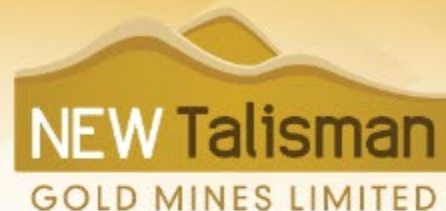


Market Announcement

For Immediate Release



Binding term sheet to acquire Broken Hills Gold Mine

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
Jane Bell Company Secretary

Capital Structure
Ordinary Shares at 26/01/2021 2,792m

Share Price
Share Price at 26/01/2021 (NZX) 0.5cps
Share Price at 26/01/2021 (ASX) 0.5cps



New Talisman Gold Mines Limited

ACN
Address 547 Parnell Rd, Parnell,
Auckland
Phone +64 27 5557737
Website www.newtalisman.co.nz
Email info@newtalisman.co.nz

- Binding option to acquire Broken Hills Historic Gold Mine Limited signed
- Small scale high grade producing mine with consistent profitable production for last 21 years
- Special Purpose Mining Permit using traditional mining methods and Mining Permit both granted
- Significant potential to expand resources at depth through existing underground infrastructure
- Similar geological setting to Wharekirauponga project ("WKP")
- All ore mined processed through a toll treatment agreement via Waihi processing plant for the last 21 years.

The board of New Talisman Gold Mines Limited is pleased to announce that it has signed a binding term sheet to acquire 100% of the shares in Broken Hills Historic Gold Mines Limited, that holds 100% of Mining Permit 53173 and Special Purpose Mining Permit 42024 covering the historic Broken Hills Mine near Tairua on the Coromandel Peninsula.

Broken Hills Gold Mine is the sole privately owned underground gold mine in NZ and has been owned by the Rabone family for over 21 years. The Rabone family have extensive underground mining expertise and Stuart Rabone is one of NZ most respected geologists having been involved in several gold discoveries in the Coromandel.

Under the terms of the agreement and following the payment of NZ\$100K New Talisman has an initial 90 days Due Diligence period with a further right to extend for up to 90 days. The deal is subject to Due Diligence by New Talisman and approval by NZPAM.

Under the terms of the agreement Victor Rabone, Director of Broken Hills is to be appointed to the board of New Talisman subject to standard nomination processes and upon completion of the acquisition.

The Broken Hills Mine is developed on a rhyolite hosted epithermal gold silver deposit and is one of the few economic gold deposits of this type on the eastern side of the Coromandel peninsula.

Gold and silver mineralization at Broken Hills is hosted in a series of north, northwest trending, steeply westward dipping quartz veins that pinch and swell from several centimetres up to several metres. Up to 6 main veins are recognised to date. Additional ore is found in hydrothermal breccia and breccia pipes.

The deposit is regarded as representing the upper levels of an epithermal system as evidenced by the presence of hot spring sinters and hydrothermal breccia. This gives scope in the future of depth continuations of the deposit.

Located around 20 kilometers south of the Broken Hills mine is the most notable of this type of mineralization discovered to date, the Wharekirauponga ("WKP") deposit which is currently being developed by OceanaGold Corporation (TSX: OGC) (ASX: OGC) where they have announced Indicated and Inferred resources of approximately 1.45 million oz of gold and 2.3 million oz of Ag.

Matthew Hill (CEO of NTL) said:

“The Broken Hills mine is a significant asset that will compliment NTL’s existing mineral assets and represents a key milestone to the Board’s strategy.

We see a genuine opportunity to leverage our footprint and expertise in highly prospective hydrothermal Coromandel gold projects as well as other opportunities in New Zealand and abroad. NTL has developed a strong knowledge base in the region - we look forward to applying our experience to progressing Broken Hills alongside our flagship Talisman mine.

As a company we are excited about the opportunity to build upon the Rabone family’s impressive history of gold and silver production at Broken Hills gold mine.”



Figure 1: The Puketui Valley, where the Broken Hills Mine has been operating for the last 21 years.

