

Market Announcement

ASX:NTL, NZX:NTL

For Immediate Release



SHORTFALL OFFER

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

Share Chart



www.newtalisman.co.nz

Phone - +64 27 5557737

Email – info@newTalisman.co.nz

541 Parnell Road, Parnell, Auckland

HIGHLIGHTS

- **SUCCESSFULLY RAISES 1.75M NZD**
- **SHORTFALL OFFERED TO 23rd OCT**
- **OFFER OPEN FOR ALL NZ INVESTORS**
- **OFFER OPEN TO ALL s208 AUS INVESTORS**

New Talisman is pleased to announce that, following its completion of a successful SPP raising of \$1.75M, and due to the interest from several parties for shortfall the board has resolved to allow both existing NZ shareholders who were unable to take-up more than their allocation in a single name as well the wider investor community the ability to take up shortfall.

Investors who were not on the register at record date as well as existing shareholders in NZ and Australia may now apply for shares at the same terms as the SPP being 2.2 cents NZ or 2.035 cents AUS with an attaching 1 for 5 option at an exercise price of 5.5 cents expiring 30/9/2022 which has been calculated using a black Scholes calculation of between up to 2.1 cents per option. **For Australian investors the shortfall is restricted to S208 Sophisticated investors.**

Application forms for shortfall attached to this announcement may be scanned and emailed to ntl@computershare.co.nz with funds directly transferred to the following accounts by providing shareholder number in the reference.

Alternatively, the form and cheque can be mailed to the address on the attached form and must be received no later than 5pm NZT on the 23rd October 2017

Given the interest received by third parties for shortfall the board resolved to offer such to shareholders and wider investors which provides the opportunity to acquire shares up until the 23rd October. Funds raised will be applied to the acceleration of Talisman and accelerating the program at Rahu for which the company has sighted and will soon be commencing the drill target at Rahu.

CEO Matthew Hill said “We are delighted by the strong support of our shareholders resulting in a successful SPP. The recent developments have seen the share price rise by over 400% in under 6 months. We continue to add value to this exciting project. The team are now focused on completing the refurbishments required for prospecting to be completed prior to entering the extraction phase underground which is envisaged in December. Once the Offer is closed the development of the concentrator options as outlined at the AGM can be finalized. This may provide a significant opportunity for production of high grade concentrate which is in great demand worldwide.

Rahu Project

NTL has recently acquired the Rahu Project from Newcrest through the acquisition of Newcrest's wholly owned subsidiary Newcrest NZ Pty Ltd. NTL is evaluating options to fast track the exploration project having acquired all geological and site targeting data and logging and a considerable amount of data pertaining to the Rahu project.

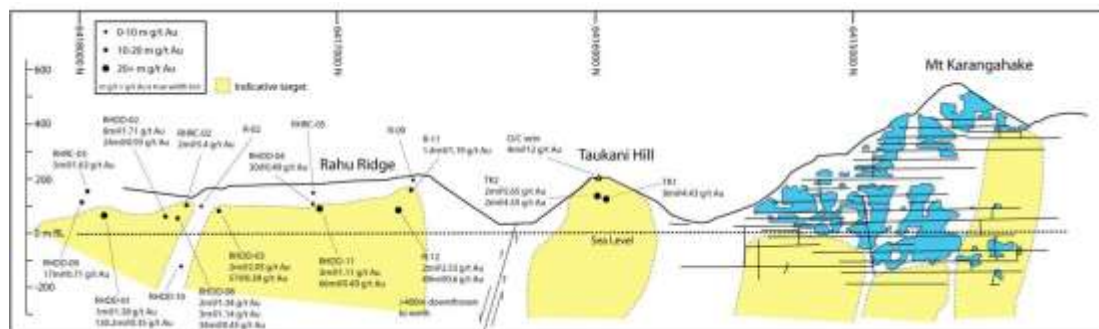


Figure 1 - Long Section of the Rahu Deposit linking through to the Karangahake deposit which hosts the Talisman Mine

Exploration and evaluation work carried out on the Rahu permit has delineated a 700m wide x 1.5 km long NNE trending zone of gold and silver mineralisation and hydrothermal alteration. This has been shown to be the NNE extension of the Karangahake system recognised within the Talisman permit. Some 31 drill holes, totalling 4585m, have tested the upper levels of this structure and have intersected highly anomalous Au and Ag values with some high-grade gold and silver intercepts.

