

Market Announcement

For Immediate Release

NEW Talisman
GOLD MINES LIMITED

UPDATED ORE RESERVE STATEMENT AND PRE-FEASIBILITY STUDY RESULTS

New Talisman Gold Mines Limited

**Responsible,
Environmentally
Sustainable Mining**

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board and Management

Charbel Nader Chairman/Independent Director
Matthew Hill Chief Executive/ Managing 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 at 20/06/2018
2,157m

Share Price

Share Price at 20/06/2018 (NZX) 1.7cps
Share Price at 20/06/2018 (ASX) 1.5cps



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HIGHLIGHTS

- Value of Talisman project more than doubles on results of updated Pre-Feasibility Study, NPV_{9%} increases from \$15m to \$36m;
- Recovered gold increases by 50% to 51,000 Gold Equivalent Ounces;
- Direct operating costs to produce an ounce reduced to \$710 NZD per ounce (\$490 USD/oz)
- Ore Reserves increase by more than 40% from 30,500 to 44,100 Gold Equivalent Ounces;
- Independent valuation confirms robustness of the project with a value of between NZ\$8.4M and NZ\$21.4M

New Talisman Gold Mines Limited is pleased to announce the results of the updated Pre-Feasibility Study on the Talisman Gold Project. The results of the study, as set out in this announcement, reaffirm that the establishment of a highly profitable, small-scale operation, focused on extraction of the higher confidence Measured and Indicated Resources accessible from 8 Level, should provide for an excellent return on investment.

CEO Matthew Hill stated "The updated study demonstrates the robustness of the project economics, showing an IRR of 118% demonstrating the significant value to investors of this world class mine. With a scoping study on Talisman Deeps being finalised in the coming days on the high grade resources and activity at the mine ramping up we are starting to see the results of the teams hard efforts. "

In summary, revision of the 2013 Pre-Feasibility study in light of new information has demonstrated an increase in the Net Present Value, (NPV) from NZD15.4m to NZD35.9m at a 9% Discount Rate. The key drivers for this increase in value are discussed below:

1. Increased ounces available for extraction – this is a result of the 2017 (JORC 2012 compliant) Mineral Resource Estimate which saw gold equivalent ounces in the Measured and Indicated categories increase by some 18,000 ounces. These are included in the mining plan which has seen an increase in expected gold production of some 18,800 Oz AuEq.
2. Increased mine life – on the back of the increased ounces life of mine is extended by a year giving a current expectation of 6 years for this first stage of the larger project;
3. Grade – Run of Mine grade, on a gold equivalent basis, has increased from 11.2g/t to more than 27 g/t.
4. Breakeven gold price reduced substantially to \$820 NZD per ounce.
5. Unit operating costs significantly reduced with costs to extract the ore and bring it to surface (C1 cost) of NZD 583 per ounce and cost to produce an economic ounce of gold (C2 cost) being NZD710 per ounce. With the NZD gold price currently sitting at NZD1882 per ounce this demonstrates the robust nature of the project.

6. Independently sourced long term nominal annual average forecasts for gold range from US\$1,334/oz in 2018 to US\$1,374/oz in 2022, with longer-term (2023-2027) averaging US\$1,440/oz.

7. NZ\$:US\$ exchange rates used in the financial model were based on forecast rates obtained from the National Australia Bank and the Economy Forecast Agency these point towards a general decline in the exchange rate which is expected in a range from 0.69:1 to 0.60:1

Other key project metrics, in comparison with the previous PFS results, are tabulated below

		Unit	2013	2018	Variance
Production	Life of Mine	Years	5	6	1
	Tonnes Milled	ktpa	107	64	-43
	Gold Recovered	Oz Total	32,200	51,000	18,800
Cost	Total Revenue	NZD(m)	68	109	41
	Total Opex (C3)	NZD(m)	34	42	8
	Total Capex	NZD(m)	11	12	1
Financial	Cash Surplus	NZD(m)	23	55	32
	NPV @9% (Pre-Tax)	NZD(m)	15	36	21
	IRR	%	83%	118%	35%
	Payback period	Yrs	3	2	-1
Unit Costs	C1 cash Cost	NZD/Oz	692	583	-109
	C2 Cost	NZD/Oz	904	710	-194
	C3 Cost	NZD/Oz	1,041	985	-56
	Breakeven Gold Price	NZD/Oz	1,075	820	-255

The outcome of this study supports a 50% increase in the Ore Reserve attributable to the Talisman Mine. Ore Reserves, based on an average in-situ cut-off grade of 2.6 g/t, are 45,000 tonnes at 30.6 grams per tonne gold equivalent. Reserves are quoted at the point of delivery to the gold processing plant and are derived from and contained within, not additional to, the Measured and Indicated portions of the Mineral Resource.

