



HALF YEARLY REPORT

to 30 September 2015





DIRECTORS' REPORT

The directors are pleased to present to shareholders the half-yearly report for the period ended 30 September 2015.

Highlights

- Traffic management plan lodged
- Heads of Agreement over Rahu renewed
- Authority to Enter and Operate Granted
- SPP completed in July 2015 raising approximately \$450,000

In the six months to 30 September the Company continued to progress albeit at a pace consistent with the current climate for gold and listed junior mining companies. The progress included completing a funding initiative, lodgement of the Traffic Management plan, renewal of the Authority to Enter and Operate at Talisman and continued discussions with investor groups.

Despite the continuing challenging times for the resource sector generally and for gold particularly, the Directors remain confident that development of the Talisman mine represents a very attractive commercial opportunity and have put in place measures to continue development whilst conserving shareholder funds. During the period, cost reduction measures were implemented as were the start of sales of non-core assets as discussed at the company's annual general meeting.

Corporate

The Company raised \$449,998 before expenses through an issue of 68,028,534 shares in July 2015.

Talisman Mine Project

Following discontinuance of the judicial review the plaintiffs finally confirmed what the company had been saying from day one ie. that the effects were no more than minor. This was the conclusion of independent experts engaged by Hauraki District Council to review the resource consents. Upon receiving the detailed body of independent work including an admission by their own water expert that the effects would be immeasurable, the plaintiffs discontinued their application. The Company subsequently lodged the Traffic management plan, which has been received with no objections by

the Hauraki District Council. We continue to work closely with the Council to complete the processing of the application. The Traffic management plan which essentially maps out the movement of a mere 4 trucks a day from the minesite for treatment has been submitted with an accompanying independent survey showing the very low numbers of traffic and pedestrians in the area being used by the trucks. The directors are confident that all necessary safety precautions have been put in place to ensure safe passage used by the trucks. It is expected the formal TMP will be finalised by the new year.

The company is currently finalising the securing of the portal site to protect the health and safety of its workforce and the public prior to commencing operations. Due to continual vandalism and break-ins to the mine since late 2014 the company intends to take extensive measures to secure the site and its equipment as allowed under the access agreement and in consultation with the Department of Conservation. The company is currently installing surveillance systems, which will be monitored and record all unauthorised entry to the portal pad area.

Mine Access and Consenting

All consenting for mine access was completed during the period.

Safety and Health Management system

The company is required to complete the electrical system plan for Safety and Health Management System to comply with the provisions of new Mining Safety Regulations. Once the Traffic Management plan is approved the company will engage independent experts to complete the Electrical safety management system prior to commencing full operations. NTL is committed to creating a safe and healthy working environment at the Talisman Mine, is fully supportive of the new regulations and very mindful of its overriding duty of care to keep its workforce safe.

Exploration Projects

Rahu

During the period the company renewed its heads of agreement with Newcrest over a joint venture on the Rahu project. The company continued monitoring the progress of its EOL application and NZPAM have indicated they are currently working on the application and the detailed body

of work, which formed part of the supporting documentation. It is envisaged the application will be processed shortly and a formal notice regarding the outcome of the application provided. Assuming the application is accepted it is envisaged a fuller joint venture agreement will be entered into over this exciting resource which exhibits all the signals of potentially a new major project in the historically productive Coromandel area.

Mineral sands and Cobalt (Broken Hill, NSW, Australia)

Broken Hill Prospecting Ltd (ASX code "BPL", 13.87% owned by NTL as at 30 September 2015) (2014: 20.29%)

In early 2015 Broken Hill Prospecting Ltd completed extensive drill testing of the Copi North and Magic Heavy Mineral Sands Deposits in the Murray basin of western NSW.

The Company announced a maiden resource estimate for the Copi North deposit which has a titanium-zirconium resource of 11.6 million tonnes at an average 6.9% Heavy Minerals. More recently, Broken Hill Prospecting Ltd announced a maiden resource estimate for the Magic Deposit which contains 15 million tonnes at an average 3.7% Heavy Minerals.

