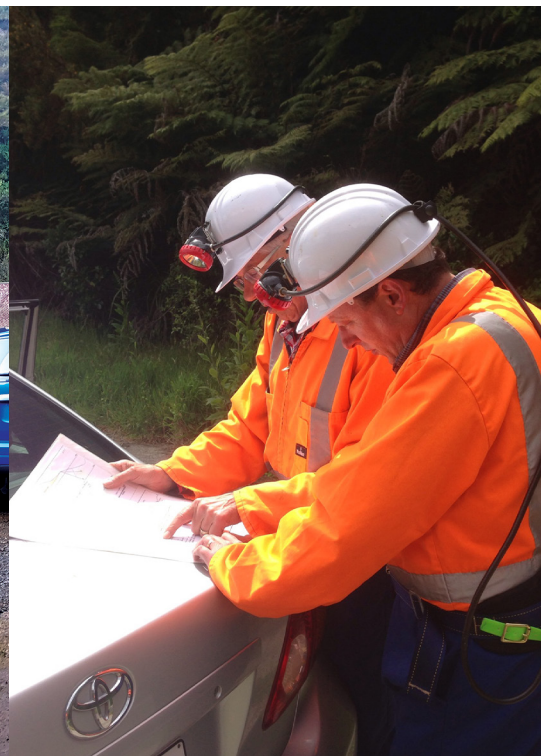


ANNUAL REPORT 2017





REPORT TO THE SHAREHOLDERS OF NEW TALISMAN GOLD MINES LTD

For the year ended 31 March 2017

HIGHLIGHTS

- Completed a very successful capital raising of NZ\$6.5m
- Renewed the Department of Conservation access agreement and consent to enter and operate
- Secured a binding agreement on Rahu with Newcrest Mining Limited for which first quarter activities by Newcrest were reported
- Talisman Deeps project established and resource modelling near completion
- New Audit firm appointed – KS Black
- Appointed 2 new directors and Chairman
- Certificate of compliance issued which allows establishment of site facilities and underground activities at Talisman Mine.
- Established the Talisman Deeps project with potential to increase gold resources and mine life.
- Operations at Talisman have begun with site establishment complete and underground refurbishments commenced.

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DIRECTORS' REPORT

Dear Shareholders

The directors of New Talisman Gold Mines Ltd (NTL) are pleased to provide the following report on the progress your company made in the year to 31 March 2017 and its financial position at the end of the period.

The directors are delighted to report that activities this year have culminated in the securing of funds necessary to complete the first stage of transitioning the company from an explorer to producer. Having secured funding and completed an extensive compilation of all available data on the Talisman mine, your company has commenced site clearing and infrastructure establishment. This will allow the company to complete its prospecting of the additional underground areas of interest which will in due course provide additional targets.

ACTIVITIES THIS YEAR HAVE CULMINATED IN THE SECURING OF FUNDS NECESSARY TO COMPLETE THE FIRST STAGE OF TRANSITIONING THE COMPANY FROM AN EXPLORER TO PRODUCER.

The company has undertaken successful fund-raising activities and the board has approved the budget for both the remaining prospecting, site infrastructure installation and the bulk sampling program to commence. It is expected that there will be a transition from prospecting into bulk sampling in an efficient fashion as a consequence of the site infrastructure installation works currently being undertaken.

As was announced during the year New Talisman has expanded its board to five members, adding directors Charbel Nader and Tony Haworth. Whilst the board remains compact, these appointments, together with the prior year appointment of Murray Stevens, combined with the experience of the existing Directors bring together a wealth of expertise in mining, finance, and governance to further the company's objectives.

As previously announced, this time last year the company was focused on initiating small scale extraction as the first step to reopening the Talisman mine. Since then, with the additional data acquired in respect of 'Talisman Deeps', the decision was made to extend the scope and scale of prospecting activities to include areas identified by the data and to seek a certificate of compliance to allow the company to establish site infrastructure. This course of action

is also expected to have the benefit of reducing the time from commencement of bulk sampling to first ore extraction, as some of the site infrastructure required for underground access would be in place at commencement of bulk sampling. This maximises the productivity of the 24 month bulk sampling consent period.

It is anticipated that the company's recent technical work on the project and information from the prospecting currently being undertaken may result in material changes to the 2013 Pre-Feasibility Study. The 2013 PFS was based on available data at that time without the benefit of the more detailed understanding we now have of the extensive ore bodies within the mine. One possibility depending on the final outcome of the work currently being completed, is consideration of a separate or extended bulk sampling and prospecting programme specifically targeting the 'Talisman Deeps'.

In addition, the historical geochemical and structural data the analysis of which is yet to be completed may well influence expectations concerning production volumes, grades and expected life of mine.

At the end of prospecting and completion of bulk sampling the company expects to have sufficient data to finalize a bankable feasibility study final scale, mining plan & mine life, commercial feasibility and funding requirements of the opportunity at the Talisman mine well into the future. Shareholders should note the importance of the metallurgical and geological data acquired in the near-term prospecting to fully understand the full extent of the Talisman mine opportunity.

COMMUNITY, SUSTAINABILITY, AND SOCIAL RESPONSIBILITY

New Talisman is committed to strong and sustainable operating performance taking into account critical areas including health and safety, environmental management, and close engagement with our stakeholders and the communities in which we operate.

We are proud of our record of operating in the Coromandel area for over 30 years with support from the local community. We are committed to managing and reducing our environmental footprint. We aim to support the natural environment by identifying; mitigating, minimising and managing our site based environmental impacts.

As the company prepared to head underground a separate health and safety risk committee was formed and policies for our





Laser scanning of portal area for vent lock design



Site establishment

workforce implemented. The health and safety of our workforce, contractors and the general public is at the forefront of our operations. The company has instituted a rigorous risk based approach to safety consisting of hazard management plans, job safety analysis and supervision. No incidents have occurred since mobilising to site.

The risk assessment for the underground work has been completed and hazard management plans prepared to manage the risks that were identified. These are supplemented by a number of procedures for carrying out individual tasks. We are pleased the entire site team has been involved in developing these plans so there is buy in from all levels.

Operating a mine will affect the physical environment on the mine site and we are committed to minimizing or mitigating these impacts wherever possible, by applying innovative technology and being driven by a commitment to environmental stewardship and compliance with all applicable environmental laws and regulations.

We recognise that the natural environs and forest areas adjacent to our area of operations, which despite having been altered over the last 100+ years by fires, logging, and the significant displacement of native wildlife by introduced pests such as rats, stoats, and possums, are now regenerating and have appeal for recreational activities and tourism. We have supported over the last 20 years the growth in tourism which is driven to a large degree by the area's significant mining heritage. We have made donations of rail, materials and mining equipment which have been used to create and enhance the areas tourist attractions, as well as commencing a pest and noxious weed eradication programme on our site.

Your company has embarked on several community projects over the last year including the design and development of a walking track in conjunction with the Department of Conservation, upgrades of Windows Walk with the provision of materials and advice and more recently the development of a proposal to re-establish mine tours which your company has previously undertaken at Talisman, with over 400 tours having previously been completed.

The company has contributed to the community over the last 20 years and will continue to do so. We are grateful for the support from local landowners, businesses and the community following our move into the mine many of whom have encouraged us to 'get on with it'.

With direct and indirect employment currently totalling 15 and over 50 people expected to be engaged in the next phase of prospecting activities your company expects that the number of direct and indirect employment opportunities will significantly increase as the project develops. It will provide significant employment opportunities and direct and indirect investment in the local community as it has done since the company was incorporated in NZ in 1987. The economic and employment benefits to the community will increase significantly as we progress through bulk sampling to mining, and ultimately at full mining we anticipate the total number of direct and indirect employees will be well over 100.

As one of New Zealand's oldest listed mining companies on the NZX and a NZ company backed by our Kiwi shareholders, the company is proud of the fact it has established such strong support from the local community, great relationships with government and regulatory bodies and its neighbours.

We continue to be committed to working in a spirit of cooperation and respect with the community in a sustainable and ethical way.

STATE OF PLAY

The Board made a strategic decision to commence site establishment and prospecting activities to rehabilitate the underground access prior to extraction of bulk samples to maximise the productivity of the 24-month bulk sampling programme. It is expected that this initial prospecting phase will take approximately 6 months to complete.

It is important to note that the current prospecting activities are permitted under the Hauraki District Council district plan and are separate to the resource consent granted for bulk sampling which allows up to 20,000 cubic metres per annum for 2 years.

The directors are pleased to report that the company has continued to progress towards its aim of becoming a gold producer, which is a significant progression over the last twelve months. The difference is apparent both at the mine where site establishment has seen the portal recommissioned to a working state for the first time since 2006, and underground refurbishment underway on 8 Level.

