

## REGISTERED (HEAD) OFFICE

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541 Parnell Road, Parnell, Auckland, New Zealand  
Phone: (+64 9) 303-183 • Fax: (+64 9) 303-1612  
Email: office@newtalismangold.co.nz

## AUSTRALIAN OFFICE

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24 October 2012

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

### FOR IMMEDIATE RELEASE

#### Rights Issue

New Talisman advises that a Simplified Disclosure Prospectus dated 24 October 2012, attached, has been lodged with the Registrar of Financial Services and ASIC, and is available on the Company's website.

New Talisman shares are listed on the ASX and the NZX Main Board, being a registered market.

The Offer is a one for three renounceable offer with attaching 5 year option for every new share issued.

Subscription may be made in either Australian (A\$0.01 per share) or New Zealand (NZ\$0.013 per share) to holders with a registered address in Australia or New Zealand at the Record Date.

New Talisman intends to use the proceeds from the Offer to advance the Talisman project through prefeasibility, including a project development study to include mining and processing options, safety and environmental requirements; and fund general working capital.

359,554,548 shares are on issue and 119,851,516 New Shares and 119,851,516 attaching Options can be issued.

Important dates for the issue are:

Rights trading commences on the ASX	Tuesday 30 October 2012
Rights trading commences on the NZX Main Board	Thursday 1 November 2012
Record Date for determining Entitlements	7.00pm (NZ time), Monday 5 November 2012
Expected dispatch of Prospectus enclosing the Entitlement and Acceptance Forms	Wednesday 7 November 2012
Opening Date	Wednesday 7 November 2012
Rights trading ends on the ASX	7.00pm (NZ time) and 5.00pm (AEST), Friday 16 November 2012

Rights trading ends on the NZX Main Board	5:00pm (NZ time) and 3:00pm (AEST), Monday 19 November 2012
Closing Date (last day for receipt of the completed Entitlement and Acceptance Form with payment and last day for renunciations)	5.00pm (NZ time) and 3.00pm (AEST), Friday 23 November 2012
Allotment and issue of New Shares and Options and dispatch of holding certificates ( <b>Issue Date</b> )	Wednesday 28 November 2012
Option Expiry Date	7.00pm (NZ Time) or 5.00pm (AEST) Tuesday 28 November 2017

These dates are subject to change and are indicative only. New Talisman reserves the right to amend this timetable, subject to the Corporations Act 2001, Securities Act 1978 and the Listing Rules, including by extending the Closing Date. New Talisman reserves the right to withdraw the Offer and issue New Shares and Options at any time before the Issue Date in its absolute discretion.

Sue Sangster  
Company Secretary

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#### About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with 1800 shareholders who are mainly from Australia and New Zealand. It is a leading New Zealand minerals development and exploration company with a portfolio of high quality mineral interests. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a JORC compliant mineral resource within the original Talisman underground mine, and an adjacent exploration permit along strike from the mine. The company is now advancing its plans to develop the mine, and advance the exploration project.

Through a subsidiary company, New Talisman Gold owns 21.7% of Broken Hill Prospecting Limited (Asx: BPL), which is planning to develop a cobalt project at Thackaringa, about 25 kilometres south-west of Broken Hill in Australia. BPL is listed on both the ASX and NZSX (Code: BPL).

More about New Talisman Gold at [www.newtalismangold.co.nz](http://www.newtalismangold.co.nz)

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# **New Talisman Gold Mines Limited**

## **SIMPLIFIED DISCLOSURE PROSPECTUS**

### **FOR A 1 FOR 3 RENOUNCEABLE RIGHTS OFFER WITH ATTACHING OPTION**

**Dated 24 October 2012**

This Prospectus is a simplified disclosure prospectus (as permitted under Regulations 9 and 10 of the Securities Regulations 2009) for an offer of new ordinary shares of the same class as existing shares in New Talisman Gold Mines Limited quoted on the NZX Main Board and ASX, with one option to subscribe for an ordinary share (ranking equally with quoted ordinary shares in New Talisman Gold Mines Limited) attaching to every new share issued under the offer.

New Talisman Gold Mines Limited is subject to a continuous disclosure obligation that requires it to notify certain material information to NZX and ASX for the purpose of that information being made available to participants in the NZX Main Board and ASX market operated by NZX and the ASX respectively.

# IMPORTANT INFORMATION

## General information

This Prospectus is a simplified disclosure prospectus prepared in accordance with the Securities Act 1978 and schedules 10 and 11 of the Securities Regulations 2009. This Prospectus relates to a 1 for 3 renounceable rights offer with 1 attaching option to the Eligible Shareholders of New Talisman Gold Mines Limited (the **Company** or **New Talisman**). This Prospectus is prepared as at, and dated, 24 October 2012.

The Rights are renounceable, which means you may choose to sell (i.e. renounce) any Rights that you do not accept. If you do nothing (i.e. you do not accept or renounce your entitlement), your Rights will lapse and you will not be able to subscribe for any New Shares or realise any other value for your Rights that form part of your entitlement under this Prospectus, including the bonus option being issued in respect of every share subscribed, and your shareholding in New Talisman will be diluted.

## Important document

This Prospectus is an important document and should be read carefully. If you do not understand this Prospectus or are in any doubt as to how to deal with it, you should contact a Primary Market Participant, your stockbroker, solicitor, accountant, financial adviser or other professional adviser immediately.

Before deciding to invest in New Shares, you should read this document in its entirety and consider the risk factors described in Section 7 of this Prospectus.

## No Guarantees

No person named in this Prospectus, nor any other person:

- guarantees the New Shares or Options to be issued pursuant to the Offer; or
- warrants the future performance of New Talisman or any return on any investment made pursuant to this Prospectus.

## Registration

A copy of this Prospectus, signed by or on behalf of the Directors of New Talisman (as issuer) has been delivered to the New Zealand Registrar of Financial Service Providers for registration under section 42 of the Securities Act 1978, together with each announcement by New Talisman referred to in Section 8.4 of this Prospectus and New Talisman's most recent annual report containing the audited financial statements for the twelve month period ended 31 March 2012.

## NZX Main Board and ASX quotation

Application has been made for permission to quote the Rights and Options on the NZX Main Board and all the requirements of NZX relating thereto that can be complied with on or before the date of this Prospectus have been duly complied with. The New Shares, and Shares issued on exercise of the Options, have been accepted for quotation by NZX and will be quoted upon completion of allotment procedures. NZX is a registered exchange under the Securities Markets Act 1988 and the NZX Main Board is a registered market operated by NZX.

Application has been made for permission to quote the Rights and Options on the ASX and all requirements of ASX relating thereto that can be complied with on or before the date of this Prospectus have been duly complied with. The Company has made an application for admission of the New Shares, and Shares issued on exercise of the Options, to quotation on ASX. All requirements of ASX relating to such an application that can be complied with on or before the date of this Prospectus have been, or the Company expects will be, duly complied with. The resulting Shares are therefore expected to be quoted on ASX following the completion of allotment procedures.

Neither NZX nor ASX accepts any responsibility for any statements in this Prospectus.

## Offering restrictions

No action has been taken to permit a public offering of the New Shares or Options in any jurisdiction outside New Zealand and Australia. The distribution of this Prospectus in a jurisdiction outside New Zealand and Australia may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. New Talisman disclaims all liability to such persons.

No person may purchase, offer, sell, distribute or deliver New Shares or Options, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations. Without limiting the foregoing, this Prospectus may not be sent into or distributed in the United States.

Unless otherwise agreed with New Talisman, any person applying for New Shares and Options under the Offer will be deemed to represent and warrant to New Talisman and each of its Directors that he, she or it is not in a jurisdiction that does not permit the making of the Offer or an invitation of the kind contained in this Prospectus and is not acting for the account or benefit of a person within such a jurisdiction. Neither New Talisman, nor any of its Directors, officers, employees, consultants, agents, partners or advisers (nor any other person) accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

#### **Warning Statements for Australian Shareholders**

This Offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008.

This Offer and the content of the Prospectus are principally governed by New Zealand, rather than Australian, law. In the main, the Securities Act 1978 and the Securities Regulations 2009 set out how the Offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Australian Securities and Investments Commission (ASIC). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Offer may involve a currency exchange risk. The currency for the security or financial product may be in dollars that are not Australian dollars. The value of the security or financial product will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.

If you receive any payments in relation to the security or financial product that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

If the security or financial product is able to be traded on a financial market and you wish to trade the security or financial product through that market, you will have to make arrangements for a participant in that market to sell the security or financial product on your behalf. If the financial market is a foreign market that is not licensed in Australia (such as a securities market operated by the NZX) the way in which the market operates, the regulation of participants in that market and the information available to you about the security or financial product and trading may differ from Australian licensed markets.

The financial market on which New Shares and Options issued under the Offer will be quoted is the main board equity security market operated by ASX and the NZX Main Board.

Neither ASIC or ASX take any responsibility for the contents of this Prospectus. Accordingly, this Prospectus may not contain all of the information which a prospective investor may require to make a decision whether to subscribe for New Shares and Options and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus.

Announcements made by New Talisman to ASX are available from the ASX website ([www.asx.com.au](http://www.asx.com.au)). The information in this Prospectus does not constitute a recommendation to acquire New Shares or financial product advice.

#### **Future performance and forward looking statements**

Any forward looking statements in this Prospectus are based on New Talisman's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of New Talisman and its Directors, that could cause actual results, performance or achievements to differ materially from future results performance or achievements expressed or implied by the forward looking statements in this Prospectus. Investors should specifically refer to Section 7 of this Prospectus on risks, which refer to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

#### **Decision to participate in the Offer**

The information in this Prospectus does not constitute a recommendation to acquire New Shares or financial product advice. This Prospectus has been prepared without taking into account the investment objectives, financial, or taxation situation or particular needs of any Applicant or investor. Before applying for New Shares, you should consider whether such an investment is appropriate to your particular needs, considering your individual risk profile for investments, investment objectives and individual financial circumstances.