The study was reviewed by independent experts who found that the proposed mining plan is appropriate for the style of deposit at Talisman, and that determination of Ore Reserves has been attained through reasonable evaluation of mining costs and process recoveries.

Chief Operating Officer Wayne Chowles stated "the revised plan is the culmination of several years of refinement and presents a very solid technical case for development of this world class asset. The robust economics and low environmental impact of the project make it an absolute winner!"

Supporting Mineral Resource Estimate

In late 2016 the Company began a programme to upgrade the Mineral Resource estimate to be compliant with JORC 2012 reporting standards. This exercise was prompted by the acquisition of a large database of historic geological and geochemical information relating the deeper extents of the Maria Vein. Information on this estimate was released to the market in three modules covering the Dubbo, Woodstock and Talisman Bonanza zones of the Maria vein.

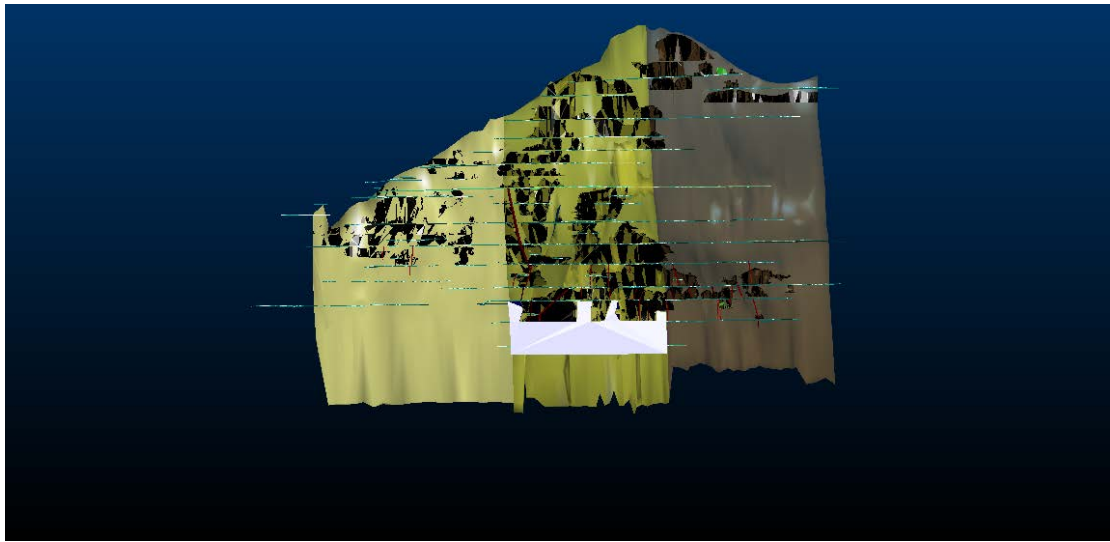


Figure 1 - Long Section of the Maria vein showing the Woodstock Zone on the left, Dubbo on the right and Talisman/Bonanza in the middle.

The net result of this exercise was to revise the estimate of mineral resources available to the Talisman Project from 917,000 tonnes at 6.9g/t Au for 204,000 Oz Au to 950,000 tonnes at 15.1g/t AuEq for 469,000 Oz AuEq. Full details of the methodology can be found in the individual company releases of 12 July 2017, 25 July 2017 and 05 September 2017. Final results are tabulated below:

Mineral Resources Category	Talisman Mine		
	Tonnes	AuEq g/t	AuEq Ounces
Measured	102,800	17.4	57,480
Indicated	97,700	7.4	23,100
Inferred	750,000	15.9	389,200
Total Resources	950,500	15.1	469,800

Completion of this process considerably enhanced the company's understanding of the geometry and grade distribution within the orebody and it was considered necessary to revisit and update the Prefeasibility study on the Talisman Project, which was previously completed in 2013 (PFS13), in order to examine the design and modifying factors incorporated in that study. The Company further elected to commission a scoping study on the Talisman Deeps project which will be the subject of a separate release.