Broken Hills

Background

The Broken Hills deposit was the largest historic producer in the Puketui Valley after gold was discovered in the area in 1893. The London based Broken Hills Gold Mining Company Limited was formed, who constructed a 20 stamp battery, tramway, water races etc. After two years, a local syndicate took over in 1899, named the Tairua Broken Hills Gold Mining Company Limited, and re-opened the mine in 1903. The entire area produced 55,199 ounces of gold from 39 385 tonnes of ore with the majority being from the Broken Hills Mine where it is estimated from 30,000 to 51,000 ounces was recorded, with small scale production finally ceasing in 1923. The current mine was redeveloped in 1991.

The ore has been toll-treated at the Martha processing plant in Waihi since BHHG commenced production up until 2020.

Current operations

Stuart and Miranda Rabone applied for a mineral exploration permit over the area in 1991 and in 2000 were granted a Special Purpose Mining Permit over the historic mine workings allowing mining to be carried out on a small scale using historical and traditional (essentially hand-held) techniques which have been used at Broken Hills effectively over the last 2 decades.

Broken Hills Gold Mine Limited has maintained a commitment to the local community and maintaining high levels of environmental standards over the many years of operation. Broken Hills Historic Gold Mine Limited will continue to uphold the same high standards of low impact sustainable mining in compliance with the permit conditions in the same manner as has been over the last 21 years of operation.

Over the last 2 decades the old section of the mine has been restored and made safe, and the vein system has been further developed. The mine utilises hand-held airleg drills and haulage by 24" gauge rail network in tunnels generally 1-1.5 metres wide and 2 metres high.

This project is rail based, using mechanical muckers and hand-held air-leg drills for drill-and-blast. It is the only operation of this type in New Zealand (hard-rock underground metalliferous).

It has also been developed and used as an educational facility for university MSc and PhD geology projects (Auckland and Waikato Universities).

The mine has also hosted numerous local and overseas visitor groups, research scientists from NASA, and others.

This compares with Talisman which is a small scale high grade semi mechanised operation. The Broken Hills Mine is unique in New Zealand as a small scale hard-rock underground mine utilising traditional, but nevertheless efficient, methods of extraction.