It is also interesting to note that activity has also significantly increased in the surrounding area where Newcrest Mining and Laneway Resources have continued exploration drilling programmes, Newcrest has commenced targeting drill sites at Rahu and separately Oceana have also commenced significant exploration and mine activities and are looking to extend mine life at Waihi.

At the financial level, your company is in the healthiest state it has been in for over a decade from a cash perspective having successfully completed a fund raising of over 6.5M NZD mid last year. A budget of \$NZ2.2 million direct investment into the mine has been approved by the Directors for the prospecting and bulk sampling programmes.

Twelve months ago, your directors, against a backdrop of a lower gold price, embarked on a plan to extract bulk ore samples from the mine in order to test processing options and to trial different mining methods as a precursor to more expansive operations. Your directors also decided to commence full analysis of the data acquired and collected by the company over the last 20 years of operating in the Mining Permit area.

TECHNICAL DEVELOPMENTS

At a technical level, your team has been very busy in compiling the largest database on the Talisman mine from every known source of mining activity on the permit. Some of this data dates back to the late 1890's and had much of the gold and silver grade data expressed in pounds, shillings and pence. These first had to be converted into gold equivalent values based on historic gold pricing. While a majority of the work is complete, a modularized approach will allow for the building of the resource to a maximum level prior to initiating a full revaluation as set out above.

The geological and resource modelling has been a huge body of work and has paid off with the establishment and further development of the Talisman 'Deeps' project generating targets which provide opportunities to leverage the extensive vein system within the historic footprint from previous mining activities.

As announced recently the first of this resource work on the Dubbo extensions ('Dubbo Deeps') will be released shortly.

The understanding now being brought into a fuller resource model sets the groundwork for extensions of the system in each area targeted by the bulk sampling and in areas which were previously not known. Once the Talisman Deeps modelling is complete the other sections of the Maria Vein at depth and adjoining veins will have similar analyses completed. Depending on outcome this may represent an extremely low cost per ounce increase in mineral inventory. As the technical team complete resource modelling on each resource zone they will be reviewed for JORC 2012 conformity. The team is near completing the Dubbo Deeps resource estimate and accompanying documentation for JORC 2012 compliance at the time of writing.

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

With the information in hand providing guidance it is expected the resulting resource model will meet JORC 2012 standards, and your company will accelerate its plans to embark on a separate prospecting and bulk sampling project across the entire resource which currently as at date of writing stands at 204,760oz gold and 798,840oz silver.



TALISMAN GOLD PROJECT, NEW ZEALAND (100% New Talisman Gold)

Over the course of the year the company has made excellent progress towards achieving operational status at the Talisman Mine. Following an inspection of the historic plans that were acquired in 2015, it became apparent that there are areas below 8 Level which may be accessible and may contain ore capable of economic extraction. In order to investigate this further the company sought confirmation from the District Council of its ability to undertake a more extensive prospecting programme which would be carried out as a permitted set of activities. The Council confirmed our views and issued a Certificate of Compliance for this project.

The scope of works proposed allows the company to take charge of the site and establish engineering services on surface to support the making safe of the historic parts of the mine and the opening of old travelling ways which we believe will provide access to the lower levels. The Department of Conservation formally closed off the 0.25Ha mine site to the public at the end of April 2017 (which had previously been closed off from 1995 to 2016) and the company mobilized to site on 06 June.

While there has been some opposition to the project in the past weeks, the company is pleased with the broadly positive reception to its presence at the site and the groundswell of interest and support shown by the local community and particularly local businesses. We have now established a site office, cleared away invasive vegetation and are on schedule to achieve access to the underground workings.

Design for the reticulation services for the bulk sampling project are now complete with electrical and ventilation system design being signed off in the past quarter. It is noteworthy that considerable commonality exists between the services required for the prospecting

programme and the bulk sampling project. Most of the equipment that will be installed over the coming months is fit for purpose for the bulk sampling and little additional work will be required for the transition between the two projects.

It is our current expectation that the commencement of bulk sampling will be around December 2017 dependent on findings from technical studies which may impact the volumes and targeted areas involved.

TALISMAN SITE ESTABLISHMENT

Today we have all the facilities established on site to enter and operate the underground refurbishment and upgrades necessary to commence bulk sampling and prospecting. It is physically possible to drive a truck to within a few meters of the mine portal and then to walk through the underground workings to the various areas where sampling will provide additional data.

Site security has been set up including cameras, perimeter fencing, secondary locked gates, fully cleared portal pad and establishment of site offices. A digger is on site and underground refurbishments are underway.

Your company has gone to considerable effort to protect adjoining water ways and has received endorsement from Regional Council for its efforts and practices.

TALISMAN DEEPS PROJECT

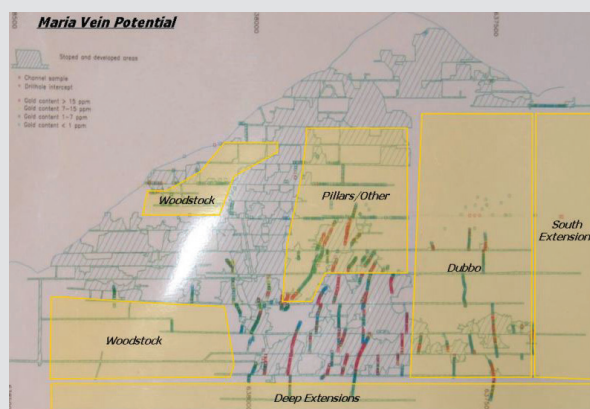


Figure showing a long section through the Maria Vein and highlighting potential extensions of the vein system.

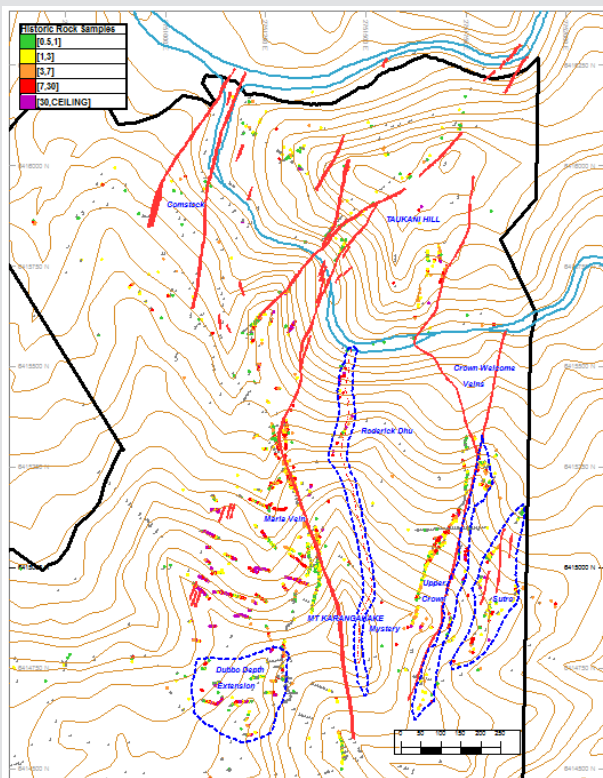


Diagram shows a plan view of a portion of the Mining Permit with vein systems and exploration targets overlain.

This project, which as outlined above was prompted by the acquisition of a large database of historical mine maps and geochemical data, has been undertaken to further quantify mineral resources hosted within the Maria Vein system and has greatly added to the company's knowledge of the historic mine workings and ore grades mined during the mine's operational history.

Progress on this project has now reached an advanced stage with database compilation and verification complete. Historic mine workings have been digitally captured and modelled into a three-dimensional wireframe and structural modelling of the Maria Vein is complete for the Dubbo, Bonanza, Talisman, and Woodstock Sections.

Modelling and analysis completed to date supports NTL's belief that the gold mineralized vein material may extend below the existing mine workings. Analysis of 926 samples taken from raise sampling in the lower workings of the Talisman and Bonanza Zones, highly productive areas of the historical mine and source of the majority of the 3.5 million bullion ounces produced, give **a mean grade of 36.75g/t gold equivalent in a range of trace to 219.55g/t**. There is evidence on the mine plans that no stopping took place below No 15 level but that **high grade ore** persists in this area. NTL currently have no quantified mineral resources in this area. Four raises below 15 level, covering a strike length of some 500m and a dip extent of 49m have geo-referenced historic sample values. Some 249 samples taken from these raises indicate a mean grade of 20.19g/t gold equivalent over a mean width of 1.1m and sample spacing of approximately 1.5m. Samples range from below detection to 131.36g/t and sample widths between 0.15m and 2.5m.

The gold equivalent values are based on an 1895 to 1919 gold price of USD \$20.67 per troy ounce.