Of note is the fact that in the historical data no individual grades for gold and silver are reported and for consistency, data integrity and comparison with modern sampling it was decided to carry out the resource estimates using gold equivalents.

During the period of historical mining the gold price stayed constant at £4-6s-0d per oz, (USD20.47) while silver ranged from USD0.49 to USD1.03 per oz. Metallurgical recoveries once cyanidation was used were in the 95% plus range.

In order to make the comparisons between modern channel and drill hole sampling and historical sampling the ratio calculated used the formula $Au \text{ equivalent} = Au \text{ g/t} + (Ag \text{ g/t} * 0.031609)$.

An independent third party reviewed the data and modelling used by NTGM for the Talisman mine Mineral Resource estimates and Ore Reserves. They completed sufficient checks to ensure that the databases used for the resource modelling are accurate and consider that the modelling and resource estimation processes were undertaken in a professional manner to acceptable industry standards and with due consideration of the validity and quality of the historical data.

They further consider that the 2017 MRE Report and the Appended JORC Code Table 1 contain the majority of relevant information that investors and their professional advisers would reasonably require for the purpose of making a reasoned and balanced judgement regarding the Mineral Resources being reported and is compliant with JORC 2012 reporting standards.

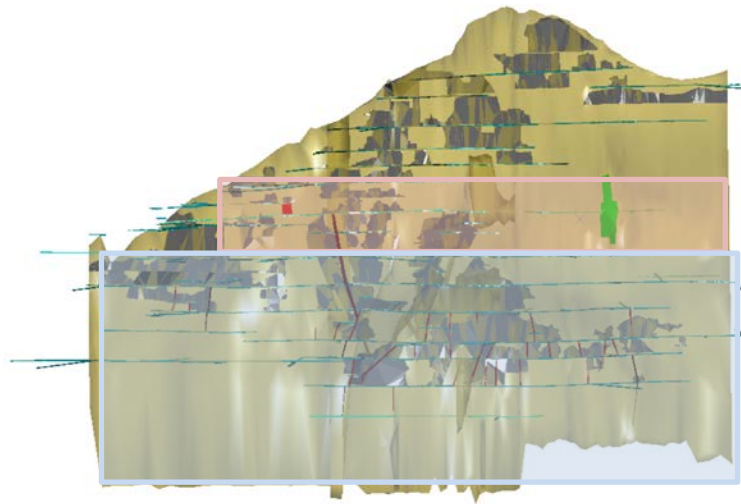


Figure 2 - Long section of the Maria lode showing the location of the Talisman Project area (pink) and the Talisman Deeps Project Area (Light Blue)

Pre-Feasibility Study Overview

A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

The Pre-Feasibility Study on which conversion of Mineral Resources to Ore Reserves is based, has been carried out and has determined a mine plan that is technically achievable and economically viable, material Modifying Factors have been considered.

The first step of re-evaluating PFS13 took the form of revisiting the mine design for the Dubbo and Woodstock Zones where new information was likely to affect the initial parameters. Examination of the geological model revealed that significant changes were required to the mining infrastructure to allow meaningful extraction of the very high grade measured and indicated resources. Particularly the highly mineralised portion of the Dubbo Zone indicated a shortened strike length while the dip extent was longer than previously thought which necessitates additional legs of the decline and incline system.

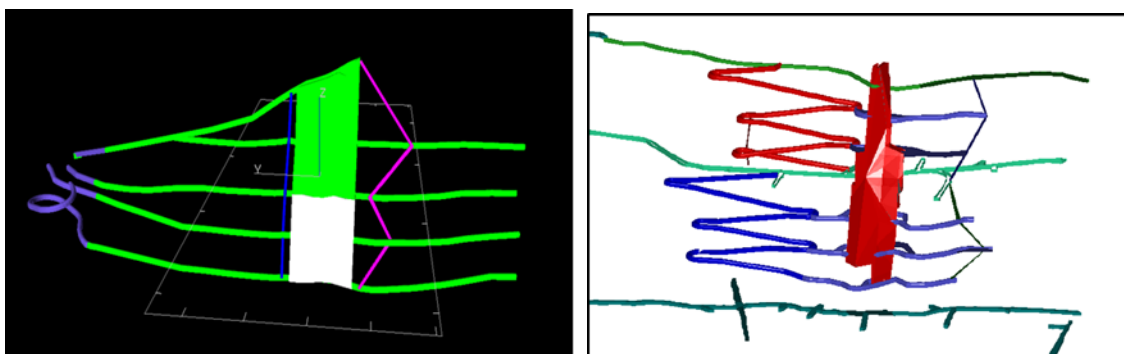


Figure 3 - Diagram showing previous and revised layouts for Dubbo Zone. The revised layout includes two additional sub levels.

