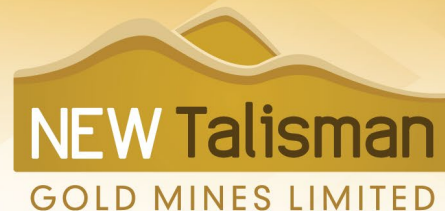


# Market Announcement

## For Immediate Release



### Quarterly Activities Report to 30 September 2018

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

**Capital Structure**  
**Ordinary Shares** at 30/10/2018  
2,164m

**Share Price**  
**Share Price** at 30/10/2018 (NZX) 1.6cps  
**Share Price** at 30/10/2018 (ASX) 1.4cps



#### New Talisman Gold Mines Limited

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Phone +64 27 5557737  
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### **HIGHLIGHTS**

- **Underground Mining related activities at Talisman resume for the first time since 1992;**
- **Mystery vein: - blasting, excavation and stockpiling of high-grade ore commenced;**
- **Extraction and stockpiling of ore from stopes and old workings continues with 40 tonnes extracted in the last two weeks.;**
- **Traffic management plan approved by HDC;**
- **Independent review of Resource estimate complete;**
- **Pilot plant installation commenced; and**
- **Applications for Rahu field work lodged.**

Following on from the previous successful quarter, a significant number of key milestones were achieved which resulted in the commencement of the mining activities at the Talisman Mine.

This quarter marked a milestone for the project as it is the month that the Talisman became a mine again in the full sense of the word. It was noted previously that the primary fan had been delivered to site and the 250kva generator had been delivered to Waihi, these have now been installed and commissioned. With these in place the company undertook the first blasts in the Talisman mine with the initial blast taken on the Mystery Vein.

True to the company's commitment to environmentally sustainable mining, sound emissions from the heavily silenced fan are virtually imperceptible beyond the immediate mine site.

Matthew Hill said "as New Zealand's oldest incorporated and listed gold mining company, we are pleased to have finally commenced underground mining activities under our resource consent and reopened one of New Zealand's most productive mines which is coming up to its 125<sup>th</sup> anniversary of operations. With the granting of the TMP we are now able to blast and transport the ore offsite for stockpiling and ultimately processing."

## TALISMAN MINE PROJECT

The key milestones achieved at the Talisman mine during the quarter include: -

- The Traffic Management Plan ("TMP") was approved by HDC and the company has commenced activities under the resource consent granted by Hauraki District Council ("HDC") in 2013. The TMP allows transporting of ore from the mine offsite with one blast event per day which will continue for 2+ years as the definitive feasibility study is completed.
- Commissioning of silenced 250KVA generator and control room is complete and the operation now has reliable power supply to the main ventilation fan and other site equipment.

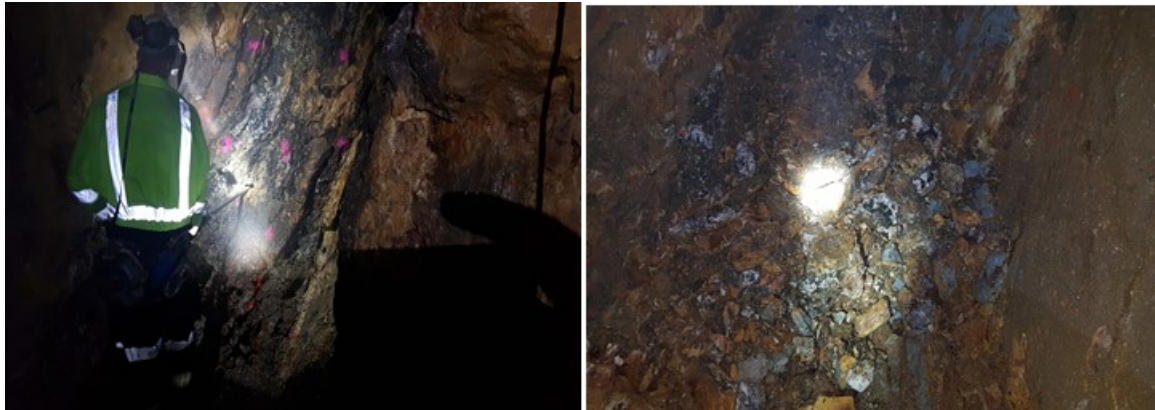


- Installation and commissioning of the primary ventilation fan is complete. This fan, mounted above the airlock and connected to the mine via a reinforced concrete tunnel, is fitted with world leading silencing equipment to reduce noise emissions to conversational level. The fan is capable of delivering sufficient air to maintain a healthy respirable atmosphere underground while up to three diesel powered loaders are deployed in the workings, which has significantly increased the productivity of the mining team.



