

# Market Announcement

ASX:NTL, NZX:NTL

For Immediate Release



## WOODSTOCK RESOURCE UPGRADE

### Commodity Exposure

GOLD and SILVER

### Board and Management

**Charbel Nader**

Chairman/Independent Director

**Matthew Hill**

Chief Executive/Managing Director

**Murray McKee**

Independent Director

**Murray Stevens**

Non executive Director

**Tony Haworth**

Independent Director

**Jane Bell**

Company Secretary

**Wayne Chowles**

Chief Operating Officer

**Ash Clarke**

Chief Financial Officer

### Capital Structure

Ordinary Shares on issue-  
2,076,995,855

Listed Options – 119,851,516  
2 cent – expiring Nov 2017  
Market Cap - \$39.4 M NZD

### Share Chart



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

Phone - +64 27 5557737

Email – [info@newTalisman.co.nz](mailto:info@newTalisman.co.nz)

541 Parnell Road, Parnell, Auckland

### HIGHLIGHTS

- Summary of Jorc 2004 resources released as addendum to Annual report of 204,000 Ounces;
- Deeps first 2 of 4 JORC 2012 compliant resource estimates complete;
- Resources at Dubbo Deeps increase to 312,800 oz gold equivalent at 21.8 g/t;
- Resources at Woodstock increase to 41,000 Oz AuEq;
- NTL's Jorc 2004 and 2012 resources increase by to 396,000 Oz AuEq;
- Talisman Site cleared and permanent fixtures installed;
- Underground work passes 300M underground;
- Prospecting commences underground;
- Final Talisman Deeps modules to be released shortly;

New Talisman Gold Mines Limited is pleased to present the quarterly report on activities for the period ended 30 June 2017.

### Summary

This has been one of the busier quarters for your company with the start of the prospecting program well underway and work commencing underground. The site is now restored back to the permanent mine site it has been for majority of the past 100 years.

The Talisman site now once again has power, water and compressed air installed with a permanent site office and full underground communications and Wifi connected. The team has passed the 300m mark underground.

The Talisman deeps project has delivered the expected results with the first of the modules being Dubbo deeps and Woodstock released delivering a resource of 353,000 ounces AuEq an upgrade over 73% above the entire New Talisman JORC 2004 resource and a substantial grade increase at both resources.

This provides for a significant opportunity to expand operations at the Talisman mine. The resource consent which allows for 100,000 tonnes of ore per annum is expected to be triggered in December for a period of 24 months. The significant development and further inspection of access drives is currently being reviewed with an aim to either commence a separate bulk sampling project on the Deeps or increase outputs from the mine to a higher level.

The company is currently prospecting underground which is a permitted activity under the Hauraki District councils district plan allowing 5kg samples to be taken from the mine. These samples are being bagged and tagged currently and will be sent to SGS shortly for testing. 5kg samples from areas of interest will form the basis for further targeting using existing channel sampling and known data.

The prospecting phase currently well underway at the Talisman site has established the site and the refurbishment of underground areas is providing access to the Mystery Vein. The underground team is now some 300 Metres inside the mine.



**Figure 1 – Underground team commences refurbishments and sampling**

The resource upgrade at Woodstock and Dubbo Deeps, and the Bonanza module to be released in the next 10 days as well as any further resource updates including Mystery and Crown will be included in an updated pre-feasibility study and ore reserve statement. Where possible, areas identified within the mine such as stopes and other areas found to be accessible during upgrades will be prospected taking 5kg samples and tested at SGS Waihi for inclusion into the Bulk sampling program scope of works. As announced the team is investigating separate prospecting and bulk sampling programs at areas of the deeps at completion of the deeps resource modelling, any additional areas which are not included in the current bulk sampling plan will be the target of any additional plans.

During the period the company announced a significant upgrade to its resources and mineral targets with the first module Dubbo deeps providing a 102% increase to the Dubbo resource at a grade of 21.98 grams per ton AuEq.

**Matthew Hill Stated : It has been a significant quarter for the company in bringing together both the site and underground establishment which coupled with the releases of the first deeps modules has delivered tremendous value to our shareholders. We are well on our way to the commencement on extraction and we are very excited by the potential for further resource enhancements in the coming days, particularly given the ability under our resource consent to extract up to 100,000 Tonnes of ore per annum. We are delighted by the overwhelming support from our shareholders and the wider community”**

#### **TALISMAN GOLD PROJECT (100%) – Hauraki District, NZ**

During the period under review the site installation of the permanent site fixtures has been completed with a second series of change rooms and site offices to arrive shortly.