BPL has commenced a scoping study on the Copi North HMS Deposit and is planning further drill testing to extend the mineralisation.

Post Period Developments

Following the end of the reporting period:

The company sold 4,561,691 BPL shares during October 2015. The sale realised AUD\$137,030.



Competent Person Statements:

The information in this announcement that relates to the Talisman Project Pre-Feasibility Study, Ore Reserve estimates and Metallurgical Testwork were prepared by Mr Wayne J Chowles, a Mining Engineer and member of the AusIMM. Mr Chowles is a full time employee of New Talisman Gold Mines Limited and the author of the Talisman Prefeasibility Study referred to in this release. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Chowles consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources for the Copi North HMS Deposit is based on information reviewed by Sue Border, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Sue Border has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the exploration 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'. Sue Border consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Sue Border is not an employee or a related party of the Company or its subsidiaries. Sue Border is a Director/Principal Geologist of Geos Mining.

The information in this report that relates to Mineral Resources for the Magic HMS Deposit is based on information compiled by Mr. Greg Jones who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Jones is the Principal for GNJ Consulting and was retained by Broken Hill Prospecting Limited to conduct Mineral Resource estimation for the Magic deposit. Mr. Jones has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the JORC Code 2012. Mr. Jones consents to the inclusion in this ASX release of the matters based on his information in the form and context in which it appears.



NEW TALISMAN GOLD MINES LIMITED

Consolidated Statement of Financial Position

As at 30 September 2015

	Note	30-Sep-15 \$ Unaudited	31-Mar-15 \$ Audited	30-Sep-14 \$ Unaudited
Equity				
Attributable to parent company shareholders	5	9,964,968	10,115,226	9,532,495
Term liabilities				
Provision for closure and rehabilitation		666,023	666,023	666,023
Total term liabilities		666,023	666,023	666,023
Current liabilities				
Payables		81,130	132,233	123,009
Employee benefits		19,429	15,583	8,297
Total current liabilities		100,559	147,816	131,306
Total liabilities		766,582	813,839	797,329
Total equity and liabilities		10,731,550	10,929,065	10,329,824
Current assets				
Cash		459,109	584,729	370,453
Shares available for sale	4	150,285	-	-
Receivables and prepayments		91,139	85,932	90,709
Total current assets		700,533	670,661	461,162
Non-current assets				
Property, plant & equipment		3,934	5,330	6,813
Assets under construction	6	7,825,289	7,615,280	7,356,394
Intangible assets	6	1,777,442	1,754,015	2,041,263
Investments	4	424,352	883,779	8,649
Investment in associate company	4	-	-	455,543
Total non-current assets		10,031,017	10,258,404	9,868,662
Total assets		10,731,550	10,929,065	10,329,824
Net tangible assets per security		1.1 cents	1.26 cents	1.2 cents

For and on behalf of the Board:



J M McKee
Dated: 10 December 2015



M G Hill
Dated: 10 December 2015

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NEW TALISMAN GOLD MINES LIMITED

Consolidated Statement of Comprehensive Income

For six months ended 30 September 2015

	Note	6 Months 30-Sep-15 \$ Unaudited	6 Months 30-Sep-14 \$ Unaudited
Continuing Operations			
Interest received		6,468	4,006
Other operating income		-	1,317
Loss on revaluation of shares	4	(274,940)	-
Operating and administrative expenses		(496,784)	(293,971)
Loss from operations		(765,256)	(288,648)
Share of results of associates		-	(73,217)
Loss before tax for the period		(765,256)	(361,865)
Income tax expense		-	-
Total comprehensive income/(loss)		(765,256)	(361,865)
Net loss attributable to equity holders of the parent		(765,256)	(361,865)
Comprehensive loss attributable to equity holders of the parent		(765,256)	(361,865)
Earnings per share			
Basic earnings/(loss) per share from continuing operations		(0.10) cents	(0.06) cents
Comprehensive earnings/(loss) per share from continuing operations		(0.09) cents	(0.05) cents