Sublevel open stoping remains the mining method of choice as it offers the greatest flexibility and can accommodate a range of drilling techniques dependent on the variability of the orebody. Development of the access ramps and sub levels is maintained on reef as far as possible to offset the cost of development.

These drives are, of necessity, placed in the low-grade portions of the orebody which are unlikely to present an economic target

In determining the economic viability of the mine plan, the following modifying factors were considered:

Mining Factors

Cut off grades - these were based on a preliminary assessment of the likely direct mining costs. A grade/tonnage curve was used to estimate the likely applicable cut-off grade to achieve the required Run of Mine, (ROM) grade. These cut off grades have been calculated for each portion of the resource depending on the individual grade/tonnage relationship of the block.

Mining Method - An option analysis identified sub-level stoping as the most appropriate mining method which offers the flexibility to adapt to both mechanised and traditional drill and blast techniques. Excavations required to access each zone, appropriate to the intended method, have been designed inclusive of drives, traveling ways and ventilation passes.

Geotechnical Parameters - Maximum stope span has been limited to 35m. Strike and dip pillars have been designed to a hydraulic radius, (HR) of 1.4 which is well above the existing HR of 0.9 observed in stable pillars immediately adjacent to the planned stopes.

Dilution – Planned dilution of between 9% and 15%, dependent on orebody geometry, has been included in the modelled stope wireframes. An additional 6% of total stope tonnage has been allowed as “unplanned dilution” to allow for scaling etc.

Mine Recovery – a 10% loss of metal has been allowed for in the calculations to account for ore permanently locked up in stopes.

Minimum Mining Widths - No minimum mining widths have been applied as all veins modelled are equal to or exceed 1.0m in width which is acceptable for removal by the envisaged mining method. Visual inspection of existing stopes indicates that stope widths of <0.6m are attainable within this environment.

Utilisation of Inferred Mineral Resources - The study has focused primarily on extracting ore contained within the identified Measured and Indicated Resources. Some 13% of total tonnage mined in the plan is extracted from Inferred Resources and is derived from development for exploration purposes. This tonnage is mined in the last 2 years of the plan. Further to this a portion of ore reporting to the plant is obtained from on reef development conducted in blocks not classified as mineral resources as the grade falls below the cut-off grade. This ore does defray costs of development and contributes positively to project economics.

Infrastructure requirements - Preliminary design of all supporting infrastructure including power supply, compressed air and water reticulation, ventilation and ore transport is considered and quantified in the study.

Metallurgical Factors and Assumptions

The study proposes gold recovery via a gravity concentration and flotation system. This is supported by testwork carried out on Talisman ore by Pocock and Simpson in December 2017 and announced to the market on 22 March 2018. This testwork concluded that gold recovery exceeding 94% is achievable through this process. A recovery factor of 90% is applied in the study to reflect the likely lower silver recovery through the process.

Environmental

The company currently holds resource consent for a bulk sampling programme, this consent considers the likely environmental impact of the operation and concludes that the effects would be no more than minor. The effects of the larger operation are similar to those inherent in the bulk sampling project and no further adverse effects are likely.

Infrastructure

Talisman is situated within a well-developed area with sufficient accommodation available. The site has a reasonable infrastructure as a result of being an active mine for more than a century. The hard stand area is connected to the main tarred road via a gravel road considered adequate for truck sizes up to 10t. 11kVa power is available to site but will need to be reconnected, sufficient water is available on site to support the mines requirements.

Costs

Costs associated with provision of capital infrastructure were derived from supplier quotes and costs available from other mining groups. Operating costs were estimated from first principles based on detailed costs for employment, personnel training, security, consumables, transport, administration, power, water and other services.

Commodity Prices

Forecast commodity prices have been taken from Consensus Economics Inc.'s Energy & Metals Consensus Forecasts, which surveys more than 40 energy and metals analysts every month for a range of commodity price forecasts. Long term nominal annual average forecasts for gold range from US\$1,334/oz in 2018 to US\$1,374/oz in 2022, with longer-term (2023-2027) averaging US\$1,440/oz.

A comparison was made with forecasts drawn from The Economy Forecast Agency, while there were variations in annual forecasts, overall, the two forecast sources resulted in insignificant difference to the financial model.

