

31 May 2021

FOR IMMEDIATE RELEASE

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]

Preliminary Announcement – Full Year Results

	Current Reporting Period 31 March 2021 (12 months) \$	Previous Reporting Period 31 March 2020 (12 months) \$	Change %
Revenue for ordinary activities	2,973	39,511	(92%)
Loss from ordinary activities attributable to members of the listed issuer	762,402	3,713,873	(79%)
Tenement expenditure	523,787	1,109,327	(53%)
Prospecting Expenditure	-	8,000	(100%)
Total Net Expenditure	1,286,189	4,831,200	(73%)

No dividend attributed to this period.

No further impairment of prospecting costs were recognised this period due to uncertainty around access to the land (last year \$2,757,313).

Tenement expenditure for the reporting period was \$523,787 compared to \$1,109,327 in the previous reporting period.

At the end of the year the Company had a cash balance of \$1,110,695

HIGHLIGHTS OF THE YEAR

- With a difficult start for most companies in NZ and the rest of the world following the end of the financial year, management completed the initial strategic review and subsequently the board adopted the following key recommendations:-
 - 1) Priority on identifying a treatment route of the ore with existing operators and planning in the event of having to build a company owned plant.
 - 2) identify a secondary source of ore which following the end of the period resulted in the signing of a term sheet for the acquisition of Broken Hills Mining as outlined in the following announcement dated 17 January 2021 <https://www.nzx.com/announcements/366790>
 - 3) The geological team focused on identifying targets within the permit area and commenced modelling on the remaining data from the Talisman deeps database.

- In the first half of the year the company announced the results of the latest Mineral Resource Estimate (MRE) for the Company's Talisman Mine. The report and data were submitted for independent peer review by AMC Consultants (pty) Ltd. Details of the report and review are documented in the company announcement dated 24 June 2020 <https://www.nzx.com/announcements/355173>. The technical team are completing a review of further resources within the extensive geological database of the Talisman mine which is currently being updated

- Terra Firma continued to maintain the mine to the highest level of health and safety and are ready to recommence extraction activities as soon as a processing route is secured. The trigger for the 2 year extraction consent is the first 10 T truck leaving the site.
- Stockpiled ore increased during the period with identified stockpiles and stopes contributing to tonnage.
- Following the end of the reporting period the company identified a number of operators that would be able to process ore. One of the operators is currently processing 1 Tonne of High grade ore which will determine the efficiencies with a variety of grind sizes and no chemical treatment using gravity separation. A second processing group who had previously tested their separation methods were approached.

During the year the company maintained significant financial controls reducing the annual expenditure significantly. Given the high level of costs while underground extraction activities are undertaken, the board has taken a prudent financial approach by ensuring the extracted ore is able to be transported directly for processing.

Reductions in management and board continued to exceed 20% of that contracted during the period and continue from the chair to management with the exception of the virtual CFO and Terra Firma who have a regulatory obligation under the health and safety act restricting the ability to reduce costs as inspections are required on a weekly basis.

From a financial perspective these reductions resulted in an overall substantial reduction in operating expenses on the previous year while the ore stockpiles and value therein increased.

During the second half of the financial year the company executed a binding term sheet and completed DD on Capella Pty Ltd in Vanuatu from Canterbury resources with final agreements being executed currently.
<https://www.nzx.com/announcements/364819>

The company also entered into a binding agreement to acquire the Broken Hills mining project which has been owned and operated by the Rabone family for over two decades.
<https://www.nzx.com/announcements/366790> Production data from the current mining operation, as provided by the vendor to NTL as part of the ongoing due diligence process, shows that between 2001 and 2019 a total of 6,494 oz of gold and 17,539 oz of silver from 12,102 tonnes of quartz was produced at an average grade of 16.69g/t gold and 45 g/t silver.

The primary focus continues to be on delivering a production route for the Talisman ore.

Note: A detailed report outlining the activities during the year will be included in the Annual Report to be released in June 2021.