By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your stockbroker or otherwise arranging for payment for your New Shares in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms and conditions of the Offer detailed in this Prospectus, you agree to all of the terms and conditions detailed in this Prospectus and you have made your own enquiries and assessment as to the assets, liabilities, financial position, profit and losses and prospects of New Talisman and the rights attaching to the New Shares, including the attaching Option.

#### **Consideration period**

Pursuant to section 43D of the Securities Act 1978, New Talisman is unable to allot any New Shares or Options or accept any applications or subscriptions in respect of the Offer during the Financial Markets Authority "Consideration Period". The Consideration Period commences on the date of registration of this Prospectus and ends at the close of the day which is 5 working days after the date of registration. The Financial Markets Authority may shorten this Consideration Period, or extend it by no more than 5 additional working days.

#### **Minimum subscriptions**

The Directors have set a minimum level of subscriptions for the Offer to proceed at A\$1.1 million. In the event that there are any Rights which are not taken up after any applications for Additional New Shares under the Oversubscription Facility have been satisfied, New Talisman will call on the Underwriter to subscribe or procure subscriptions for the New Shares and Options relating to the unexercised Rights in accordance with the Underwriting Agreement.

#### **NZX waivers**

New Talisman has been granted a waiver by NZX from Listing Rule 9.2.1 to enable International Pacific Securities HK Limited (IPS) (a related party of New Talisman) to provide sub-underwriting commitments to the Underwriter. The waiver has been granted on the following conditions described in Section 8.17.

New Talisman has also been granted a waiver by NZX from Listing Rule 7.10.5 to enable New Talisman to give Eligible Shareholders the right to apply for more New Shares than their Entitlement, to the extent of any Shortfall in the Offer. The waiver has been granted subject to the conditions described in Section 8.17.

#### **Defined terms**

Capitalised terms and abbreviations used in this Prospectus are defined in the Glossary or in the relevant Section of the Prospectus in which the term is used.

#### **Privacy Act**

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form will be held by New Talisman and/or the Registry at the addresses set out in the Directory. This information will be used for the purposes of administering your investment in New Talisman. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.



**Governing Law**

This Prospectus, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Form are governed by the laws of New Zealand. Each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

**Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied upon as having been authorised by New Talisman or any of its Directors.

**Enquiries**

Enquiries about the Offer can be directed to a Primary Market Participant, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on the Entitlement and Acceptance Form that accompanies this Prospectus, or how to complete the Entitlement and Acceptance Form, please contact the Registry.

**Times**

All references in this Prospectus to times are to New Zealand time.

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## 1.0 Chairman's Letter

Dear Shareholder,

On behalf of the Board of New Talisman, I am pleased to present the Company's simplified disclosure prospectus for a pro-rata renounceable rights offer of New Shares, with 1 attaching Option per New Share, to Eligible Shareholders (**Offer**).

On 29 August 2012, the Company announced that it intended to raise up to A\$1.2 million (before costs) through a renounceable rights issue.

The Company is, under the Rights issue, offering 119,851,516 New Shares at an Issue Price of A\$0.01 or NZ\$0.013 per New Share, on the basis of 1 Right to acquire a New Share for every 3 Existing Shares held as at the Record Date. For every New Share allotted under the Offer, New Talisman will issue 1 Option to the subscriber. Each Option will be exercisable at the Option Price of A\$0.02 or the New Zealand dollar equivalent for a term of 5 years and will entitle the holder to subscribe for a new ordinary share ranking equally with existing ordinary shares on exercise.

All Eligible Shareholders are entitled to participate in this Offer. If you accept your Entitlement in full, you can also apply for Additional New Shares (i.e. Shares in excess of your pro rata Entitlement) through the Oversubscription Facility. If you do not wish to take up your Entitlement under the Offer, you will be entitled to sell your Rights on the NZX Main Board and ASX (as applicable).

As outlined in Section 5 of this Prospectus, the funds raised pursuant to this Offer will be used to advance the Talisman project through prefeasibility, including a project development study to include mining and processing options, safety and environmental requirements; and fund general working capital.

I urge shareholders to read this Prospectus and related stock exchange announcements carefully before deciding whether or not to invest. An investment in New Talisman contains specific risks in addition to general risks (as outlined in Section 7 of this Prospectus), which you should consider before making that decision.

If there is any matter on which you are unsure or require further information, you should consult your stockbroker, accountant or other professional advisor.

I look forward to your continuing support.

Yours sincerely,  
J Murray McKee  
Deputy Chair  
New Talisman Gold Mines Limited

## 2.0 Key terms of the Offer

<b>Issuer</b>	New Talisman Gold Mines Limited
<b>The Offer</b>	A pro-rata renounceable rights issue of 1 New Share for every 3 Existing Shares held on the Record Date, with 1 Option attaching to every New Share allotted
<b>Eligible Shareholder</b>	Shareholders with registered addresses in New Zealand and Australia at 7.00pm (NZ time) on the Record Date
<b>Issue price</b>	Either A\$0.01 or NZ\$0.013 per New Share (at the subscriber's election)
<b>Option</b>	Each Option attaching to every 1 New Share allotted and issued under this Offer entitles the holder to subscribe for 1 Share at the Option Price of A\$0.02 or New Zealand dollar equivalent calculated by the Official Exchange Rate published by Westpac Banking Corporation. The ordinary share issued on option exercise will rank equally with existing Shares. Options are expected to be quoted on the NZX Main Board and the ASX. Options expire 5 years from issue
<b>Offer Size</b>	Maximum amount to be raised under the Offer: A\$1.2 million or NZ\$1.56 million
<b>Oversubscriptions</b>	If you accept your Entitlement in full, you may apply for any number of Additional New Shares pursuant to the Oversubscription Facility
<b>Expenses of the Offer</b>	Expenses associated with the Offer are expected to total approximately NZ\$185,000, including an underwriting fee payable by the Company of NZ\$106,000
<b>New Shares</b>	Rank equally with existing Shares on the Issue Date in all respects
<b>Shares currently on issue</b>	359,554,548 Shares
<b>Maximum number of New Shares to be offered under the Offer</b>	119,851,516 Shares

<b>Estimated Shares on issue on completion of the Offer</b>	479,406,064 Shares
<b>Maximum number of Options to be issued on completion of the Offer</b>	119,851,516 Options
<b>Underwriter</b>	The Offer is underwritten by Canaccord Genuity (Australia) Limited – refer to Section 4.11 for further details. Sub-underwriting is anticipated to be provided by International Pacific Securities HK Limited (IPS) and potentially other entities
<b>How to apply</b>	Application must be made through the Entitlement and Application Form enclosed in this Prospectus together with payment in your chosen currency (New Zealand or Australian dollars). See Section 6 of this Prospectus for actions to be taken by Eligible Shareholders

### 3.0 Important Dates

Rights trading commences on the ASX	Tuesday 30 October 2012
Rights trading commences on the NZX Main Board	Thursday 1 November 2012
Record Date for determining Entitlements	7.00pm (NZ time), Monday 5 November 2012
Expected dispatch of Prospectus enclosing the Entitlement and Acceptance Forms	Wednesday 7 November 2012
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Allotment and issue of New Shares and Options and dispatch of holding certificates ( <b>Issue Date</b> )	Wednesday 28 November 2012
Anticipated quotation of New Shares and Options	Thursday 29 November 2012
Option Expiry Date	7.00pm (NZ Time) or 5.00pm (AEST) Tuesday 28 November 2017

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## 4.0 Details of the Offer

### 4.1 The Offer

The Offer is an offer of New Shares in New Talisman to Eligible Shareholders under a pro-rata renounceable rights issue. Under the Offer, Eligible Shareholders are granted Rights to subscribe for 1 New Share for every 3 Existing Shares held on the Record Date, subject to the terms of this Prospectus, with 1 bonus 5 year option attaching to each New Share allotted under the Offer.

The New Shares issued under the Offer, and any Shares issued on exercise of the Options, are of the same class as Existing Shares, which are quoted on the NZX Main Board operated by NZX and on the ASX operated by ASX.

The maximum number of New Shares being offered under the Offer is 119,851,516. The maximum number of Options issued under the Offer is therefore also 119,851,516.

The Offer opens on 7 November 2012 (**Opening Date**) and closes at 5.00pm (NZ time) on 23 November 2012 (**Closing Date**). Valid acceptance must be received by 5.00pm (NZ time) on 23 November 2012.

The New Shares will be fully paid and will rank equally with existing Shares on the Issue Date.

Pursuant to this Prospectus, every person who subscribes for New Shares under this Offer will receive 1 Option for each New Share they subscribe for.

The Offer has only been made to Shareholders with registered addresses in New Zealand and Australia as at the Record Date. The Rights attributable to all other Shareholders as at the Record Date will be issued to a nominee who will endeavour to sell those Rights and any proceeds will be paid to those Shareholders.

### 4.2 Issue Price

The Issue Price is A\$0.01 or NZ\$0.013 per New Share. Applicants may choose whether to pay the Australian dollar or New Zealand dollar Issue Price. The Issue Price must be paid in full on application with a completed Entitlement and Acceptance Form delivered (by either mail, delivery, email or fax) to the Registrar in accordance with the instructions set out in the Entitlement and Acceptance Form. No money is payable for the issue of the Options.

New Talisman reserves the right to accept late Applications and Application Monies, but has no obligation to do so. New Talisman reserves the right to accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers is not completed correctly, and to correct any errors or omissions on any Entitlement and Acceptance Form.

If an Eligible Shareholder fails to accept any New Shares and pay the associated Application Monies by the Closing Date (5.00pm (NZ time) on 23 November 2012), their Rights will lapse.

Application Monies received will be held in a trust account established by New Talisman with the Registrar until the corresponding New Shares and Options are allotted or the Application Monies are refunded. Interest earned on the Application Monies will be for the benefit, and remain the property of New Talisman and will be retained by New Talisman whether or not the issue and allotment of New Shares takes place. Any refunds of Application Monies will be made without interest within 10 Business Days of allotment.