Exchange Rates

NZ\$:US\$ exchange rates used in the financial model were based on forecast rates obtained from the National Australia Bank and the Economy Forecast Agency these point towards a general decline in the exchange rate which is expected in a range from 0.697:1 to 0.601:1 over the coming years.

Sensitivity Analysis

In order to understand the sensitivity of the project to various inputs the items shown in the following table were varied in the ranges set out in [Table 1](#) below, the results are presented graphically in Figure 4.

Table 1 - Input ranges for sensitivity analysis

Item	Low Range (relative to base case)	NPV NZ\$ million	High Range (relative to base case)	NPV NZ\$ million
Capital costs	+20%	33.8	-10%	36.9
Operating costs	+20%	29.7	-5%	37.4
Gold price	-12%	26.6	+12%	45.2
Gold (+silver) recovery	-10%	19.7	+5%	28.0
Consolidated		15.4		52

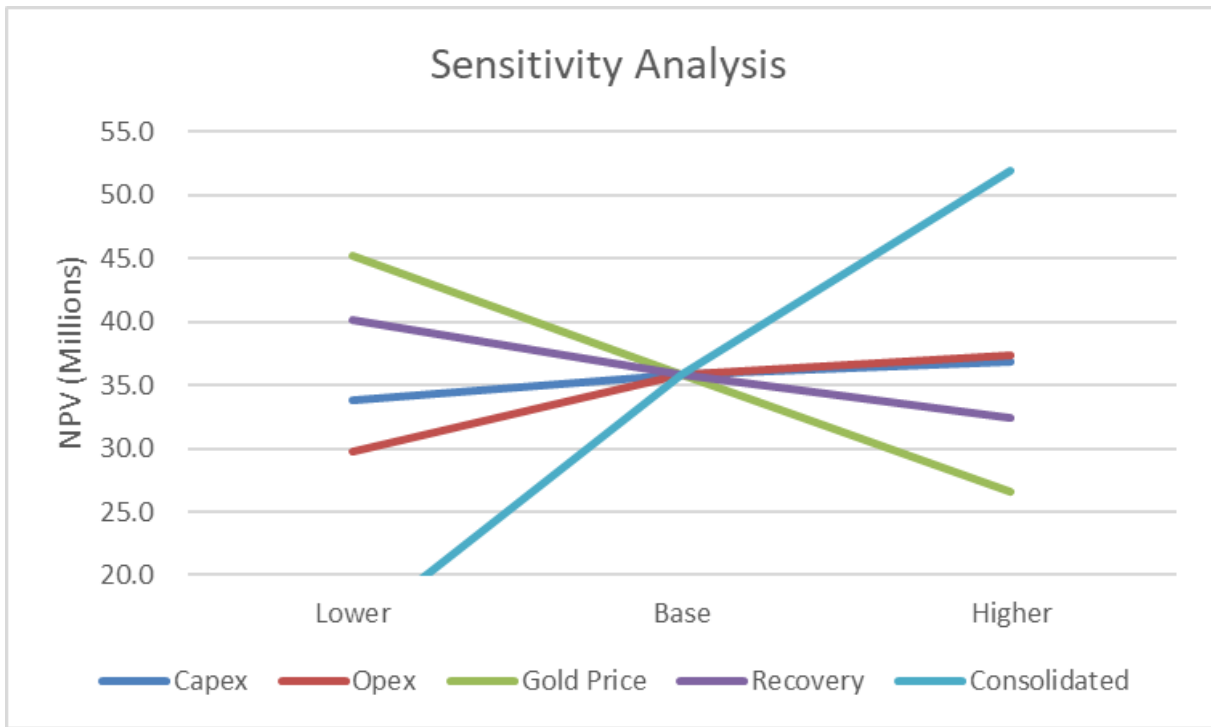


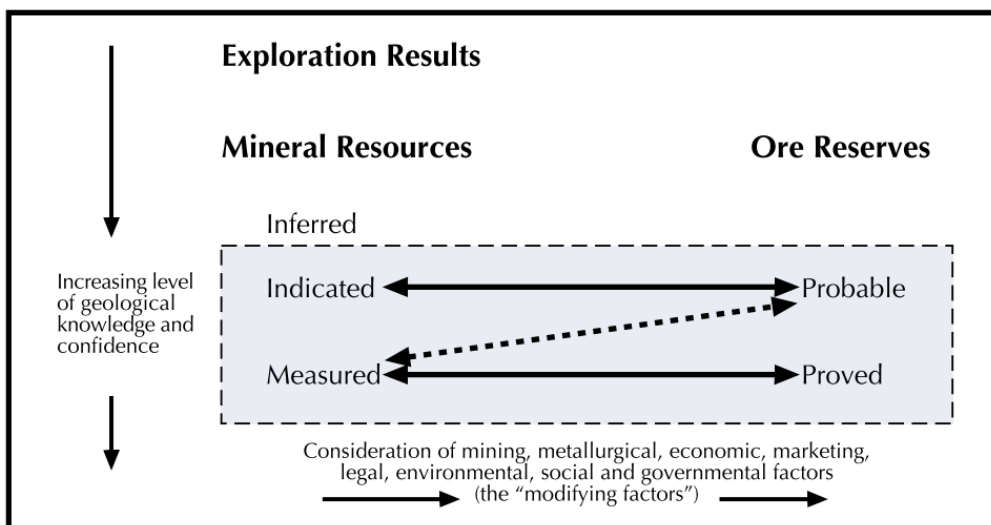
Figure 4 - Sensitivity analysis

The consolidated line in the above graphic shows the effect of all items in table 1 occurring i.e. Capex and Opex exceed budget, the gold price is below forecast, and gold recovery is less than anticipated. This would be considered as an extreme alignment of circumstances and, demonstrates the robust nature of the project where an NPV of 15.4m is indicated.

Ore Reserves

Mineral Resources are converted to Ore Reserves via the application of a range of technical and economic factors (modifying factors) such as metal prices, dilution and estimated recovery, in order to assess project viability. The 2012 JORC code defines ore reserves as follows:

Ore Reserves are those portions of Mineral Resources which, after the application of all mining factors result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a viable project, after taking account of all relevant Modifying Factors. The relationship between Mineral Resources and Ore Reserves is illustrated in the following graphic.



Mineral Resource and Ore Reserve categories are tabulated below.

Mineral Resources	Total NTL		Gold Equivalent	
	Category	Tonnes	Grade	Ounces
	Measured	19,600	17.4	57,480
	Indicated	62,900	7.4	23,100
	Inferred	82,500	15.9	389,200
	Total Resources	165000	15.1	469,800

Ore Reserves	Total NTL		Gold Equivalent	
	Category	Tonnes	Grade	Ounces
	Proved	30,294	35.7	34,791
	Probable	14,632	20.1	9,470
	Total Reserves	44,926	30.6	44,260

An independent third party review of the PFS found that the mining plan proposed in the supporting techno-economic study is appropriate for the style of mineralisation found at the Talisman and that determination of Ore Reserves has been attained through reasonable evaluation of mining costs and process recoveries.

Competent Persons Statement

The information in this presentation that relates to Mine Planning and the Ore Reserve estimates were prepared by Mr Wayne J Chowles, a Mining Engineer and member of the AusIMM. Mr Chowles is a full time employee of New Talisman Gold Mines Limited and the author of the Talisman Prefeasibility Study referred to in this release. 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". Mr Chowles consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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".

