

17 May 2016

**ANNOUNCEMENT BY NEW TALISMAN GOLDMINES LIMITED
[ASX, NZSX: NTL]**

FOR IMMEDIATE RELEASE

RIGHTS ISSUE

New Talisman Gold Mines Ltd (ASX, NZSX : NTL) is pleased to announce that it will provide eligible shareholders the opportunity to participate in a pro-rata renounceable rights issue of new NTL shares (**New Shares**) at an issue price of NZ\$0.005 or AU\$0.005 per New Share to raise up to approximately NZ\$12.265 million (**Offer**).

The Offer price represents a significant discount to the closing price on the NZX as at 16th May 2016 of 1.5 cents. This provides existing shareholders with a very attractive opportunity to participate in the growth of the company at a time when the gold price is firming and sits currently around approximately 1900 NZD per ounce.

The Company intends utilising the funds raised through this offer and current cash reserves as follows:

- 1) Initiating the bulk sampling programme and associated works immediately following completion of the raise
- 2) Accelerating the bulk sampling programme to maximise ore extraction within the terms of the granted resource consents which allow for up to 20,000 cubic metres per annum. This will be determined through detailed analysis of the updated prefeasibility study and project plan currently being undertaken.
- 3) Accelerating the transition from bulk sampling to Phase 1 of the longer term production plan upon completion of the definitive feasibility study.
- 4) Identifying additional mineral resources from the recently acquired digitised historic production data and opening up new ground based on targets identified through the recent analysis of the Talisman database
- 5) Fund the Company's obligations under the Rahu Joint Venture with Newcrest Mining.
- 6) Working Capital requirements

Eligible shareholders will be able to purchase three (3) New Shares for every one (1) existing NTL ordinary share held as at 7.00pm (NZT) on Tuesday, 24th May 2016 (**Record Date**). New shares issued under the Offer will rank equally with existing NTL ordinary shares on issue.

Matthew Hill said “While this is the largest capital raise undertaken by the company since its inception the funds raised provide for a significant opportunity to capitalise on the wealth of new data, expanded opportunities which have recently been made available and the ability to work towards generating the maximum gold ore in line with the current resource consents and plans”.

The Offer will also include a shortfall facility that will provide eligible shareholders the opportunity to also request additional shares in excess of their pro-rata entitlement.

To be an eligible shareholder, you must, as at 7.00pm (NZT) on the Record Date:

1. Be registered as a holder of NTL ordinary shares; and
2. Have a registered address in Australia or New Zealand.

The Offer timetable is summarised below. Full details of the Offer will be contained in an offer document to be released shortly.

For further information, please contact:

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About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 1900 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 within the original Talisman underground mine, and a non-binding Heads of Agreement with Newcrest on an adjacent exploration permit along strike from the mine. The company is now advancing its plans to develop the mine, and advance the exploration project.

More about New Talisman Gold at www.newtalisman.co.nz

Offer timetable

Rights trading commences ASX	23 May 2016
Rights trading commences NZX Main Board	23 May 2016
Record Date for determining Entitlements	7.00pm (NZ time), 24 th May 2016
Opening Date	25 May 2016
Expected dispatch of document enclosing the Entitlement and Acceptance Forms	25 May 2016
Rights trading ends ASX	7.00pm (NZ time) and 5.00pm (AEST), 6 th June 2016
Rights trading ends NZX Main Board	5:00pm (NZ time) and 3:00pm (AEST), 8 th June 2016

Closing Date (last day for receipt of the completed Entitlement and Acceptance Form with payment)	5.00pm (NZ time) and 3.00pm (AEST), 14 th June 2016
Allotment and issue of New Shares and dispatch of holding statements (Issue Date)	17 th June 2016
Expected date for quotation of New Shares on NZX	20 th June 2016
Expected date for quotation of New Shares on ASX	20 th June 2016

These dates are subject to change and are indicative only. New Talisman reserves the right to amend this timetable (including by extending the closing date) subject to applicable laws and rules of NZX and ASX.