



ANNUAL REPORT 2019



REPORT TO THE SHAREHOLDERS OF NEW TALISMAN GOLD MINES LTD

For the year ended 31 March 2019

CONTENTS

Directors' Report	3
Board of Directors	14
Audit Report	15
Financial Statements	19
Notes to the Financial Statements	22
Tenement Schedule	27
Additional Information	30
Corporate Governance	32
Company Directory	back page

HIGHLIGHTS

- ✓ Transition to developer complete
- ✓ Mine infrastructure and underground refurbishment complete
- ✓ BM37 Dubbo target zone reopened for mining for first time since 1994
- ✓ Results from PFS show significantly higher returns and a cash cost of NZ\$710 per ounce
- ✓ Revised mine plan produces 8,000 ounces over 24 months
- ✓ Blasting and extraction commence - approximately 500t of ore stockpiled
- ✓ Feasibility study commenced
- ✓ Pilot plant imported, set up and ready to commence processing once consented
- ✓ Expression of interest received for the operation of commercial plant
- ✓ Remaining Talisman Deeps module commenced



DIRECTORS' REPORT

Dear Shareholders

The Directors of New Talisman Gold Mines Limited ("New Talisman", "NTL" or "the Company") submit herewith the consolidated annual financial report consisting of the Company and its wholly owned subsidiaries (together the "Group") for the financial year ended 31 March 2019 which has seen the achievement of a number of objectives as the company progresses towards production.

The 2019 financial year marks the year when the company achieved the transformation from explorer to mine developer as mining activities at the Talisman Mine resumed for the first time since 1992. The company remains focussed on commencing production over the coming months now that mine refurbishments are substantially complete.

During the year New Talisman continued to forge ahead with the Talisman mine project culminating in reopening the bonanza grade Dubbo area and driving on the Mystery Vein.

The NZ political climate towards the minerals industry remains ambiguous and possibly unsupportive. However, New Talisman has managed to renew access arrangements for the Talisman Mine from DOC and continue to maintain a good working relationship with them. It is worth bearing in mind that the mine has been in operation more or less continuously for 125 years through various governments and differing legislative regimes. NTL has had access agreements in place with DOC at the Talisman mine since 1997 and an Authority to Enter and Operate since 2014 with no adverse affects or incidents.

While the directors are pleased with progress at the mine, delays in processing by various regulators have been at times frustrating. The directors are pleased to advise that the consents required to enable the blasting, extraction and transport of ore from the mine to plant are in place to allow the team to get on with the practical work of mining. The company holds a 25-year mining permit and the necessary consents for its bulk sampling plan, including approval of the Traffic Management Plan allowing up to nine (9) 10 Tonne trucks a day with an average of four (4) to transport ore from the mine to plant for processing. The company has commenced preparation of the application for its seven-year mine plan and will lodge this over the next 12 months.

At the mine face NTL has substantially completed the refurbishments required to commence extraction phase and your company sits poised at the commencement of production which is planned to reach a steady state of 360 ounces per month at 8 months from commissioning of pilot plant which will commence processing of first high grade batches through the plant at the end of July.

During the year the company had an independent peer review of the Mineral Resource Estimate completed. This confirmed the 2017 resource estimate upgrade and compliance with the 2012 JORC reporting code. As previously announced the upgrade of the Mineral Resource Estimate in 2017 included three of the four Talisman Deeps data modules. The resulting overall resource nearly doubled both grades and resources demonstrating the Talisman mine resource is one of the highest-grade gold resources in NZ and compares favourably with other high-grade resources globally.

The final module of Talisman Deeps encompassing all the remaining data relating to the Talisman Deeps project was initiated during the period and is expected to be completed by the third quarter of 2019.

