



## **ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL)**

### **CHAIRMAN'S ADDRESS**

#### **ANNUAL MEETING 12 SEPTEMBER 2018**

**Introduction.** The Directors' report for the year to 31 March 201 was circulated with the Annual Report. Before I ask you to formally receive the Annual Report together with the Financial Statements and the report of the Auditors I would like to highlight several areas of recent progress.

**Shareholder Support.** I want to start by thanking our shareholders for their support as we develop our talisman mine to enable re-commencement after many years of gold extraction activities.

In reflecting upon the year since we last gathered, the Directors and Management team are pleased but not satisfied with our progress with a number of our goals achieved but a number delayed by the natural vagaries afflicting projects of this nature and to some extent the regulatory environment in which find ourselves operating..

The macro economic conditions have been benign to slightly favorable, with the gold price over the last 12 months with prices ranging from US\$1,195 per oz to US\$1,352 per oz with a current price of US\$1,198 per oz. which when looking at such from a current NZD Exchange rate basis is \$1828 to \$2068.

#### **Industry and Regulatory Environment**

I should also note that the Mining and Petroleum industries in NZ continue to face a somewhat higher level of uncertainty than would be ideal and in this regard we note the industry has in the current year seen a reduced level of activity in comparison with prior years.

#### **Talisman**

**Background.** As you will be aware our main asset is the fabled Talisman mine which has over its life produced an estimated 3m plus oz of bullion.

We have a 25 year mining permit and we have land access arrangements in place which we have recently renewed.

#### **PHYSICAL AND MINE SITE**

In terms of the mine key infrastructure is largely established and in particular I note the arrival and installation of the vent fan which will allow an increased range of underground activity. The JORC 2012 compliant resource estimate announced last year doubled both grades and resources demonstrating and reinforcing the world class attributes of the ore body at the Talisman mine. This estimate was reviewed independently both as part of the the valuation completed under the Valmin code and as a separate independent review completed in the last 2 weeks. This review confirmed the methodologies used by the Company met the JORC reporting standards and validated the robustness of the Mineral Resource estimate.

Your company's technical team have recently completed an updated pre-feasibility study on the measured and indicated portion of the resource. This study further reinforces the robust economics and low environmental impact of the project.

#### **Highlights from PFS include**

- The estimated Value of Talisman project more than doubles based on updated Pre-feasibility Study, increasing value from \$15m to \$36m utilizing an NPV9 %
- Estimated Recovered gold increases by 50% to 51,000 Gold Equivalent Ounces
- Estimated Direct operating costs to produce an ounce reduced to NZ\$710 per ounce (\$490USD/oz)
- Estimated Ore Reserves increase by more than 40% from 30,500 to 44,100 Gold Equivalent Ounces

The proposed mining production plan will be adjusted as we gain knowledge through the Bulk Sampling programme and will form a large part of the Bankable feasibility study which is currently underway.

Separate to the Talisman mine PFS a scoping study was completed on the Talisman Deeps Project which is predominantly comprised of inferred resources. The Scoping study meets JORC 2012 standards however further information and data which will be informed by both the bulk sampling and the longer term mine plan will provide the level of detail required to allow this project to reach a Pre Feasibility Study.

The work to date has established that we have one of the highest-grade gold mines in New Zealand (and of international significance) in a world class region which continues to provide a majority of New Zealand's gold discoveries.

#### **Financial**

##### **Current Activities.**

All infrastructure necessary to commence mining is complete.

The Pilot plant is on the water and is expected to arrive later this month.

I am delighted to advise that 5 Tonnes of 'Mystery vein' was excavated this week allowing a number of 5kg samples to be sent for testing which will be released in the coming days. The results of these samples will reveal new data on this relatively new and much speculated about Vein.

##### **Mine Safety, Community and Environment.**

I want to emphasize to all that we are committed to responsible, and sustainable mining and the Health and safety of our workers remains a key focus with governance oversight provided by independent experts appointed to the health and safety committee.

We are engaging with local community on a regular basis and exploring ways in which we can further support the communities in which we operate.

##### **So what opportunities lie ahead?**

- Reopening of the Talisman mine which begins with the commencement of mining activities under the resource consent and subsequent production of extracted ore.
- Accelerated extraction volumes at Mystery
- Commencement of extraction at Dubbo which hosts the extremely high-grade resources;

- Installation of pilot plant and commencement of production of gold
- Completion of mine plan covering the next 5 – 7 years

**Conclusion:**

Thank you to our management team, staff and contractors who have helped make it a productive year. I note and commend their efforts in at times difficult circumstances.

I also note and thank the community for their support and encouragement to continue to have “a go” at bringing activity and jobs back to the region.

Most importantly I thank you our shareholders whose continued support is the foundation upon which this company is built.

We have a very special Thank you to make this year with the retirement of our longest serving Director Mr Murray McKee at the end of March this year. Murray has been an important contributor to the company's progress over 22, at times difficult, years. In particular during the period of his Chairmanship of the company where his exemplary leadership and his close working partnership with our CEO saw the company through a very difficult time for the industry and the company.

Personally , I am grateful for his skill and counsel over the last twelve months or so and would like to wish Murray the very best for the future ”

I'd like to present Murray with a memento of the Talisman mine. This is a sample of rock from the BM37 Zone in the Dubbo Shoot which holds high grade ore running between 900g/t to an extraordinary 13,800g/t! The sample is mounted on a piece of timber sourced from the original workings inside the Talisman Gold mine.

Thank You.