

Market Announcement

ASX: NTL, NZX: NTL

For Immediate Release

NEW Talisman
GOLD MINES LIMITED

Quarterly Activities Report to 31 December 2017

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 -
2,164,503,303

Listed Options
17,036,384 listed options expiry
30/09/2022

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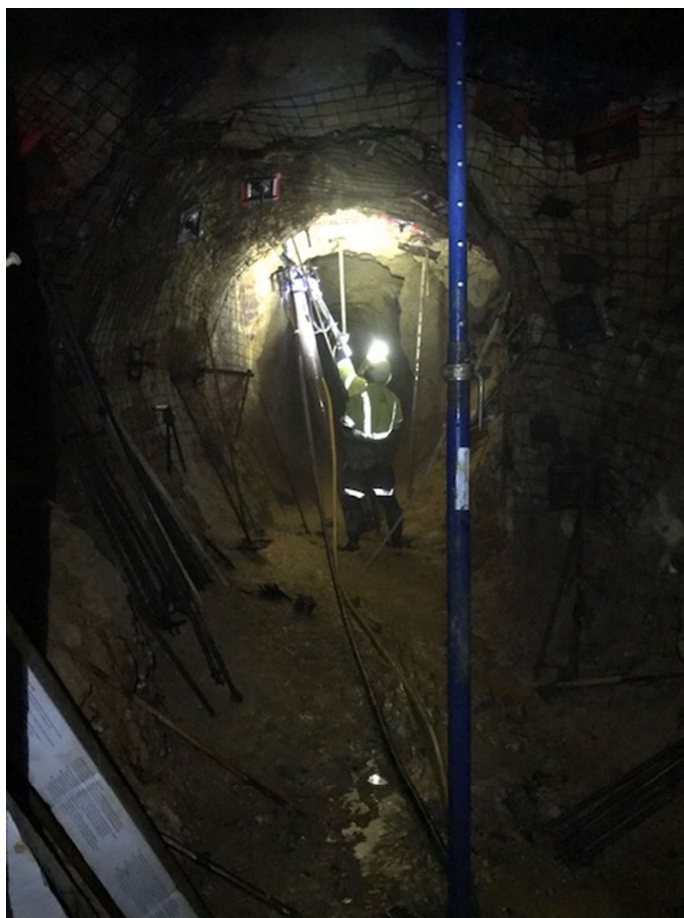
HIGHLIGHTS

- Rehabilitation reaches 600m underground;
- Sampling of broken ore stockpiles underground yields positive results;
- Metallurgical testwork for concentrator plant underway;
- Ore extraction commences;
- Ventilation and Power infrastructure near completion.

During the period under review works progressed at the Talisman mine site with the commencement of major infrastructure installation. Works on both power and ventilation are nearing completion and gold bearing material continues to be stockpiled.

Timing of the first blast at Mystery is currently being determined by the technical team which is likely to commence upon completion of final remedial works at Mystery.

The company continued to evaluate several opportunities for Toll treatment and concentrate sales both in NZ and elsewhere.



Mine Refurbishment

Excellent progress has been made by the underground team and remedial works have now progressed more than 600m into the mine at the location of the second bypass. This is some 30m from Keillors Crosscut and is the final step to make the No 8 level drive fully trafficable all the way to the Mystery Workings. The project has not been without its challenges, but these have been met within budget and only a minor impact on timing. The company remains in a position to commence works on the Bulk sampling project early in 2018

Geotechnical assessment of those areas which will possibly provide access to 9 level and below is currently underway. Access to these levels will allow the team to undertake sampling activities in the highly prospective areas of the high-grade Dubbo Zone directly below the area delineated by the 2004 exploration programme. The intersection of the Maria vein here in 1989 borehole BM37 drilled from 8 Level, assayed at 656g/t gold over 1.8m which included 1154g/t over 1.0m. This with channel sampling and drilling by NTL confirmed the presence of a high-grade shoot that has been further supported by modelling work of historic

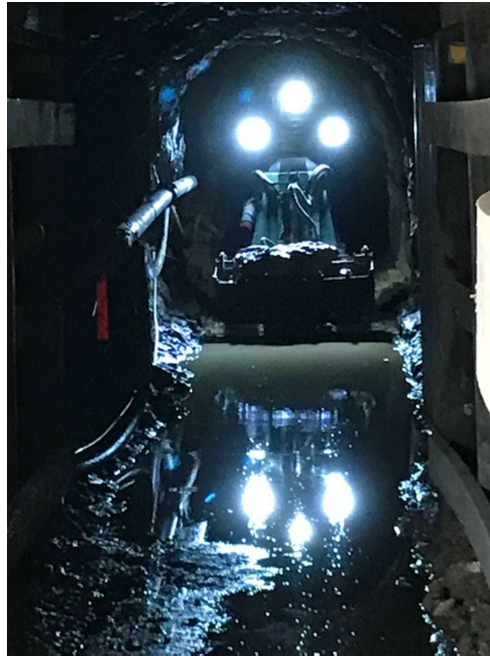


Figure 1 - Underground loader operating in the first bypass area

grade data in the recent mineral resource upgrade.

