

Market Announcement

For Immediate Release



Quarterly Activities Report to 30 June 2020

New Talisman Gold Mines
Limited

***Responsible,
Environmentally
Sustainable Mining***

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board

Charbel Nader Chairman/Independent Director
Matthew Hill Chief Executive/ Managing Director
Murray Stevens Non-Executive Director
Tony Haworth Independent Director
Jane Bell Company Secretary

Capital Structure
Ordinary Shares at 31/07/2020 2,792m

Share Price
Share Price at 31/7//2020 (NZX) 0.8cps
Share Price at 31/7//2020 (ASX) 0.7cps



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QUARTER HIGHLIGHTS

- Gold Price Soars Above 2011 Peak
- Talisman Mine Site reopened following lockdown
- Mineral Resource Estimate and Review complete
- Geological Analysis identifies 3 priority target areas

Following the last quarter which ended in Level 4 lockdown, the team used the lockdown period as a good opportunity to focus its efforts reviewing all of the geological modelling and, following receipt of the AMC review, commenced identifying prospective areas for near term underground exploration.

Through the review of the extensive NTL/Heritage database, a number of low-cost activities were identified and prioritized by the highest resource potential. These areas and the accompanying activities currently being planned are aimed to commence alongside underground operations at Mystery as outlined. A detailed summary of each target is outlined further in this report.

During the quarter the company received an estimate for drilling the Mystery as part of the development program being costed alongside vein development at the Mystery face as previously announced.

By the end of the quarter the company had completed remobilizing to site and reopening of the mine following lockdown where the site was secured.

Terra Firma have now commenced the preparatory planning work including procuring consumables for the commencement of blasting the drive forward of the Mystery Vein. As previously outlined this work aims to test the continuity of the vein which has continued to prove high grades. Further sampling of continued high-grade gold could provide the potential for resource expansion and further increase stockpiles of ore for processing.

From a financial perspective with the additional cost cutting measures, the quarter resulted in expenditure of NZ\$290k and cash at the end of the quarter of NZ\$2.2m.

Maintaining cash through reduced capital and operating expenditure while completing activities which add to the gold resources and/or provide further stockpiled paydirt are the near-term objectives while the processing route is secured.

With a driving gold price reaching a record US\$1,956 the highest gold price since 2011 and in NZD terms near its all-time highs at NZ\$2,924, the market climate continues to support the accelerated development of the Talisman Gold Mine.

TALISMAN PLANT

The key in cementing cashflows is the delivering of a production route for the Talisman ore following the completion of a majority of the testwork at the pilot plant last quarter. A larger scale plant has been scoped and flowsheets developed which provide a gravity-based solution capable of handling longer term volumes.

The Company continues to evaluate processing plant site options having established from its pilot plant test work that the Talisman ore can be processed by gravity methods with good gold recoveries not requiring the use of cyanide.

While consenting work is being undertaken the Identification and inspections of second hand plants is underway.

As announced last quarter discussions have commenced with a high profile NZ industry group and work is underway on the evaluation of the potential for a formal collaboration that could facilitate funding, delivery and operation of a joint processing plant as part of a broader industry offering. NTL is currently working on the modelling of volumes in line with the current Talisman mine plan and development of a broad commercial business model treating similar volumes. This will determine commercial drivers and allow further due diligence to continue.

Resource Expansion and Target identification

During the quarter the team took the time provided during lockdown to analyze the geological databases for targets following the receipt of the AMC report. This has resulted in the development of a number of low capex activities aimed at the target areas. With the mineral resource estimate complete and reviewed, work can continue on the design and scheduling of the longer term mine. It is possible that production from the Mystery vein will play an increasingly important role in the mines overall production profile so it will be important to consider the placement of critical infrastructure so that both the Maria and Mystery veins can be mined concurrently without duplicating access and ventilation systems.

In parallel with this process NTL is planning to focus initially on the Mystery vein for its near term bulk sample ore.

This will involve driving on the Mystery Vein and creating drill and channel sample positions for resource expansion, grade confirmation and to bring more of the current inferred resource into the measured and indicated resource categories.

There are a number of other targets that have been identified from previous work done by NTL and its predecessor Heritage Gold Ltd as well as work dating back to the 1980's that have demonstrated resource potential and are in close proximity to where the Company has been operating underground. These are defined as exploration targets under the 2012 edition of the JORC code as being where, "the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource"

These targets were first reported on in a release to the ASX/NZX on 8 June, 2016, <https://www.asx.com.au/asxpdf/20160608/pdf/437rrdbmhd90d.pdf>

The objectives are to confirm geology and grade information and model the targets in terms of volume, gold grade range and content.