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 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 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, a JORC 2012 compliant mineral resource of over 469,000 ounces AuEq at an average above 15 g/t AuEq and a JORC compliant reserve statement. The Company owns 100% of the Rahu exploration permit, 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.

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.

Criteria	JORC Code explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<ul style="list-style-type: none"> • <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> • <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i> 	<ul style="list-style-type: none"> • The Mineral Resource Estimate used as a basis for conversion to Ore Reserve is that compiled during the 2017 mineral resource update which was released to the market in the individual company releases of 12 July 2017, 25 July 2017 and 05 September 2017. • Mineral Resources are reported inclusive of Ore Reserves
<i>Site visits</i>	<ul style="list-style-type: none"> • <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken indicate why this is the case.</i> 	<ul style="list-style-type: none"> • Wayne Chowles is a full time employee of the company and has operational responsibility for execution of the project. Mr Chowles has visited the mine more than 200 times during the compilation of this report and is conversant with both the underground and surface infrastructure
<i>Study status</i>	<ul style="list-style-type: none"> • <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> • <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i> 	<ul style="list-style-type: none"> • Conversion of the Mineral Resources into Ore Reserves is based on the outcome of an updated Pre-feasibility Study which has investigated a number of options available for exploiting the Resource and determined a mine plan that is technically achievable and economically viable. All material Modifying Factors have been considered
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> • <i>The basis of the cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> • Cut off grades were based on a preliminary assessment of the likely direct mining costs. A grade/tonnage curve was used to estimate the likely applicable cut-off grade to achieve the required ROM grade. These cut off grades have been calculated for each portion of the resource depending on the individual grade/tonnage relationship of the block.
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> • <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> 	<ul style="list-style-type: none"> • Preliminary stope design was carried out in Mine 24D and Datamine RM by constructing wireframe strings around the geological block model encompassing the economic portions of the Resource. Waste material necessary to the extraction process was included in the wireframes; the resultant wireframe was evaluated against the applicable block model to determine volume and metal content. • An option analysis identified sub-level open stoping as the most appropriate

