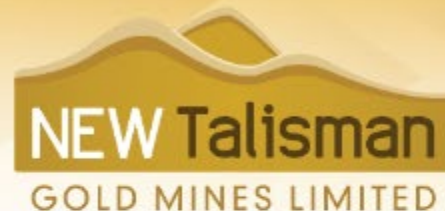


# Market Announcement

## For Immediate Release



### Quarterly Activities Report to 31 March 2021

**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 31/03/2021 2,809m

#### Share Price

**Share Price** at 29/04/2021 (NZX) 0.4cps

**Share Price** at 29/04/2021 (ASX) 0.4cps



#### New Talisman Gold Mines Limited

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New Talisman Gold Mines Limited (NTL) is pleased to present a report on activities for the quarter ended 31 March 2021.

#### HIGHLIGHTS

- **NZ based treatment options identified for processing.**
- **Coromandel Gold identify additional assets on the NZ West Coast.**
- **Coromandel Gold has completed Vanuatu due diligence and transaction documents being finalised.**
- **Broken Hills Historic Mine Limited acquisition progress update.**

During the quarter the Company was focused on completing due diligence on the Broken Hills and Vanuatu acquisitions, and identifying a economically viable processing route.

A number of options have been identified for processing ore in NZ. The next steps over the coming weeks will be to test up to 100t sample (in batches of 5-10t) at one or more facility to determine recovery rates and economic feasibility prior to entering commercial agreements. The capacities of each facility range from 1tph up to 10tph with the largest outlined further below.

New Talisman Gold Mines Limited and Broken Hills Historic Mine Limited are currently working with Mint Innovation Limited (a New Zealand company) to determine the feasibility of using their novel technology for gold recovery using microorganisms. Mint's pioneering technology is cyanide free and enables precious metal recovery from challenging materials in an environmentally responsible manner. NTL is engaged with Mint Innovation, (who have previously worked with Broken Hills), to determine suitability of their solution in respect of both Talisman and potentially Broken Hills. Mint Innovation have indicated they have capacity for batch treatment as of July.

In addition, during the quarter discussions progressed with a major New Zealand industry group that currently have immediate capacity to process an initial batch of up to 100t of ore and a proposal has been put forward which provides the potential for developing jointly or separately a permanent or mobile treatment facility, following initial feasibility which is expected to commence in the near term for testwork.

In the NZ mining industry, small scale operations (including those that have restricted extraction approvals) have the same stringent health and safety requirements as major operators and therefore are difficult to make economic at low volumes. This highlighted the need for economies of scale while Talisman is at the bulk sampling phase to warrant a full-scale solution capable of processing ore at both bulk sampling and future peak mine volumes (when approved). The acquisition of Broken Hill Historic Mine Limited (BHG) would lessen development risk by having multiple sources of ore.

The combination of skills from both companies creates an efficiency resulting in the reduction of costs attributable to WorkSafe requirements for which Talisman have extensive health and safety management systems developed using best practice models developed by Terra Firma and the NTL technical team.

New Talisman's and its contractors high proficiency in health and safety management, planning and engineering and mine development skills brings a significant value to the existing BHG operations in meeting compliance requirements.

With the addition of the BHG teams, skills and expertise in both the areas of narrow vein extraction methods using specialised equipment as well as the additional geological expertise the Broken Hills acquisition has the potential to add significant value to the New Talisman Group's existing mining operations.

### **Corporate**

Following the end of the quarter the executive team progressed commercial discussions and subsequently the management and technical team met with a major industry group's Metallurgy and Minerals science experts at their processing and research facility. The facility provides for the analysis and processing options for various minerals, ores and other elements using a variety of separation processes and potential to concentrate other minerals and inclusions which hold commercial value.

A long term proposal is currently under review by the major group which allows for an initial processing of up to 100T of Talisman stockpiled ore. The management team are in the process of agreeing the initial transport of ore from stockpiles located off site for metallurgical analysis, mineralogy and processing route options while the potential for a commercial processing agreement is negotiated subject to testwork results.

Matthew Hill said "The identification of a number of options for processing and testwork with capacities ranging from 10T to 100T per week provides for short term and long term treatment options is a key milestone and once the bulk sample testwork is complete larger volumes will be transported for processing and a commercial volume based agreement can be finalised. A treatment proposal is currently being negotiated".

## **DEVELOPMENT AND PRODUCTION PROJECTS**

### **Talisman Mine**

The Mystery development and the technique proposed by Terra Firma which initially would push the face some 10-20m forward were reviewed against drilling the Mystery vein from underground to partially test the extent of the vein.