Site commencement began in earnest on June following formal closure by the Department of Conservation of the site. Initial site setup took 2 long days clearing the land and preparing for the site work. Your company has now sealed off the site with a perimeter and secondary inside fences behind the first gate. This will ensure that all pests are kept outside the mine area and the company has also taken measures to trap rats which plague the area.



**Figure 2- Condition of the site prior to mobilization of the gorse infested mine portal**



**Figure 3- Portal pad as of July**

The site is now fully operational and 2 more site offices will be installed in the coming days to allow for an equipment and change room and site planning office.

## Security

Security measures have 16 cameras which operate 24/7 being deployed and installed at site. This will allow safety and security of the company equipment and will be uploading all recordings to the cloud. The technology allows a clear field of view at night from each camera which remotely follows movement. With the increased technology coupled with specialist security staff the company can assure the safety of contractor equipment and its staff.



Figure 4- Morning Toolbox talks



Figure 5 – Communications underground at 270M mark

Communications were installed which allow direct contact to the miners underground as they progress as well as full wireless linking the head office through to the mine site.

## **At the Mine Site and underground**

To date the following has been completed:

- The site has been completely cleaned of gorse and other invader species such as rats and a site office set up;
- The buried culvert on the left-hand side of the portal has been recovered and water from the stream now runs into the pond as it should, not over the pad;
- Fencing has been erected around the perimeter of the pad and a secondary gate established;
- The old portal structure has been dismantled and a new, much stronger structure erected;
- A barricade has been erected around the pond to prevent unintentional access;
- Scaling of the hanging and sidewalls of the No 8 Drive is complete to the 300m mark and the first three wooden sets replaced. The ground above the set is friable and blocky so it will be necessary to rebuild sets in the same location;
- Underground communication via a Pageboss intercom system is in place and will be extended as the crew advance. The control room is permanently manned when people are underground and the crew report in hourly.
- Water handling and compressed air lines are being installed

## **Health and Safety**

Much effort has been expended over the last month on developing fit for purpose hazard management plans and the accompanying procedures. With considerable input from the team this has progressed well and we now have a robust system to underpin our vision of a safe and healthy workplace.

Morning toolbox talks and risk assessments are completed daily on the work to be undertaken.

## **Environmental**

The company's environmental policy has been implemented and site inspections by WRC, HDC and DOC have been well received.

- Silt Dams have been completed;
- Culverts for water flow through to other side of the pond at level 8 are complete;
- Silt control fencing and silt ponds, supplemented with hay bales continue to ensure water which flows across in heavy rains is well managed;
- A Nursery for native plants has been set up;
- An Eradication plan for invasive species of animals (particularly the dense population of rats) has commenced with traps already in place.

The company has a very good relationship with the Department of Conservation and we continue to support DOC wherever possible. Over the years our donations have significantly enhanced the experience of tourists who flock to see the old mine workings and walk through the workings known as Windows Walk which was recently refurbished with materials donated by New Talisman. The Walking track which will take walkers along the "New Talisman Track"

and off the public road has been designed and work will commence on such in the coming months and significant work on design was completed during the quarter.

## RESOURCES

As recently announced a substantial upgrade to the company's gold resources has commenced after the completion of the first and second modules pertaining to the Talisman Deeps project.

**A Table below sets out that which has been completed and that which remains in JORC 2004**

Vein	Category	Tonnes	Au_Eq		JORC
			Grade	Ounces	
Dubbo	M, I, INF	382,971	21.98	312,829	2012
Woodstock	M, I, INF	203,102	6.30	41,000	2012
Mystery	M, I, INF	52,200	6.46	10,800	2004
Crown	M, I, INF	146,100	6.68	31,380	2004
Stockpiles	Indicated	590	21.88	415	2004
<b>Total</b>	<b>M,I,INF</b>	<b>858,260</b>	<b>14.07</b>	<b>388,170</b>	

*Table 3: Restated Mineral Resources incorporating the remodelled Dubbo and Woodstock Resources reported in compliance with the 2012 JORC code. Note there will be slight differences due to rounding during calculation.*

**NOTE – THE ABOVE TABLE DOES NOT INCLUDE THE SOON TO BE COMPLETED BONANZA MODULE AS NO JORC COMPLIANT RESOURCE ESTIMATE HAS PREVIOUSLY BEEN COMPILED IN THIS ZONE**

Work on the update of the pre-feasibility study continues well with current efforts centred on leveraging off the deeps modules already released with a further module nearing completion.

This is being run in parallel with the Talisman Deeps project as well as an investigation into the application for further prospecting both at Talisman deeps and other areas within the Talisman permit. Upon completion of the deeps modules the next which will be complete shortly the company will initiate a comprehensive review of mine planning and bulk sampling for its current resource consent allowing up to 100,000 Tonnes per annum for 2 years to be extracted from the mine.