### **4.3 Eligibility**

The Offer is only open to Eligible Shareholders, being those persons with registered addresses in New Zealand or Australia, who are registered as Shareholders at 7.00pm (NZ time) on Monday 5 November 2012 (**Record Date**). Persons registered as shareholders of New Talisman after the Record Date will not be entitled to participate in the Offer.

### **4.4 Entitlement**

Eligible Shareholders are entitled to subscribe for 1 New Share for every 3 Existing Shares held on the Record Date and will receive 1 bonus Option for each New Share allotted to them. Eligible Shareholders who subscribe for their full Entitlement may also apply for Additional New Shares (as described below). Fractional entitlements will be rounded down to the nearest whole number.

The Entitlement of each Eligible Shareholder is printed on the personalised Entitlement and Acceptance Form distributed to Eligible Shareholders accompanying this Prospectus.

### **4.5 Oversubscription Facility**

Eligible Shareholders who accept all of their Rights may also apply for Additional New Shares (an additional number of New Shares in excess of their Entitlement) at the same Issue Price of A\$0.01 or NZ\$0.013 pursuant to the Oversubscription Facility. Applicants may apply for any number of Additional New Shares but there is no guarantee that Applicants will be allocated any or all of the Additional New Shares for which they apply.

The number of New Shares available under the Oversubscription Facility will equal the number of New Shares for which valid applications are not received by the Closing Date. No applicant for Additional New Shares will be allocated any greater number of Additional New Shares than the number for which they have applied and paid.



In the event that the total number of Additional New Shares for which applications are received exceeds the total number of New Shares in the Oversubscription Facility, the Company may scale the oversubscription applications.

Scaling will be undertaken in the following manner. The number of New Shares in the Oversubscription Facility (and associated Options) will be allocated, subject to there being a sufficient number of New Shares in the Oversubscription Facility, as follows:

- first, all applicants for Additional New Shares will be allocated the lesser of:
  - the number of Additional New Shares applied for under the Oversubscription Facility; and
  - 200,000 New Shares (being approximately the average shareholding block in New Talisman).
- second, in the event that New Shares remain unallocated in the Oversubscription Facility such shares shall be allocated to unsatisfied applicants pro-rata to those applicants' holdings of Existing Shares as at the Record Date.
- third, in the event that New Shares remain unallocated in the Oversubscription Facility, such shares will be allocated to unsatisfied applicants pro-rata, unless the Directors determine that to do so would materially affect "effective control" (as described in Rule 7.5 of the Listing Rules) of New Talisman.

If the number of New Shares in the Oversubscription Facility is insufficient to allocate under the first step of the scaling methodology set out above, the Company reserves the right to ballot, reduce the upper limit of New Shares allocated or scale the applications in any other manner that it deems appropriate (subject to applicable laws and the Listing Rules). The Company's decision on scaling will be final. In the event of any remaining shortfall after the above steps, such New Shares will be allocated to the Underwriter (and, in turn, any Sub-Underwriter(s)).

#### **4.6 Allotment and issue of New Shares**

New Shares and Options are expected to be allotted and issued on Wednesday 28 November 2012 (**Issue Date**). Statements for New Shares will be issued and mailed in accordance with the Listing Rules, and are anticipated to be mailed on Wednesday 28 November 2012.

#### **4.7 Terms and Ranking of New Shares and Options**

##### **New Shares**

New Shares allotted and issued will be fully paid and shall rank equally in all respects with other Shares on issue that are quoted on the NZX Main Board and ASX on the Issue Date and will give the holder the right to one vote on a resolution at a meeting of shareholders (subject to any restrictions in the Company's

constitution or the Listing Rules), the rights to dividends authorised by the Board and the right to a proportionate share in any distribution of surplus assets of the Company on any liquidation.

### Options

Each Option can be exercised at the Option Price from the issue date of the Options (the **Option Issue Date**). Options expire on the earlier of the date that they are exercised or, if they are not exercised, on 7:00pm (NZ time) on the date which is 5 years after the Option Issue Date (**Option Expiry Date**).

Options are exercisable by the holder lodging with the Registry a notice in writing of exercise of Options together with payment of the Option Price for all Options being exercised. Options can be exercised in minimum parcels of 100,000 (or any smaller number which represents all of the holder's Options). If the Company considers that the exercise of an Option would cause the holder or the Company to breach the Listing Rules or any applicable laws, the Company may give notice to the holder and defer the exercise of the Option until the earliest Business Day on which the Company considers there would be no such breach.

Except as stated otherwise, each Option does **not** entitle the holder to:

- vote at meetings of the Company's shareholders;
- participate in any dividends declared by the Board; or
- participate with other securities in the residual assets upon the liquidation of the Company.

Each Option **does** entitle the holder to:

- certain information from the Company (including its annual and half yearly reports and notices of meeting);
- any other rights conferred by the Constitution, the Companies Act or the Listing Rules; and
- attend (but not vote at) any general meetings of the Company.

If, after the issue of the Options, a rights issue, bonus issue, consolidation or subdivision or similar proportionate reconstruction or other event or circumstance occurs in relation to the Shares, the Board may, if and to the extent permitted by the Listing Rules, amend the exercise price and/or number of underlying securities in respect of the Options.

Each Share issued on exercise of an Option will be fully paid and rank equally with existing Shares at the time of issue.

## **4.8 Rights**

If you are an Eligible Shareholder, you are not required to subscribe for all of the New Shares and Options to which you would be entitled under the Offer. You may subscribe for a proportion of your New Shares, sell your Rights or allow your Rights to lapse. See further details in Section 6.

## **4.9 Use of Proceeds**

The Offer will result in the Company raising up to A\$1.2 million or NZ\$1.56 million equivalent (before the costs of the Offer, and excluding any proceeds which may ultimately be raised on the exercise of Options).

New Talisman intends to use the proceeds from the Offer to cover the expenses associated with this Offer (estimated at NZ\$185,000 including underwriting fees payable by the Company of NZ\$106,000), to advance the Talisman project through prefeasibility, including a project development study to include mining and processing options, safety and environmental requirements; and fund general working capital. Further details of the project are set out in Section 5 of this Prospectus.

## **4.10 Effect of the Offer on the capital structure of New Talisman**

The Company presently has 359,554,548 Shares on issue.

On the basis of the existing number of Shares on issue the Company will be granting up to 119,851,516 Rights to acquire up to 119,851,516 New Shares and 119,851,516 attaching Options. This would increase the number of the Company's issued Shares from 359,554,548 to up to 479,406,064 Shares and 119,851,516 Options.

## **4.11 Underwriting Agreement and Sub-Underwriting Agreement**

New Talisman has requested the Underwriter to fully underwrite the Offer and the Underwriter has agreed to do so. This means that, in accordance with the terms of the Underwriting Agreement, the Underwriter (or sub-underwriter(s), as the case may be) will subscribe at the Issue Price for any New Shares that are not subscribed for by Shareholders under the Offer and the Oversubscription Facility.

The principal terms of the Underwriting Agreement are summarised as follows:

- subject to a number of pre-conditions being satisfied, the Underwriter will subscribe (or procure subscription) at the Issue Price for any Shares not subscribed for under the Offer;
- the Underwriter has the power to appoint sub-underwriters and enter into sub-writing agreements;
- the Underwriter will be paid an underwriting fee of 7% (of the total proceeds raised under the offer);

- the Underwriter may terminate its obligations under the Underwriting Agreement on non-fulfilment of any of the conditions to the Underwriting Agreement. Those conditions include the following:
  - New Talisman not breaching any warranty given by New Talisman under the Underwriting Agreement;
  - New Talisman providing a certificate to accompany the Shortfall Notice confirming the Company has complied with all material obligations on its part in respect of the Rights Offer, is not in default of any provision of the Underwriting Agreement and that no event has incurred that would entitle the Underwriter to exercise its right to terminate the Underwriting Agreement;
  - failure of any Sub-Underwriter(s) to honour their commitment;
- However, if the Underwriting Agreement is terminated prior to the Issue Date because of non-fulfilment of the conditions to the Underwriting Agreement (including breach of warranties, a breach of New Talisman's obligations, or if an event renders this Prospectus incorrect), then New Talisman is not obliged to pay to the Underwriter a fee, however regardless of whether the Offer proceeds, New Talisman will reimburse the Underwriter for costs and disbursements of the Underwriter including costs and disbursements incurred in the preparation of the underwriting agreement the aggregate of all amounts not exceeding A\$10,000;
- New Talisman has agreed to indemnify the Underwriter and persons acting for them in connection with the underwriting against certain losses as a result of the Offer, the allotment of the New Shares or the Underwriting Agreement;
- IPS is sub-underwriting. The Underwriter is entitled to contract with sub-underwriters with respect to its obligations under the underwriting agreement. The Underwriter agrees to inform the Company of the identity of any sub-underwriters when binding commitments are received by the Underwriter. The Company must not make or cause to be made any announcement or other disclosure of or in relation to the identity of any sub-underwriter without the prior written consent of the Underwriter, subject to the Company's compliance with the Corporations Act, the Companies Act and the Listing Rules. The company is not responsible for payment of fees to any sub-underwriter (if any) appointed by the Underwriter.

New Talisman may not, without prior consent of Canaccord Genuity (Australia) Ltd as the Underwriter, for a period of 12 months after the Issue Date, offer any further equity securities in New Talisman, issue any option entitling the holder to equity securities in New Talisman, create any debt or other obligation convertible into equity securities in New Talisman, or enter into any agreement or announce an intention to do any of the foregoing.

Warranties given by New Talisman in the Underwriting Agreement include warranties relating to the content of this Prospectus, compliance by New Talisman and its subsidiaries with relevant laws, the existence of no material litigation or Material Adverse Event (as defined in the Underwriting Agreement), the valid allotment and issue of New Shares.

#### **4.12 Opening and Closing Dates**

The Offer will open for receipt of acceptances on the Opening Date. The last day for receipt of the completed Acceptance and Entitlement Form with payment is the Closing Date (5.00pm (NZ time) and 3.00pm (AEST) on Friday 23 November 2012), subject to New Talisman varying those dates in accordance with the Listing Rules.

