS INTERESTS

The following general disclosures of interest were received in relation to the year ended 31 March 2021:

Director	Relevant interest in Ordinary Shares	Relevant Interest in Unlisted Options
M G Hill	42,190,903	136,364
M Stevens	60,000	0
C Nader	0	0

TOP 20 OPTION HOLDERS as of 18 JUNE 2021			
Rank	Name	Units	% of Units
1.	COSMO BRYAN BOREHAM	1,000,000	5.87
2.	CHARLES PLEWINSKI	383,636	2.25
3.	RALPH MANNO & CHRISTINE ANNE D'AHREMBRG	356,364	2.09
4.	KA FU TSE	287,064	1.69
5.	MURRAY LAWRENCE CAMERON	286,364	1.68
6.	STEPHEN BAGGETT	254,545	1.49
7.	WARWICK JOHN LANGE	216,090	1.27
8.	MICHAEL MCGOWAN	200,000	1.17
9.	CITICORP NOMINEES PTY LIMITED	181,818	1.07
10.	ALAENA THERESA WILLIAMS	136,364	0.80
11.	ANDREW WARREN MCLAUGHLIN	136,364	0.80
12.	BART KLUMPERS & MARYKE CORNELIA KLUMPERS	136,364	0.80
13.	BEAZER INVESTMENT LIMITED	136,364	0.80
14.	BENJAMIN PETER WOOLLCOMBE	136,364	0.80
15.	BOON SIN LIEW	136,364	0.80
16.	BOYI WEI	136,364	0.80
17.	BRUCE JEFFREY DALTON & KAREN JOY DALTON	136,364	0.80
18.	CHI HUA CHEN	136,364	0.80
19.	CHRISTOPHER DAVID ENGLISH & JACQUELINE ENGLISH	136,364	0.80
20.	CHRISTOPHER JOHN POSTLEWRIGHT	136,364	0.80
<b>Total top 20 holders of 30/09/2022 Aud \$0.05 Options</b>		<b>4,665,885</b>	<b>27.39</b>
<b>Total listed options</b>		<b>17,036,384</b>	



HOLDING RANGE		Ordinary Shares as of 18 June 2021	
Range	Total holders	Shares Held	% of Issued Capital
1 - 1,000	105	12,930	0.00
1,001 - 5,000	216	625,045	0.02
5,001 - 10,000	144	914,912	0.03
10,001 - 100,000	975	37,618,187	1.35
100,001 – 500,000	832	179,922,393	6.44
500,000 Over	675	2,573,131,896	92.15
Total	2,947	2,792,225,363	100.00

TOP 20 ORDINARY SHAREHOLDERS as of 18 June 2021			
Rank	Name	Units	% of Units
1.	HAMISH EDWARD ELLIOT BROWN	350,000,000	12.53
2.	NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	206,505,250	7.40
3.	BEVERLEY IDA EVANS	96,000,000	3.44
4.	JOHN KILDARE UPPERTON	91,466,466	3.28
5.	RA KOURA LIMITED	49,424,207	1.77
6.	MATTHEW GEOFFREY HILL	42,190,903	1.54
7.	CHRISTOPHER DAVID ENGLISH + JACQUELINE ENGLISH <KRINGLES SUPER FUND A/C>	35,758,910	1.28
8.	HILL FAMILY GROUP PTY LIMITED	28,096,507	1.01
9.	THOMAS HERBERT TEBBS GOTHORP	25,500,874	0.91
10.	ROBERT MARSHALL WALSHAM + RACHEL SANDRA WALSHAM <R & R WALSHAM FAMILY A/C>	22,906,000	0.82
11.	RONALD JOHN SCOTT	22,000,000	0.79
12.	CHI HUA CHEN	21,982,742	0.79
13.	PETER WILLIAM HALL	21,000,000	0.75
14.	CHUNHANG LI	20,000,000	0.72
15.	HOI YEE JULIE TSE	19,554,467	0.70
16.	CHUNG KAN CHOW	19,455,913	0.70
17.	ALLAN MICHAEL NOBILO + LYNNE NOBILO	18,953,587	0.68
18.	RUSSELL BARRY JAMES	18,824,157	0.67
19.	WILLIAM GEOFFREY KROON	18,462,707	0.66
20.	ACEMAC PTY LIMITED<MAC SUPER A/C>	17,299,178	0.62
<b>Total Top 20 holders of Ordinary Shares</b>		<b>1,145,382,068</b>	<b>41.02</b>
<b>Total issued Capital</b>		<b>2,792,225,363</b>	

# CORPORATE GOVERNANCE

In accordance with the NZX Corporate Governance Code 2020 ("NZX Code"), and the ASX Corporate Governance Council's Principles and Recommendations (4th Edition) ("ASX Recommendations") New Talisman Gold Mines Ltd ("Company") has adopted systems of control and accountability as the basis for corporate governance best practice.