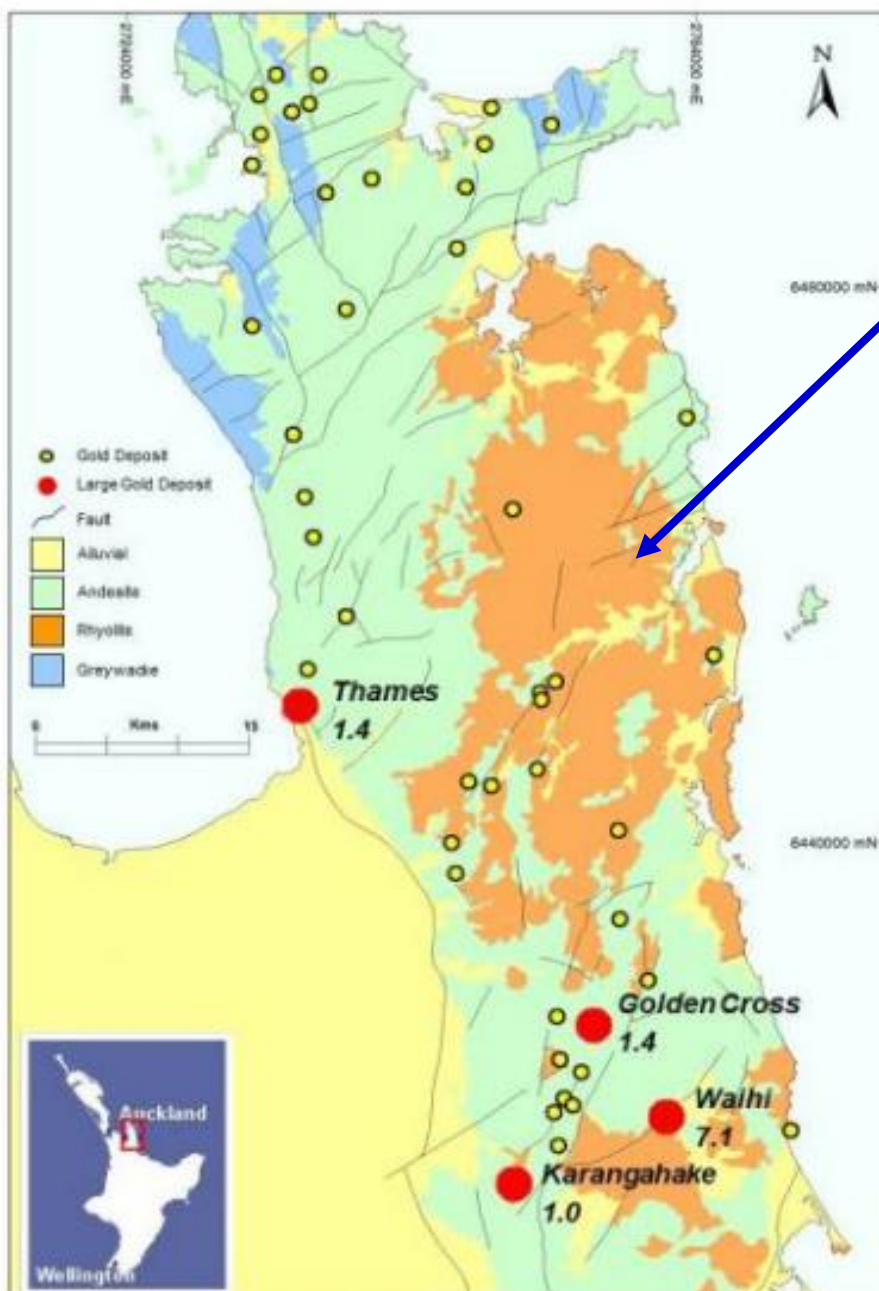


The success of the operation has been very dependent on the experience (and qualifications) of the family team led by Stuart Rabone and more recently his son Victor. Stuart's qualifications and experience include an MSc and PhD in Geology and tertiary qualifications in Engineering Geology. Stuart has 45 years experience in metalliferous mineral exploration and development, including The Talisman mine, Golden Cross, Waihi (Martha – Correnso and Favona – Moonlight), Wharekairauponga ("WKP") in addition to the 21 years' experience restoring and operating Broken Hills Mine.