#### **4.13 Who is entitled to participate?**

The Offer is only open to Eligible Shareholders, being those persons with registered addresses in New Zealand or Australia, who are registered as Shareholders at the Record Date. Based on the T+3 settlement timeframe for trades through the NZX Main Board and the ASX, for transfers to be reflected on the share register at the Record Date the relevant trade must be completed by close of trading on Wednesday 31 October 2012 so that it settles on Monday 5 November 2012. Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Prospectus, unless the Company otherwise determines. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in this Offer. Persons registered as Shareholders of New Talisman after the Record Date will not qualify for the Offer.

#### **4.14 Overseas Shareholders**

The Offer is only available to Shareholders with a registered address in New Zealand or Australia, who are registered as Shareholders on the Record Date. New Talisman is of the view that the legal requirements of other jurisdictions in which Shareholders have a registered address are such that it would be unduly onerous for the Company to make the Offer, having regard to the low number of such Shareholders, the number and value of New Shares such Shareholders would be offered, the financial resources of the Company and the costs of complying with overseas legal requirements.

New Talisman, in its absolute discretion, reserves the right to determine whether a Shareholder is eligible to participate in the Offer or not. New Talisman shall, to the maximum extent permitted by law, have no liability in respect of the determination as to whether a Shareholder is eligible to participate in the Offer.

#### **4.15 NZX and ASX Quotation**

An application has been made to NZX and ASX for quotation of the Rights and Options and all requirements of NZX and ASX relating thereto that can be complied with on and before the date of this

Prospectus have been duly complied with. However, neither NZX nor ASX accepts responsibility for the contents of or any statement in this Prospectus.

New Talisman will take steps to ensure that the New Shares and Options are, immediately after allotment, quoted on the NZX Main Board and ASX markets. However, neither NZX nor ASX accept any responsibility for any statement in this Prospectus. The NZX Main Board market is a registered market, operated by NZX, under the Securities Markets Act 1988. New Shares are expected to be allotted and issued on the Issue Date if all conditions are fulfilled.

The fact that NZX or ASX may approve the Rights, New Shares and Options for quotation is not to be taken in any way as indication of the merits of the Offer or the Company.

#### **4.16 Withdrawal of Offer**

New Talisman reserves the right to withdraw the Offer and issue of New Shares at any time before the Issue Date in its absolute discretion. If the Offer does not proceed, the relevant application monies paid in respect of the New Shares to be issued under the Offer will be refunded to those Applicants who applied for New Shares under the Offer within 10 Business Days of the Allotment Date. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer.

#### **4.17 Minimum subscription**

The minimum amount which in the opinion of the Directors must be raised under the Offer is A\$1.1 million. If valid acceptances for the minimum subscription amount are not received by the Closing Date, New Talisman will call upon the Underwriter to subscribe or procure Subscriptions for the Shortfall.

#### **4.18 Applications**

Instructions on how to apply under the Offer are set out in Section 6 of this Prospectus and on the Entitlement and Acceptance Form. Applications must be made on the Entitlement and Acceptance Form. Applications, together with application monies related to those applications (payment for the New Shares), must be delivered (by either mail, delivery, email or fax) in accordance with the instructions set out in the Entitlement and Acceptance Form or may be lodged with any NZX Primary Market Participant or any other channel approved by NZX, provided that Applicants must deliver their completed Entitlement and Acceptance Form in time to enable it to be forwarded to the Registry before the Closing Date.

New Talisman reserves the right to accept late applications and application monies related to those applications, but has no obligation to do so. New Talisman reserves the right to accept or reject (at its discretion) any Entitlement and Acceptance Form which is not completed correctly, and to correct any errors or omissions on any Entitlement and Acceptance Form.

## **5.0 Business Overview**

### **Talisman Mining Permit**

The Company holds a 25-year mining permit granted in 2009 covering 299 hectares, including the historic Talisman and Crown-Welcome mines. The permit lies between the towns of Waihi and Paeroa in the Hauraki Goldfield, and includes mines with total historical production (from the 1880s to 1992) of 1 million ounces gold and 3 million ounces silver.

An Inferred, Indicated and Measured mineral resource of 205,000 ounces gold and 800,000 ounces silver previously estimated for the mining permit has good potential for expansion. The Company intends to commence mining in mid-2014.

Project development work for consenting and approval, including innovative mining and processing options has commenced.

### **Rahu Exploration Permit**

The Rahu exploration permit of 405 hectares is adjacent to the Talisman mining permit and the Company considers it has excellent potential to provide additional resources for the Talisman Project.

The Talisman vein system extends northwards for about 2 kilometres within the Rahu exploration permit, where geological modelling indicates the possibility of higher gold grades in feeder veins at depth.

### **Coromandel Gold Limited and Northland Minerals Limited**

These wholly owned subsidiaries have exploration permits for gold and base metals in Golden Valley in the Hauraki District, and in Northland.

### **Broken Hill Prospecting Limited ("BPL")**

Through a subsidiary company, New Talisman Gold owns 21.7% of BPL, which is planning to develop a cobalt project at Thackaringa, about 25 kilometres south-west of Broken Hill in Australia. BPL is listed on both the ASX and NZX Main Board (Code: BPL).

### **Dividend Policy**

The Company currently has a policy of not paying dividends and the Directors are unable to predict when any dividend may be paid in the future. This will depend on a number of factors including the future success, profitability and financial position of the Company.

## 6.0 Action to be taken by Eligible Shareholders

### 6.1 Available actions

If you are an Eligible Shareholder, enclosed in this Prospectus is an Entitlement and Acceptance Form showing the number of New Shares which you are entitled to subscribe for under the Offer. If you would like to take up your Rights, you must do so on the Entitlement and Acceptance Form in accordance with this Prospectus and on the instructions on the Entitlement and Acceptance Form. If you would like to subscribe for more New Shares than your Entitlement you must also do so on the Entitlement and Acceptance Form.

The Issue Price is in either New Zealand or Australian dollars, and you can select the currency that you prefer. The Issue Price must be paid in full on application with a completed Entitlement and Acceptance Form delivered (by either mail, delivery, email or fax) to the Registrar in accordance with the instructions set out in the Entitlement and Acceptance Form.

New Talisman reserves the right to accept late Applications and application monies, but has no obligation to do so. New Talisman reserves the right to accept or reject (at its discretion) any Entitlement and Acceptance Form which is not completed correctly, and to correct any errors or omissions on any Entitlement and Acceptance Form.

If an Eligible Shareholder fails to exercise their Rights to subscribe for New Shares and pay the associated application monies by the Closing Date (5.00pm (NZ time) on 23 November 2012), their Rights will lapse.

Applications to accept Rights (and subscribe for New Shares) cannot be revoked or withdrawn.

You may take one of the following actions in respect of your Rights:

- **accept all** or **part** of your Rights;
- **sell all** or **part** of your Rights;
- **accept part** of your Rights and **sell all** or **part** of the balance;
- **accept all** your Rights and **apply for more** Rights; or
- **do nothing** with **all** or **part** of your Rights.

**IMPORTANT:** If you do nothing with your Rights, they will lapse and you will not be able to subscribe for any New Shares under the Rights Offer or realise any other value for your Rights.



## 6.2 Accepting your Entitlement

Eligible Shareholders who wish to accept all or part of their Rights should return their completed Entitlement and Acceptance Form and deliver it to the Registrar (by either mail, delivery, email or fax) with the application monies by no later than the Closing Date in accordance with the instructions set out in the Entitlement and Acceptance Form.

Payment of the application monies may be made to New Talisman by following the instructions set out on the Entitlement and Acceptance Form. You are required to pay the Issue Price in full upon application by the Closing Date.

Returning a completed Entitlement and Acceptance Form will constitute a representation by the Eligible Shareholder that they:

- have received a printed or electronic copy of this Prospectus accompanying the Entitlement and Acceptance Form and have read the Prospectus and accompanying Entitlement and Acceptance Form in full;
- declare that all the details and statements in the Entitlement and Acceptance Form are complete and accurate;
- acknowledge that, once the Entitlement and Acceptance Form is returned, the application may not be varied or withdrawn except as required by law;
- agree to be issued the number of New Shares they subscribed for with the attaching Option(s); and
- authorise New Talisman and its officers and agents to do anything on their behalf necessary for the New Shares and Options to be issued to them, including to act on instructions received by the Registry using the contact details in the Entitlement and Acceptance Form.

There is no minimum number of New Shares which you must subscribe for under the Offer. Applications will not be treated as having offered to purchase a greater number of New Shares than the number for which payment is made. New Talisman may also, in its discretion, rectify any errors in, or omissions from, any Entitlement and Acceptance Form to enable that form to constitute a valid acceptance of the Offer, including filling in any blanks.

### 6.3 Oversubscription Facility

Eligible Shareholders who accept their Entitlement in full may also apply for an additional number of New Shares through the Oversubscription Facility. You may apply for any number of Additional New Shares but there is no guarantee that you will be allocated any or all of the Additional New Shares for which you apply. Please refer to the Entitlement and Acceptance Form for instructions on how to apply for Additional New Shares.

No applicant for Additional New Shares will be allocated any greater number of Additional New Shares than the number for which they have applied and paid.

The number of New Shares available under the Oversubscription Facility will equal the number of New Shares for which valid applications are not received by the Closing Date. In the event that the total number of Additional New Shares for which applications are received exceeds the total number of New Shares in the Oversubscription Facility, the Company may scale the oversubscription applications as set out in Section 4.5 of this Prospectus.

### 6.4 Selling your Entitlement

The Rights are renounceable. This entitles Eligible Shareholders who do not wish to accept some or all of their Rights to sell those Rights not accepted.