Resource estimation carried out based on these results has determined a JORC2012 compliant resource of 41,590 oz. gold and 258,400 oz. silver in the indicated and inferred categories.

Exploration Targets of 14 million tonnes ranging between 0.5g/t and 2.0g/t Au for between 225,000 oz. and 902,000 oz. gold have been outlined. 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.

Matthew Hill said "We are very excited by this acquisition in a highly prospective area that may provide significant upside to the existing resources. We are currently finalising the work program to be undertaken which will see a number of deep drill holes completed, targeting high grade gold mineralisation at depth."

The Rahu permit lies to the north of the Karangahake Gorge, between Mackaytown and Waikino. It covers the Rahu Ridge-White Rocks area (which is primarily rolling farmland) and extends into Department of Conservation (DoC) scrub and forest in the north of the permit.

NTL's long held view that Rahu is an extension of the mineralisation and vein system to Talisman but with the target at a deeper level.

Multiple lines of evidence show that mineralisation and alteration present at Rahu represent the upper levels of an epithermal system capable of hosting a million ounce plus deposit like

that found immediately south at Karangahake. The Karangahake system hosts mines that have produced over 4 million ounces of bullion since the turn of the century and currently has a delineated a mineral resource of 427,000 Oz gold equivalent at a grade exceeding 20g/t

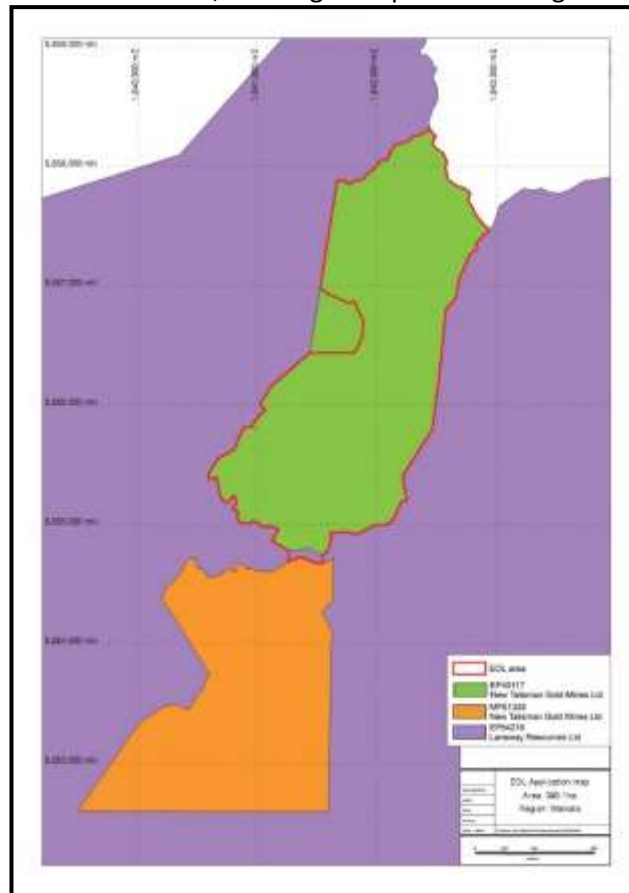


Figure 2 - Map showing the Talisman permit area in orange and the adjacent Rahu permit in green

Mineralisation

Gold mineralisation and hydrothermal alteration at Rahu is concentrated along linear zones of hydrothermal breccia (a rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix, frequently found over epithermal systems). These can range from several metres in width to over 40m over lengths of several hundreds of metres.