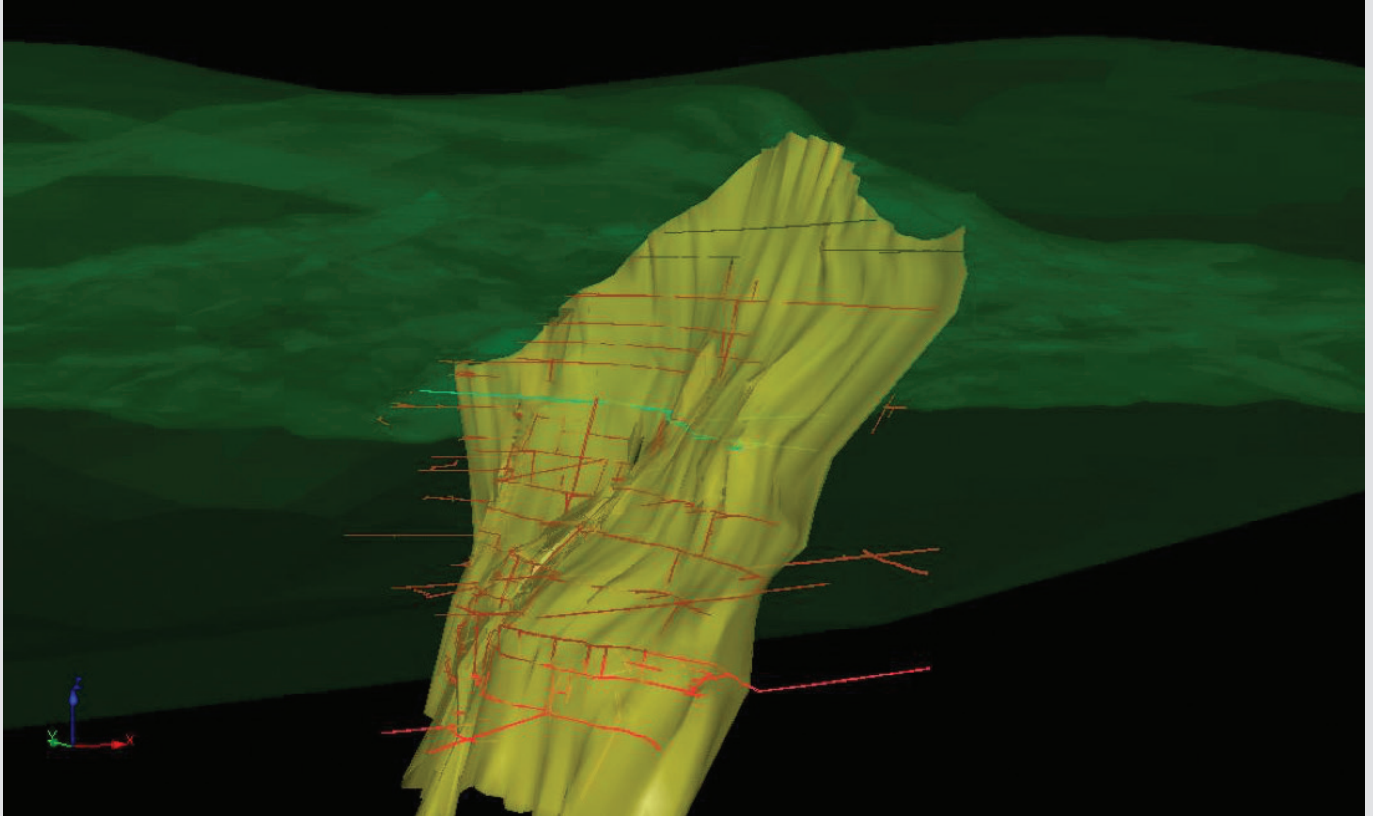
Advanced statistical modelling of geochemical data is near completion in preparation for estimating the gold equivalent content of the modelled vein material on the entire deeps model. The company expects to be able to announce the results of the full project within the coming weeks, once peer review of the final report is complete. The first of these modules relating to Dubbo will be released in the coming days once the relevant JORC tables are complete.

The information certainly supports the company's view that gold mineralisation extends to depth and that there may be some areas of vein marginal to and below historic stope that will constitute mineral inventory.

Once the estimations are complete and the competent persons are satisfied with the level of data integrity, portions of this mineral inventory may be able to be classified as resources compliant with JORC 2012 or upgraded to JORC compliant resources.

Beyond providing evidence of depth extensions of the vein system below 16 Level, work to date has identified several potential ore sources in close proximity to the No 8 Level drives which, if they can be included into the scope of the bulk sampling Project, is likely to have a significantly material effect on the final Mineral Resource and Ore Reserve position of the Talisman Mine. That said with restrictions on the amount of sampling extracted from level 8 the team is currently investigating a separate plan to initiate multi-faceted bulk sampling programs.

As it stands today the JORC 2004 resources of 204,760oz gold and 798,840oz silver are expected to increase as we get further into the mine and the full depth of the deeps. With Gold price currently at 1245 USD per ounce and Silver at 16 USD per ounce the potential for a sustainable long term operation at Talisman is apparent.



Perspective view of modelled Maria Vein (in yellow) and historic workings (in red) looking south to north. Bright green level is 8L for reference. Dark green is surface topography.



Historic samples collected early 20th Century from the Talisman Deeps. Spectacular grades with original comments housed in Auckland Museum.



EXPANDED PROSPECTING AND BULK SAMPLING OPTIONS AT TALISMAN

The Bulk sampling plan is currently targeting a portion of the existing JORC-complaint ore reserves of 28,800 ounces of gold in order to gain a better understanding through small scale extraction of each targeted area. With additional potential mineral targets identified through the technical studies an accelerated and more capital-intensive program would allow for fuller exploitation and extraction in the short term.

Your board will review in detail the technical report on Talisman Deeps prior to making any decisions on an accelerated exploration and extraction plan. The technical team is currently looking at the potential for a second bulk sampling project plan aimed at exploiting the deeps either solely or by way of a joint venture partner. Based on the current resource consent and targeted areas of Dubbo and Mystery the technical team is also looking at options to increase extraction capabilities in line with additional findings from Talisman deeps under the current resource consent which currently allow up to 20,000 cubic metres per annum.

RAHU EXPLORATION PROJECT, NEW ZEALAND (20% New Talisman Gold)

In 2015 New Talisman entered into a heads of agreement with Newcrest Mining over the Rahu project area directly north of the Talisman Mine area. This agreement was executed in 2016 where your company retains a 20% interest held in trust and Newcrest 80% conditional upon a \$5 Million work programme being completed by Newcrest at which time a Joint venture will be formed. In the event this programme expenditure commitment is not spent the Rahu tenement reverts to New Talisman subject to standard approval from the relevant regulatory authority, being NZ Petroleum & Minerals.

During the period Newcrest Mining, undertook geological studies utilising data provided to them by NTL to define deep drill targets. These studies included a re-evaluation of Rahu drill core using hyperspectral analysis to determine the distribution and patterning of hydrothermal alteration minerals indicative of where higher-grade gold mineralisation is likely to be found at depth.

Newcrest have now designed and planned a deep drill programme at Rahu and we await their advice as to when this will take place, which we expect to be in the near future.