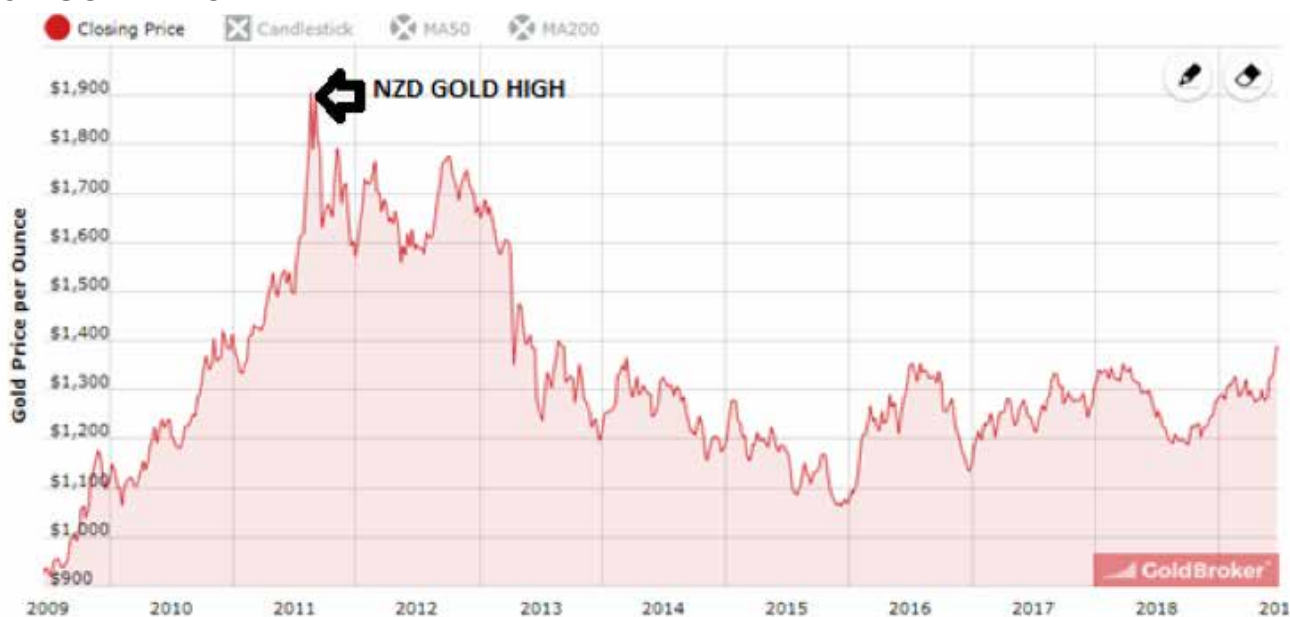
Against the backdrop of these key achievements Gold has recently reached \$2,100 NZD, these highs have not been seen since 2011 when gold was nearing USD highs of 2000 USD per ounce. New Talisman Gold Mines Limited is one of the very few, if not the only, equity instrument able to expose investors to NZD gold price as it is the only NZ listed gold developer. As detailed further in this report the updated prefeasibility study which assumed a \$1600 NZD gold price, shows a cash production cost of NZ\$721 per ounce demonstrating the significant profit margin and robustness of the project to any gold price fluctuations. With continued tensions globally the gold price is forecast to improve further. The chart below shows the recent run on NZD gold price to highs seen only previously where USD gold reached nearly 2000 USD in 2011. USD gold has remained under 1400 USD per ounce since 2013.

STEADY PROGRESS TOWARDS PRODUCTION WITH A FOCUS TO GET ON WITH THE PRACTICAL WORK OF MINING





NZD GOLD PRICE



USD GOLD PRICE



TALISMAN MINE PROJECT – 100% New Talisman

1992 - 2009	2009 - 2012	2013 - 2017	2017 to date	2020
EXPLORATION 	SCOPING STUDY 	PREFEASIBILITY STUDY 	MINING ACTIVITIES 	Bankable Feasibility Study
<p>Exploration Permit Granted</p> <p>Chanel sampling throughout Level 8</p> <p>Sampling of stockpiles</p> <p>Drilling undertaken in Dubbo</p> <p>Chip samples discover bonanza grades at Taukani Hill</p> <p>Delineation of a JORC 2004 resource totalling 204,000 oz AU</p>	<p>Mining one completes Scoping study</p> <p>Further exploration of Permit</p> <p>Application and granting of 25 year Mining License</p> <p>Access agreement granted under mining licence</p> <p>Further technical studies</p>	<p>Maiden Reserve declared on resource</p> <p>Maiden PFS encompassing mining at Talisman</p> <p>Application for resource consent sought</p> <p>Authority to Enter and Operate granted</p> <p>Acquisition of further Historic Data</p> <p>First ore processed at Waihi</p> <p>Resource consent to extract 20K cubic metres per annum granted</p>	<p>Certificate of compliance granted</p> <p>Refurbishment and rehabilitation commenced</p> <p>Pilot plant installed and commissioned</p> <p>Vent fan installation</p> <p>Power installation</p> <p>Extraction commences</p>	<p>Improve confidence in resource</p> <p>Refine mine design and production schedule</p>