- Following the final metres of rehabilitation into the Mystery zone the company was able to commence the maiden blast at Mystery. Approximately 8 tonnes of vein material has been extracted which has provided promising results. A resale mining method – blasting the vein material and surrounding waste in separate stages - is being tested with encouraging results from the first blast. This system will enable the vein material to be trammed separately from waste material which will maximise the grade of ore delivered to the plant and reduce transport costs.

The blasts which have been undertaken to date have provided no measurable vibration or noise at surface.



Samples taken from ore generated by the first blast were independently analysed for gold and silver content at the SGS laboratory in Waihi and yielded an **average grade of 7.1g/t Au** as announced on 20/09/2018.

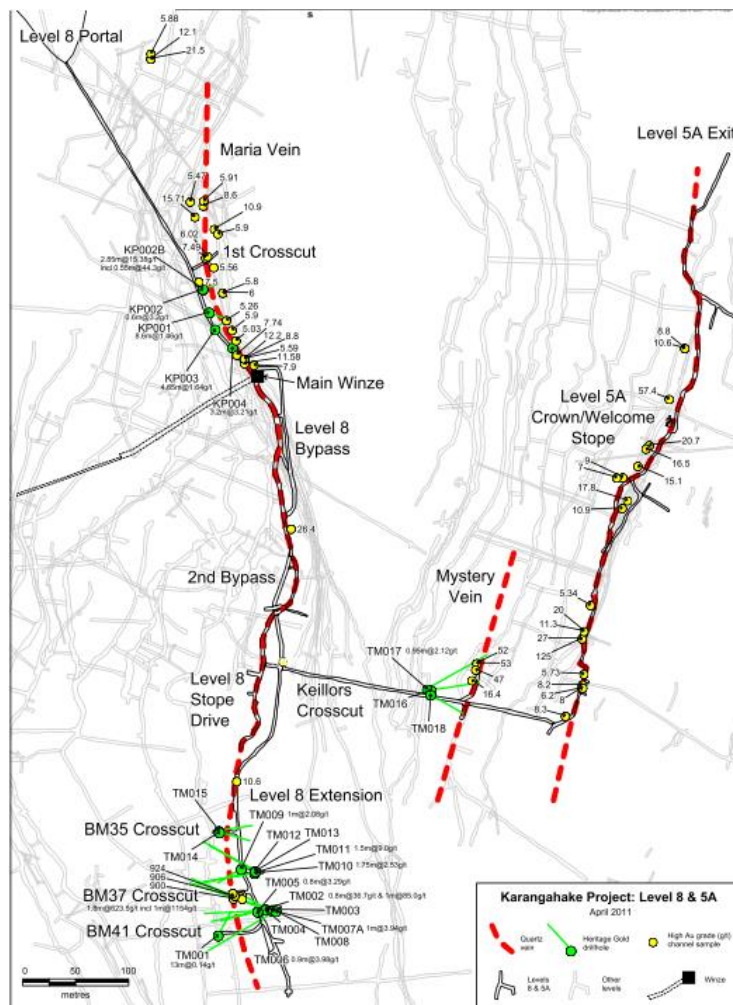
(Please see <https://www.asx.com.au/asxpdf/20180920/pdf/43yhcd15zcsp5.pdf>)

These results are in line with expectations and consistent with the range of grades in this section of the Mystery Vein. This is in the same area where recent check sampling of ore exposed at the drive face yielded **grades of up to 40 g/t Au** as announced to the market on 31 March 2018 (please see <https://www.asx.com.au/asxpdf/20180508/pdf/43tvlpmv420f4f.pdf> ) While considerably more work is required to understand the full extent of this highly prospective vein system these results are encouraging and represent a very positive first step in this process.