Policies and Charters (for the board and its committees), including the Company's Code of Ethics and other policies and procedures relating to the Board and its responsibilities are available on the Company's website [www.newtalisman.co.nz](http://www.newtalisman.co.nz)

Commensurate with the spirit of the NZX Code and the ASX Recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company.

After due consideration by the Board during the Company's 2020/2021 financial year ("reporting period") the Company's corporate governance practices departed from the NZX Code or ASX Recommendations only as set out below.

The information in this statement is current at 31 March 2021.

## EXPLANATIONS FOR DEPARTURES FROM NZX CORPORATE GOVERNANCE CODE 2020

Recommendation	Notification of Departure	Explanation for Departure
2.5: An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.	The Company has established a diversity policy, a copy of which is disclosed on the Company's website. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity, or for the board to assess annually the objectives and the progress towards achieving them.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity.

## EXPLANATIONS FOR DEPARTURES FROM ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (4th Edition)

The Company has followed each of the ASX Recommendations during the reporting period, except in relation to the matters specified below:

Recommendation	Notification of Departure	Explanation for Departure
1.5(b): The Company should establish and disclose a diversity policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and the progress towards achieving them.	The Company has established a diversity policy, a copy of which is disclosed on the Company's website. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity, or for the board to assess annually the objectives and the progress towards achieving them.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity.
1.5(c): Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No measurable objectives for achieving gender diversity have been set by the Board.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity. However, the Board recognises the importance of diversity and has therefore adopted a diversity policy, a copy of which is available on the Company's website.

## BOARD COMPOSITION AND EXPERTISE

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in a Statement of Board and Management Functions, which is disclosed on the Company's website.

A profile of each director containing the skills, experience, expertise, formal qualifications and term of office of each director is set out in the director profiles in this Annual Report.

The mix of skills and diversity that the Board is seeking to achieve in its membership is significant experience and expertise in: mine development and underground operations, geological modelling, financial reporting, financial markets, risk management, statutory compliance, resource management, health and safety and employment. Each of these skills are represented in the Board's current composition except significant experience and expertise in financial reporting and mine development. These skills are represented in the senior management team. The size of the Board and the development of the Company's projects places constraints on the mix of skills the Board is able to achieve.

It is the policy of the Board that in determining candidates for the Board, the following process shall occur:

# CORPORATE GOVERNANCE

- a. The Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.
- b. A potential candidate is considered with reference to their skills and expertise in relation to other Board members.
- c. If relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic. The Company's Policy and Procedure for Selection and (Re)Appointment of Directors is disclosed on the Company's website.

## IDENTIFICATION OF INDEPENDENT DIRECTORS

In considering independence of directors, the Board refers to the criteria for independence as set out in NZX Listing Rule 2.1.1 and Box 2.1 of the ASX Recommendations ("Independence Criteria"). Applying the Independence Criteria during the reporting period and at balance date the Board comprises a majority of independent directors. The independent directors of the Company were the Chair, Charbel Nader and Murray Stevens. Murray Stevens is an independent director as while he provides consultancy services to the company from time to time, the nature and extent of those consultancy services are not material. Matthew Hill is not an independent director as he is the Chief Executive Officer.

## STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

## DIRECTOR REMUNERATION

Details of remuneration are contained in the Notes to the Financial Statements forming part of this report.

The Company's Remuneration Policy is disclosed on the Company's website. Remuneration of Directors and senior executives is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and executives.

There is currently no direct link between remuneration paid to any of the non-executive directors and corporate performance such as bonus payments for achievement of key performance indicators. There are no termination, retirement or Company superannuation scheme benefits for non-executive directors.

## PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND SENIOR EXECUTIVES

The board reviews the size and composition of the board and the mix of existing and desired competencies across members from time to time. Criteria considered by the directors when evaluating prospective candidates are contained in the board's charter. The chair of the board is responsible for ensuring a regular review of the performance of the board, committees and individual directors occurs at least annually. The chair is responsible for determining the process under which this evaluation takes place. The board reviews annually the size and composition of the board and the mix of existing and desired competencies across members.

The board is responsible for evaluating the performance of senior executives. The board evaluates the performance of

senior executives via an ongoing process of assessment and a formal annual review in December. During the formal review, the senior executive's performance is measured against their role's assessment criteria.

The Company's Process for Performance Evaluations is disclosed on the Company's website.