OTHER OPPORTUNITIES

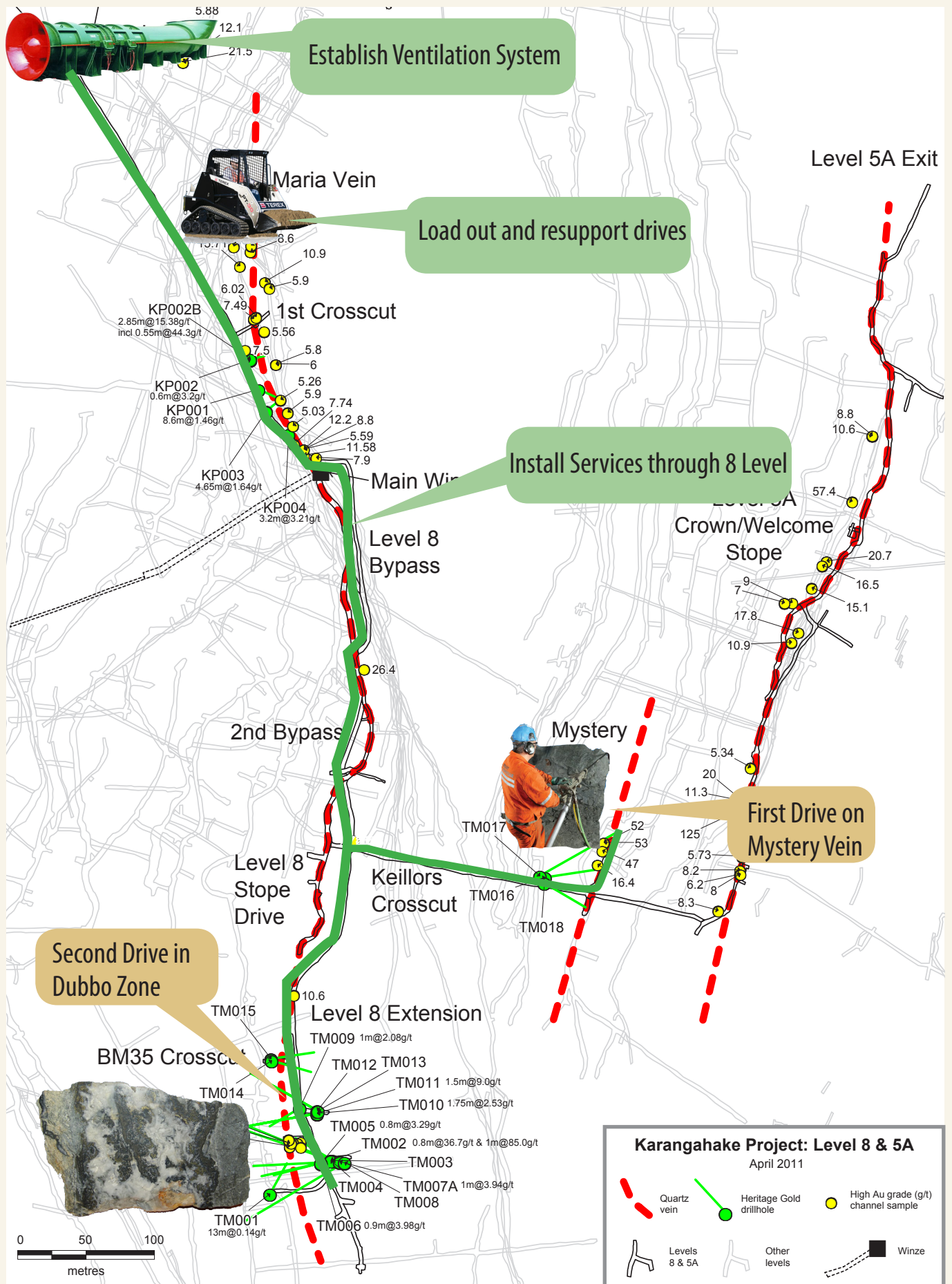
The Company has been investigating several opportunities which have been presented including an epithermal exploration opportunity in Vanuatu, a Nevada based opportunity and several African projects. Whilst your directors are fully focused on Talisman, we are also looking at opportunities in New Zealand and internationally that will potentially add significant shareholder value and provide sustainable expansion for the Company. Coromandel Gold, as has been announced previously, is the likely vehicle to be used for additional project opportunities and the board intends to provide shareholders the ability to be exposed to additional projects via CGL.

Over the period NTL was approached by an Australian unlisted public company seeking to work with NTL to assist in listing their portfolio of advanced exploration opportunities in PNG Vanuatu and Australia. The group is currently completing valuations on their asset to ensure they meet the requirements of the NZX. Having inhouse significant financial expertise in capital markets and having previously listed 3 companies which remain listed on the NZX, NTL is seeking to leverage its intellectual property in this area.

Competent Person Statements:

The information in this announcement that relates to the Talisman Project Pre-Feasibility Study, Ore Reserve estimates and Metallurgical Test work were prepared by Mr Wayne J Chowles, a Mining Engineer and member of the AusIMM. Mr Chowles is a fulltime 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, exploration targets and mineral resources is based on information compiled by or supervised by Mr Murray Stevens. Mr Stevens is an independent consulting geologist 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". Mr Stevens consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Schematic diagram of the Talisman Mine showing the tunnels (drives) that will be equipped and the location of the Mystery and Maria drives that will be extended during the Bulk Sampling Program



From L-R: Tony Haworth(Director), Wayne Chowles (Chief Operations Officer), Matt Hill (Director & CEO), Charbel Nader(Chairman)

BOARD OF DIRECTORS

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 Melbourne office (a subsidiary of Washington H Soul Pattinson), and founding Chairman of successful media start up and oversaw its sale to Fairfax Ltd for in excess of \$100m. He is Non-Executive Director of Madman Entertainment, distributor of the highly successful New Zealand film The Hunt for the Wilderpeople. He has been a director of gold mining companies with assets in Hungary. Mr Nader is a non executive Director of United Networks Ltd, Chairman Growth Factor Ltd. 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.

Matthew Geoffrey Hill MBA, MAICD

Chief Executive Officer

Mr Hill is the Executive Director of International Pacific Capital, 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 specializes in resources and company listings on the ASX and NZX and acts for a number of multinational clients. Matthew has been responsible for leading the company 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 an alternate director of Pacific American Coal and a director of Broken Hill Prospecting Limited both listed on the ASX. Matthew 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 as Alternate Director for Geoffrey Hill on 1 December 1999, and has served for nearly 9 years since his appointment as Director on 10 October 2006 and Executive Director on 3 September 2012. Matthew is a Director of Broken Hill Prospecting Limited ASX:BPL which holds a cobalt and heavy mineral sands project near Broken Hill in NSW Australia, He is also alternate director for Geoffrey Hill on Pacific American Coal ASX:PAK

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.

James Murray McKee BA (Hons)

Independent Director

Murray McKee practices as a Public Policy and Risk Management Adviser in Wellington. He previously held Operations Management positions with a US offshore oil and gas exploration company (1975-1987) and Senior Management positions with Coal Corporation of New Zealand Limited (1987-1995). He was Chairman of the Coal Research Association of New Zealand (1995) and a Councillor on the New Zealand Minerals Industry Association (1993-1995).

He was a ministerial appointee to the New Zealand Conservation Authority for two terms and has served on both the West Coast and Tongariro/Taupo Conservation Boards.

Mr McKee has served on the New Talisman Gold Mines Board for 21 years, being appointed a Director on 16 March 1996.

Mr Tony Haworth, M.Sc (Tech), M.Sc (Fin), M.AusIMM

Independent Director

Mr Haworth has over 20 years' experience spanning a variety of geological, corporate, finance and governance roles across the minerals industry and as a corporate adviser and investment banker.

Mr Haworth began his career as an Exploration Geologist with Heritage Gold (now NTL) and has worked in New Zealand and offshore for a range of private and public listed companies. His other previous roles include General Manager of Mawarid Mining (formerly National Mining Company) in Oman and Director of Liberty Gold Corporation in London. He is currently a Director at New Zealand corporate advisory firm Campbell MacPherson Ltd where he specialises in mergers and acquisitions, corporate valuation and financial analysis.

Mr Haworth holds a Masters in Finance from London Business School and a Masters in Earth Science from the University of Waikato and is a Member of the Australasian Institute of Mining and Metallurgy.

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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") on pages 15 to 25, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit and loss and other 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, and the directors' declaration.

In our opinion, the financial statements on pages 15 to 25 present fairly, in all material respects, the financial position of the group as at 31 March 2017 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.

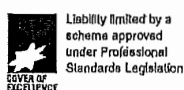
Basis for Opinion

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.

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Key audit matters

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 statements 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.

Impairment of mining tenements

Refer to note 9 (Assets under Construction)

At 31 March 2017, the Group has capitalised mining tenement costs of NZ\$7.84m. 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.

The Group's assessment of the recoverable amount of its producing and non producing Ore Reserves was a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of recoverable amounts incorporated significant internal and external judgments and assumption including commodity prices, available reserves, residual values and discount rates.

Our procedures included, amongst others:

- Assessing whether the external expert that had been engaged by management to provide independent valuations were appropriately experienced and qualified;
- 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 an estimated residual values;
- 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 bauxite at the reporting date;
- 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; and
- Assessing whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.

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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 Statements

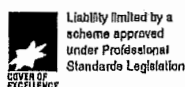
The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the 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.

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

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North Parramatta NSW 1750


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_Assurance_Standards/Current_Standards/Page1.aspx. This description forms part of our auditor's report.

Report on the Other Legal and Regulatory Requirements

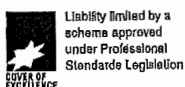
The engagement partner on the audit resulting in this independent auditor's report is Scott Bennison.

