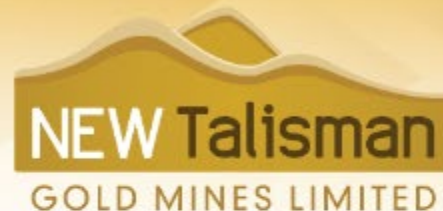


Market Announcement

For Immediate Release



Quarterly Activities Report to 31 Dec 2020

New Talisman Gold Mines Limited

**Responsible,
Environmentally
Sustainable Mining**

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board

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 31/12/2020 2,792m

Share Price

Share Price at 27/01/2021 (NZX) 0.6cps
Share Price at 27/01/2021 (ASX) 0.6cps



New Talisman Gold Mines Limited

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New Talisman Gold Mines Limited (NTL) is pleased to present the report on activities for the quarter ended 31 December, 2020.

HIGHLIGHTS

- **Strategic review focus on increasing scale of operations**
- **Option to acquire Broken Hills Gold mine**
- **Coromandel Gold Limited spin off - Vanuatu & exploration assets**
- **Rahu application underway**
- **Corporate office relocated**

As announced at the half year the company recently undertook an internal review of the New Talisman business the initial stage of which was completed late last year.

During the quarter the Company took steps to further implement initial recommendations of separating exploration and production/development opportunities from the group by way of a listing of subsidiary Coromandel Gold Limited on the NZX and or ASX. Through the separation of exploration assets in this way New Talisman continues to maintain a primary focus on development and production assets.

During the quarter the Company negotiated two acquisitions. The first being a binding term sheet to acquire the Vanuatu assets of Canterbury Resources Limited ASX:CBY, a highly prospective exploration project which was purchased for a combination of cash and shares (in either NTL or Coromandel Gold shares subject to due diligence). These assets will form part of the planned Coromandel Gold exploration asset "spin-off".

The second negotiation which was completed after the close of the quarter was a binding term sheet to acquire the Assets of Broken Hills Historic Mine Ltd a privately owned producing gold mine and exploration project held by the Rabone family see <https://www.nzx.com/announcements/366790>

The review of the Talisman project has identified the need to achieve greater scale to enable any investment in processing plant to be recouped within the short to medium term.

One of the previously identified options to process ore underground has identified risks of a single operational entry 2m x 2m addit system at Talisman has been the risks associated with any disruptions to operations and the potential 'idling' of any plant throughout such disruption. This 'single source' interruption risk makes the financing of any plant or the entering into of processing arrangements with third parties challenging.

In addition operating in New Zealand, which has some of the most stringent Health and Safety regulations in the world, and a complex system for consenting, permitting and undertaking mine activities through multiple stakeholders, means that the fixed initial costs can be significantly higher than most other comparable countries for this type of mining. As a result of this 'initial fixed cost hurdle' right sizing the scale of operations needs to be managed carefully to ensure operation at an economic scale.

The Company has been pursuing ways to create efficiencies with other small scale operators that have the ability to right size development and production investment. This led to the identification of the Broken Hills operations, near Tairua on the Coromandel Peninsula.

The operation appears to be capable of near term small scale production as well as providing efficiencies for Talisman with shared statutory positions, Health and Safety management systems, equipment, skills and expertise. This has resulted in NTL and Broken Hills Historic Mine Ltd signing a binding Term sheet for NTL to acquire the Broken Hills mine. These areas will be a key focus of the Due diligence currently underway at Broken Hills.

The addition of the Broken Hills Mine's teams, skills and expertise in both the areas of narrow vein extraction methods using hand held non mechanized equipment as well as the additional geological expertise particularly in rhyolite epithermal deposits has the potential to add significant value to the New Talisman Groups existing mining operations.

Similarly, the addition of New Talisman's high levels of skills in health and safety management, mine planning and engineering and resource development brings a significant value to the existing Broken Hills operations.

DEVELOPMENT AND PRODUCTION

Talisman Mine, Karangahake 100% New Talisman Gold Mines

The identification and commercial scope of a registered mine surveyor was undertaken during the quarter and Terra Firma (TFM) are in the process of making the appointment as SSE which is a statutory appointment required under the Health and Safety in Employment (Mining Operations and Quarrying Operations) Regulations 2015 which is a prerequisite to commencement of activities at Mystery.

In preparing the short term development plans TFM and NTL management looked at various ways to maximize the Mystery drive extension as well as locating and planning programme to review the Rhoderick Dhu workings as part of the Mystery development plan.

As announced extraction activities will be focused on gaining a better understanding of Mystery through development at the face aimed at extending the drive further along strike while ensuring extracted ore is stockpiled. As confirmed by the Hauraki District Council the commencement of bulk sampling begins with transport of 10 tonne trucks along the access road.

Progress was made during the quarter on areas which will support the permitting application required to be lodged for a scaled-up processing plant to treat Talisman and potentially other ores once a suitable site is located and water discharge and other requirements are finalised prior to lodgment.

Health and Safety

During the quarter Terra Firma continued to ensure compliance with relevant legislation through regular inspections of the condition of underground workings, monitoring of underground air quality and maintenance of the ventilation and electrical infrastructure. General maintenance and pest control continues to be routinely undertaken.

Underground resource development

NTL has implemented its program of resource confirmation and modelling work under phase 4 of the Talisman Deeps project, which continued during the quarter. Once complete the results will be released and incorporated into the resource estimate at Talisman.

Broken Hill Gold Mine Project

During the quarter negotiations commenced which culminated in the acquisition of an option to acquire 100% of the shares in Broken Hills Historic Mine 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.