### Dubbo Deeps

Resource modelling of the Dubbo Zone has resulted in Measured, Indicated, and Inferred resources increasing to 312,800 oz gold equivalent (Au Eq) at a grade of 21.98g/t Au Eq. This is an increase of 102% over the 2004 resource estimate of 140,600 oz gold and 445,800 oz Ag for this zone (154,690 oz Au Eq). Reporting standards are compliant with those set out in the 2012 version of the JORC Code.

The updated resource table for the Dubbo Zone is shown below:

<b>MINERAL RESOURCES-DUBBO ZONE</b>					
<b>CATEGORY</b>	<b>VOLUME</b>	<b>TONNES</b>	<b>AU_EQ G/T</b>	<b>GRAMS</b>	<b>OUNCES</b>
Measured	5,164	13,065	96.91	1,266,175	40,708
Indicated	1,227	3,104	74.87	232,413	7,472
Inferred	144,981	366,802	18.87	6,920,406	264,648
<b>Total Resources</b>	<b>151,372</b>	<b>382,971</b>	<b>21.98</b>	<b>8,418,994</b>	<b>312,829</b>

Table 1: Dubbo Resources reported in compliance with the reporting standards set out in the 2012 version of the JORC code.

A lower cut-off grade of 3.0g/t Au Eq (previously 0g/t) was applied to reflect the mine cut-off grade estimated for the financial modelling in the 2013 prefeasibility study. No top cut to the data was applied

A further area of 27,000m<sup>2</sup> on the plane of the orebody has been identified as a Exploration Target. Information available indicates that this area is likely to yield a vein width of between 1.6m to and 2.2m (109,000 to 150,000 tonnes) with AuEq grades ranging between 14.0g/t and 23.0g/t. This target constitutes a global Exploration Target as defined in the 2012 JORC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.on completion of the current prospecting programme the company will focus on developing an exploration programme to investigate the exploration targets.

***"The highest-grade gold mine in the world, by far, is the Tua Tona mine in South Africa, according to 2013 data. With a gold ore density of 28 g/t, the Tua Tona has a 30% higher grade than the next-highest density mine. All told, [South African gold mines](#) have the highest average grade, 6 g/t, of any country in the world. The next highest, Tanzania, only has an average ore grade of 2.84 g/t.\*" \*Source- Investopedia***

The above clearly shows that the New Zealand with historically very high grades in epithermal deposits and New Talismans Dubbo deeps orebody of 312,000 ounces at an average of 21.98 grams per ton au eq ranks a NZ development as having significant potential to be at a world class level. The completion of the prospecting, bulk sampling and prefeasibility study will provide the basis for the full extent of the mine life and head grade in full production.



Sample from BM37 in dubbo Zone

## Woodstock Deeps

The Woodstock area lies within metres of the portal opening and has multiple open faces in the mine and through a second portal. This orebody makes mining such relatively easy to access and further work will be undertaken to prospect the area underground in the coming weeks. Samples from the areas targeted in prospecting has begun to be prepared for testing at SGS in Waihi. 5kg samples from areas of interest will form the basis for further targeting using existing channel sampling and known data.

As there has been little drilling a significant proportion of the Woodstock data was unable to meet JORC 2012 requirements. Once the orebody is prospected further this may allow targeted drilling to expand the mineral resources which are set out below.

Resource modelling of the Woodstock Zone has resulted in Measured, Indicated, and Inferred resources increasing to 41,000 oz gold equivalent (Au Eq) at a grade of 6.30g/t Au Eq. This is an increase of 25% over the 2004 resource estimate of 32,686 oz AuEq for this zone.

A lower cut-off grade of 2.5g/t Au Eq (previously 0g/t) was applied to reflect the mine cut-off grade estimated for the financial modelling in the 2013 prefeasibility study.

The resource upgrade at Woodstock and the any further resource increases at Talisman Deeps in its entirety will be included in an updated pre-feasibility study and ore reserve statement in due course. Where possible, areas identified will be prospected and tested for inclusion into the body of works during Bulk sampling.