KS Black & Co
Chartered Accountants


Scott Bennison
Partner

Dated: 28 June 2017
Sydney

Phone 02 8839 3000
Fax 02 8839 3055



NEW TALISMAN GOLD MINES LIMITED

Statement of Comprehensive Income For year ended 31 March 2017

		Group		Parent	
	Note	2017 NZ\$	2016 NZ\$	2017 NZ\$	2016 NZ\$
Continuing Operations					
Other Operating income	2	71,544	9,689	71,544	9,689
Operating and administrative expenses	3, 4	(762,959)	(1,050,431)	(762,916)	(1,073,085)
Exploration costs written off	10	(9,950)	(1,801,137)	(9,950)	(1,778,397)
Gain/(loss) from operations		(701,365)	(2,841,879)	(701,322)	(2,841,793)
Net profit/(loss) for the year		(701,365)	(2,841,879)	(701,322)	(2,841,793)
Total comprehensive income/(loss)		(701,365)	(2,841,879)	(701,322)	(2,841,793)
Net profit/(loss) attributable to equity holders of the parent		(701,365)	(2,841,879)	(701,322)	(2,841,793)
Comprehensive profit/(loss) attributable to equity holders of the parent		(701,365)	(2,841,879)	(701,322)	(2,841,793)
Earnings per share					
Basic earnings/(loss) per share					
From continuing operations		(0.04) cent	(0.36) cent	(0.04) cent	(0.36) cent
Diluted earnings/(loss) per share					
From continuing operations		(0.04) cent	(0.31) cent	(0.04) cent	(0.31) 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 2017

Note	Group 2017				Group 2016			
	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)	-	-	(701,365)	(701,365)	-	-	(2,841,879)	(2,841,879)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Proceeds from share capital issued	6,373,013	-	-	6,373,013	614,998	-	-	614,998
Equity at beginning of year	28,791,926	335,341	(21,238,922)	7,888,345	28,176,928	335,341	(18,397,043)	10,115,226
Equity at end of year	7 35,164,939	335,341	(21,940,287)	13,559,993	28,791,926	335,341	(21,238,922)	7,888,345

Note	Parent 2017				Parent 2016			
	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)	-	-	(701,322)	(701,322)	-	-	(2,841,793)	(2,841,793)
Proceeds from share capital issued	6,373,013	-	-	6,373,013	614,998	-	-	614,998
Equity at beginning of year	28,791,926	297,641	(21,197,908)	7,891,659	28,176,928	297,641	(18,356,115)	10,118,454
Equity at end of year	7 35,164,939	297,641	(21,899,230)	13,563,349	28,791,926	297,641	(21,197,908)	7,891,659

The accompanying notes form part of these financial statements

NEW TALISMAN GOLD MINES LIMITED

Statement of Financial Position As at 31 March 2017

	Note	Group 2017 NZ\$	2016 Restated * NZ\$	1 April 2015 Restated * NZ\$	Parent 2017 NZ\$	2016 Restated * NZ\$	1 April 2015 Restated * NZ\$
Equity							
Attributable to parent company shareholders	7	13,559,993	7,888,344	10,115,226	13,563,349	7,891,659	10,118,454
		13,559,993	7,888,344	10,115,226	13,563,349	7,891,659	10,118,454
Current liabilities							
Payables	8	103,866	81,945	132,233	103,866	81,946	132,233
Employee benefits	21	30,147	22,506	15,583	30,147	22,506	15,583
Total current liabilities		134,013	104,452	147,816	134,013	104,452	147,816
Total liabilities		134,013	104,452	147,816	134,013	104,452	147,816
Total equity and liabilities		13,694,006	7,992,796	10,263,042	13,697,362	7,996,110	10,266,270
Current assets							
Cash		5,754,398	456,181	584,729	5,754,398	456,181	584,729
Receivables and prepayments	22	53,790	40,508	85,932	58,418	45,094	110,673
Total current assets		5,808,188	496,689	670,661	5,812,816	501,275	695,402
Non-current assets							
Property, plant & equipment	9	12,761	2,625	5,330	12,761	2,625	5,330
Assets under construction	9,13	7,843,882	7,290,672	6,949,257	7,843,882	7,290,672	6,949,257
Intangible exploration assets	10	11,637	1,162	1,754,015	10,575	100	1,732,712
Investments	11	17,538	201,648	883,779	17,328	201,439	883,570
Total non-current assets		7,885,818	7,496,107	9,592,381	7,884,546	7,494,836	9,570,869
Total assets		13,694,006	7,992,796	10,263,042	13,697,362	7,996,111	10,266,271

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

For and on behalf of the Board:



C Nader (Chairman)
Dated: 28 June 2017



M G Hill
Dated: 28 June 2017

NEW TALISMAN GOLD MINES LIMITED

Statement of Cash Flows

For year ended 31 March 2017

		Group		Parent	
	Note	2017 NZ\$	2016 NZ\$	2017 NZ\$	2016 NZ\$
Cash flows from operating activities					
<i>Cash was provided from:</i>					
Gold Ore Sales		-	25,902	-	25,902
Interest received		16,231	9,341	16,231	9,341
Other		-	-	-	-
		16,231	35,243	16,231	35,243
<i>Cash was disbursed to:</i>					
Payments to suppliers		(819,292)	(543,615)	(819,292)	(543,615)
Rent		(19,714)	(16,652)	(19,714)	(16,652)
Payments to and on behalf of employees		-	-	-	-
		(839,006)	(560,267)	(839,006)	(560,267)
Net cash outflows from operating activities	16	(822,775)	(560,267)	(822,775)	(560,267)
Cash flows from investing activities					
<i>Cash was provided from:</i>					
Intercompany loan repayments		-	-	-	-
Proceeds from sale of shares		293,684	336,172	293,684	336,172
		293,684	336,172	293,684	336,172
<i>Cash was applied to:</i>					
Prospecting and mine development expenditure		(567,381)	(394,828)	(567,381)	(394,828)
Purchase of property, plant and equipment		(11,915)	-	(11,915)	-
Investments		-	-	-	-
Intercompany loans		(43)	(2,584)	(43)	(2,584)
		(579,339)	(397,412)	(579,339)	(397,412)
Net cash outflows from investing activities		(285,655)	(397,412)	(285,655)	(397,412)
Cash flows from financing activities					
<i>Cash was provided from:</i>					
Issue of shares		6,373,013	449,998	6,373,013	449,998
Other		49,973	-	49,973	-
		6,422,986	449,998	6,422,986	449,998
<i>Cash was applied to:</i>					
Short term loan repayment		-	-	-	-
Issue of shares		-	-	-	-
		-	-	-	-
Net cash inflows from financing activities		6,422,986	449,998	6,422,986	449,998
Net increase /(decrease) in cash held		5,314,557	(136,266)	5,314,557	(136,266)
Effect of changes in exchange rates		(16,340)	7,718	(16,340)	7,718
Cash at beginning of year		456,181	584,729	456,181	584,729
Cash at end of year		5,754,398	456,181	5,754,398	456,181
CASH COMPRISES:					
Cash		5,649,398	351,181	5,649,398	351,181
Short term deposits		105,000	105,000	105,000	105,000
		5,754,398	456,181	5,754,398	456,181

All cash balances are available without restriction except for NZ\$105,000 on deposit which is 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 2017

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 28 June 2017.

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.

In 2015, the directors obtained independent confirmation from an experienced valuer who at the time of the valuation was independent of the company (Note 9). 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	30-50%
Field equipment	Straight line	10-30%
Fixtures and fittings	Straight line	10%

(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.

(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;
- Assets are 10% or more of the combined assets of all operating segments; or

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

- 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

New Talisman group leases certain equipment, land and buildings. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are included in profit and loss in equal instalments over the lease term.

Finance leases, which effectively transfer the risks and benefits of ownership, are capitalised at the lower of fair value and the present value of the minimum lease payments. Leased assets are recognised at cost and depreciated over their respective estimated useful lives.

(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 profit or loss. 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 recognized in the income statement.

(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 earnings per share 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. Sales comprise revenue earned from the sale of gold ore. 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

Changes 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) New and revised standards

Adoption of Standards, Interpretations and modifications

New Standards and amendments not adopted early:

- NZ IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)
- NZ IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2017)
- NZ IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)

2. OPERATING INCOME

	Group Mar 2017 NZ\$	Group Mar 2017 NZ\$	Parent Mar 2017 NZ\$	Parent Mar 2016 NZ\$
Interest	16,288	9,689	16,288	9,689
Sales of gold ore	-	-	-	-
Reimbursement of Expenditure	49,973	-	49,973	-
Gain on sale of shares*	-	-	-	-
Revaluation of Investment	-	-	-	-
Sundry income	5,283	-	5,283	-
Total operating income	71,544	9,689	71,544	9,689

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

3. OPERATING AND ADMINISTRATION EXPENSES BY NATURE

	Group Mar 2017 NZ\$	Group Mar 2016 NZ\$	Parent Mar 2017 NZ\$	Parent Mar 2016 NZ\$
Auditor's fees – auditing financial statements	35,030	35,645	35,030	35,645
Consultancy Fees	-	140,000	-	140,000
Depreciation	2,549	2,704	2,549	2,704
Director fees	143,460	65,000	143,460	65,000
Foreign exchange loss/(gain)	17,946	(7,718)	17,946	(7,718)
Kiwisaver	5,950	2,699	5,950	2,699
Legal fees	61,579	114,333	61,579	114,333
Capital Loss on sale of shares	284,361	579,946	284,361	579,946
Rental and lease costs	19,454	16,652	19,454	16,652
Share revaluation loss reversal	(385,693)	(234,329)	(385,693)	(234,329)
Other	578,323	335,499	578,280	335,499
Total administration expenses	762,959	1,050,431	762,916	1,073,085

4. DIRECTOR AND EMPLOYEE REMUNERATION

Director remuneration

	2017 NZ\$	2016 NZ\$
MG Hill (Executive Director)*	356,000	187,833
C Nader (appointed 24 August 2016)	30,342	-
JM McKee	55,201	40,000
IJ Pringle (ceased 9 May 2016)	2,143	20,000
TM Rintoul (ceased 11 September 2015)	-	5,000
A V Haworth (appointed 24 August 2016)	24,239	-
M R Stevens (appointed 9 May 2016)	31,534	-

*Of which \$188,520 (2016:\$33,810) is expensed as consultancy fees and the remainder is capitalised in the balance sheet as Talisman development expenditure. The development expenditure amount is based on time spent on mine development specific activities.