If you wish to **sell all** or **part** of your Rights, this can be done on the NZX Main Board by instructing a NZX Primary Market Participant or on the ASX by instructing your ASX market participant to sell all or part of the number of Rights specified on the Entitlement and Acceptance Form. If you wish to sell your Rights on the NZX Main Board, you will need to provide both your FASTER or FIN and your Common Shareholder Number for NZX or CHESS for ASX identification number and your Holder identification number for ASX.

Trading of Rights will commence on the ASX under the code NTLR on Tuesday 30 October 2012 and cease on Friday 16 November 2012, and commence on the NZX Main Board under the code NTLRA on Thursday 1 November 2012 and will cease at 5.00pm (NZ time) on Monday 19 November 2012. Your Rights may be sold on the NZX Main Board and ASX between these dates, should you choose not to accept your full entitlement. If you wish to sell your Rights using this method you must do so before close of trading on the NZX Main Board on Monday 19 November 2012 and ASX on Friday 16 November 2012. Renunciations must be lodged with the Registry not later than the Closing Date, 5.00pm (NZ time) on Friday 23 November 2012.

## 6.5 Accepting part of your Entitlement and selling the balance

There is no minimum number of New Shares that you must subscribe for under the Offer. You may accept as many or as few of your Rights as you wish. If you wish to **accept part** of your Rights and **sell the balance**, you should:

- instruct an NZX or ASX Primary Market Participant to sell the number of Rights you wish to renounce; and
- indicate the number of New Shares you wish to accept in the Entitlement and Acceptance Form and send your completed Entitlement and Acceptance Form, together with the application monies for the number of New Shares applied for, directly to the NZX or ASX Primary Market Participant through whom you sold your Rights.

If New Talisman receives, on or before the Closing Date 5.00pm (NZ time) on Friday 23 November 2012, both an acceptance and a renunciation by an Eligible Shareholder in respect of the same Rights, effect will be given to the renunciation in priority to the acceptance.

## 6.6 Payment by internet banking

Computershare has provided a bank account in Australia for payment in AUD and one in New Zealand for payment in NZD. Details of the bank accounts are on the entitlement and acceptance form.

If you are paying by internet banking **please also complete the Entitlement and Acceptance Form and send it to the Registrar following instructions under 6.2 above and include your name and holder details on the internet banking funds transfer.**

## 6.7 Enquiries

Shareholders are urged to read and consider this information carefully, and to take independent financial and legal advice. If you have any queries about the number of Rights shown on the Entitlement and Acceptance Form which accompanies this Prospectus, or how to complete the Entitlement and Acceptance Form, please contact the Registry at Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, Private Bag 92119, Victoria Street West, Auckland 1142. Telephone (09) 488 8777; Fax (09) 488 8787. Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz).

## **7.0 Risks**

### **7.1 Introduction**

There are a number of risks that Applicants should consider before electing to subscribe for New Shares under the Offer.

The securities offered under this Prospectus are considered speculative investments because of the nature of the business of the Company. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

This Section, which is not exhaustive, represents the major risks known to the Company associated with an investment in the Company which potential investors need to be aware of and contains both risk elements that are general for the exploration and mining industry and specific to the Company's tenement portfolio. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's operating performance, potential profits and the value of its securities.

New Talisman recommends that all investors review this Section thoroughly, in conjunction with the other information contained in this Prospectus, before deciding to participate in the Offer. Applicants should consider their personal circumstances, including their financial and taxation circumstances, and if they consider it appropriate, seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **7.2 Company-specific risks**

#### **(a) Additional funding requirements**

If the Company requires access to further funding at any stage in the future, the Company may be adversely affected in a material way if, for any reason, access to capital or debt is not available at all or on commercially acceptable terms. There can be no assurance that additional funds will be available.

If additional funds should be raised by issuing equity, this might result in dilution of the existing Shareholders' shareholding at that time. The price of future share issues will also depend upon the results of the Company's activities, market factors, investor demand for shares and the need for capital by either debt or equity capital raisings.

**(b) Reliance on key personnel**

The Company is committed to providing an attractive employment environment, conditions and prospects to assist in retaining its key senior management personnel. However, there can be no assurance the Company will be able to retain these key personnel. The loss of key personnel or the inability to recruit and retain high-calibre staff could have a material adverse effect on the Company. The addition of new employees and the departure of existing employees, particularly in key positions, can be disruptive and may have a material adverse effect on the Company.

**(c) Exploration and Production risks**

By its nature the business of mineral exploration and possible mine production, contains risk. Exploration and mining is a speculative endeavour and can be hampered by the unpredictable nature of mineral deposits, particularly with respect to extrapolations to depth from known mineralization, poor drilling techniques, incorrect grade estimates, unforeseen and adverse ground conditions, flooding, inclement weather, poor equipment availability, lower mineral recoveries, force majeure circumstances, cost overruns from unforeseen events or access arrangements with landowners and or occupiers that need to be secured.

If the Company, by its exploration efforts, defines economic bodies of mineralization that are suitable for mining, there is a risk that funds will not be available for the development of these bodies of mineralization from the existing cash reserves of the Company at the time or from additional capital raisings, either debt or equity.

There is no assurance that the Company will be able to successfully bring new gold mines into production, that planned development projects will result in additional mineral resources and reserves, that development timetables and gold production forecasts will be achieved or that development projects will be successful. Appropriate resourcing, staffing and management of the Company's business processes, systems and information technology and diminution of funding, resources or management could adversely affect the Company's performance.

**(d) Profitability and commercialisation**

No representations or assurances as to future profitability or dividends can be given by the Company, since these elements are dependent on the future success of the exploration and development programmes currently being undertaken.

**(e) Inability to complete a pre-feasibility study**

New Talisman cannot guarantee how long it will take to complete its pre-feasibility study or, indeed, if it will complete the pre-feasibility study.

**(f) Mineral resource estimation risk**

Resource estimates are an expression of judgment on behalf of the person making the estimate. Some resource estimates can be changed with the addition of new information. Resource estimates can be

imprecise and depend on interpretations by the person making the estimate, such interpretations can prove to be incorrect.

The Company's Talisman Gold Project has gold resources estimated. There is no guarantee that these estimates are correct. These estimates have been calculated by the Company and its consultants, and the Company cannot guarantee their accuracy.

The Company will continue to review its own geological resource models for each of its prospects following this Offer. This work could indicate that interpretations are different or past drilling information has been used inadequately. In this case, the resource estimates will be adjusted and will change. Such changes could be positive or negative.

**(g) Regulatory, consenting and approvals risks**

Mineral exploration, project development, mining and processing are subject to national and local laws and plans relating to permitting and maintenance of title, environmental consents, taxation, employee relations, heritage/historic matters, health and safety, royalties, land acquisition, and there is a risk that these may not be obtained under conditions or within timeframes that make such plans economic.

Laws, regulations, plans or governing authorities will change and which may result in additional material expenditures or time delays. Exploration and mining permits may be susceptible to revision or cancellation by new laws or changes in direction by the government of the day. These are matters over which the Company has no control.

The resource consenting and other approvals process in New Zealand requires extensive stakeholder consultation, including possibly public notification by the consenting authorities. This enables interested third parties to participate in the consenting process. Non-governmental organizations are active in the Company's areas of operation and are regarded as key stakeholders with whom communication is critical.

Although the Company has experience with the consenting frameworks and maintains a policy of early consultation with key stakeholders to identify and where possible address concerns there is a risk of consents being delayed or rejected, which may adversely impact on the Company's ability to develop its mines.

Whilst the Company believes that the government and population of New Zealand generally support the development of natural resources in the manner contemplated by the Company, there is no assurance that future political and economic conditions will not result in the adopting of different policies or attitudes affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rate so exchange, environmental protection, labour relations and return of capital. This may affect the Company's ability to undertake exploration, development and mining activities on current a future projects.

### **7.3 General business risks**

#### **(a) Dependence on general economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business and financial condition. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact on the Company's earnings and financial performance.

#### **(b) Tax risk**

Although the Company does not currently pay any income tax, due to the existence of accumulated income tax losses, any change to the rate of Company income tax in jurisdictions in which the Company operates may impact on future Shareholder returns, as could any change to the rates of income tax applying to individuals or trusts. Any change to the tax arrangements between New Zealand and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

#### **(c) Exchange rates**

The Company is exposed to movements in exchange rates. The Company's financial statements are expressed and maintained in New Zealand dollars. Exchange rate movements between New Zealand and Australia may impact the profit and loss account or assets and liabilities of the Company, to the extent the foreign exchange rate risk is not hedged or not appropriately hedged.

#### **(d) Environmental risk**

The Company's projects are subject to New Zealand environmental laws. These laws include laws generally applying to protection of the environment as well as specific regulation relating to areas in which the Company operates. Exploration and mining projects are expected to see a variety of environmental impacts. The Company intends to carry out its operations in compliance with all applicable environmental laws and in a responsible manner. In the event that the Company does not operate in compliance with all applicable laws there is a risk that tenements could be forfeited or other adverse consequences could apply.

#### **(e) Share market**

On completion of the Offer, the New Shares and Options may trade on NZX Main Board and the ASX at higher or lower prices than the Issue Price under the Offer. Investors who decide to sell their New Shares after quotation on NZX Main Board and ASX may not receive the amount of their original investment. There can be no guarantee that the price of the New Shares will increase after quotation. The price at which the New Shares trade on NZX Main Board and ASX may be affected by the financial and product performance of the Company and by external factors over which the Directors and the Company have no control. These

factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, and market supply and demand and other legal, regulatory or policy changes.

**(f) Liquidity and realisation risk**

There can be no guarantee that an active market in the Company's securities on NZX Main Board and ASX will exist at all or any times. There may be relatively few or many potential buyers or sellers of the securities on NZX Main Board and ASX at any given time. This may increase the volatility of the market price of the securities. It may also affect the prevailing market price at which Shareholders are able to sell their securities. This may result in Shareholders receiving a market price for their securities that is less or more than the issue price under the Offer. The Company's securities have recently had a low level of liquidity.