## CORPORATE CODE OF CONDUCT

The board has adopted a Corporate Code of Conduct (available on the Company's website). Directors, employees and consultants must comply with the policies which the Board has endorsed to achieve ethical behaviour and efficiency within the authorities and discretions designated to them, avoiding putting themselves in a position where they stand to benefit personally or be accused of insider trading. Compliance with all laws and regulations and maintenance of confidentiality and honesty is expected. The Corporate Code of Conduct forms part of every employment and consultancy agreement. Failure to comply can result in disciplinary action, including, where appropriate, dismissal. The Board has not adopted a Whistleblower Policy. However, employees have direct access to the Chair and are encouraged to contact the Chair with any suspected departure from the Company's Code of Conduct.

## GENDER DIVERSITY

The board has adopted a Diversity Policy (available on the Company's website). As noted above, the Diversity Policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Gender diversity at balance date for the reporting period:

Component	Total	Female Component	% Female Component
Board of Directors	3	0	0%
Consultants	4	3	75%
<b>TOTAL*</b>	<b>7</b>	<b>3</b>	<b>43%</b>

\* Total comprises the figures for the whole organisation.

The Board considers that the Company complied with its diversity policy during the reporting period.

## AUDIT COMMITTEE

The Audit Committee as at the end of the reporting period consists of the following non-executive independent directors: Charbel Nader(Chair), Matthew Hill and Murray Stevens. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

During the reporting, period the Audit Committee had the opportunity to meet with the external auditor in respect of the financial reports. The Audit Committee is responsible for reviewing Annual and Interim Financial Statements, related stock exchange announcements and all other financial information published or released to the market; monitoring and making recommendations for improvement in internal control environment, including effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations; overseeing the risk management and compliance framework; the appointment, removal and remuneration of the external auditors; reviewing the terms of their engagement and the scope and quality of the audit, reviewing and approving the nature and scope of non-audit services and ensuring rotation of the external audit engagement partner.

Details of each of the director's qualifications are included in the Board of Director's Profiles. All members of the sub committee considered themselves to be financially literate and have financial experience and industry knowledge. Mr Stevens has significant experience in mineral exploration, development and valuation at senior advisory level, Mr Nader has gained significant financial experience from his background in investment banking and corporate finance.



# CORPORATE GOVERNANCE

The Company has established a Procedure for the Selection, Appointment and Rotation of its External Auditor, which is disclosed on the Company's website. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (N&R) as at the end of the reporting period consists of the following non-executive independent directors: Charbel Nader, Murray Stevens and Matthew Hill. Some responsibilities of the N&R Committee were also addressed by the full Board at Board and Strategy meetings during the reporting period. The Board has adopted, and the N&R Committee applies a Nomination Committee Charter and a Remuneration Policy which is available on the Company's website.

Duties of the N&R Committee includes reviewing remuneration of executive and non-executive directors, incentive schemes and reviewing the Remuneration Committee Policy (disclosed on the Company's website).

The Board has adopted, and the Remuneration Committee applies, a Remuneration Committee Charter which is available on the Company's website.

## HEALTH SAFETY SECURITY AND ENVIRONMENT COMMITTEE

The Health Safety Security and Environment Committee (HSSE) as at the end of the reporting period consists of the following directors: Murray Stevens, and Matthew Hill, independent adviser Craig Smith is also a member of the committee. Some responsibilities of the HSSE Committee were also addressed by the full Board at Board and Strategy meetings during the reporting period. The Board has adopted, and the HSSE Committee applies a HSSE Committee Charter which is available on the Company's website.

The Company's Policy for Trading, which is disclosed on the Company's website, states that key management personnel must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair, Audit Committee Chair or Executive Director; and Key Management Personnel are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

## MEETING ATTENDANCE

Director/Consultant	Board	Audit
M Hill	9/9	2/2
M Stevens	9/9	2/2
C Nader	9/9	2/2
T Haworth*	4/9	1/2

\*T Haworth directorship ceased effective 1 September 2020

## RISK MANAGEMENT

The Company has continued to develop its strategies for managing risk during the reporting period, particularly where internal controls

are concerned. The Company's internal controls are reviewed by the external auditor twice a year, and are monitored regularly by the independent directors. The Board relies on the sign-off of senior management with respect to the financial reports, which sign-off has been provided in respect of the Company's 2020/2021 financial statements.

The Company has adopted a Risk Management Policy (a summary is available on the Company's website). Under the Policy, the Board delegates day-to-day management of risk to the Chief Executive Officer. The Policy sets out the role of the Chief Executive Officer and accountabilities. It also contains the Company's risk profile and describes some of the policies and practices the Company has in place to manage specific business risks.

The process of management of material business risks is allocated to the business risk owners within the management team. The Board relies on risk controls being implemented effectively and the primary risk controls reviewed monthly through a standing item on the Board agenda. The Company is in the process of updating its Risk Management Policy to include formal processes to identify, manage and mitigate risk, using a risk register. A significant body of work was completed during the reporting period addressing mine operational risks. This document will be reviewed externally by government regulators. Certain risks pertinent to the sector in which the Company operates are not able to be managed at this time, for example the price of gold.