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 between \$190,000 and \$200,000. The remuneration included Kiwisaver contributions of \$5,950.

Employee share option plan

	2017 Number	2016 Number
Unlisted options Issued to employees	-	-
Unlisted options Issued to directors	-	-
Total unlisted options issued during the period	-	-
Balance of options at start of period	5,750,000	5,750,000
Unlisted options converted to fully paid shares during the period	Nil	Nil
Options cancelled during the period	Nil	Nil
Unlisted options on issue at end of the period	5,750,000	5,750,000

5. TAXATION

	Group 2017 NZ\$	Group 2016 NZ\$	Parent 2017 NZ\$	Parent 2016 NZ\$
Operating loss before taxation	(701,365)	(2,841,879)	(701,322)	(2,841,793)
Prima facie income tax at 28%	(196,382)	(795,726)	(196,370)	(795,702)
Add/(subtract) the taxation effect of permanent differences:				
Capital Loss on Disposal of Investments	79,621	162,385	79,621	162,385
Non-deductible Provision For Doubtful Debt	-	6,367	-	6,367
Tax losses not recognised	(116,761)	(626,974)	(116,749)	(626,950)
Temporary differences not recognised	(639)	1,400	(639)	1,400
Income tax expense/(benefit) not recognised	(117,400)	(625,574)	(117,388)	(625,550)

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

The parent company has the following estimated taxation losses available:

mining losses to offset against future mining income of NZ\$10,350,693 (2016: NZ\$9,787,008)' and non-mining taxation losses of NZ\$20,194,693 (2016: NZ\$19,780,732).

The mining losses are currently being assessed by the IRD and the company is working closely with their representatives to confirm

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

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 \$2,060 which resulted from resident withholding tax paid on interest earned during the period (2016: 2,060).

6. SEGMENT INFORMATION

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

7. EQUITY & RESERVES

Equity	Group 2017 NZ\$	Group 2016 NZ\$	Parent 2017 NZ\$	Parent 2016 NZ\$
Share capital	35,164,939	28,791,926	35,164,939	28,791,926
Capital reserve	123,750	123,750	123,750	123,750
Share premium reserve	70,235	70,235	70,235	70,235
Asset revaluation reserve	100,900	100,900	100,900	100,900
Share revaluation reserve	40,456	40,456	2,756	2,756
Accumulated deficit	(21,940,287)	(21,238,922)	(21,899,230)	(21,197,908)
Total parent shareholder equity	13,559,993	7,888,345	13,563,349	7,891,659

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 2017 NZ\$	Group 2016 NZ\$	Parent 2017 NZ\$	Parent 2016 NZ\$
Balance at beginning of year	(21,238,922)	(18,397,043)	(21,197,908)	(18,356,115)
Net loss attributable to shareholders	(701,365)	(2,841,879)	(701,322)	(2,841,793)
Balance at end of year	(21,940,287)	(21,238,922)	(21,899,230)	(21,197,908)

There were no movements in other reserves.

Share capital	Group and Parent			
	2017 Number	2016 Number	2017 NZ\$	2016 NZ\$
Ordinary shares				
Balance beginning of year	817,722,586	731,421,325	28,791,926	28,176,928
Shares Issued	1,259,273,269	86,301,261	6,373,013	449,998
Share Based Payments	-	22,272,727	-	165,000
Balance at end of year	2,076,995,855	817,722,586	35,164,939	28,791,926

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.

Shared based payments

There were no share-based payment arrangements that existed during the period under review. In the prior year 22,272,727 new shares were issued at a value of \$165,000 that were considered to be equity-settled share-based payments.

Listed options

	Group and Parent	
	2017 Number	2016 Number
Balance at beginning and end of year	119,851,516	119,851,516

Listed options can be exercised on or before 28 November 2017. Conversion price is AS0.02. When exercised, one option will convert to one fully paid ordinary share.

Unlisted Options

	Group and Parent	
	2017 Number	2016 Number
Options issued to employees:		
Opening Balance of options on issue	1,250,000	1,250,000
Unlisted options issued (expiry 11/11/2018)	-	-
Unlisted options issued (expiry 13/2/2019)	-	-
Unlisted options cancelled during period	-	-
Unlisted options converted to fully paid share at A 1.1 cent each	-	-
Total unlisted options on issue to employees	1,250,000	1,250,000
Options issued to directors:		
Unlisted options issued during the period	Nil	Nil
Total unlisted options on issue to directors 13/11/2018	4,500,000	4,500,000
Total unlisted options on issue at end of year	5,750,000	5,750,000
Total listed and unlisted options on issue at end of year	125,601,516	125,601,516

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

Options issued to directors and employees have not been recognised in these financial statements because they were issued for no consideration during a rights issue.

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

These options were issued as an incentive for employees for no consideration.

The unlisted options on issue to employees at balance date have an exercise price of A1.1 cent and are due to expire on 13 February 2019.

The unlisted options on issue to directors at balance date have an exercise price of A1.1 cent and are due to expire on 13 November 2018.

8. RELATED PARTY TRANSACTIONS

Payments for consulting services to companies in which directors and major shareholders have a substantial interest amounted to NZ\$356,000 (2016:NZ\$327,833). At balance date, creditors included NZ\$34,894 payable to directors and other related companies (2016:NZ\$36,433). There were no related party debtors at balance date (2016:NZ\$Nil) and no related party debts were written off during the year.

9. PROPERTY, PLANT & EQUIPMENT

	Group and Parent				
	Fixtures & fittings NZ\$	Office equipment NZ\$	Field equipment NZ\$	Motor Vehicles NZ\$	Total NZ\$
Year ended 31 March 2016					
Carrying amount 1 April 2015	767	2,090	2,473	-	5,330
Additions	-	-	-	-	-
Depreciation	(126)	(1,825)	(753)	-	(2,704)
Carrying amount	641	265	1,719	-	2,625
31 March 2016					
Cost	1,385	6,905	7,128	18,000	33,418
Depreciation	(744)	(6,640)	(5,409)	(18,000)	(30,793)
Carrying amount	641	265	1,719	-	2,625
Year ended 31 March 2016					
Carrying amount 1 April 2016	641	265	1,719	-	2,625
Additions	-	2,617	10,068	-	12,685
Depreciation	(126)	(728)	(1,696)	-	(2,550)
Carrying amount	515	2,154	10,091	-	12,760
31 March 2017					
Cost	1,260	6,864	15,859	18,000	41,983
Depreciation	(745)	(4,710)	(5,768)	(18,000)	(29,223)
Carrying amount	515	2,154	10,091	-	12,760

ASSETS UNDER CONSTRUCTION

	Group and Parent		
Talisman mine development	2017 NZ\$	2016 NZ\$ Restated	1 April 2015 NZ\$ Restated
Balance at beginning of year	7,290,672	6,949,259	6,354,942
Transfer from intangible assets	-	-	-
Development expenditure	553,210	341,413	594,316
Balance at end of year	7,843,882	7,290,672	6,949,258

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

In the March 2015 financial year, an independent valuation was obtained from Stevens & Associates for the Talisman mining project. The independent valuation indicated a carrying value in the range of \$11.9M to \$17.5M which is higher than the project's carrying value. Directors declined to include any revaluation of the project in these financial statements but will review valuation policy with respect to tangible assets in the coming year.

Development expenditure consists of mining development costs, professional salaries, data acquisitions and a small portion of overhead expenses relating to the operation of the mine. Management assesses the allocation of directly attributable overheads at the end of each reporting date. During the period under review the management team identified carrying values in the prior period that required adjustment. The adjustment related to both the carrying value of The Talisman Mine Development and the Provision for Rehabilitation Reserve. As required by NZIAS 8 the opening balance comparative information for the year ended 31 March 2016 has been restated to display the adjusted figures. Refer to note 13 for further details.