Criteria	JORC Code explanation	Commentary										
	<ul style="list-style-type: none"> <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> <i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> <i>The mining dilution factors used.</i> <i>The mining recovery factors used.</i> <i>Any minimum mining widths used.</i> 	<p>mining method which offers the flexibility to adapt to both mechanised and traditional drill and blast techniques. Excavations required to access each zone, appropriate to the intended method, have been designed, inclusive of drives, traveling ways and ventilation passes</p> <ul style="list-style-type: none"> This deposit is a narrow vein gold deposit. Maximum stope span has been limited to 35m. Strike and dip pillars have been designed to a hydraulic radius of 1.4 which is well above the existing HR of 0.9 observed in stable pillars immediately adjacent to the planned stopes The Mineral Resource model is described in the first section of this table. Dilution necessary to removal of ore is included in the stope wireframes. This varies dependant on the width and consistency of the vein, individual dilution figures are as follows: <table border="1" data-bbox="1328 715 1771 938"> <thead> <tr> <th>Resource Block</th> <th>Designed Dilution</th> </tr> </thead> <tbody> <tr> <td>Woodstock</td> <td>6.8%</td> </tr> <tr> <td>Dubbo</td> <td>15.2%</td> </tr> <tr> <td>Mystery</td> <td>28.2%</td> </tr> <tr> <td>Crown</td> <td>31.7%</td> </tr> </tbody> </table> <p>An additional 6% of total stope tonnage has been allowed as “unplanned dilution” to allow for scaling etc.</p> <ul style="list-style-type: none"> Mining recovery of 90% has been allowed for in the calculations as metal unrecoverable from stopes No minimum mining widths have been applied as all veins modelled are equal to, or exceed 1.0m in width which is acceptable for removal by the envisaged mining method. Visual inspection of existing stopes indicates that stope widths of <0.6m are attainable within this environment. The study has focused primarily on extracting ore contained within the identified Measured and Indicated Resources. 13% of total tonnage mined in the plan is extracted from Inferred Resources and is derived from development for exploration purposes. This tonnage is mined in the last 2 	Resource Block	Designed Dilution	Woodstock	6.8%	Dubbo	15.2%	Mystery	28.2%	Crown	31.7%
Resource Block	Designed Dilution											
Woodstock	6.8%											
Dubbo	15.2%											
Mystery	28.2%											
Crown	31.7%											

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> <i>The infrastructure requirements of the selected mining methods.</i> 	<p>years of the plan.</p> <ul style="list-style-type: none"> Preliminary design of all supporting infrastructure including power supply, compressed air and water reticulation, ventilation and ore transport is considered and quantified in the study.
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> <i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i> 	<ul style="list-style-type: none"> A combination of gravity concentration and flotation is considered for gold recovery. This is appropriate for the style of mineralisation. The process is well understood, well tested technology Testwork carried out on Talisman ore by Pocock and Simpson in December 2017 and announced to the market on 22 March 2018. This testwork concluded that gold recovery exceeding 94% is achievable through this process. A recovery factor of 90% is applied in the study to reflect the likely lower silver recovery through the process. No assumptions have been made for deleterious elements A bulk sampling programme is planned for the next phase which will inform the development of a detailed flowsheet during the Feasibility Study. No specification required
<i>Environmental</i>	<ul style="list-style-type: none"> <i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i> 	<ul style="list-style-type: none"> Areas of potential environmental impact have been identified and data collection to support the submission of an Assessment of Environmental Effects as supporting documentation for the various Resource Consents required is scheduled as part of the Feasibility Study.
<i>Infrastructure</i>	<ul style="list-style-type: none"> <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i> 	<ul style="list-style-type: none"> Talisman is situated within a well-developed area with sufficient accommodation available. The site has a reasonable infrastructure as a result of being an active mine for more than a century. The hard stand area is connected to the main tarred road via a gravel road considered adequate