- Work has commenced on clearing ore from a historical stope on the Maria vein in the Talisman zone. Over 40 Tonnes of ore has been extracted from this area over the last two weeks alone and has been stockpiled ready for transport offsite to the pilot plant facility once commissioned. This ore has been extensively sampled during loading and we await the results. The amount of ore present in this area is uncertain and further extraction and stockpiling of the ore is dependent on samples taken over the last week. Once removal of rock from this area is complete vehicle passage further into the mine will be possible and will allow accelerated development on the Mystery vein.



- Preparation for installation of the underground power cable and auxiliary fan is underway. This fan is on site and will be transported to position at the Keillors Crosscut junction to pump air into the Dubbo Drive. Upon completion there will be accessibility for vehicles from the Portal all the way through to Dubbo.



- Rehabilitation of old workings through to the start of the BM37 zone at Dubbo was completed during the quarter and, once vehicle access is attained, loading of rock from the base of the BM37 rise can begin. Clearing of this rock will provide access to the high-grade Dubbo Zone of the Maria Vein. This is the site of the last mining by previous owners in the late 1980's and was identified by borehole BM37 which assayed **656 g/t Au over 1.8m including 1154 g/t Au over 1.0m. Sampling in this area has previously yielded results exceeding 1% gold (over 10,000g/t)**, please see <https://www.asx.com.au/asxpdf/20130705/pdf/42gx44jq96lrs.pdf>
- Maintenance of the mine road was completed in September and has significantly improved the drainage capability and trafficability of the road.
- The shaker table and concentrator that form part of the pilot processing plant, have arrived and are currently being installed offsite. Both the shaker table and gravity concentrator is in the process of being commissioned and will be tested with a batch of ore which has been crushed to the free gold size while we await the arrival of crusher and grinder. A number of offsite locations close to the mine have been identified which are suitable for the plant. It is expected the plant will be fully installed and operational with the crushing and grinding circuit by end of November with first production of gold from stockpiled ore by year end.

While the capacity of the pilot plant is relatively low the aim is to replicate the recovery rates which were achieved using a similar flowsheet in the testwork carried out in South Africa in February 2018 (please see <https://www.asx.com.au/asxpdf/20180322/pdf/43sn63s00fjnz6.pdf> ). Once recovery rates are confirmed it is likely that a larger plant, suitable for the longer-term needs will be acquired, dependent on other options.

- A detailed Independent review of the Mineral resources estimate was completed during the quarter which confirmed the 2012 JORC compliant resource of **469K oz AuEq at an average grade of 15.1g/t**. This makes the Talisman Mine the highest grade underground active mine in NZ for which grades and resources have doubled in just over a year. The report concluded:

*In reviewing NTGM's MREs Geos Mining has found that the estimations, the data and the resource models they are based on, meet the guidelines set out in the 2004 and 2012 JORC Codes and have no serious errors or issues associated with them.*

Further work is being carried out on the remaining data for the fourth module relating to Talisman deeps which will be included in the growing database as works are carried out. With significant development into Mystery and Dubbo, the substantial amount of data and knowledge of the orebody acquired from these activities will support a review of the Mineral Resources Estimate and upgrade of remaining areas to JORC 2012 standards by the end of Q1 2019.

- With mining operations having commenced under the company's existing resource consent, the company has initiated a planning assessment of resource consent requirements to support the longer-term future of the mine in line with the prefeasibility study recently released.
- Applications for access and consent to initiate fieldwork at the Rahu Project have been lodged with the relevant authorities

## Corporate

During the quarter the company continued discussions with a number of parties that have approached the company for treatment and offtake of the high-grade ore as well as parties interested in acquiring the concentrate product produced from the plant. With blasting and extraction having commenced and the pilot plant being installed tuned and subsequently being commissioned, once the recovery rates are confirmed the company will be better positioned to take these discussions to a commercial conclusion. It is expected by the end of Q1 2019 we will have sufficient data from the pilot plant to

determine the maximum volumes of concentrate and bullion produced which can be produced directly from the pilot plant and the recovery rates achieved.

#### **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 recently reopened the Talisman mine and commenced blasting and extraction under the resource consent granted. The company continues to progress its prospecting and upgrading activities at the mine to further advance the mining 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.