Most drilling to date has intersected broad zones of low-medium grade Au and Ag mineralization with narrower high-grade intervals. This is characteristic of the upper parts of an epithermal system where gold bearing fluids become less focused. Highly mineralised quartz vein fragments (up to 7.6g/t Au) present within hydrothermal breccias (e.g. RHDD-02) provide further evidence of the presence of deeper higher-grade quartz veining that is characteristic of the Maria Vein mined within the Talisman Mine.

NTL has acquired, as part of the purchase of NCM NZ, all the data and interpretations from studies carried out by Newcrest, targeting deep potentially high-grade gold mineralisation. These studies included a re-evaluation of Rahu drill core using hyperspectral analysis to determine the distribution and patterning of hydrothermal alteration minerals indicative of where higher-grade gold mineralisation is likely to be found at depth. These studies validated

the hypothesis that Rahu represents the upper levels of an epithermal gold system and is an extension of the system hosting the gold deposits directly south at Talisman.

NTL is in the process of reviewing these data and Newcrest's deep drill targets to optimise the planned drill programme and will focus on evaluating the distribution of alteration minerals that are diagnostic for the presence of geothermal fluid upflow zones at the right temperature range and chemistry for high grade gold mineralisation to occur as is seen in the Waihi Gold District at the Talisman and Waihi gold deposits. The diagram below shows the conceptual model being tested where drilling will target the area with focused fluid flow in the fractured andesites at depth beneath Rahu.

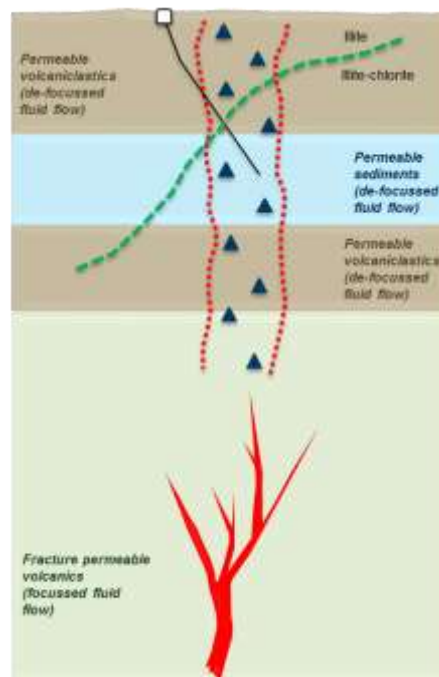


Figure 3 – Conceptual gold target model at Rahu.

Proposed drilling

Confirming the presence of a significant gold bearing quartz vein system beneath the hydrothermal breccias and permeable volcanics will require the drilling of several deep (600m plus) drill holes. NTL wish to expedite this programme and have a preliminary site selected for the first hole. The company has an access arrangement with the land owner and is fast tracking other regulatory requirements to ensure that the programme can get underway with minimum delay. The extent of the programme that your company is able to undertake to develop this highly prospective project is dependent on the finances raised through this offer.

Bulk Sampling Programme

Re-evaluating targets and sequencing for the bulk sampling programme is at an advanced stage. While opening the Mystery vein to evaluate strike and dip continuity remains of primary importance, the recently completed mineral resource estimate update has confirmed high grade targets in the Dubbo Zone where ore grades exceed an ounce per tonne gold equivalent and access can be created from No 8 Level. NTL are currently targeting these areas for bulk sampling .