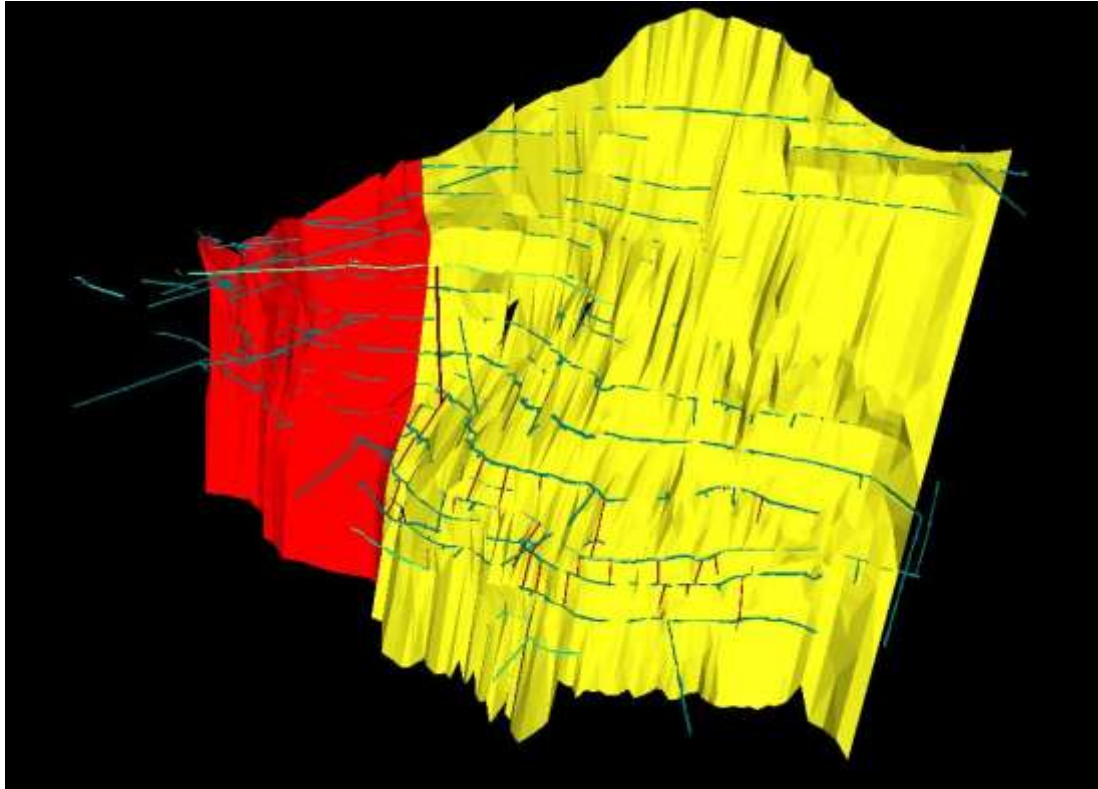
A further area of 206,000m<sup>2</sup> on the plane of the orebody has been identified as a Exploration Target. Information available indicates that this area is likely to yield a vein width of between 1.6m to and 2.4m (827,000 to 1,240,000 tonnes) with AuEq grades ranging between 2.70g/t and 5.35g/t. This target constitutes a global Exploration Target as defined in the 2012 JORC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. On completion of the current prospecting programme the company will focus on developing an exploration programme to investigate the exploration targets.

The updated resource table for the Woodstock Zone is shown below:

*Table 1: Woodstock Resources reported in compliance with the reporting standards set out in the 2012 version of the JORC code.*

<b>Category</b>	<b>Volume</b>	<b>Tonnes</b>	<b>Aueq g/t</b>	<b>Grams</b>	<b>Ounces</b>
Measured	20,064	50,361	5.25	264,265	8,496
indicated	18,577	46,629	3.56	166,205	5,344
inferred	42,276	106,112	8.01	850,055	27,330
<b>Total resources</b>	<b>80,917</b>	<b>203,102</b>	<b>6.30</b>	<b>1,280,524</b>	<b>41,170</b>