**(g) Insurance risk**

While the Company may obtain insurance against certain risks, liability could exceed policy limits or be excluded from coverage. There are risks that the Company cannot insure against, or may elect not to insure against. Potential costs that could be associated with liabilities not covered by insurance, or are in excess of insurance coverage, may require significant capital outlays which could adversely affect the future financial condition of the Company.



## 8.0 Additional Information

This Section of the Prospectus contains other important information in respect of the Offer including (but not limited to) information that is required by schedules 10 and 11 of the Securities Regulations 2009.

### Statutory Index

The following index outlines the matters required to be stated or contained in a registered simplified disclosure prospectus under schedules 10 and 11 of the Securities Regulations 2009:

Matter	Clause (Schedule 10)	Clause (Schedule 11)	Page(s)
Information at front of simplified disclosure prospectus	1	1	1
Names, addresses, and other information	2	2	8, 41
Experts and underwriter	3	3	30
Terms of offer and securities	4	N/A	8-9, 11, 13-14, 18, 20-23, 30
Main terms of offer	N/A	4	8-9, 11, 13-14, 18, 20-23, 30
Relationship with listed securities	5	5	11, 30-31
Information available under issuer's disclosure obligation	6	14	31-32
Financial Statements	7	15	32
Additional interim financial statements	8	16	32
Access to information and statements	9	17	32
Directors' statement	10	19	32
Preliminary and issue expenses	N/A	6	33
Returns	N/A	7	33-34
Consequences of insolvency	N/A	8	34
Alteration of securities	N/A	9	14, 34
Early termination	N/A	10	34
Right to sell securities	N/A	11	35
Financing of projects	N/A	12	15, 35
Other terms of offer and securities	N/A	13	30
Other material matters	N/A	18	35

## **8.1 Experts and Underwriter**

There are no experts in this Offer. The Offer is underwritten by Canaccord Genuity (Australia) Ltd, Level 4, 60 Collins Street, Melbourne, Victoria 3000 Australia – refer to Sections 4.11 and 8.17 for further details.

## **8.2 Terms of offer and securities**

All terms of the Offer and all terms of the New Shares and Options being offered, other than any terms implied by law; or any terms set out in a document that is:

- (i) registered with a public official; and
- (ii) available for public inspection; and
- (iii) referred to in this Prospectus,

are set out in the Sections titled “Key terms of the Offer”, “Important Dates”, “Details of the Offer”, “Actions to be taken by Eligible Shareholders” and “Additional Information” of this Prospectus (Sections 2, 3, 4, 6 and 8).

## **8.3 Relationship with listed securities**

Shares are quoted on the NZX Main Board Market operated by the NZX and the Australian Securities Exchange market operated by ASX. The NZX Main Board is a registered market under the Securities Markets Act 1988. The New Shares being offered in this Prospectus and the Shares which will be issued on exercise of the Options offered in this Prospectus will rank equally with all existing Shares in both liquidation of New Talisman and in relation to payment of a dividend and other distributions. Accordingly, each New Share, and the Shares issued on exercise of the Options, will provide the Shareholder with the right to:

- one vote on a poll at a meeting of Shareholders;
- an equal participation with all other Shares on any dividend declared;
- an equal participation with all other Shares in the residual assets on a liquidation of New Talisman;
- be sent reports, notices of meeting and other information sent to Shareholders; and
- any other rights as a Shareholder conferred by the Listing Rules, the Constitution and the New Zealand Companies Act 1993.

The Issue Price has been set at a discount to the recent market price of the Existing Shares traded on the NZX Main Board. The closing share price at 17 October 2012 was A 1.4 cents on the ASX and NZ 1.7

cents on the NZX Main Board and the Issue Price represents a approximate discount of 23% on the New Zealand dollar price and a 28% on the Australian dollar price.

The market price of existing Shares may change (ie increase or decrease) between the date of the Offer and the date when the New Shares are allotted. Any changes in market price will not directly affect the Issue Price that you are required to pay for New Shares, but the market price of the New Shares following allotment may be higher or lower than the Issue Price.

#### **8.4 Information available under Issuer's disclosure obligations**

New Talisman, as a listed issuer in New Zealand whose shares are quoted on the NZX Main Board and the ASX, is subject to the continuous disclosure obligations of the NZX Main Board (which are "continuous disclosure provisions" for the purposes of section 19D of the Securities Markets Act) and ASX Listing Rules.

As such, New Talisman is required to immediately notify NZX and the ASX of any information concerning the Company of which the Company is or becomes aware and which a reasonable person would expect to have a material effect on the price of the Shares, subject to certain exceptions. New Talisman will supply material information that is released to the market by request in writing to the Company's Head Office, details of which are set out in the Directory or from the Company's website or the NZX Main Board and ASX websites.

In addition to this Prospectus, the Company disclosed the following information on the NZX Main Board and ASX in accordance with its disclosure obligations under the Listing Rules:

18 October 2012	Ceasing Substantial Shareholder Notice
28 September 2012	Results of 2012 Annual Meeting
28 September 2012	Chairman's Address to Shareholders
3 September 2012	Director Resignation
29 August 2012	Rights Issue
31 July 2012	Quarterly Activities Report to 30 June 2012
31 July 2012	Quarterly Cash Flow Report to 30 June 2012
31 July 2012	Director Resignations
29 June 2012	Annual Report 31 March 2012
23 May 2012	New Talisman Gold Mines Limited Raises \$306,961 before expenses
14 May 2012	Change of Name

26 April 2012	Director Appointments and Resignations
11 April 2012	Share Purchase Plan
11 April 2012	Major Restructuring
21 March 2012	Addendum to Scoping Study Review
20 March 2012	Scoping Study Review

New Talisman is not aware of any material information that is not generally available to the market, that New Talisman is not required to notify to NZX or the ASX in accordance with the Listing Rules, which would likely assist a prudent but non-expert person to make an informative decision to subscribe for New Shares (and the attaching Options) in accordance with the Offer.

Correction to the 20<sup>th</sup> March 2012 and 21 March 2012 Reports on the Scoping Study Review: under planned work reference to production of a “feasibility report” should have read “pre-feasibility report”. This error was corrected in later stock exchange reports.

## 8.5 Financial Statements

The latest available financial statements for New Talisman are the audited financial statements for the year ending 31 March 2012. These financial statements were prepared in compliance with the Financial Reporting Act 1993 and were registered on the Companies Office on 24 July 2012 and were provided to the NZX on 29 June 2012 in accordance with the NZSX Listing Rules.

## 8.6 Additional interim financial statements

No interim financial statements for New Talisman have been published since the latest annual financial statements, referred to above, were published.

## 8.7 Access to information and statements

A copy of the disclosed information referred to in Section 8.4 and those financial statements referred to in Section 8.5 above are available from the NZX Main Board, the ASX, the public register of the Companies Office ([www.companies.govt.nz](http://www.companies.govt.nz)) and the Company's website [www.newtalismangold.co.nz](http://www.newtalismangold.co.nz) or can be provided on request, free of charge, by applying in writing to the Company's Registered Head Office, details of which are set out in the Directory.

## 8.8 Directors' Statement

In the opinion of the Directors, after due enquiry by them, New Talisman is in compliance with the requirements of the continuous disclosure provisions that apply to it.

## 8.9 Preliminary and issue expenses

The estimated amount of expenses of this Offer is NZ\$185,000. This includes underwriting fees, accounting, legal, registrar and printing expenses, all of which are payable by New Talisman. No commissions are payable for subscriptions for the securities offered in this Prospectus.

## 8.10 Returns

Shareholders will be entitled to receive or benefit from any dividends paid by the Company in respect of Shares and to any other returns attaching to the Shares. However, the Company is not intending to pay dividends in the foreseeable future, given that it is intended that the Company will use all available funds for operations and exploration programmes.

Until the feasibility study is completed it is not possible to determine with accuracy the provisions that will be required specifically for reinstatement. Provision for reinstatement, taxes, duties and reserves or retentions could affect returns to shareholders.

Shareholders may also benefit from any increase in the market price of their Shares or Options if they sell them. The market price of Shares and Options may also decline.

There is no assurance that there will be a market for Rights, New Shares or Options. The return (if any) from selling the Rights, New Shares or Options will depend on a number of factors, including whether there is a market for the Rights, New Shares or Options, the demand, volumes and prices quoted on the NZX Main Board and ASX at the time of sale and the price of the Shares.

### *Shares*

There is no assurance that dividends will be paid by New Talisman on the Shares. In determining whether to pay dividends, the directors of New Talisman must have regard to the solvency of New Talisman, operating performance, financial position and cash flows, and other factors considered relevant at the time. A variety of other matters also bear upon whether dividends are paid, including those details under the "Risks" under Section 7 of this Prospectus.

The key factors that determine returns on the Shares are:

- the financial performance of New Talisman;
- the market price for the Shares;
- the Board's dividend policy;
- market factors; and
- taxation.

Shareholders have no right to request payment of a dividend at any time as payment of dividends is at the discretion of the Board. If a holder sells shares on market the purchaser of those shares will be legally responsible to pay the purchase price of those shares to the shareholder.

### *Options*

There are no returns payable on the Options.

New Talisman is legally liable to pay any dividends on the Shares. New Talisman is legally liable to issue Shares if the Options are exercised (in accordance with the terms of this Prospectus).

## **8.11 Consequences of insolvency**

No Shareholder or holder of an Option will be obliged to pay any further monies to New Talisman as a result of the insolvency or liquidation of New Talisman.

In a liquidation of New Talisman, the claims of all Shareholders will rank equally amongst themselves, but behind all secured, unsecured and subordinated liabilities of New Talisman from time to time.

The holders of Options will have no right to claim any money in a liquidation of New Talisman.

## **8.12 Alteration of securities**

### *Shares*

The terms of issue of the New Shares can be altered by an amendment to New Talisman's Constitution. Any amendment to the Constitution requires a special resolution of the Shareholders.

### *Options*

The terms of issue of the Options can be altered by special resolutions passed by both the Shareholders and holders of the Options and as described in Section 4.7.