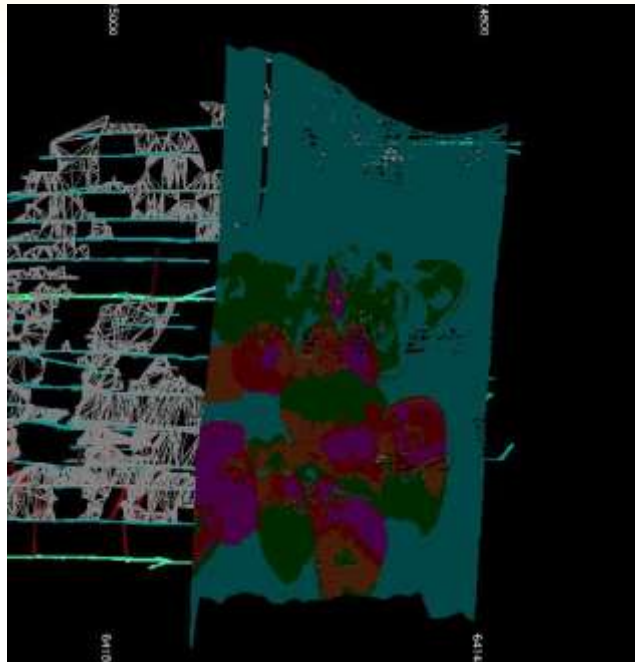


Figure 4 - Long Section view of the Dubbo Zone resource model showing high grade target areas in purple.

Accessing these resources will provide updated sampling on the inferred resources contained below this level and allow these to be upgraded to a higher level of confidence for inclusion in the broader project feasibility study.

Investigations into the potential for installing a concentrator underground are ongoing. This system, which would consist of a crushing and grinding circuit feeding a gravity separator and flotation cell, would effectively concentrate the available gold and silver mineralisation into 20% of the original feed volume. This means that 100 tonnes of ore fed into the system would generate 20 tonnes of concentrate at five times the input grade.

This option will hold significant advantages for the project both through creating a high value saleable product directly from the mine and allowing the company to boost production through significantly increasing the amount of contained gold that can be transported from the site.

Talisman Prospecting Project

Prospecting at Talisman is well underway with economic samples having been assayed with further samples being taken from areas throughout the mine which are to be targeted during bulk sampling for which the company is consented to extract up to 20,000 cubic metres of gold bearing material from the mine.

Refurbishment works at the Talisman Mine continue to progress well, the team are now 480m into the mine and undertaking the removal and support of the drive in the second bypass.

Two possible routes to No 9 level which allow access to the deeper levels have been identified and investigations and costing to reopen these is underway. Installation of the ventilation system is progressing well. A detailed update on project progress will be released to the market shortly.

Other Projects

Beyond the scope of the prospecting and bulk sampling projects being undertaken within the historic workings of the Talisman Mine the Talisman permit remains highly prospective. There is strong evidence supporting the presence of extensions to the Maria, Woodstock and Crown Veins in Taukani Hill, where high grade samples have been collected, as well as other targets like the Sutro/Imperial workings, only 100m east of the Welcome Vein, where historic sampling of 39 channel samples had gold values ranging from below detection to 94.0g/t gold and averaged 8.46g/t gold, over widths averaging 0.5m. Targets at Dominion Knoll include the St Patricks and Victor Waihaou Veins and the southern depth extensions of the Maria.

The company intends expanding exploration activities to cover these areas and create maximum return for shareholders. The company is also continuing review of a number of offshore project previously announced.

Matthew Hill
Chief Executive Officer
New Talisman Gold Mines Limited

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 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 and a JORC compliant reserve statement within the original Talisman underground mine, and a JORC compliant mineral resource 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

**NEW TALISMAN GOLD MINES LIMITED
SHORTFALL APPLICATION FORM – NEW ZEALAND**

THIS DOCUMENT IS IMPORTANT

If you do not understand it, you should consult your financial adviser. Please see instructions on the reverse on how to complete this Application Form and where to send it.

CSN/Holder No
Shares Held

Please complete this form using **BLOCK CAPITAL LETTERS**

1. Applications for shares and payment

You may apply for New Talisman Gold Mines Limited ("NTL") ordinary shares ("Shares") at an issue price of NZ 2.2 cents or AUD 2.035 cents per Share to a maximum dollar amount of NZ\$15,000 (if applying in New Zealand dollars) or A\$13,875 (if applying in Australian dollars) subject to a minimum of NZ\$1,000 or A\$925, and in multiples of NZ\$1,000 or A\$925 thereafter, in accordance with the Offer Terms and Conditions which are set out in the accompanying Offer document. Please indicate the currency you would like to use to pay for, and the dollar amount of, the Shares you wish to apply for, advise internet banking details or attach your cheque or money order made payable to: "New Talisman Gold Mines Limited": **Do not post date cheques.** You may also pay by internet banking in accordance with the directions set out below **and** on the reverse of this form.