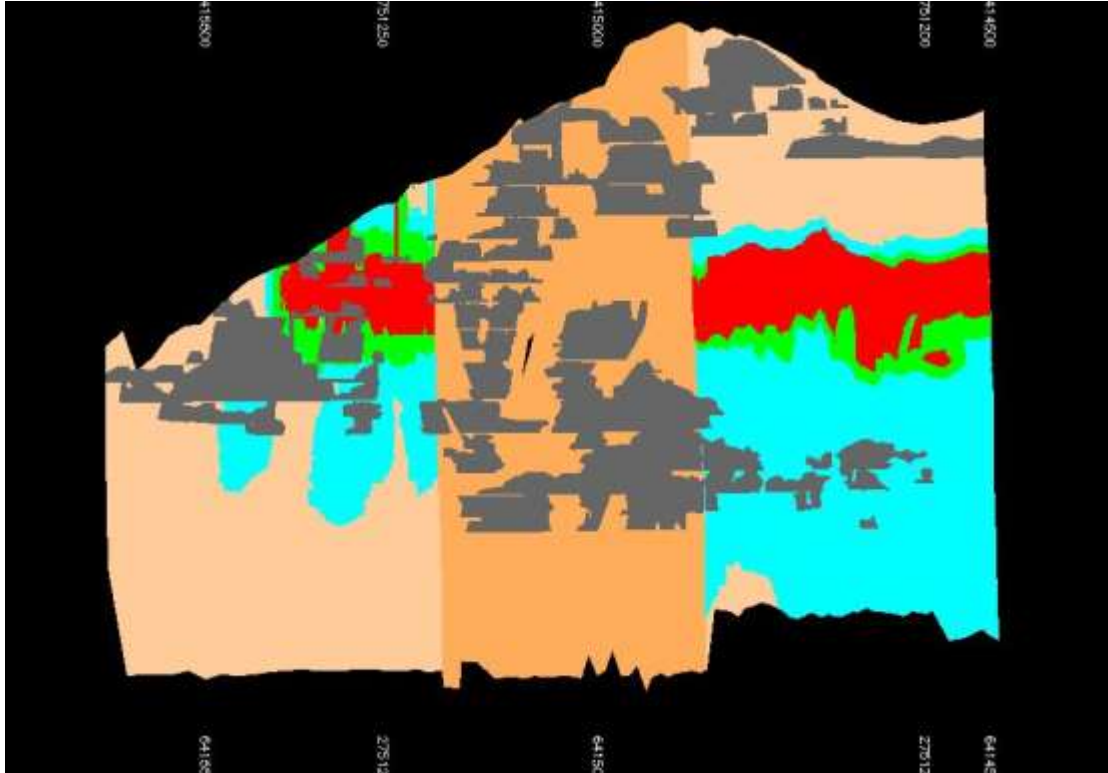
**Figure 7 - Graphic of the Maria Vein wireframe with historic drives shown in grey, the Woodstock Zone is shown in red. This is the pre-mined model, historic depletions were subtracted from this model.**

### ***BONANZA/TALISMAN RESOURCES MODULES NEAR COMPLETION***

With modelling of the first two zones now complete the company is now focused on completion of the Talisman/Bonanza estimate where the historic databases acquired in 2015 have shown potential to increase the current resources to JORC 2012 compliance, which would further enhance the overall mineral resource estimate.

It is important to note that the Talisman and Bonanza Zones have not been included in previous resource estimates. However, evaluation of the historic channel sampling and considering recorded production and stope volumes there are a number of areas where there are unmined blocks of potentially economic grades remaining. NTL's engineering team is currently evaluating the ability to access these areas during prospecting and bulk sampling.

The final stage will be a more detailed analysis into the remaining area CROWN which will take approximately 60-90 days. Analysis of mystery vein for compliance with Jorc 2012 is being undertaken and once all of the above are complete such will form the basis for a full independent valuation on the Talisman mine asset.



**Figure 2 - Long section (oriented North-South) through the Maria Vein showing Measured (red), Indicated (green) and Inferred (blue) resources in the Woodstock and Dubbo Zones. Woodstock is the zone on the left of the graphic while Dubbo is on the right.**

Replacing the JORC 2004 Dubbo Resource and Woodstock estimates with the new estimate for both zones, and converting the remaining JORC 2004 resources from Crown and Mystery to gold equivalents gives total measured, indicated, and inferred resources of 396,000 Oz Au\_Eq prior to the resource modelling underway on Talisman/Bonanza.

**For further information please contact:**

**CEO Matthew Hill on +64 217 95559 or [matt@newtalisman.co.nz](mailto:matt@newtalisman.co.nz)**

#### **Competent Persons Statement**

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 and Mr Wayne Chowles. Mr Stevens is a consulting geologist and director of New Talisman Gold Mines Ltd, who is a corporate member of the AusIMM. Mr Stevens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Chowles is a Mining Engineer and member of the AusIMM. Mr Chowles is a full-time employee of New Talisman Gold Mines Limited, 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Both Mr Chowles and Mr Stevens consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

---

**About New Talisman Gold Mines Ltd**

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2200 shareholders who are mainly from Australia and New Zealand. It is a leading New Zealand minerals development and exploration company with a mining permit encompassing the Talisman mine, one of New Zealand's historically most productive gold mines. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a JORC compliant mineral resource and a JORC compliant reserve statement within the original Talisman underground mine, and a binding Agreement for Newcrest Mining to spend up to \$5M on an adjacent exploration permit along strike from the mine, Rahu. The company is now advancing its plans to develop the mine, and advance the exploration project.