### *Amount Payable*

Except as specified in Section 4.7 in respect of the exercise price for Options, neither New Talisman nor any other person has any right to alter the amount of moneys payable by a subscriber for Shares and Options.

## **8.13 Early termination**

Holders of Options can exercise their Options before the Option Expiry Date and in parcels as set out in Section 4 of this Prospectus.

## **8.14 Right to sell securities**

### ***Shares***

Shareholders may sell their Shares and in the Company's view there is an established market for the Shares. It is intended that the New Shares will be quoted on the NZX Main Board and ASX (see Section 4.15 of this Prospectus) and tradable subject only to compliance with New Talisman's Constitution, Listing Rules, applicable securities laws and regulations. If a Shareholder decides to sell Shares on the NZX Main Board or ASX through an NZX or ASX advisor, that Shareholder may be liable for brokerage fees.

### ***Options***

The Options may be sold and in the opinion of New Talisman, there will be an established market for those Options. It is intended that the Options will be quoted on the NZX Main Board and ASX (see Section 4.15 of this Prospectus) and tradable subject only to compliance with New Talisman's Constitution, Listing Rules, applicable securities laws and regulations. If a Shareholder holding an Option decides to sell their Options on the NZX Main Board or ASX through an NZX or ASX advisor, that Shareholder may be liable for brokerage fees.

## **8.15 Financing of projects**

The issue of New Shares and Options is not made to finance a particular project. Funds will be used as part of a strategy to develop the Company's projects as outlined in Section 4.9 of this Prospectus and include a pre-feasibility study of the Talisman Project to determine development options and associated capital requirements.

## **8.16 Other material matters**

There are no material matters relating to the Offer of New Shares and Options other than matters set out elsewhere in this Prospectus, in the disclosed information referred to in Section 8.4, in the financial statements referred to in Section 8.5 or in the contracts entered into in the ordinary course of business of the Company.

## **8.17 Underwriting and Waivers**

The issue of New Shares under this Offer has been underwritten by the Underwriter. See further detail in Section 4.11.

New Talisman has been granted a waiver by NZX from NZSX Listing Rule 9.2.1 to enable IPS, a related party of New Talisman, to provide their sub-underwriting commitments to the Underwriter(s). The waiver has been granted subject to the following conditions:

- the Directors certify to NZX that the terms of the underwriting agreement between the Underwriter and New Talisman were negotiated on an arms' length basis and are fair and in the best interests of New Talisman's shareholders; and
- the Underwriter certifies to NZX that the sub-underwriting agreement with IPS was negotiated on an arms' length basis; and
- this Prospectus records that a waiver from Rule 9.2.1 has been granted by NZX.

New Talisman, under this Offer, has also been granted a waiver by NZX from NZSX Listing Rule 7.10.5 to enable New Talisman to give Eligible Shareholders the right to apply for Additional New Shares beyond their Entitlement, to the extent of any shortfall in the Offer. The waiver has been granted subject to the following conditions:

- that additional New Shares are allocated to applicants under the Oversubscription Facility in accordance with the procedure specified in the waiver;
- that NZX is satisfied that the terms of the Oversubscription Facility are sufficiently disclosed in this Prospectus; and
- this Prospectus states that NZX has granted a waiver from Rule 7.10.5.

## 8.18 Options

Changes of circumstances occurring between the date of the allotment of the Options and the date on which the Options are exercised in return for Shares may have a material effect on the Shares (including their price) or on the Company.

Important information relating to the Shares (including their price) and the Company will be disclosed in accordance with the continuous disclosure provisions of the relevant Listing Rules.

The Company may provide a pre-conversion statement to NZX and ASX for release to the market and that statement may be available on the Company's website ([www.newtalismangold.co.nz](http://www.newtalismangold.co.nz)). The Company is not entitled to allot shares on exercise of the Options if the pre-conversion statement has not been given, and the simplified disclosure prospectus is false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances, when the Option is exercised. The holders of Options should consider the pre-conversion statement, the market price of the Shares, and all other information made available concerning the Shares and the Company, before an election to exercise the Options is made. The pre-conversion statement will contain the following information:

- a statement to the effect that the purpose of the pre-conversion statement is to assist registered holders of convertible securities to decide whether to elect to convert those securities;



- a description of any adverse circumstances (whenever they occurred) that make the simplified disclosure prospectus false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to those circumstances;
- a description of the effect of any adverse circumstances, to the extent that the effect can be assessed, or, where the effect of the adverse circumstances cannot be assessed, a statement to that effect;
- a list of any other documents that are, in the opinion of the Company, relevant to a decision about whether to elect to convert, in which case the documents must either be included in the pre-conversion statement or the pre-conversion statement must clearly indicate where those documents may be viewed and how they may be accessed; and
- a statement by the Company that the pre-conversion statement is not known by the Company, or any Director of the Company, to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances.

## Signing

This Prospectus has been signed by each of the Directors of New Talisman Gold Mines Limited (or by their authorised agents) on 24 October 2012.

A handwritten signature in dark ink, appearing to read 'Mathew Hill', is written over a light grey rectangular background.

Mathew Geoffrey Hill  
For myself and as authorised agent for each other director

## 9.0 Glossary

**"Additional New Shares"** means New Shares which an Applicant applies for over and above their Entitlement pursuant to the Oversubscription Facility.

**"Applicant"** means an investor whose application for New Shares has been received by the Registry prior to Closing Date.

**"ASIC"** means the Australian Securities and Investments Commission.

**"ASX"** means ASX Limited, ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**"Board"** means the board of directors of the Company.

**"Business Day"** has the meaning given to that term in the Listing Rules.

**"Closing Date"** means 5.00pm (NZ time) and 3.00pm (AEST) on Friday 23 November 2012

**"Company"** means New Talisman Gold Mines Limited (New Zealand Company Number 276623, Australian Registered Body Number 009 474 702).

**"Constitution"** means the constitution of the Company as amended from time to time.

**"Directors"** mean the directors of the Company.

**"Eligible Shareholders"** means Shareholders of New Talisman with registered addresses in New Zealand and Australia as at the Record Date.

**"Entitlement and Acceptance Form"** means the personalised entitlement and acceptance form enclosed in this Prospectus for Eligible Shareholders.

**"Entitlement"** means the number of Rights to which Eligible Shareholders are entitled.

**"Existing Share"** means a fully paid ordinary share in the Company on issue on the NZX Main Board and ASX on the Record Date.

**"IPS"** means International Pacific Securities HK Limited.

**"Issue Date"** means Wednesday 28 November 2012, being the date the New Shares are allotted and issued along with the attaching Options.

**"Issue Price"** means A\$0.01 or NZ\$0.013 per New Share.

**"Issuer"** means New Talisman.

**"Listing Rules"** means the listing rules of the NZX Main Board or ASX, as the context requires, as amended from time to time and for so long as the Company is admitted to the official list of such Exchange.

**"New Share"** means one fully paid ordinary share in the Company for 3 Existing Shares, allotted and issued upon payment in full of the Issue Price that will rank equally in all respects with existing Shares at the time of allotment of the New Shares (and attaching Options).

**"New Talisman"** means New Talisman Gold Mines Limited (New Zealand Registered Company Number 276623, Australian Registered Body Number 009 474 702),

**"NZX Main Board"** means the main equities exchange operated by NZX.

**"NZX Firm"** means a participant in the markets provided by NZX who has been accredited and approved by NZX as an NZX Firm.

**"NZX"** means the NZX Limited.

**"Offer"** means the offer to subscribe for New Shares and Options to Eligible Shareholders as at the Record Date, pursuant to this Prospectus.

**"Opening Date"** means Wednesday 7 November 2012.

**"Option"** means an option to acquire a Share in the Company at the Option Price having the rights and terms described in this Prospectus.

**"Option Expiry Date"** means 7.00pm (NZ time) on the date 5 years after the Option Issue Date, being Tuesday 28 November 2017.

**"Option Issue Date"** means the date of allotment of the New Shares and Options issued pursuant to this Offer.

**"Option Price"** means A\$0.02 (or the New Zealand dollar equivalent calculated by the Official Exchange Rate published by Westpac Banking Corporation as at the exercise date).

**"Oversubscription Facility"** means the facility that entitles an Eligible Shareholder who accepts their entitlement of New Shares in full to also apply for an additional number of New Shares (details of which are set out in Section 4.5 of this Prospectus).

**"Primary Market Participant"** means a market participant who has been accredited and designated by NZX (or ASX) to bring new offers of securities to a market provided by NZX (or ASX).

**"Prospectus"** means this simplified disclosure prospectus dated 24 October 2012 and registered with the Registrar of Financial Service Providers.

**"Record Date"** means 7.00pm (NZ time) on Monday 5 November 2012.

**"Registry" or "Registrar"** means Computershare Investor Service Limited.

**“Right”** means the renounceable right to subscribe for 1 New Share at the Issue Price, with 1 attached Option, for each 3 New Shares issued pursuant to the Offer.

**“Section”** means a section of this Prospectus.

**“Share”** means one ordinary fully paid share in the Company.

**“Shareholder”** means a registered holder of Shares on issue.

**“Shortfall”** means the New Shares and attaching Options forming Rights, or parts of Rights, not accepted by holders of Existing Shares as at the Record Date.

**“Sub-Underwriters”** means any sub-underwriters in respect of the Offer appointed by the Underwriter, which may include IPS.

**“Underwriter”** means Canaccord Genuity (Australia) Limited.

**“Underwriting Agreement”** means the underwriting agreement between New Talisman and the Underwriter.

All New Zealand dollar figures in this Disclosure Document have been calculated on the basis of the Issue Price, and any references to legislation are references to New Zealand legislation unless stated or defined otherwise.

## 10.0 Directory

### Enquiries

Enquiries about this Offer should be directed to your stockbroker, solicitor, accountant or other professional adviser.