NZ\$

A\$

Dollar amount of Shares applied for (multiples of NZ\$1,000 or A\$925):

\$

2. Payment Options are by cheque, bank draft or direct credit

Please tick your payment method: Cheque / bank draft attached ☐ or Direct Credit* ☐

☐

NZ Account No: 02-0192-0388782-17

☐

Australian BSB: 013 006 Account: 836451768

*Payments made by direct credit (funds transfer) must quote the reference shown below to ensure your payment is identified. Applicants paying by direct credit **MUST** submit their payment instructions to their bank no later than 5pm on 23 October 2017, and should still **complete this form and return it by 5:00pm on 23 October 2017**. The date payment was made by direct credit should also be provided below.

3. Custodian – If you are a Custodian acting on behalf of a beneficial owner you must complete this section.

Please state the number of beneficial owners for whom you act as a Custodian:

Please state the number of such beneficial owners who wish to apply for Shares under the Offer *:

Please state the total dollar value of Shares to be purchased on behalf of those beneficial owners:

\$

*Custodians must prepare and attach a schedule showing the full name and address of each beneficial owner, the dollar amount of Shares each such beneficial owner has instructed the Custodian to apply for, and the number of Shares that the Custodian holds on behalf of each such beneficial owner (attach additional sheets if required).

4. Certification

By accepting this offer and applying for Shortfall Shares, you are agreeing to be bound by NTL's constitution and the Offer Terms and Conditions, and you are providing the certification set out on the reverse side of this Application Form, under the heading "Certification". Read that section carefully.

5. Contact Details

Contact name:

Daytime telephone number:

6. Signatures

For an individual or joint holders or holder of power of attorney

Shareholder(s) signature(s):

For a company

Signed by a Shareholder by:

Director:

Director:

Dated the _____ day of _____

2017

Signing instructions:

1. An application by a company must be signed on behalf of the company by a person(s) duly authorised for that purpose.
2. If this Application Form is signed under a power of attorney, the attorney certifies that they have been duly authorised by the shareholder ("Donor") and, at the date of this Application Form, the attorney has not received any notice or information of the revocation of that appointment by the Donor or otherwise.

Please also see instructions attached to this Application Form and the attached Terms and Conditions.

This Shortfall Offer closes at 5:00pm (New Zealand time) on 23 October 2017 (unless extended). Applications must be received by Computershare (the Share Registrar) before this time.

INSTRUCTIONS

How to complete this Application Form: Read carefully the letter and Terms and Conditions of the Offer contained in the booklet provided with this Application Form. If you do not understand the Terms and Conditions or if you have any doubts about what to do, please consult your financial adviser.

1. APPLICATION AND PAYMENT

- You may pay either in New Zealand dollars or in Australian dollars. Tick the relevant box.
- Enter the dollar amount of Shares you wish to apply to purchase in the box provided.
- Do not apply for a dollar amount of greater than NZ\$15,000 or A\$13,875 of Shares.
- Do not apply for less than NZ\$1,000 or A\$925 or an amount which is not a multiple of NZ\$1,000 or A\$925.
- Make your cheque or money order payable to "New Talisman Gold Mines Limited".
- The date of the cheque should be the date you fill it in. Do not post-date the cheque.
- The cheque, money order or internet banking payment must be for the same amount as you wrote in part 1 of the form.
- Cross the cheque "Not Transferable". Do not forget to sign the cheque.
- Do not make any foreign exchange adjustments to the investment amount.