NTL announced on 05 December 2017 that extraction and stockpiling of ore has commenced at the Talisman mine site. The ore is currently being stockpiled while treatment options are being reviewed.

Prospecting

Prospecting activities continue with several sources of broken ore having been identified. Results of sampling carried out to date have been largely positive and a more detailed update will be released once all results are available and have been assessed.



Figure 2 - Shotcreting to seal a historic orepass

Prospecting activities are also underway at Taukani Hill where previously, 21 rock chip grab samples of

quartz vein outcrop yielded highly encouraging gold assay results ranging between <0.02g/t and 345g/t. These results were announced to the market by Heritage Gold Ltd on 29 July, 2011. The Company wishes to increase its knowledge of this highly prospective area along with other targets in the mining permit and develop a more detailed exploration programme for inclusion into the broader mine development schedule.

Prefeasibility Study

In 2013 the company completed a Pre-Feasibility Study on development of the Talisman Mine.

This study proposed a mine plan, focussed on the high confidence areas adjacent to No 8 level, to produce some 32,000 ounces of gold from 106,000 tonnes of ore over a five-year period with an average Run of Mine grade of 9.9g/t Au. At a then gold price of USD 1,700/Oz and a USD: NZD exchange rate of 1:0.8 the project yielded an indicative NPV10% of NZD 16.5 million at an on mine cash cost of below NZD700/Oz



Learnings from the design of the Bulk Sampling Project as well as

Figure 3 - View from the portal during installation of the air lock structure

the revised mineral resource estimate are being incorporated into this study. The recent increased grades are expected to have a significant positive effect on production costs as more gold will be produced for the same effort. Costs are based on tonnage not gold content i.e. one tonne of low grade ore attracts the same cost profile as a tonne of high grade ore, but the revenue profile varies along with the contained metal.

Scoping Study

Good progress has been made on the Talisman Deeps scoping study. This study is the first step in the development of the much larger Talisman Deeps operation based on the significantly expanded 469,000 AuEq Oz Mineral resource details of which can be found in company releases of 12 July 2017, 25 July 2017 and 05 September 2017.

A pre-feasibility study, (PFS) is a technical study as defined in the JORC Code and can be used for the purposes of defining an Ore Reserve. Because of this a PFS is confined to examining only the higher confidence Measured and Indicated Resources and cannot take account of the extensive information available pertaining to the deeper extents of the mine where the Mineral Resources are classified in the Inferred Resource category. While indicative of the short to medium term potential of the project this is not reflective of the considerable value increase posed by the depth extensions of the vein system. Mine design and production

scheduling covering the much larger, 469,000 Oz AuEq mineral resource, is likely to point towards a significantly larger, longer life operation than has previously been considered. It is equally likely that, considering the increased grade of the recently upgraded mineral resource (6.6g/t AuEq vs 15.1 g/t AuEq), that economic prospects for the project will increase significantly.

A Scoping Study, as referred to above, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

The Scoping Study will also identify opportunities for the exploration activities to be undertaken to gain the information required to increase confidence in portions of the Maria Vein outside the recent resource model upgrade. Current information from the Talisman/Bonanza Zone has identified a target area of some 154,000m² on the plane of the Maria vein wireframe beyond the current resource that is likely to yield a vein width of between 1.6m and 2.4m with mean AuEq grade ranging between 17.10g/t and 21.6g/t.

This target constitutes an 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.

Concentrator Plant

Metallurgical testwork on representative samples of ore from both the Mystery and Dubbo veins is currently underway in South Africa. This test-work will inform the final design of the plant to ensure that metal recovery is fit for purpose before deciding on proceeding with a pilot plant. Such a plant will provide the opportunity to produce a saleable high-grade concentrate while still meeting the requirements of traffic movement flows from the mine specified in the existing resource consent.

The plant will include a crushing and grinding circuit followed by a gravity concentrator which may be supplemented by a froth flotation cell. A closed loop water system is proposed ensuring that no contamination of natural water ways will take place. All metals contained in the feed stock will be recovered to the concentrate while reject material will be completely inert and suitable for placement as backfill.

Upon completion of this metallurgical programme NTL will have a greater understanding of precious metal recoveries achievable as well as the costs involved in installing and operating such a plant.

Tenure

The Talisman Mine is held under a mining permit, MMP51326, which was granted in 2009 for a period of 25 years, we are compliant with the conditions of that permit. The operation is an

existing mine on conservation land and the Company holds all the necessary permits and consents to execute the work programme.