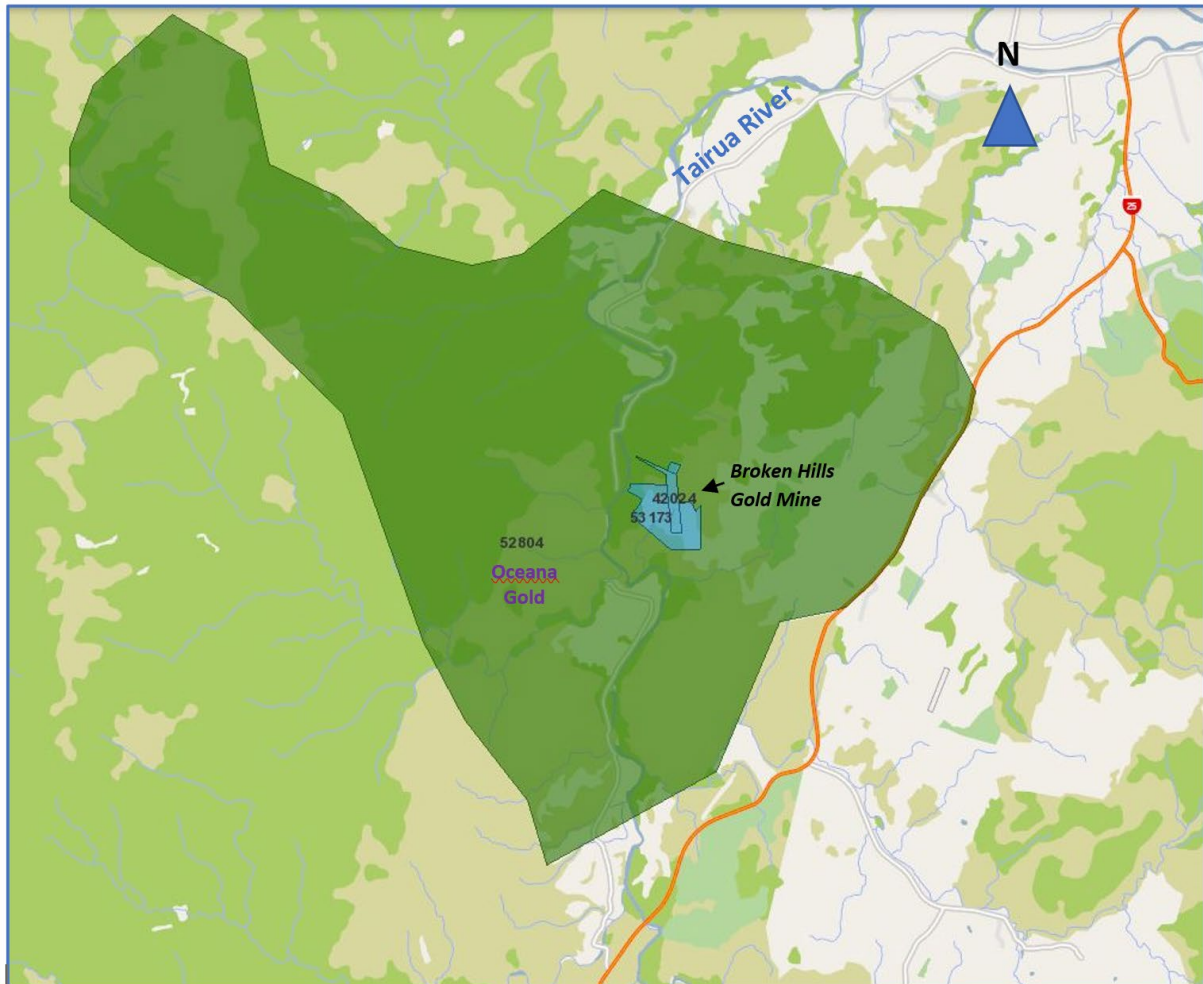
Processing

To date all ore has been processed at the Waihi plant of Oceana Gold. Recently, under the leadership other processing methods using gravity have been tested to investigate the potential extraction without the need to use cyanide. This compares with New Talisman's successful development of gravity based gold recovery. Metallurgical testwork will be undertaken during due diligence with the New Talisman Pilot plant to test recovery and grind levels in comparison the NTL providing potential for blending and other synergies.