Internet banking accounts: **Australia** BSB: 013006 Account 836451768

New Zealand 02-0192-0388782-17

Deposit Reference (CSN Number)	Name / Alpha	Date of Payment

Please note name, CSN/Holder Number on banking details and SEND BACK ACCEPTANCE FORM ADVISING DATE OF DEPOSIT

2. CERTIFICATION

I/We irrevocably apply for the dollar amount of Shares indicated in this Application Form (or such lesser number of Shares as may be allocated to me/us) on the terms and conditions set out in this form and the Terms and Conditions of the Offer, and agree that:

- By applying for Shares, I/we acknowledge that this Application Form was distributed with the booklet containing the Offer Terms and Conditions dated 28 August 2017, and confirm that I/we have read this Application Form and the Offer Terms and Conditions in their entirety.

If I am/we are **completing this form as a Custodian**, I/we certify that:

- I/we hold shares of the same class as the Shares to be issued pursuant to the Offer as a Custodian on behalf of the beneficial owners;
- the number of beneficial owners for which I am/we are holding those shares as Custodian is set out on the front of this Application Form;
- the name and address of each beneficial owner on whose behalf I am/we are submitting this Application Form is set out in the attached schedule;
- the number of Shares I am/we are holding on behalf of each such beneficial owner is set out in the attached schedule;
- the beneficial owners on whose behalf I am/we are submitting this Application Form each have a registered address in New Zealand or Australia;
- each beneficial owner (or the beneficial owner's agent) has instructed me/us to apply for, and accept, on their behalf, under the Offer the dollar amount of Shares set out against their name in the attached schedule;
- the total dollar value of Shares I/we are applying for on behalf of beneficial owners is not more than NZ\$15,000 or A\$13,875 per beneficial owner;
- I/we undertake not to accept on behalf of any beneficial owners for which I/we act directly or indirectly as a Custodian, in any 12 month period, Shares under the Offer and/or any similar arrangement the total issue price of which is more than NZ\$15,000 or A\$13,875 per beneficial owner;
- there are no participating beneficiaries in respect of which the total of the application price for the following exceeds NZ\$15,000 or A\$13,875:
 - (i) the Shares applied for by the Custodian on their behalf under the Offer; and
 - (ii) any other Shares in the class issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian to apply for Shares on their behalf under an arrangement similar to the Offer; and
- the beneficial owners on whose behalf I am/we are submitting this Application Form are not making an application as an Eligible Shareholder for shares under the Offer, and no other Custodian is submitting an application under the Offer for those beneficial owners.

- If I am/we are **not a Custodian**, I/we certify that:

- my/our registered address is in Australia or New Zealand and I/we held shares of the same class as the Shares to be issued pursuant to the Offer on the Record Date;
- the total of the application price for the following does not exceed NZ\$15,000 or A\$13,875:
 - (i) the Shares I/we have applied for under this application;
 - (ii) any other Shares issued to me/us under the Offer or any similar arrangement in the 12 months before this application;
 - (iii) any other Shares which I/we have instructed a Custodian to acquire on my/our behalf under the Offer; and
 - (iv) any other Shares issued to a Custodian in the 12 months before this application as a result of an instruction given by me/us to the Custodian to apply for Shares on my/our behalf under an arrangement similar to the Offer.

3. CONTACT DETAILS

Fill in your daytime telephone number and contact name, as we may need to contact you, for example, if you have not filled in this application form correctly.

4. LODGEMENT INSTRUCTIONS

Post this Application Form and your cheque so that it is received before 5.00pm (New Zealand time) on 22 September 2017. If you are posting, you should allow sufficient time for delivery by the postal service. Application forms and cheques received after the closing date may not be processed regardless of when they are postmarked.

Use the **reply paid envelope** or post to:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

Computershare Investor Services Pty Limited
GPO Box 3329
Melbourne, Victoria 3001
Australia

Privacy Act Personal information provided by you will be held by New Talisman Gold Mines Limited and/or Computershare. This information will be used for the purposes of managing your investment in the Offer. Under the *Privacy Act 1993* (NZ), you have the right to access and correct any personal information held about you.