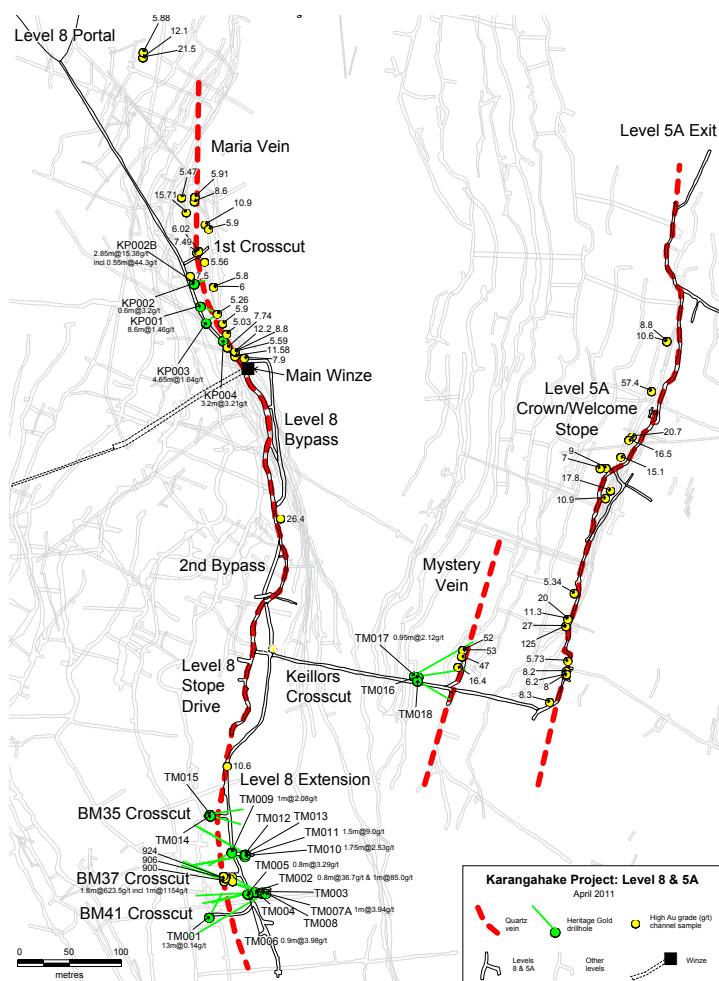


Bulk Sampling project plan

This year saw significant progress of the bulk sampling plan which has recently been updated to include the preferred route to access both the High Grade BM37 ore body as well as the Mystery Vein. While blasting and extraction has commenced underground, the resource consent which allows approximately two years and up to 20,000 cubic metres per annum to be extracted has been confirmed by Council to commence upon the trucking of four 10 tonne trucks a day of ore from the mine. Following confirmation from Hauraki District Council the company determined to retain all blasted ore underground until such time as the plant

has received the consent approval. Material and samples from prospecting areas underground are able to be transported for offsite testing under the granted certificate of compliance.

During the period the pilot plant was imported and assembled ready to commence metallurgical testwork on high grade ore as soon as the consent is granted. It is expected that the consent will be in place and the first ore run through the plant in the next 30 days. Following the initial testwork the plant will then be scaled up to suit the revised project plan which will utilise capacity of 300 tonnes per month.



Summary of mine plan and proposed activities over next 24 months.

Opening the rise at Dubbo has revealed an excavation which is unsupported on each side and due to the instability of the area would require a significant amount of work to make safe before any material can be removed. Being able to inspect and analyse the geological and geotechnical setting provided the team with a range of options for mining of the ore reserve in this area and a revised mine plan, discussed below, is being implemented accessing the orebody at the optimal point.