Progress was made during the quarter on areas which will support the permitting application required to be lodged for a scaled-up processing plant utilizing both NTL and Broken Hills' existing plant to treat Talisman and Broken Hill's ores once a suitable site is located and permitted. Application planning is being undertaken alongside test work outlined in this report which may provide an interim solution while a permanent plant is developed.

## 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.

Terra Firma have been engaged to review the Broken Hills Gold project and to identify the requirements that would need to be met for the project to meet WorkSafe requirements prior to recommencing production. The appointment of a number of statutory posts at BHG are underway following the initial review and NTL and Terra Firma are looking at ways to apply the extensive health and management systems across the BHG operating framework.

## Underground resource development

Resource confirmation and modelling work under phase 4 of the Talisman Deeps project continued. This includes compilation and modelling the various targets that have been reported previously. Emphasis is on identifying opportunities to expand known resources and upgrade existing targets that lie within current resource blocks or nearby. The initial review is nearing completion. Once complete, a separate resource update will be released.

## Broken Hills Historic Mine Ltd

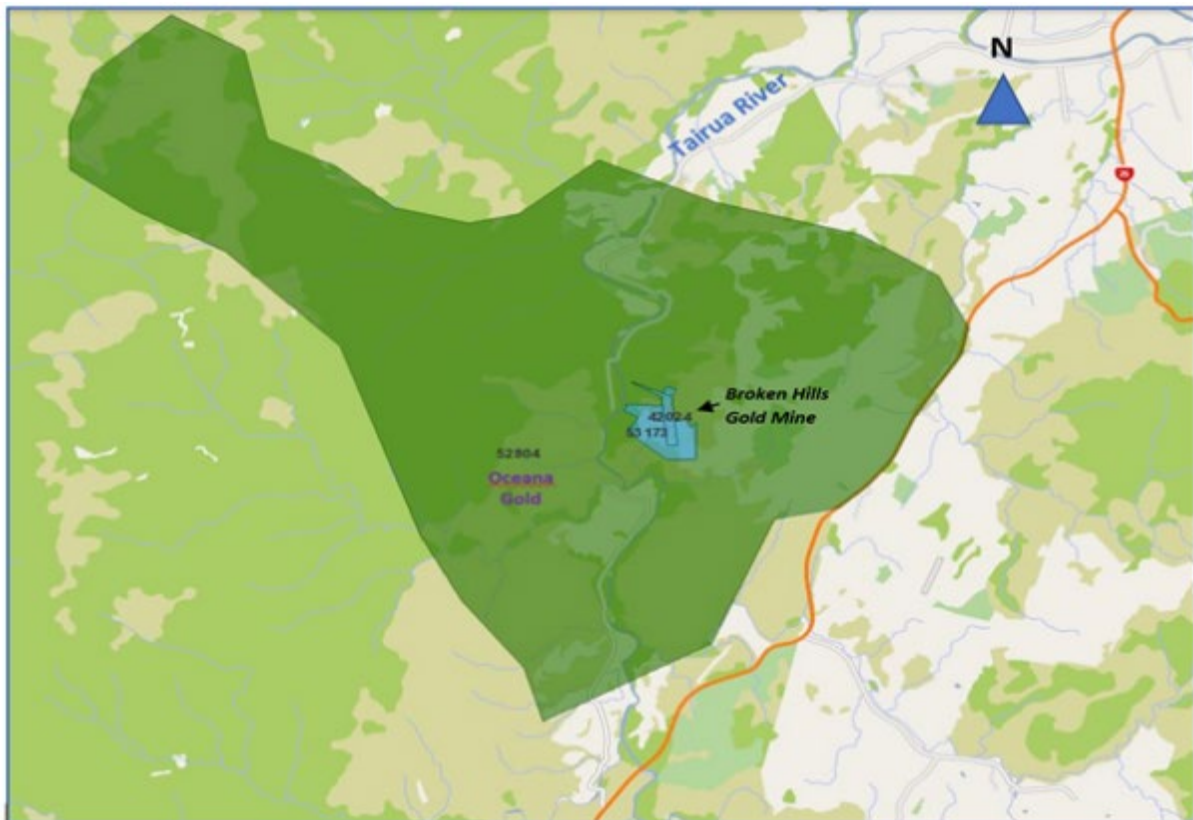
### KEY HIGHLIGHTS

- 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.*** NTL are encouraged that these figures demonstrate the excellent potential for continued production at this tenor of gold grade and for realising the larger exploration and development upside of the Broken Hills Mine.
- Access to a nearby treatment facility for processing small volumes of Broken Hills ore which have been tested and commercial recoveries achieved.
- Work commenced on digitising an extensive geological database to enable geological modelling and resource assessment.

The acquisition of the Broken Hills Mining Project by New Talisman Gold Mines has a number of additional benefits to the Talisman project and shareholders, environment and the community at large. Broken Hills Historic Mine use narrow vein mining techniques that are well proven to maximise extraction of high grade ore and minimisation of dilution with negligible environmental impact.