Material business risks reported on during the reporting period included statutory compliance, health and safety in the operational environment, sustainability of the company's ore resources, environmental risk working in a conservation estate, internal audit compliance, adequacy of computer systems, ethical conduct and business practice, retention of key staff, financial reporting and liquidity risk.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board receives on a regular basis reports from management as to the effectiveness of the Company's management of its material business risks, risk evaluation, analysis and treatment. Risk management is a standing item on the Board agenda, giving opportunity for Board discussion. The Audit Committee and the full Board addresses areas of risk and evaluates the effectiveness of controls.

## ASSURANCES TO THE BOARD

The Chief Executive Officer (CEO) and the Chief Financial officer (CFO) are not required to provide a declaration to the Board in accordance with section 295A of the Corporations Act (Australia) as the Company is instead subject to the laws of New Zealand. However, the Board requires the CEO and the CFO to provide a declaration confirming that the financial reports for the reporting period present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. Assurance is also given that the financial statements are founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control is operating efficiently and effectively.

## CONTINUOUS DISCLOSURE

The Company has adopted a Continuous Disclosure Policy which sets out obligations for directors, employees and consultants in relation to continuous disclosure. The Company has also adopted Compliance Procedures to ensure compliance with the ASX Listing Rule requirements in relation to continuous disclosure, and to ensure accountability at a senior executive level for that compliance. Summaries of both these documents are available on the Company's website. In accordance with the NZX and ASX Listing Rules, the Company is required to disclose to the market



# CORPORATE GOVERNANCE

matters which could be expected to have a material effect on the price or value of the Company's securities. Management processes are in place to ensure that all material matters which may potentially require disclosure are promptly reported to the Chief Executive Officer or the Company Secretary who is responsible for ensuring that such information is not released to any person until the NZX and ASX have confirmed its release to the market.

## SHAREHOLDER COMMUNICATION

The Board has adopted a Shareholder Communication Policy, a copy of which is disclosed on the Company's website.

## DIRECTOR AND OFFICER LIABILITY INSURANCE

The Company maintains director and officer liability insurance and indemnifies directors and officers of the Company against all liabilities which may arise out of the performance of normal duties as directors or officers, unless the liability relates to conduct involving a lack of good faith. This includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

## MATERIALITY

Independence of directors, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website. Balance sheet items are material if they have a value of more than 10% of pro-forma net asset. Profit and loss items are material if they have an impact on the current year operating result of 10% or more. Items are also material if they impact on the reputation of the Company, they involve a breach of legislation; they are outside the ordinary course of business; they could affect the Company's rights to its assets; if accumulated, they would trigger the quantitative tests; they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%. Criteria for determining the materiality of contracts can be found in "Board and Management" under Corporate Governance on the Company's website.

## SHARE TRADING

The Company has adopted a Share Trading Policy to assist with compliance with insider trading regulations under the Securities Market Act 1988 (New Zealand) and the Corporations Act 2001 (Australia). This policy restricts directors, employees and consultants from trading in a number of ways and is available on the Company's website. Application must be made by directors, employees and consultants to the Company for approval prior to trading in the Company's securities. A requirement to comply with this policy forms part of every employment or consultancy agreement.

## SUMMARY OF WAIVERS

No waivers to the rules were requested to the Stock Exchanges during the reporting period.

# COMPANY DIRECTORY

## DIRECTORS

Charbel Nader (Chairman, Independent)  
Murray R Stevens (Director)  
Matthew G Hill (Chief Executive Officer)

## COMPANY SECRETARY

S Jane Bell

## REGISTERED (HEAD) OFFICE

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## BANKERS

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National Australia Bank, West Perth

## AUDITORS

Scott Bennison  
c/- K S Black & Co  
Level 5  
350 Kent Street,  
Sydney, 2000

## SOLICITORS

Chapman Tripp, Auckland  
Williams & Hughes, Perth  
MinterEllisonRuddWatts Auckland

## SECURITIES LISTED

New Zealand Stock Exchange  
Code: Shares NTL; Options NTLOB  
Australian Securities Exchange  
Code: Shares NTL, Options NTLOB

## SHARE REGISTRARS

### New Zealand:

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New Zealand  
Telephone (+64 9) 488 8777  
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452 Johnston Street  
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## Managing your shareholding online:

To change your address, update your payment instructions and view your investment portfolio including transactions please visit

[www.computershare.co.nz/investorcentre](http://www.computershare.co.nz/investorcentre)

General enquiries can be directed to:

[enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

Please assist our registrar by quoting your CSN or shareholder number