Rahu Project (wholly owned subsidiary 100% Rahu Resources Pty Ltd)

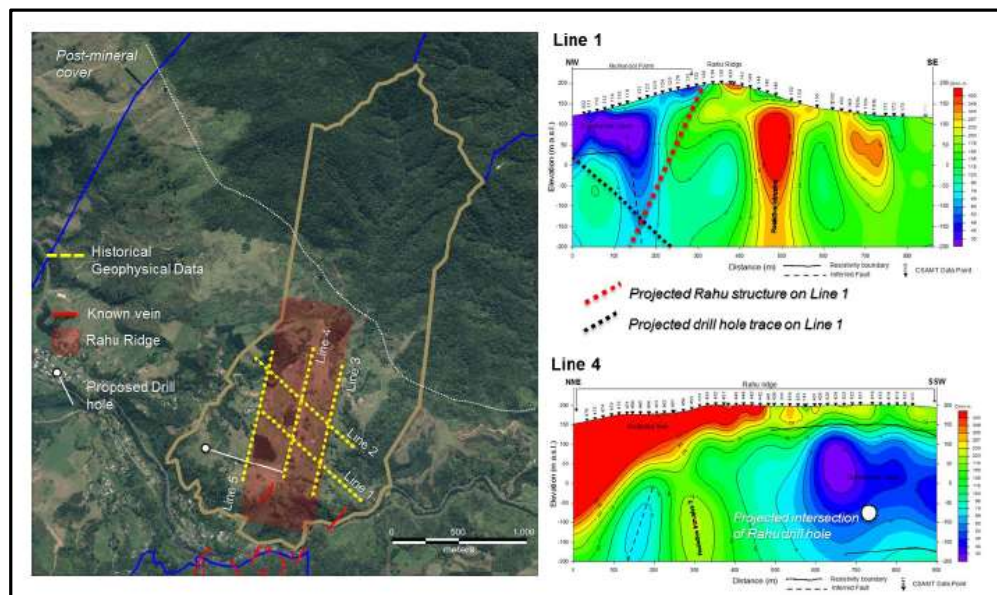
In 2016 NTL entered into a joint venture with Newcrest New Zealand Exploration Pty Ltd, a subsidiary of Newcrest Mining Limited, to further explore and develop the Rahu project. Initially, Newcrest held 80% of the project with the remaining 20% held by NTL. On 22 September 2017, NTL entered into a sale and purchase agreement with Newcrest which resulted in the successful acquisition of Newcrest's 80% share.

During the time of their involvement with the project the Newcrest team carried out a significant programme of work on the permit, this included:

- Extensive field investigations.
- Spectral analysis of drill core to identify hydrothermal clay alteration patterns that indicate proximity to gold mineralisation.
- Relogged drill core and reinterpreted the rock type, structure and geochemistry;
- Updated the geological model and determined drill targets.

All data gathered during the period was transferred to NTL who have continued with further analysis.

The figure below shows the results of a CSAMT geophysical survey that shows the top of the host andesite host rock is nearest surface at the southern end of prospect.



Based on Newcrest's and NTL's interpretive work, the area selected for the first drill hole has distinctive clay hydrothermal alteration patterns plus the mineral adularia, indicative of proximity to gold mineralisation in Waihi Gold District epithermal vein systems.

NTL has previously delineated a small resource at Rahu, however the main target for a high-grade extension of Talisman lies at depth.

Newcrest were supportive of NTL's belief that geological evidence points towards to the area being the upper extent of what could be a significant epithermal gold deposit.

Your company is completing its geological work to validate the deep target and finalising its drill hole planning and administrative work for drilling in the first quarter of the 2018.

This deep target constitutes an 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.

Tenement Holdings

Project	Permit Number	Ownership
Talisman	MMP 51326	100% New Talisman Gold Mines Ltd
Rahu	MEP 60144	100% Rahu Resources Pty Ltd a 100% owned subsidiary of NTL

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2250 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 and 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 New Zealand's highest-grade underground gold mine, a JORC 2012 compliant mineral resource of over 427,000 ounces Au_Eq at an average above 15 gt Au_Eq and a JORC compliant reserve statement. The company owns 100% exploration permit Rahu, which lies along strike from the Talisman mine of which 80% was recently acquired from Newcrest Mining. The company will shortly commence exploration activities at Rahu.

Statement of Compliance

The information in this report which refers to estimates of Mineral Resources is extracted from the original market announcements of 12 July 2017, 25 July 2017 and 05 September 2017. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the competent persons findings are presented have not been materially modified from the original market announcement.

Information in this report which refers to estimates of Ore Reserves is extracted from the original report titled "Ore Reserves Definition – Talisman Gold Project" which was released to the market on 07 August 2013 and is available on the company website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the competent persons findings are presented have not been materially modified from the original market announcement.

The information in this report which refers to exploration results at Taukani Hill is extracted from the original market announcement by Heritage Gold Ltd on 29, July 2011 and is available on the NZX website (<https://www.nzx.com/announcements/211837>). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the competent persons findings are presented have not been materially modified from the original market announcement.

Cautionary Statement for Public Release

Certain information contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to future performance and reflect the Company's expectations regarding execution of business strategy, business prospects and opportunities of New Talisman Gold Mines and its related subsidiaries. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions and inherent operating risks. There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Although the Company believes that any forward-looking statements and information contained in this press release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information, whether as a result of new information, events or otherwise, except as required by applicable securities laws. The information contained in this release is not investment or financial product advice.