#### Directors of New Talisman Gold Mines Limited

J Murray McKee (Deputy Chairman)

Matthew G Hill (Executive Director)

Dr Ian J Pringle

#### Registered (Head) Office of New Talisman Gold Mines Limited

541 Parnell Road

Parnell, Auckland 1052

New Zealand

Telephone (+64 9) 303-1893

Facsimile (+64 9) 303-1612

Email: [office@newtalisman.co.nz](mailto:office@newtalisman.co.nz)

Website: [www.newtalismangold.co.nz](http://www.newtalismangold.co.nz)

#### Principal Office of New Talisman Gold Mines Limited in Australia

1st Floor

25 Richardson Street

West Perth

WA 6005

Australia

Telephone (+61 8) 9481 2040

Facsimile (+61 8) 9481 2041

If you have any queries about your Entitlements please contact the Share Registry:

#### In New Zealand:

**Computershare Investor Services Limited**

Telephone: (09) 488 8777

Facsimile: (09) 488 8787

Outside New Zealand: +64 9 488 8777

#### In Australia:

**Computershare Investor Services Limited**

Telephone: 1800 501366

Outside Australia: +61 3 9145 4083

Facsimile: +61 3 9473 25

#### Underwriter

Canaccord Genuity (Australia) Limited

Level 4, 60 Collins Street,

Melbourne, Victoria 3000, Australia.

#### Solicitors

Chapman Tripp

Level 35

ANZ Centre

23 Albert Street

Auckland 1140

New Zealand

TO FAX ++64-4-473-1470

**Notice of event affecting securities**

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10.  
For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one  
(Please provide any other relevant  
details on additional pages)

Full name of Issuer **New Talisman Gold Mines Limited**

Name of officer authorised to make this notice **Matthew Geoffrey Hill** Authority for event, e.g. Directors' resolution **Directors' resolution**

Contact phone number **(09) 303 1893** Contact fax number **(09) 303 1612** Date **24 / 10 / 2012**

**Nature of event**  
Tick as appropriate  
Bonus Issue ☐ If ticked, state whether: Taxable ☐ / Non Taxable ☐ Conversion ☐ Interest ☐ Rights Issue Renounceable ☒  
Rights Issue non-renounceable ☐ Capital change ☐ Call ☐ Dividend ☐ If ticked, state whether: Interim ☐ Full Year ☐ Special ☐

**EXISTING securities affected by this** *If more than one security is affected by the event, use a separate form.*

Description of the class of securities **Ordinary Shares** ISIN **NZHERE0001S6**  
*If unknown, contact NZX*

**Details of securities issued pursuant to this event** *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities **Ordinary Shares** ISIN **Shares - NZHERE0001S6**  
*If unknown, contact NZX*

Number of Securities to be issued following event **up to 119,851,516 Ordinary Shares** Minimum Entitlement **none** Ratio, e.g. 1 for 2 **1** for **3**

Conversion, Maturity, Call Payable or Exercise Date **N/A** Treatment of Fractions **rounded to nearest whole number**

Strike price per security for any issue in lieu or date Strike Price available. ☐ Enter N/A if not applicable ☒ Tick if pari passu ☐ OR provide an explanation of the ranking

**Monies Associated with Event** *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

*In dollars and cents*  
Amount per security **NZ\$0.013\* on issue** Source of Payment  
Currency **New Zealand dollars** Supplementary dividend details - Listing Rule 7.12.7  
Total monies **up to NZ\$1.56M\*\*** Amount per security in dollars and cents \$  
Date Payable

**Taxation** *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price \$ Resident Withholding Tax \$ Credits (Give details) \$

**Timing** (Refer Appendix 8 in the Listing Rules)

**Record Date 5pm**  
For calculation of entitlements - must be the last business day of a week **Monday 5 November 2012\*\*\***  
**Application Date**  
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week. **Friday 23 November 2012**

**Notice Date**  
Entitlement letters, call notices, conversion notices mailed **Wednesday 7 November 2012**  
**Allotment Date**  
For the issue of new securities. Must be within 5 business days of record date. **Wednesday 28 November 2012**

**OFFICE USE ONLY**

Ex Date:  
Commence Quoting Rights:  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities:  
Cease Quoting Old Security 5pm:

Security Code:

Security Code:



\*or AU\$0.01

\*\*or AU\$1.2M

\*\*\*the renounceable rights issue will be offered to those shareholders with a New Zealand or Australian address on the share register 7pm on the Record Date

TO FAX ++64-4-473-1470

**Notice of event affecting securities**

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10.  
For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one  
(Please provide any other relevant  
details on additional pages)

Full name of Issuer **New Talisman Gold Mines Limited**

Name of officer authorised to make this notice **Matthew Geoffrey Hill** Authority for event, e.g. Directors' resolution **Directors' resolution**

Contact phone number **(09) 303 1893** Contact fax number **(09) 303 1612** Date **24 / 10 / 2012**

**Nature of event**  
Tick as appropriate

Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input checked="" type="checkbox"/>
Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/> Call <input type="checkbox"/> Dividend <input type="checkbox"/>	If ticked, state whether: Interim <input type="checkbox"/>	Full Year <input type="checkbox"/>	Special <input type="checkbox"/>

**EXISTING securities affected by this** *If more than one security is affected by the event, use a separate form.*

Description of the class of securities **Ordinary Shares** ISIN **NZHERE0001S6**  
*If unknown, contact NZX*

**Details of securities issued pursuant to this event** *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities **Options** ISIN **To be advised**  
*If unknown, contact NZX*

Number of Securities to be issued following event **up to 119,851,516 Options** Minimum Entitlement **none** Ratio, e.g. ① for ② **1** for **3\***

Conversion, Maturity, Call Payable or Exercise Date **Exercise of Options by 28/11/17** Treatment of Fractions **rounded to nearest whole number**

Strike price per security for any issue in lieu or date Strike Price available.  Enter N/A if not applicable Tick if ☒ **OR** provide an explanation of the ranking

**Monies Associated with Event** *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents		Source of Payment	<input type="text"/>
Amount per security	<b>Nil on issue A\$0.02 on exercise**</b>	Supplementary dividend details - Listing Rule 7.12.7	Amount per security in dollars and cents \$ <input type="text"/>
Currency	<b>Australian dollars</b>	Date Payable	<input type="text"/>
Total monies	<b>Nil on issue</b>		

**Taxation** *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price \$  Resident Withholding Tax \$  Credits (Give details) \$

**Timing** (Refer Appendix 8 in the Listing Rules)

**Record Date 5pm**  
For calculation of entitlements - must be the last business day of a week **Monday 5 November 2012\*\*\***

**Application Date**  
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week. **Friday 23 November 2012**

**Notice Date**  
Entitlement letters, call notices, conversion notices mailed **Wednesday 7 November 2012**

**Allotment Date**  
For the issue of new securities. Must be within 5 business days of record date. **Wednesday 28 November 2012**

**OFFICE USE ONLY**

Ex Date:  
Commence Quoting Rights:  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities:  
Cease Quoting Old Security 5pm:

Security Code:

Security Code:



\* One option will be issued for each new ordinary share issued under the renounceable rights issue

\*\*or NZ\$ equivalent

\*\*\* the renounceable rights issue will be offered to all shareholders with a New Zealand or Australian address on the share register 7pm on the Record Date

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

New Talisman Gold Mines Limited

ABN

009 474 702

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Ordinary shares<br>Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 119,851,516 Shares<br>119,851,516 Options                                      |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares on payment of A 1.0 cents or NZ 1.3 cents per share |

+ See chapter 19 for defined terms.



<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The ordinary shares rank equally in all respects with ordinary fully paid shares</p> <p>The options will rank equally in all respects with ordinary fully paid shares when exercised and will expire when exercised or on 28 November 2017</p>		
<p>5 Issue price or consideration</p>	<p>A 1.0 or NZ 1.3 cents equivalent payable in cash for each fully paid share.</p> <p>Options can be exercised at A\$0.02 or the New Zealand dollar equivalent calculated by the official exchange rate published by the Westpac Banking Corporation as at the exercise date</p>		
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To advance the Talisman project through prefeasibility, including a project development study to include mining and processing options, safety and environmental requirements and to fund general working capital.</p>		
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>28 November 2012</p>		
	<table border="1"> <tr> <th data-bbox="997 1904 1141 1953">Number</th> <th data-bbox="1141 1904 1291 1953">+Class</th> </tr> </table>	Number	+Class
Number	+Class		

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+ See chapter 19 for defined terms.

8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	479,406,064 119,851,516	Ordinary shares Options
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9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	<sup>+</sup> Class

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
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## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the <sup>+</sup> securities will be offered	One share for every three shares held with one attaching option for every new share issued
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	Ordinary shares
15	<sup>+</sup> Record date to determine entitlements	5 November 2012
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes

<sup>+</sup> See chapter 19 for defined terms.

Appendix 3B  
New issue announcement

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17	Policy for deciding entitlements in relation to fractions	0.5 or more rounded up
18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Austria Belgium China France Germany Hong Kong Philippines Singapore Switzerland Taiwan United Arab Emirates United Kingdom United States of America
19	Closing date for receipt of acceptances or renunciations	23 November 2012
20	Names of any underwriters	Canaccord Genuity (Australia) Limited
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	N/A
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	N/A

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<sup>+</sup> See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	7 November 2012
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	ASX 30 October 2012 NZX 1 November 2012
29	Date rights trading will end (if applicable)	ASX 16 November 2012 NZX 19 November 2012
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	Contact an ASX or NZX participant to sell all or part of the entitlement
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Contact an ASX or NZX participant to sell all or part of the entitlement
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Despatch date	28 November 2012

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(*tick one*)
- (a) ☒ Securities described in Part 1

<sup>+</sup> See chapter 19 for defined terms.

- (b) ☒ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders - *to be advised*
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories - *to be advised*
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.

Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Options will rank equally with fully paid shares when exercised

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class
479,406,064	Shares
119,851,516	Options

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.

+ See chapter 19 for defined terms.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....Date: 24 October 2012

.....

(~~Director~~/Company secretary)

Sue Sangster

Print name: .....

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+ See chapter 19 for defined terms.