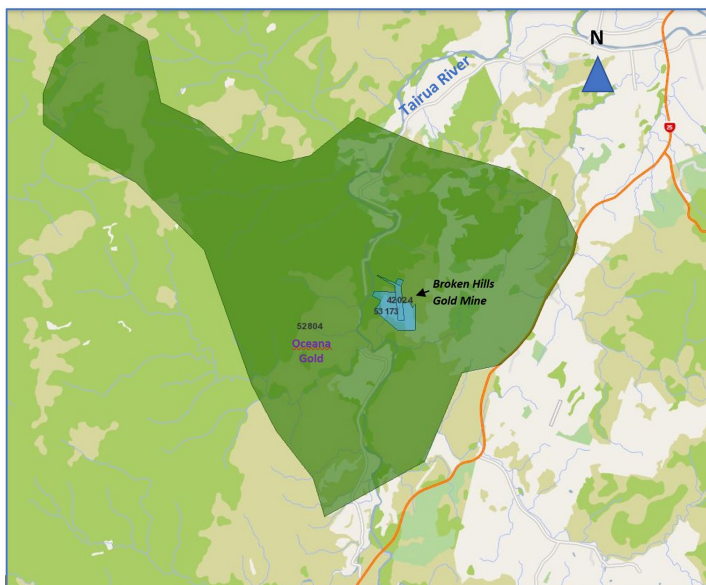
The Broken Hills Mine is developed on a rhyolite hosted epithermal gold silver deposit and is one of the few economic gold deposits of this type on the eastern side of the Coromandel Peninsula.

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 centimeters up to several meters. 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.

Further detail about the acquisition can be found in the release dated January 27, 2021 <https://www.nzx.com/announcements/366790>



Treatment options

With the recent option to acquire Broken Hills mine project and the commencement of Due Diligence a number of potential opportunities for treatment have been identified.

Broken Hills have indicated that there may be potential to process ore on behalf of Talisman with their existing plant and equipment as well as an existing arrangement with a small scale processing facility for which the Broken Hills team have exclusive access. A review of the treatment capability is yet to be undertaken and will be a focus of the Due Diligence process.

Exploration Projects – Coromandel Gold Limited

As announced the board believes that the maximum potential for shareholder value can be developed by separating exploration assets into a separate listed entity Coromandel Gold Limited and acquire projects which have similar characteristics. The Coromandel Gold Limited “CGL” value proposition is as an Exploration company with a focus on the Pacific region. The recent addition of the Vanuatu project to the portfolio of exploration assets, including potentially Rahu and other exploration opportunities is in line with this strategy.

During the quarter NTL commenced the initial stages of the process to listing Coromandel Gold Limited and expects to conclude that listing by mid 2021.

Vanuatu Project

By world standards Vanuatu is extremely underexplored. Modern exploration for gold started in the mid 1980’s and with sporadic bursts mainly in the 1990’s and briefly in the early 2000’s. Further information about this acquisition can be found on the release dated 10 December 2020 <https://www.nzx.com/announcements/364819>.

This strategic acquisition by NTL on behalf of wholly owned subsidiary Coromandel Gold, is the first step in the restructuring of the NTL group into a listed exploration and development businesses. The process to commence listing Coromandel Gold Limited on the NZX has commenced.

The assets include the granted prospecting licence PL 1851 known as Tafuse, comprising 9,269 hectares and a prospecting licence application covering the Navaka or Ora prospect, both on the island of Espiritu Santo.

This acquisition represents a rare opportunity to acquire a strategic holding in a highly prospective part of the Pacific Rim of Fire that extends from Japan through the Philippines, PNG, Solomons, Vanuatu, Fiji to New Zealand.

Vanuatu comprises a 700km long chain of approximately 80 volcanic islands located above the convergence zone of the Pacific and Australian Plates. This zone which extends from New Zealand to Japan hosts some of the world’s largest epithermal or porphyry style copper and gold deposits. Active mines in the region include OK Tedi (17Moz), Porgera (7 Moz), Lihir (30Moz) and Vatukoula (11Moz), Waihi (10 Moz), Talisman (1 Moz plus) as well as several world class deposits slated for development such as Wafi Golpu, PNG, (28Moz), and Namosi, Fiji, (5.5Moz). The nearest significant deposits to Vanuatu are the Emperor (Vatukoula) gold mine to the east in Fiji and Gold Ridge gold deposit to the north in the Solomon Islands.

Rahu Gold Project (100%) – Hauraki District, NZ

The application for a change of conditions as outlined at the half year report is being prepared.

Discussions with NZPAM continued to explore options to allow amendment to the current work program on the permit which is currently restricted by access issues to Department of Conservation land within the permit due to Waitangi Tribunal settlement issues with Treaty claimants.

However, the focus of the work programme change of conditions relates to the more prospective areas where the Company maintains access rights and has viable drill targets. It is expected this amended work programme application will be submitted in the coming weeks.

Should the application for a change of conditions at Rahu be approved exploration activities would be undertaken alongside the Vanuatu project as part of the spin-off of Coromandel Gold.

Corporate

Under the terms of the agreement with Broken Hill Historic Mine Ltd 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, this is anticipated to be completed within the next quarter or once the acquisition is completed.

During the quarter the corporate office of the Company was relocated by the Landlord from 541 Parnell Road to 547 Parnell Road, Auckland. The relocation was at the request of the landlord as they are now demolishing the building NTL had been leasing, to allow for an extensive development for aged care services. The new premises are in a superior location and at a lower annual cost.

At the end of the quarter the company remained in a healthy financial position with 1.3M in cash. The board continued with its cost reductions during the quarter which were implemented by the CEO in 2019 with the CEO and Directors, employees and contracted staff, by agreement, remunerated at a 20% discount on contract arrangements.

Tenements

Rahu Resources –EP60144 100% New Talisman

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited

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.