



(ASX, NZX:NTL)

New Talisman – Chair’s Address to AGM 2022

September 28, 2022

Good Afternoon Ladies and Gentlemen,

Those of who attended last year's ASM will note there are only two familiar faces remaining from last year. They are long serving Company Secretary Jane Bell, and Board member Victor Rabone, who had been appointed just weeks before. The change demanded from shareholders at the 2021 ASM is reflected in your new Board and we have taken up the challenge of stabilising the company and focusing on a return to underground operations. We do this work with two main drivers, Good Corporate Governance and Shareholder aspirations. And of necessity, in that order. When we can have the two in alignment we will achieve great things.

We have carried out extensive work and consultation with industry regulators to re-establish their trust and confidence in the Company, which it is fair to say, were at a low ebb. I am pleased to say, that while we still have work to do, the regulators have all indicated a willingness to walk alongside our efforts to fully comply with their requirements.

This work has included addressing and successfully resolving many legacy issues predating the current Board, including:

- Breaches of the NZX listing rules
- A rights issue to shareholders which was then cancelled.
- FMA enquiries into the former CEO's postings on sharetrading forums
- FMA queries relating to financial reporting, particularly inventory
- Litigation commenced by the former CEO following our cancelling of the CEO's management contract provided through his company, Asia Pacific Capital.
- Two significant acquisitions in progress:
 - Broken Hills – which was not completed, and
 - Capella (in Vanuatu) – which we were bound to complete.

The major asset of the Talisman Mine also required independent appraisal in the 2022 financial year as it had not been done for some years. This was a planned appraisal and it supported the value of the asset in our books, but of course does result in additional valuation



costs in the year in which it is done. It also results in additional audit costs to assess the appraisal.

Subsequently, we also booked an impairment in the Annual Accounts, due to the Company's share price trading at a significant discount to Asset Value. We are required to impairment test at least annually and of course if our share price improves, we will revisit the impairment.

All of these issues have required significant input from our legal, accounting and audit advisers, and have contributed to our Operating costs increasing from \$764,000 to \$1,067,000 between the 2021 and 2022 financial years.

As we go forward, we are focused on delivering value to shareholders and running a cost-effective and efficient company.

We are bringing our accounts administration in-house, and actively examining exiting our office in Parnell which will result in significant savings for the company.

Our main goal is to bring the Talisman mine into production. To this end - we outlined our Strategic Plan in April 2022, which involves recommencing underground operations at the Talisman Mine, and generating income by mining two faces on the Mystery vein.

As announced earlier this month, John Upperton has been appointed our Strategy Delivery Manager – to focus on delivering our Strategic Plan. We hope to be producing gold in 2023.

John has already engaged with a variety of industry experts in geology, metallurgy and mining, and we look forward to updating the market as decisions are made and milestones achieved.

We have successfully recapitalised the Company to fund the delivery of our Strategic Plan and would like to encourage investors to participate in our current placement to help support this goal.

We will also shortly be issuing loyalty shares to those shareholders who participated in the private placement in September 2021. We thank those shareholders for their loyalty and issue one share for every three shares that they continue to hold from that placement, as was agreed at the time.

The Company has been through a rocky period, followed by the last year which has brought systemic change and disciplinary rigor to its Governance. We consider the Company to have turned a corner and is now in a position to concentrate on its core business.

We thank all our shareholders and stakeholders for your support as we endeavour to realise the potential of the Company's core asset, the Talisman mine.