The targets being assessed are:

Mystery/Roderick Dhu

NTL have channel sampled and drilled 3 diamond holes into the Mystery Vein. There is currently a small inferred resource of 11,000 oz Au bullion equivalent outlined at an average grade of 25g/t gold bullion equivalent. (See release to ASX/NZX dated 24 June, 2020 2019 Mineral Resource Estimate Update, <https://www.asx.com.au/asxpdf/20200624/pdf/44jxg7ilm05d5q.pdf>).

New Talisman confirms that it is not aware of any new information or data that materially affects the information in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The vein lies between the Maria and Welcome/Crown Veins approximately 200m east of the Maria Vein. Its orientation, width and character are consistent with the Maria and Welcome/Crown veins mined historically.

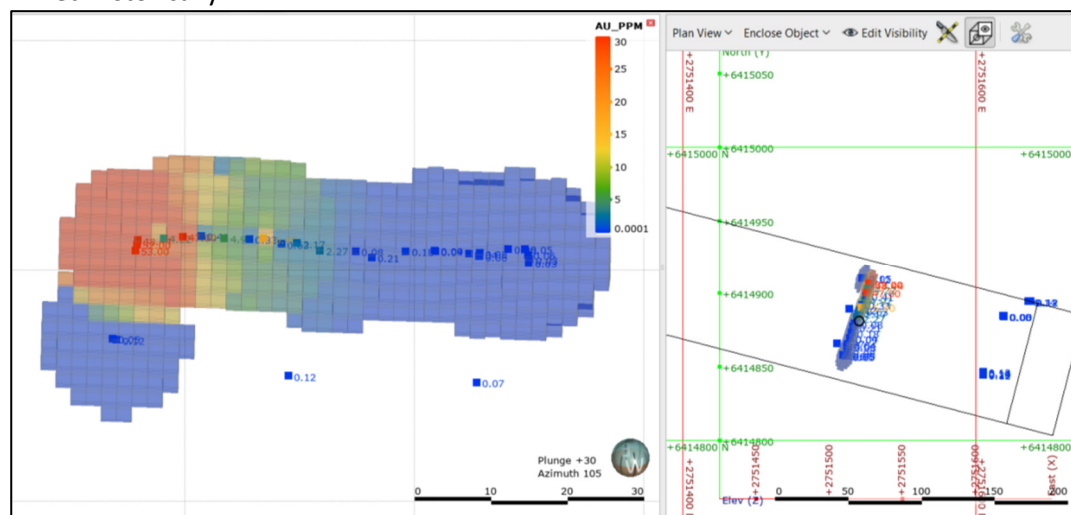


Figure 1 - Mystery Vein, estimated Au block grades

Examination of surface and underground geochemical sampling results from historic data shows the possibility that the Roderick Dhu veins that occur around 600m north of the Mystery vein may well be the same vein system.

NTL has long speculated that this might be the case and analysis of the new data supports this. The grades recorded in the historical data set from 39 surface outcrop and underground channel samples range from below detection to 84.0 g/t gold with an average of 11.89 g/t Au and 107.4 g/t Ag. Sample widths range from around 10cm to 1.8m and average 0.4m.



Figure 2- Exposure of the Mystery Vein at No 8 Level - Talisman Mine

Crown Mine

The Crown Mine comprises two main veins, the Crown Vein and the Welcome Vein. The majority of historic stoping was carried out on the Welcome Vein while little was done on the Crown until late in the pre-First World War era. The Welcome-Crown Vein system is over 900m long including extensions into Taukani Hill and open along strike to the north and south and at depth.

Currently there is a measured, indicated and inferred resource here of 29,500 oz gold estimated to JORC 2004 requirements as shown in the following table;

Crown Vein 2006 Resource Estimate					
Category	Tonnes	Gold Grade g/t	Gold Ounces	Silver Grade g/t	Silver Ounces
Inferred	80,100	6.3	16,200	12.7	32,700
Indicated	35,900	6.3	7,300	12.7	14,700
Measured	30,100	6.2	6,000	12.4	12,000
Total	146,100	6.3	29,500	12.6	59,400

Note: There may be small variations due to rounding. Resource estimated in 2006 in compliance with JORC 2004. There have been no material changes to the data with which this estimate was made since first reporting.

Considerable exploration potential exists in this vein system and it is easily accessible from the current underground workings on 8 Level, 5A Level and Keillors Cross-cut.

There is around 180m to 200m of backs above 5A level on the Crown Vein to the surface that are not currently included in the existing resource estimate for the Crown.