Regional Setting



Tenement Map



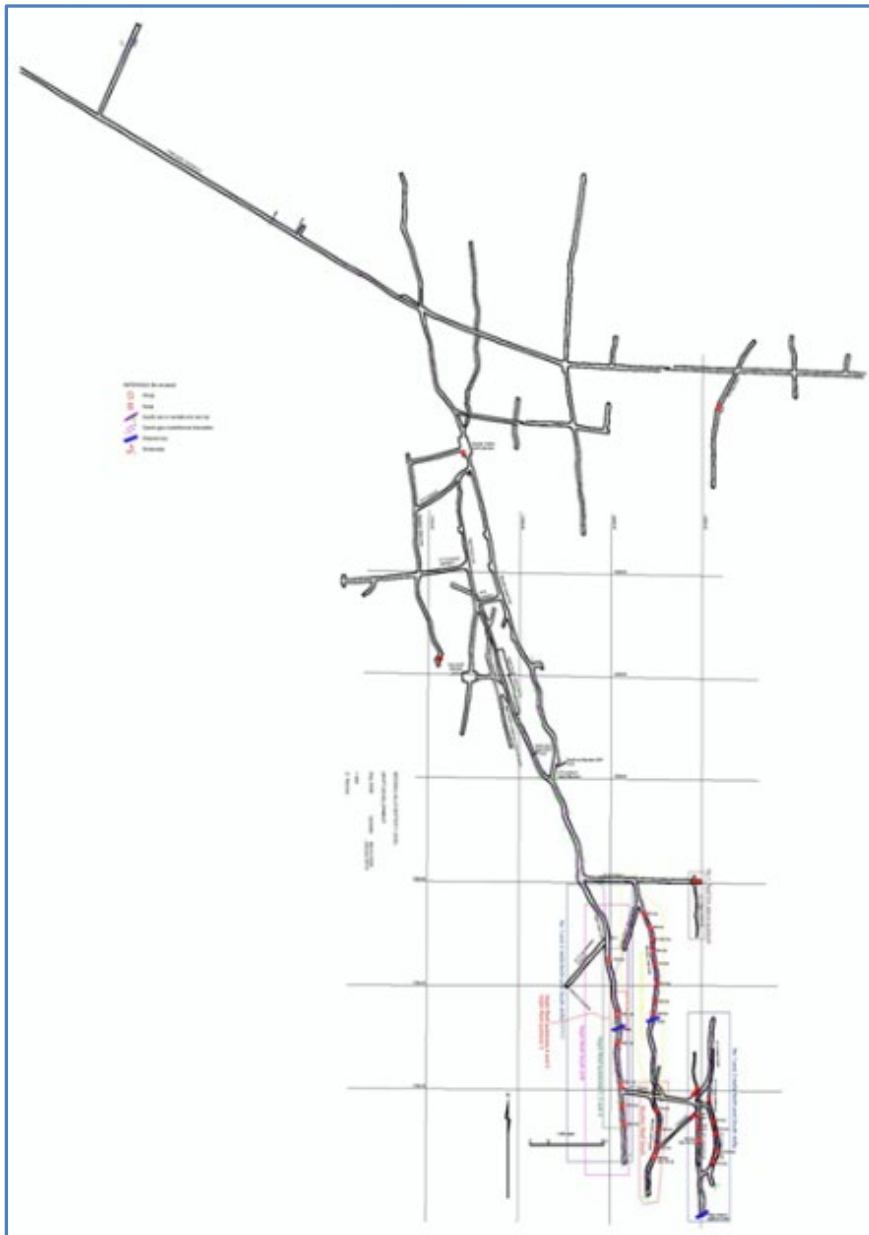
Tenement map sourced from NZPAM Minerals Permit Webmaps

The Broken Hills mining permit area is surrounded by Oceana Gold's exploration permit 52804 at Twin Hills. Newmont Gold also carried out exploration in the area (commencing December 2010) prior to the sale of its New Zealand assets to Oceana Gold. The Rabone family has held the Broken Hills tenements throughout the exploration by ASX-listed majors.

Tenements Held by Broken Hills Historic Gold Mines Ltd

Minerals Mining Permit 53173 comprising 18.39 hectares and expiring on 19 May 2038, and;
Special Purpose Mining Permit 42024 comprising 4.95 hectares and expiring on 1 August 2040

Underground Workings



HEALTH AND SAFETY

Broken Hills are working with New Talisman on the development of a group Health and Safety Management Plan and will be utilizing NTL mining contractor Terra Firma. Terra Firma, alongside New Talisman's Principal mining engineer developed the underground health and safety policies and procedures for the Talisman Mine to comply with mining and health and safety legislation in New Zealand. Terra Firma are responsible for managing the Talisman Mine including health and safety protocols and have been incident free to date.

Broken Hills and Talisman believe the collective expertise coupled with efficiencies of shared statutory positions and human resources will allow Broken Hills to continue to operate in compliance with the relevant laws and regulations.

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.