NEW TALISMAN GOLD MINES LIMITED

Consolidated Statement of Changes in Equity

For six months ended 30 September 2015

	Note	6 months 30-Sep-15 \$ Unaudited	6 months 30-Sep-14 \$ Unaudited
Total comprehensive income/(loss)		(765,256)	(361,865)
Proceeds from share capital issued	5	614,998	709,491
Equity at beginning of period		10,115,226	9,184,869
Equity at end of period		9,964,968	9,532,495

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NEW TALISMAN GOLD MINES LIMITED

Consolidated Cash Flow Statement

For six months ended 30 September 2015

	Note	6 months 30-Sep-15 \$ Unaudited	6 months 30-Sep-14 \$ Unaudited
Cash flows from operating activities			
Cash inflows		6,468	6,253
Cash outflows		(390,064)	(256,750)
Net cash outflows from operating activities	7	(383,596)	(250,497)
Cash flows from investing activities			
Cash inflows		28,147	-
Cash outflows		(246,217)	(424,099)
Net cash outflows from investing activities		(218,070)	(424,099)
Cash flows from financing activities			
Cash inflows		474,998	709,491
Cash outflows		-	-
Net cash inflows from financing activities		474,998	709,491
Net increase / (decrease) in cash held		(126,668)	34,895
Effect of changes in exchange rates		1,048	813
Cash at beginning of period		584,729	334,745
Cash at end of period		459,109	370,453
CASH COMPRISES:			
Cash		354,109	265,453
Short term deposits		105,000	105,000
		459,109	370,453

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General

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 group have been prepared in accordance with the Financial Markets Conduct Act 2013 and comply with NZX Listing Rule 10.6.1. The group consists of New Talisman Gold Mines Limited (the "company") and its subsidiaries (the "group") and these financial statements are 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 10 December 2015.

Statement of compliance

These interim consolidated financial statements presented are for New Talisman Gold Mines Limited and its wholly-owned subsidiaries, Coromandel Gold Limited and Northland Minerals Limited ("Group"). The information is presented in New Zealand currency which is the company's functional currency. The interim financial statements are condensed in accordance with NZ IAS-34, Interim Financial Reporting. The accounting policies and methods of computation adopted in the preparation of these financial statements are the same as those adopted in the preparation of the annual financial statements for the year ended 31 March 2015. Those policies are set out in the annual report for the year ended 31 March 2015.

These consolidated financial statements have not been audited. The comparative information for the year ended 31 March 2015 has been audited. The comparative information for the period ended 30 September 2014 has not been audited.

2. Accounting policies

The accounting policies and methods of

computation adopted in the preparation of these financial statements are the same as those adopted in the preparation of the annual financial statements for the year ended 31 March 2015. Those policies are set out in the annual report for the year ended 31 March 2015. There have been no changes to those accounting policies.

3. Seasonality of operations

The results are unaffected to any significant extent by seasonality factors.

4. Investment in Broken Hill Prospecting Limited shares

At balance date, the group held 13.87% (20.29% in Sept 2014) of the ordinary shares issued by Broken Hill Prospecting Limited (BPL). The holding consists of 17,229,000 ordinary shares, of which 5,000,000 shares were available for sale and have been classified as current assets, and 8,964,500 unlisted options which are exercisable at AUD0.20 at any time up to 17 February 2016.

BPL has exploration rights to cobalt deposits in Australia and is listed on the ASX. Its balance date is 30 June. As stated in note 13 to the financial statements for the year ended 31 March 2015 the group's holding in the company was diluted to less than 20%. With this dilution the directors concluded that the parent company no longer has significant influence in BPL. Consequently equity-accounting for BPL ceased with effect from 31 March 2015. Comparative information for the 6 months ended 30 September 2014 was prepared using equity-accounting for the BPL holding.