The Broken Hills mine utilises rail as the main transportation method and an electric locomotive to haul rolling stock. Broken Hills currently have one spare electric locomotive which following the acquisition may allow for efficient transportation and increased volumes through the mine workings and elimination of generating diesel particulates.

<https://www.nzx.com/announcements/366790>



## **Coromandel Gold Limited**

### **Vanuatu Project**

Following the execution of the binding term sheet to acquire the Vanuatu assets of Canterbury Resources Limited (ASX:CBY) last quarter NTL is pleased to advise that the team have now completed due diligence on its acquisition of the highly prospective Vanuatu Projects and are finalising transaction documents with Canterbury Resources which will complete the acquisition. Following execution, the process to transfer the Vanuatu project into Coromandel Gold Limited can be finalised and preparation to compliance list Coromandel Gold Limited can commence.

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>

Planning is now underway for work programmes to build on historic work and work completed by Canterbury to prioritise drill targets.



The New Talisman technical team recognize the close similarities of Vanuatu gold mineralisation and geological setting to that of New Zealand's Hauraki gold deposits as exemplified in the table below.

<b>Comparison of deposit features of the Hauraki Goldfield with western islands of Vanuatu</b>		
	<b>Hauraki Goldfield</b>	<b>Santo-Malekula Islands</b>
Terrain dimensions	200km by 30km	200km by 30km
Regional structural setting	Above convergence zone of Australia-Pacific plate boundary	Above convergence zone of Australia-Pacific plate boundary
Local tectonic setting	NW trending boundary faults NE trending secondary structures control mineralisation	NW trending boundary faults NE trending secondary structures control mineralisation
Host rocks	Greywacke, andesite, dacite	Andesitic lavas and volcanoclastics
Age	Miocene to Pliocene	Miocene to Pliocene
Prospect types	Porphyry Cu-Au-Mo Epithermal Au-Ag (adularia-sericite)	Porphyry Cu-Au Epithermal Au-Ag (adularia-sericite)
Porphyry characteristics	Dacite porphyry + intrusion breccias Potassic, propylitic, phyllic alteration with lithocap Disseminated chalcopyrite + molybdenum Partially drilled	Felsic intrusives Alteration not specified, skarns Chalcopyrite Not drilled
Epithermal characteristics	Quartz ± calcite ± adularia ± illite type Productive veins in andesite host Vein dimensions 300-1300m strike, 170-700+m vertical, 1-5m wide Zoned Au-Ag → Cu-Pb-Zn with depth Multi-stage quartz veins – massive, banded (colloform),	Quartz ± adularia ± illite ± amethyst Best developed in andesite lavas <200m strike but likely longer Au-basemetal association Banded (colloform), amethyst None known but likely 1-2km <sup>2</sup> Propylitic Associated with hydrothermal breccia, no sinter reported

	breccia. Bonanza style ore shoots Alteration halos ~5-120km <sup>2</sup> Propylitic – quartz, chlorite, illite, pyrite ± adularia ± albite ± calcite Associated with hydrothermal breccia, sinter	
Number of porphyry prospects	4	5 known
Number of epithermal prospects	50	4 known
Production	14.1Moz Au	No production
<i>Note: the lack of detail in many Vanuatu prospects is mainly due to poor documentation</i>		

Notably the Hauraki Gold Field has at least 50 epithermal prospects and mines delineated over a 170 year period and over 10million ounces of recorded gold production. Vanuatu by contrast has had very little gold exploration but with gold potential now recognised as being similar to the Hauraki Gold District

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 and identify opportunities for hard rock exploration and alluvial production opportunities.

Active mines in the region include OK Tedi (17Moz), Porgera (7 Moz), Lihir (30Moz) and Vatukoula (11Moz), Waihi (10 Moz), Talisman (3 Moz) plus 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.

### **Alluvial opportunity**

At the end of the quarter Coromandel Gold and NTL management met with operators on the West Coast of a current alluvial gold operation based on extensions of gold bearing gravels that were last mined by the Kaniere Dredge in the middle of the last Century. Campbell McPherson who introduced the parties are working with NTL operator on progressing the potential for inclusion of this and other alluvial and hardrock projects in a compliance listing on the NZX.

### **Tenements**

Rahu Resources –EP60144 100% New Talisman

Talisman Mine – MP51326 100% New Talisman Gold Mines Limited

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

The application for a Change of conditions which would require a significant reduction in permit area is being reviewed by the board to ensure remaining area would provide sufficient access for which NTL has maintained access agreements with private farms in the area.

### **Competent Person Statement**

#### **About New Talisman Gold Mines Ltd**

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 3,000 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.