<u>Consolidated Statement of Comprehensive Income</u>	Reporting Period 31 March 2021	Previous Reporting Period 31 March 2020
	\$	\$
Revenue	2,973	39,511
Total revenue	<hr/> 2,973	<hr/> 39,511
Audit fees	37,813	33,119
Depreciation	41,769	51,708
Director fees	85,333	110,500
Foreign exchange loss/ (gain)	(13,177)	4,673
Fair Value of Investments Movement	(15,775)	2,615

Impairment of Prospecting Costs	-	2,757,313
Rent and leasing	13,406	23,414
Operating expenses	614,523	744,116
Total operating expenses	763,892	3,727,458
Loss from operations	760,919	3,687,947
Finance Costs	1,483	
Exploration Costs written off	-	-
Other Comprehensive Income	-	-
Net deficit attributable to members	762,402	3,687,947
Earnings per share		
Basic earnings/(loss) per share	(0.03) cents	(0.14) cents
Diluted earnings/(loss) per share	(0.03) cents	(0.14) cents

Consolidated Statement of Financial Position

	Reporting Period 31 March 2021	Reporting Period 31 March 2020
	\$	\$
Cash	1,110,695	2,495,718
Receivables and prepayments	169,898	178,619
Current assets	1,280,593	2,674,337
Property, plant & equipment	191,388	227,421
Assets Under Construction	13,673,688	13,143,901
Intangible assets (prospecting expenditure)	11,637	11,637
Right of use assets	64,539	-
Investments	185,828	5,581
Non-current assets	14,127,080	13,388,540
Total assets	15,407,673	16,062,877
Payables	86,253	28,972
Short Term Lease Liabilities	24,141	-
Other	20,324	17,613
Employee entitlements	-	18,240
Total Current liabilities	130,718	64,825
Total Non-Current liabilities	73,520	32,215
Total liabilities	204,328	97,040
Capital	38,216,371	38,216,371
Reserves	-	-
Retained profit/(loss)	(23,012,936)	(22,250,534)
Total equity	15,203,435	15,965,837
Total Equity and Liabilities	15,407,673	16,062,877

Net tangible assets per security

Net tangible assets	15,568,058	15,931,398
Net tangible assets per security	0.56 cent	0.59 cent

Consolidated Statement of Cash Flows

	Reporting Period 31 March 2021	Reporting Period 31 March 2020
	\$	\$
Cash flows relating to operating activities		
Cash inflows	1,669	4,463
Cash outflows	(697,727)	(1,236,755)
Net operating cash flows	<u>(696,068)</u>	<u>(1,232,292)</u>
Cash flows relating to investing activities		
Cash inflows	1,304	-
Cash outflows	(694,259)	(1,136,495)
Net investing cash flows	<u>(692,955)</u>	<u>(1,136,495)</u>
Cash flows relating to financial activities		
Cash inflows	-	3,625,522
Cash outflows	(9,177)	-
Net financing cash flows	<u>(9,177)</u>	<u>3,625,522</u>
Net increase/(decrease) in cash held	(1,398,200)	1,256,735
Cash at beginning of period	2,495,718	1,243,656
Exchange rate gain/(loss)	13,177	(4,673)
Cash at end of period	<u>1,110,695</u>	<u>2,495,718</u>

Consolidated Statement of Changes in Equity

	Reporting Period 31 March 2021	Reporting Period 31 March 2020
	\$	\$
Equity at start of period	15,935,837	19,653,784
Net profit / (loss)	(762,402)	(3,687,947)
Shares issued	-	-
Prior Period Adjustment	-	-
Equity at end of period	<u>15,203,435</u>	<u>15,965,837</u>

These annual financial statements are subject to completion of the audit.

No dividends or distributions were paid or are planned.

All statements are prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.

There are no accounting policies which the directors believe are critical to the portrayal of New Talisman's financial condition and results which require the directors to make judgements and estimates about matters that are inherently uncertain.

All accounting policies have been applied on bases consistent with those used in previous years.

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZX & ASX: NTL) leading New Zealand minerals development company with over 1,900 shareholders a majority of whom are from Australia and New Zealand.

The Company's flagship asset the Talisman mine holds a JORC compliant mineral resource, a JORC compliant reserve and has been granted resource consents and access arrangements for the initial phase of the project. The company is currently initiating bulk sampling at Talisman and continues to advance the development of the mine. New Talisman's wholly owned subsidiary Coromandel Gold Limited holds a portfolio of highly prospective mineral interests and gold properties in the Hauraki District of New Zealand.

More about New Talisman Gold at www.newtalisman.co.nz