Historical evidence indicates that the upper levels above 5A were not developed owing to access difficulties from the Waitawheta gorge and there being no access from the adjacent Talisman Mine at that time. In addition, development of the Crown ceased at the end of the First World War owing to shortages of manpower and capital and the downturn of the mining industry at that time.

Sampling by past explorers in the 1980's shows promising results for the Crown Vein in outcrop at surface where some 24 channel samples that range in width from 0.1 to 1.8m and average 0.74m gave an average gold grade of 16.6g/t, within a range of 0.16g/t to 81.5g/t Au.

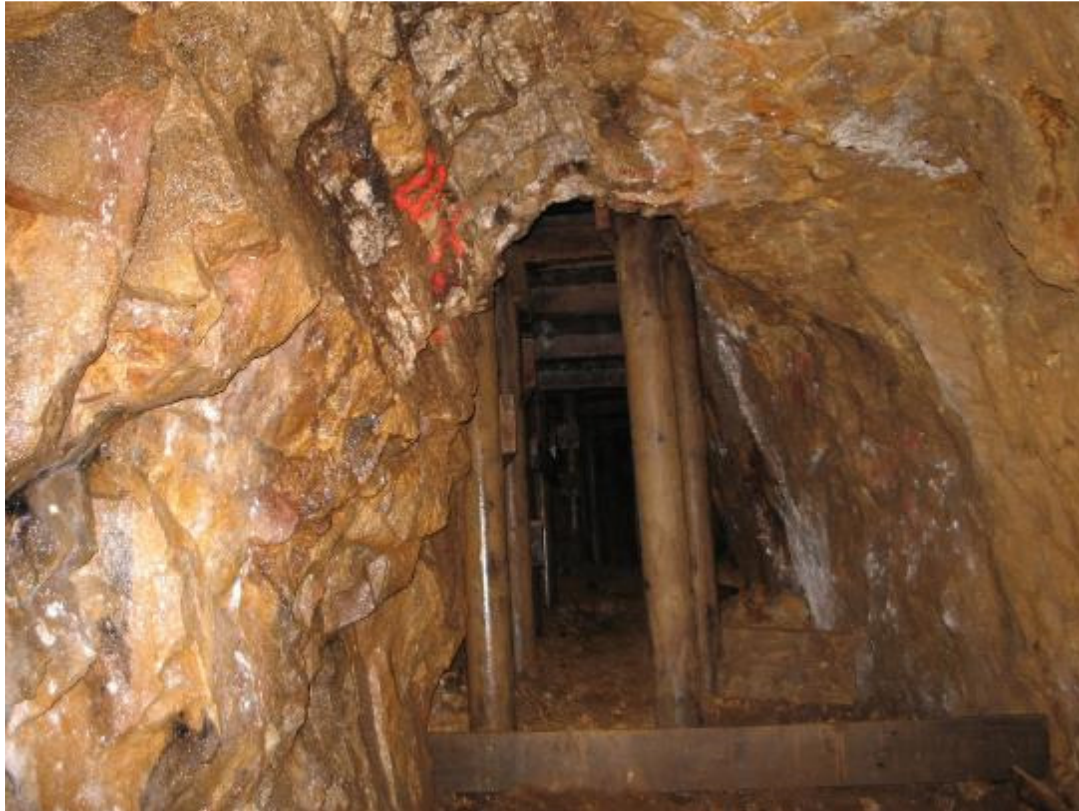


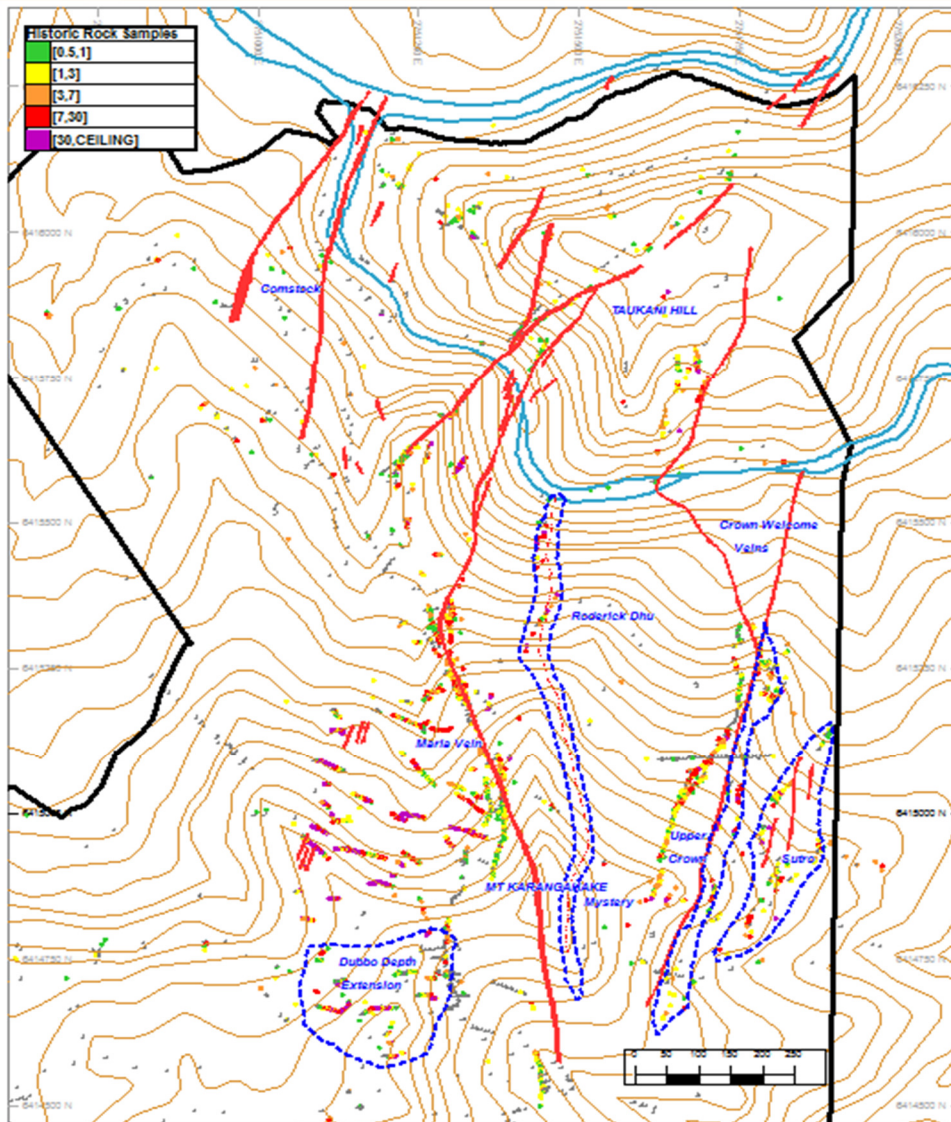
Figure 3- Crown 5A level at the Talisman Mine

Imperial/Sutro Vein System

The Sutro workings lie approximately 100m east of the Crown Mines surface outcrop. These appear to be a southward extension of the north east trending Imperial veins. Their significance is now apparent from the historic data and they require further work to develop the target.

Preliminary observations are that the veins in the Sutro workings from which 39 channel samples were taken range in gold values from below detection to 94.0 g/t gold, averaging 8.46 g/t Au and 22.8 g/t silver. Sample widths average 0.5m and range from 0.1m to 1.2m.

Further exploration of these veins is warranted on surface and subject to suitable drill positions being established from Crown Level 5A could be easily drill tested from underground.



Mine Planning and Consenting

As announced previously the Life of Mine level design continues to be developed. Recent gold prices have risen to such an extent that the impact on the mine design and economic cutoff grade allows for a review of areas such as Woodstock which becomes economic at the current gold price. The period saw the completion of the main high level design which broadly sets out the developmental and infrastructure requirements needed to support the mine. Additional work is being undertaken to include the further data derived from Mystery Drive into increasing confidence of the company resources in the JORC Categories.

Over the course of the next six months the company intends to lodge an application for full mining at Talisman and work has commenced on the initial gap analysis for application with the Council aimed at securing consent to mine following the end of the two year bulk sampling plan.

Corporate

The board continues to maintain a 20% reduction in fees and salaries which were introduced in 2019 while the global economy remains uncertain.

Sharetrader postings

Following on from the company's announcement on 6 July 2020, the New Talisman Chairman arranged for a third party to review the comments publicly available, alleged by sharetrader.co.nz as being made by the company's CEO on the sharetrader.co.nz site. Following that review, the company is satisfied that the poster has not disclosed any material information not already generally available to the market.

Tenements

Rahu Resources –EP60144 100% New Talisman

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited

Competent Person 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. 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 2004 and 2012 Editions 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 they appear.

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2900 shareholders who are mainly from Australia and New Zealand and has been listed since 1986. 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. The company has commenced prospecting and upgrading activities at the mine and advance the exploration project to increase its considerable global exploration target into JORC 2012 resources.

Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including one of New Zealand's highest-grade underground gold mines.