The requirements for disclosure of a Mineral Resource or Ore Reserves are set out in the JORC Code (the code) which is binding on all members. The company's Mineral Resources Statement is an estimate of the gold and silver content of in situ ore and is prepared in accordance with all quality control and quality assurance requirements set out in the code. The ore reserve is an estimate of the quantity and quality of the Mineral Resource that can be mined based on the results of a technical study where modifying factors such as dilution, underground recovery, geotechnical and financial are applied to estimate the volume and contained grade of run of mine ore.

The company's Technical Statement on Ore Reserves contains all this information and is also compliant with the requirements of the code. The technical study on which the Ore Reserve statement is based was critiqued by Hatch, an international engineering consultancy, and found to comply with the requirements of a Pre-Feasibility Study which implies approximately 15% accuracy.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

10. INTANGIBLE EXPLORATION ASSETS

	Group		Parent	
	2017 NZ\$	2016 NZ\$	2017 NZ\$	2016 NZ\$
Prospecting costs				
Balance at beginning of year	1,162	1,754,015	100	1,732,711
Development expenditure	20,425	48,284	20,425	45,786
Transfer to Talisman assets under construction	-	-	-	-
Less prospecting expenditure written off	(9,950)	(1,801,137)	(9,950)	(1,778,397)
Balance at end of year	11,637	1,162	10,575	100

	Group		Parent	
	2017 NZ\$	2016 NZ\$	2017 NZ\$	2016 NZ\$
Gross prospecting costs				
Gross cost of current permit	21,587	1,802,299	20,525	1,778,497
Less prospecting expenditure written off	(9,950)	(1,801,137)	(9,950)	(1,778,397)
Balance at end of year	11,637	1,162	10,575	100

Exploration and evaluation expenditure is recorded as an intangible asset and carried at historic cost less any adjustment for impairment. The carrying value of the asset in the parent entity was written down to \$100 in the previous period after NZPAM declined an application for an extension of land. During the financial year, Newcrest Mining was granted the permit based on its application for the benefit of both parties under the terms of the non-binding heads of agreement. Subsequently, on 27 June 2016, a binding agreement was reached with Newcrest Mining for the Rahu tenement, which is referenced in note 23.

TENEMENT SCHEDULE:

Permits held by New Talisman Gold Mines Limited:

Granted mining permit, Coromandel, New Zealand

51 326 Talisman

11. SHARE INVESTMENTS

	Group 2017 NZ\$	Group 2016 NZ\$	Parent 2017 NZ\$	Parent 2016 NZ\$
Investment in listed companies	14,238	198,348	14,028	198,138
Investment in unlisted companies	3,300	3,300	3,300	3,300
Total share investments	17,538	201,648	17,328	201,438

Investment in listed companies includes the investment in Broken Hill Prospecting Limited.

Unlisted shares are held for the long term. They are stated at cost because fair value cannot be reliably measured.

12. SUBSIDIARY COMPANIES

	Percent held		Incorp	Balance	Activity
	2017	2016	in	date	
Subsidiaries					
Coromandel Gold Limited	100%	100%	NZ	31 March	Share investment
Northland Minerals 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. Neither of the subsidiaries traded during the year.

13. PRIOR PERIOD ADJUSTMENT

During the period under review the management team identified carrying values of two balance sheet items that required adjustment. The adjustments related to the carrying value of the Talisman Mine Development asset (Non-Current Asset) and the Provision for Rehabilitation Reserve (Non-Current Liability). An entry in the March 2014 reporting period brought a \$666,023 provision for mine rehabilitation onto the balance sheet as a current liability while capitalising the same amount into the Talisman Mine development asset. NZIAS 16 Property, Plant & Equipment requires a provision to be recognised when financial rehabilitation at the end of the asset's useful life is probable. After discussions with the company's mining engineer and employees of the Department of Conservation it was clear that no obligation existed at balance date and that the full provision should be reversed.

Consequently, the Statement of Financial Position comparative figures do not include a Non-Current liability for the Rehabilitation Provision of \$666,023. The Assets Under Construction figure in the Statement of Financial Position for the year ended 31 March 2016 has been restated to reflect the reversal of the provision. A third Statement of Financial Position as at 1 April 2015 has also been included in the Statement of Financial Position reflecting the adjusted figures. The opening balances in note 9 for both the year ended 31 March 2016 and the year ended 31 March 2017 have been restated to remove the rehabilitation amount of \$666,023 which had been capitalised into the Talisman mining Asset. The prior period adjustment did not affect the opening equity figures, earnings per share calculations or the net tangible assets per share calculations.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

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 92% 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 of the previous reporting period:

Re-pricing Analysis	Effective Interest Rate	Total NZ\$	6 months or less NZ\$
2017 short term bank deposits	3.00%	105,000	105,000

Over the long term, changes in interest rates and reduced amounts on deposit will affect profit or loss.

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. COMMITMENTS

Operating lease commitments

Lease commitments under non-cancellable operating leases:

	Group & Parent	
	2017 NZ\$	2016 NZ\$
Not later than one year	17,030	18,041
Later than one year but not later than five years	-	-
	17,030	18,041

The company currently leases offices on an annual basis.

The group has capital commitments of NZ\$Nil (2016:Nil).

16. RECONCILIATION OF OPERATING CASHFLOW AND REPORTED DEFICIT

	Group		Parent	
	2017 NZ\$	2016 NZ\$	2017 NZ\$	2016 NZ\$
Net profit/(deficit) after taxation	(701,365)	(2,841,879)	(701,365)	(2,841,793)
Add non-cash items:				
Depreciation	2,549	2,704	2,549	2,704
Field expenditure write off	-	1,801,137	-	1,778,397
Share revaluation (gain)/loss	(385,693)	(234,329)	(385,693)	(234,329)
Provision For Doubtful Debts	-	-	-	22,739
Share based payments	-	140,000	-	140,000
Capital loss on sale of shares	284,361	579,945	284,361	579,945
In Specie Share Distributions	(5,283)	-	(5,283)	-
Revaluation of Investments	(2,073)	-	(2,073)	-
Exchange (gain)/loss	17,946	(7,718)	17,946	(7,718)
	(88,193)	2,281,739	(88,193)	2,281,738
Add (less) movement in working capital:				
Decrease (increase) in debtors	480	30,221	480	30,221
Increase (decrease) in creditors	(20,369)	(43,279)	(20,369)	(43,364)
Decrease (increase) in accrued income	23	3	23	3
Decrease (increase) in prepayments	5,828	10,135	5,828	10,135
Decrease (increase) in intercompany loans	(43)	(2,584)	(43)	(2,584)
Decrease (increase) in GST	(19,136)	5,377	(19,136)	5,377
	(33,217)	(127)	(33,217)	(212)
Net cash flows from operating activities	(822,775)	(560,267)	(822,775)	(560,267)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2017

17. CONTINGENT LIABILITIES

Contingent liabilities

Group and Parent

Mar 2017 NZ\$	Mar 2016 NZ\$
------------------	------------------

-	-
---	---

18. NET TANGIBLE ASSETS PER SECURITY

Net tangible assets

Net tangible assets per security

Group and Parent

Mar 2017 NZ\$	Mar 2016 NZ\$
------------------	------------------

13,498,383	7,887,183
------------	-----------

0.80 cent	1.00 cent
-----------	-----------

19. GOING CONCERN

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

20. EARNINGS PER SHARE

Profit/(loss) from continuing operations

Weighted average number shares

Basic earnings per share

Diluted average shares on issue

Diluted earnings per share

Weighted average number shares

Weighted average number options

Diluted average share on issue

**Group
Mar 2017**

**Group
Mar 2016**

**Parent
Mar 2017**

**Parent
Mar 2016**

(751,338)

(2,841,879)

(751,295)

(2,841,793)

1,707,566,584

789,893,534

1,707,566,584

789,893,534

(0.04) cent

(0.36) cent

(0.04) cent

(0.36) cent

1,833,168,100

915,495,050

1,833,168,100

915,495,050

(0.04) cent

(0.31) cent

(0.04) cent

(0.31) cent

1,707,566,584

789,893,534

1,707,566,584

789,893,534

125,601,516

125,601,516

125,601,516

125,601,516

1,833,168,100

915,495,050

1,833,168,100

915,495,050

21. EMPLOYEE BENEFITS

Balance at beginning of year

Additional provision

Amount utilised

Balance at end of year

**Mar 2017
NZ\$**

**Mar 2016
NZ\$**

**Mar 2017
NZ\$**

**Mar 2016
NZ\$**

22,506

15,583

22,506

15,583

7,641

6,923

7,641

6,923

-

-

-

-

30,147

22,506

30,146

22,506

Employee benefits accrued comprise holiday pay.