Criteria	JORC Code explanation	Commentary
		for truck sizes up to 10t. 11kVa power is available to site but will need to be reconnected, no permit is required for water take or discharge and sufficient water is available on site to meet operational requirements
Costs	<ul style="list-style-type: none"> • <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> • <i>The methodology used to estimate operating costs.</i> • <i>Allowances made for the content of deleterious elements.</i> • <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.</i> • <i>The source of exchange rates used in the study.</i> • <i>Derivation of transportation charges.</i> • <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> • <i>The allowances made for royalties payable, both Government and private.</i> 	<ul style="list-style-type: none"> • Capital costs were derived from supplier quotes and costs available from other mining groups • Operating costs were compiled from first principles, labour and consumable costs were based on salary surveys and stores lists from local mining companies. • None identified • Metal prices were based on consensus forecasts • Exchange rates were based on forecast rates obtained from the National Australia Bank and the Economy Forecast Agency • Transport charges were based on hire of suitable trucks; distance travelled at prevailing speed limits and estimated l/hr consumption. Diesel price was the current market price • Refining charges are included, there are no penalties applicable • Government royalties at 1% of revenue are included in the financial model
Revenue factors	<ul style="list-style-type: none"> • <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> • <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i> 	<ul style="list-style-type: none"> • Detailed calculations of mine ore flow, inclusive of all modifying factors, were carried out to support head grade estimates. Recovery rates are based on historical mine achievements using the same process as proposed. • Forecast commodity prices have been taken from Consensus Economics Inc.'s Energy & Metals Consensus Forecasts, which surveys more than 40 energy and metals analysts every month for a range of commodity price forecasts. Long term nominal annual average forecasts for gold range from US\$1,334/oz in 2018 to US\$1,374/oz in 2022, with longer-term (2023-2027) averaging US\$1,440/oz..
Market assessment	<ul style="list-style-type: none"> • <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> • <i>A customer and competitor analysis along with the identification of likely</i> 	<ul style="list-style-type: none"> • No demand limit is anticipated

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	<p><i>market windows for the product.</i></p> <ul style="list-style-type: none"> • <i>Price and volume forecasts and the basis for these forecasts.</i> • <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i> 	<ul style="list-style-type: none"> • Not Applicable • Not applicable
Economic	<ul style="list-style-type: none"> • <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> • <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i> 	<ul style="list-style-type: none"> • Inputs regarding metal prices, recovery etc. are described above. A 9% discount rate has been applied to determine project NPV • Sensitivity analysis was carried out varying the Capital, Operating Cost and Metal Price in a ranges of -30% to +30%. The project maintains a positive NPV under these scenarios although it is most sensitive to gold price movements
Social	<ul style="list-style-type: none"> • <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i> 	<ul style="list-style-type: none"> • The company is in an advanced stage of negotiations with key stakeholders
Other	<ul style="list-style-type: none"> • <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> • <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i> 	<ul style="list-style-type: none"> • A risk analysis has been carried out and is included in the Technical Report. • Nil • The mine is held under New Zealand Mining Permit no 51-326. The company holds resource consent from local government and is permitted to carry out bulk sampling activities which are similar in scope to those proposed in this study. The company holds an access agreement and authority to enter the land with the Department of Conservation
Classification	<ul style="list-style-type: none"> • <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> • <i>The proportion of Probable Ore Reserves that have been derived from</i> 	<ul style="list-style-type: none"> • Measured and Indicated Resources have been classified to Proved and Probable Reserves respectively • This result reflects the Competent Persons view on the deposit. Measured resources are readily accessible with low capital requirements. The Reserve Estimates amount to a conversion of approximately 48% of the Measured and Indicated Resources which is considered acceptable for this type of deposit

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	<i>Measured Mineral Resources (if any).</i>	<ul style="list-style-type: none"> • None
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Ore Reserve estimates.</i> 	<ul style="list-style-type: none"> • None carried out to date
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> • <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> • The approach followed to convert the Mineral Resource to an Ore Reserve as discussed in the Public Report is a robust approach and technically sound for this type of deposit. The modifying factors applied in the conversion are considered appropriate to the mining methods considered. The tonnages relevant to each category of Reserve are set out in the report