At balance date the group's holding in BPL was adjusted to fair value on the balance sheet. The fair value adjustment was based on the closing market price on the ASX as at 30 September 2015 which was AU3 cents per share. Market value of the shares at balance date is AUD516,870 (NZD566,868). The revaluation resulted in a write down of \$274,940 which was recorded in the Consolidated Statement of Comprehensive Income. The unlisted options are carried at nil.

5. Equity

Share Capital Movement

	6 months 30-Sep-15 \$	6 months 30-Sep-14 \$
Share Capital Opening balance	28,176,928	26,733,638
Proceeds from share purchase plans & rights issues	449,998	674,492
Proceeds from private placements	165,000	35,000
Balance at end of period	28,791,926	27,443,130

At balance date 817,722,586 shares and 125,601,516 options were on issue.

6. Prospecting costs and mining tenements

Prospecting costs & mining tenements	6 months 30-Sep-15 \$	Year ended 31 Mar 15 \$	6 months 30-Sep-14 \$
Opening balance	1,754,015	1,998,433	1,998,433
Development expenditure	29,859	113,235	42,830
Less prospecting expenditure written off	(6,432)	(357,653)	-
Balance at end of period	1,777,442	1,754,015	2,041,263

The company lodged an application for an extension of land over the Rahu permit area before 16 August 2014, the expiry date, and is awaiting a decision on its application. The company is working closely with NZPAM on this application. If the application is unsuccessful, and all other avenues open to the company are exhausted, the carrying amount of \$1.78m may be written off.

Talisman Mine Development	6 months 30-Sep-15 \$	Year ended 31 Mar 15 \$	6 months 30-Sep-14 \$
Opening balance	7,615,280	7,020,965	7,020,965
Development expenditure	210,009	594,315	335,429
Balance at end of period	7,825,289	7,615,280	7,356,394

Development expenditure consists of mining development costs, professional salaries, data acquisitions and a portion of various overhead expenses indirectly related to the operation of the mine.

7. Reconciliation of net deficit and operating cash flow

	6 months Sep 2015 \$ Unaudited	6 months Sep 2014 \$ Unaudited
Net deficit after taxation	(765,256)	(288,648)
Add non-cash items:		
Depreciation	1,396	1,306
Exchange (gain)/loss	1,048	813
Share based payments for consultancy fees	140,000	(Nil)
Loss on revaluation of shares	274,940	(Nil)
	417,384	2,119
Add (less) movement in working capital:		
Decrease (increase) in debtors	29,787	541
Increase (decrease) in creditors	(51,103)	37,646
Decrease (increase) in accrued income	43	(180)
Decrease (increase) in GST	(14,451)	(1,975)
	(35,724)	36,032
Net cashflows from operating activities	(383,596)	(250,497)

8. Expenses

A percentage of certain expenses including wages, consulting fees and other operational expenditure are capitalised to exploration tenements and assets under construction based on a calculation prepared by management.

9. Commitments

Capital commitments at the end of the period were \$nil. The company has signed a lease agreement for office rental of \$1,729 per month including GST which expires in March 2016.

10. Contingent liabilities

New Talisman Gold Mines Limited has issued Westpac Bank NZ Limited with a general security agreement over the company's assets, undertaking and uncalled capital.

11. Going concern

The financial report has been prepared on a going concern basis. The company will require further funding for successful development of the Talisman mine project. The Directors plan to raise new equity funding from various sources to ensure that the company's financial obligations can be met for longer than 12 months. Dependence on fundraising indicates the existence of a material uncertainty about going concern. In the event that the funds raised are less than the amount required, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Events subsequent to balance date

During October 2015, the company sold 4,561,691 BPL shares. The sale realised AUD\$137,030.

13. Related Party Transactions

Payments for consulting services to companies in which directors and major shareholders have a substantial interest amounted to NZ\$235,833. \$140,000 of these consulting fees were paid via an issue of 20,000,000 new company shares. There were no related party payables or receivables at balance date and no related party debts were written off during the year.