22. RECEIVABLES AND PREPAYMENTS

Sundry receivables

Accrued income

Prepayments

Intercompany advances

**Group
Mar 2017
NZ\$**

**Group
Mar 2016
NZ\$**

**Parent
Mar 2017
NZ\$**

**Parent
Mar 2016
NZ\$**

45,159

26,026

45,159

26,026

276

299

276

299

8,355

14,183

8,355

14,183

-

-

4,628

4,585

53,790

40,508

58,418

45,093

Trade Receivables

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

23. SIGNIFICANT EVENTS SINCE BALANCE DATE

An operating budget of \$2.2m has been approved to progress the infrastructure and bulk sampling activities at the Talisman mine allowing the company to continue towards its operational goals. The main site has now been established including installation of ventilation management systems, water storage facilities, compressed air supply and a generator among other initiatives.

The Department of Conservation approved the fencing off of the mine portal area and a certificate of compliance has been issued by the Hauraki District Council allowing New Talisman Gold Mines to commence prospecting activities at the site.

The Talisman Deeps analysis project has now been completed with the work undertaken providing significant potential for expansion of operations as well as extending the life of the mine itself.

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 2017:

Director	Relevant interest in Ordinary Shares	Relevant Interest in Unlisted Options
M G Hill	42,159,085	1,500,000
J M McKee	10,000,000	1,500,000
C Nader	0	0
A V Haworth	4,500	0

TOP 20 OPTION HOLDERS

Rank	Name	Units	% of Units
1	HFT NOMINEES LTD <SUPER FUND A/C>	22,672,250	18.92
2	INTERNATIONAL PACIFIC SECURITIES LIMITED	14,356,000	11.98
3	HAMISH EDWARD ELLIOT BROWN	12,718,283	10.61
4	NIMPOD PTY LIMITED	9,852,911	8.22
5	HILL FAMILY GROUP PTY LIMITED	7,024,127	5.86
6	DOJOMAC MANAGEMENT PTY LIMITED <THE DOJOMAC FAMILY>	4,789,000	4.00
7	KA FU TSE	4,100,000	3.42
8	MICHAEL REX HUNT	3,500,000	2.92
9	FORSYTH BARR CUSTODIANS LIMITED <FORSYTH BARR LTD-NOMINEE A/C>	3,339,953	2.79
10	NEIL FREDERICK KEATING + JEANETTE KEATING	2,954,741	2.47
11	ACEMAC PTY LIMITED <MAC SUPER A/C>	2,394,500	2.00
12	BELANNA PTY LTD	2,394,500	2.00
13	RALPH NICHOLAS STAGG	2,393,500	2.00
14	INTERNATIONAL PACIFIC CAPITAL LIMITED	2,391,784	2.00
15	GOFFACAN PTY LTD	1,961,952	1.64
16	NEIL FREDERICK KEATING + JEANETTE KEATING <N F & J KEATING A/C>	1,765,477	1.47
17	ROBERT MARSHALL WALSHAM + RACHEL SANDRA WALSHAM <R & R WALSHAM FAMILY A/C>	1,176,950	0.98
18	ASB NOMINEES LIMITED <317485 ML A/C>	1,000,000	0.83
19	GEORGE MATTHEW JAMES ATKINSON	1,000,000	0.83
20	RIUO HAURAKI LIMITED	992,293	0.83
Total top 20 holders of 28/11/2017 Aud \$0.02 Options		102,778,221	85.75
Total listed options		119,851,516	

HOLDING RANGE

Ordinary Shares as of 30 Apr 2017

Range	Total holders	Shares Held	% of Issued Capital
1 - 1,000	104	25,935	0.00
1,001 - 5,000	216	760,109	0.04
5,001 - 10,000	175	1,484,520	0.07
10,001 - 100,000	796	38,138,094	1.84
100,001 - 9,999,999,999,999	960	2,036,587,197	98.05
Total	2,251	2,076,995,855	100.00

TOP 20 ORDINARY SHAREHOLDERS		Ordinary Shares as of 24 May 2017	
Rank	Name	Units	% of Units
1.	HAMISH EDWARD ELLIOT BROWN	270,000,000	13.00
2.	RIUO HAURAKI LIMITED	100,255,820	4.83
3.	TONY CALDER BUTTERICK	46,000,000	2.21
4.	MATTHEW GEOFFREY HILL	42,159,085	2.03
5.	HFT NOMINEES LTD <SUPER FUND A/C>	42,154,117	2.03
6.	ASB NOMINEES LIMITED <317485 ML A/C>	40,000,000	1.93
7.	FEOH PTY LTD <KARLSON INVESTMENT A/C>	40,000,000	1.93
8.	CHRISTOPHER DAVID ENGLISH + JACQUELINE ENGLISH <KRINGLES SUPER FUND A/C>	35,077,092	1.69
9.	KA FU TSE	30,000,000	1.44
10.	HILL FAMILY GROUP PTY LIMITED	28,096,507	1.35
11.	THOMAS HERBERT TEBBS GOTHORP	24,427,464	1.18
12.	AUSTRALASIAN AIRLINES LIMITED	20,000,000	0.96
13.	WHITEFIELD DAIRIES LIMITED	20,000,000	0.96
14.	ACEMAC PTY LIMITED <MAC SUPER A/C>	18,734,432	0.90
15.	ROBERT MARSHALL WALSHAM + RACHEL SANDRA WALSHAM <R & R WALSHAM FAMILY A/C>	18,534,160	0.89
16.	GRANT JOHN MATTHEWS	18,081,498	0.87
17.	CHI HUA CHEN	15,999,999	0.77
18.	INTERNATIONAL PACIFIC SECURITIES LIMITED	14,356,000	0.69
19.	ANDREW WILLIAM LIDDELL	14,000,000	0.67
20.	CHUNG KAN CHOW	13,759,984	0.66
Total Top 20 holders of Ordinary Shares		851,636,158	41.00
Total issued Capital		2,076,995,855	

CORPORATE GOVERNANCE

In accordance with the NZX Corporate Governance Best Practice Code Appendix 16 ("NZX Code"), and the ASX Corporate Governance Council's Principles and Recommendations (3rd 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.

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 2016/2017 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 2017.

EXPLANATIONS FOR DEPARTURES FROM NZX CORPORATE GOVERNANCE BEST PRACTICE CODE APPENDIX 16

Recommendation	Notification of Departure	Explanation for Departure
2.6: Every issuer should have a formal and transparent method to recommend Director Remuneration to shareholders	The Remuneration Committee does not recommend remuneration packages to shareholders.	Under the Charter adopted by the Board the Remuneration Committee meets once a year to review the Company's executive compensation programme. Subject to NZX Listing Rule requirements, the Board presently considers that such matters are more efficiently determined by the Remuneration Committee itself rather than by way of recommendation to shareholders.

EXPLANATIONS FOR DEPARTURES FROM ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (3rd 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
3.2: The Company should establish a diversity policy and disclose the policy or a summary of the 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 objective for achieving gender diversity.
3.3: 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:

- 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.
- A potential candidate is considered with reference to their skills and expertise in relation to other Board members.
- 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.

CORPORATE GOVERNANCE

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 3.3.2 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, J (Murray) McKee, and Anthony Haworth. Murray Stevens is not an independent director as he provides consultancy services to the company from time to time, and 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 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	5	0	0%
Senior Executives	1	0	0%
Consultants	2	1	50%
TOTAL*	8	1	12.5%

* 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: Anthony Haworth (Chair), Charbel Nader 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. While the Board Committee members do not have specific financial qualifications, all members considered themselves to be financially literate and have financial experience and industry knowledge. Mr Haworth and Mr Stevens have 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.

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

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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 McKee 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, Murray McKee, and Matthew Hill, Chief Operations officer Wayne Chowles 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	Board	Audit	Nomination	HSSE
M McKee	7/7	n/a	1/1	1/1
M Hill	7/7	n/a	1/1	1/1
M Stevens*	6/7	2/2	1/1	1/1
C Nader*	3/3	2/2	n/a	n/a
A Haworth*	3/3	2/2	n/a	n/a

* M Stevens was appointed in May 2016, C Nader and A Haworth were appointed in August 2016

In addition a number of matters were resolved by circular resolutions.

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 2016/2017 accounts.

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 matters which could be expected to have a material effect on the price or value of the Company's securities. Management

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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)
J Murray McKee (Independent Director)
Tony Haworth (Independent Director)
Murray R Stevens (Director)
Matthew G Hill (Chief Executive Officer)

COMPANY SECRETARY

S Jane Bell

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National Australia Bank, West Perth

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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

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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

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enquiry@computershare.co.nz

Please assist our registrar by quoting your CSN or shareholder number