541 Parnell Rd, Parnell, Auckland 1052
Office +64 9303 1893
Fax +64 9303 1612
info@newtalisman.co.nz

10 December 2015

Directors' Statement

The directors of the company declare that:

1. The financial statements and notes, as set out in the Half Yearly Report to 30 September 2015:
 - (a) Comply with New Zealand International Financial Reporting Standards (IFRS), and
 - (b) Give a true and fair view of the economic entity's financial position as at 30 September 2015 and of its performance for the half year ended on that date.
2. In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

A handwritten signature in black ink, appearing to read 'J Murray McKee', is written over a horizontal line.

J Murray McKee
Chairman
New Talisman Gold Mines Limited

**Review report to the shareholders of:
New Talisman Gold Mines Limited**

We have reviewed the accompanying 6 months consolidated financial statements of New Talisman Gold Mines Limited at 30 September 2015 which comprise the statement of financial position as at 30 September 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 6 months ended on that date, and a summary of significant accounting policies and other explanatory information.

The Directors of New Talisman Gold Mines Limited are responsible for the preparation and fair presentation of these interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting*, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of these interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on these financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* issued by the External Reporting Board. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with the NZ IAS 34. NZ SRE 2410 also requires that, as the auditor of New Talisman Gold Mines Limited, we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of 6 month financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applies analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, New Talisman Gold Mines Limited.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of New Talisman Gold Mines Limited do not present fairly, in all material respects, the financial position of the New Talisman Gold Mines Limited as at 30 September 2015, and the results of its financial performance and cash flows for the six months ended on that date, in accordance with NZ IAS-34 *Interim Financial Reporting*.

Emphases of matter

Going concern

Without modifying our opinion, we draw attention to note 11 to the financial statements which indicates that the company is dependent on further funding for development of the Talisman mine project. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Intangible exploration asset

Without modifying our opinion, we draw attention to note 6 to the financial statements which states that the Company is awaiting a decision on its application for an extension of land over the Rahu permit area.

DFK Oswin Griffiths Carlton
DFK Oswin Griffiths Carlton
10 December 2015
Auckland



A member firm of DFK International a worldwide association of independent accounting firms and business advisers

We make it happen!

Level 4, 52 Symonds Street Auckland 1010 | PO Box 6077, Wellesley Street Auckland 1141. New Zealand | P +64 9 379 3890 | F +64 9 309 3304
www.dfkogc.com



COMPANY DIRECTORY

DIRECTORS

J Murray McKee (Chairman, Independent)
Matthew G Hill (Chief Executive Officer)
Dr Ian J Pringle (Independent Director)

COMPANY SECRETARY

Francesco Girotto

Registered (Head) Office

541 Parnell Road, Parnell
Auckland, New Zealand
Telephone (+64 9) 303-1893
Facsimile (+64 9) 303-1612
Email: office@newtalisman.co.nz
Website: www.newtalisman.co.nz

PRINCIPAL OFFICE IN AUSTRALIA

1st Floor, 25 Richardson Street
West Perth
Western Australia 6005
Telephone (+61 8) 9481-2040
Facsimile (+61 8) 9481-2041

BANKERS

ANZ Bank New Zealand Limited, Auckland
Westpac Bank, Auckland
Macquarie Bank, Sydney
National Australia Bank, West Perth

AUDITORS

DFK Oswin Griffiths Carlton
Level 4
52 Symonds Street
Auckland 1010

SOLICITORS

Chapman Tripp, Auckland
Simpson Grierson, Auckland
Williams & Hughes, Perth

SECURITIES LISTED

New Zealand Stock Exchange
Code: Shares NTL; Options NTLOA
Australian Securities Exchange
Code: Shares NTL; Options NTLO

SHARE REGISTRARS

New Zealand:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
159 Hurstmere Road
Takapuna, Auckland 0622
New Zealand
Telephone (+64 9) 488-8777
Facsimile (+64 9) 488-8787

Australia:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067, Australia
Telephone 1300 850 505
Overseas callers (+61 3) 9415-4000

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

General enquiries can be directed to:

enquiry@computershare.co.nz

Please assist our registrar by quoting your CSN or shareholder number