Having analysed the relative risk/reward profile for these options it has been decided to proceed with a short decline from the adjacent BM35 crosscut which will be developed on vein where possible.

This will provide access to the Dubbo shoot approximately 7m below number 8 level, directly into the high grade ore block which is estimated to exceed an average grade of more than an ounce of gold per tonne. Bullion generated from construction of this decline will contribute towards the cost of development and provide meaningful data on the geology of the area.

The decline will then be extended downwards in 7m lifts progressively exposing more of the ore body for sampling and delineation of extractive blocks. This revised mine plan drives the earliest cashflow from the ore body and the work completed during the bulk sampling phase creates a solid platform for the Company's full scale mine plans contemplated in the Prefeasibility Study as outlined later in this report.

Based on the current plan, at an average extraction rate of 300tpm, the company expects to be in a position to generate an approximated average of 360 gold equivalent ounces per month during the two-year bulk sampling programme.

Mine Refurbishment

Refurbishment of the No 8 Level workings from the portal and through Keillors Crosscut to the face of the Mystery Vein was completed in September 2018 following a final clean-up of the 8 Level drive, including securing vehicular access through the "Band-Aid" and "Viaduct". Work continued on reclaiming the Dubbo Drive and to secure access to the BM37 crosscut which was achieved in December 2018 from which point the Company focussed efforts on reopening the BM37 rise. This work was completed in March 2019. Concurrently with the above work the remainder of Keillors Crosscut, between the Mystery Vein and the Crown Mine workings has been loaded clear and supported and work on rehabilitation of the second escapeway through the Crown 5a level is underway. With the completion of the opening up of accessways to both target vein faces the financial year saw the commencement of blasting and extraction from the face of Mystery and removal of ore from Dubbo resulting in a stockpile of over 500t.

Mine Infrastructure

Engineering services, comprising of compressed air, power and water reticulation systems have been installed throughout the rehabilitated areas and an underground communication system is in place. Firefighting capability and emergency medical stations have been established at strategic locations, and a stench gas system, for alerting mineworkers in the event of an emergency, is in place.

The primary ventilation fan and airlock are in place and were commissioned in October 2018. This fan directs fresh air of sufficient quantity through the underground workings to allow deployment of small diesel-powered mobile equipment. The primary fan is supplemented with a smaller auxiliary fan to direct air through ducting into the Dubbo extension. Ventilation seals, to prevent the escape of air to the surrounding workings, have been constructed.

Power is supplied by a diesel-powered generator installed on the portal pad.

Mystery Vein

- Refurbishments complete
- Blasting and extraction advances vein face 6m
- Extension of high grade mineralisation confirmed
- Mining method successfully implemented

This financial year saw the completion of refurbishments all the way through to the face of the Mystery drive which allowed for the first blasting and extraction of ore from this vein. This work signals the beginning of the slow but steady process of unmasking the extent of mineralisation and proving the long held geological concept that the Mystery Vein continues along strike and above and below the current face. Further work during bulk sampling will aim to bring added confidence to this interpretation potentially provide a substantial additional contribution to the Company's resources.

Following the final metres of rehabilitation into the Mystery zone and commissioning of the primary fan, the company was able to undertake its first blast at Mystery in September 2018. Regular extraction activities are taking place on the northern extension of the Mystery Vein. The face of the drive has now been advanced a further 6.1m, on vein which averages 0.9m in width. Eight tonnes of ore have been removed from the drive and the results of regular in stream sampling show gold grades ranging from 6.2g/t Au to 18.2g/t Au for an average of 11.9g/t Au. Silver ranges from 23.0g/t Ag to 37g/t Ag for an average of 28.3g/t Ag. For more information please see the announcement of 24/01/19 (<https://www.asx.com.au/asxpdf/20190124/pdf/44225sh0bby4c4.pdf>)

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



The face of the Mystery Drive showing the extension of the vein before sidewall waste is removed



The Mystery Vein was discovered in the 1980's, by then operator Cyprus Mines Corporation in joint venture with New Zealand Gold Fields Ltd, when developing Keillors Crosscut to connect the Talisman Mine with the adjacent Crown Mine. This crosscut intersected a previously unidentified vein, now called Mystery Vein, approximately mid-way between the historically productive Maria and Crown vein systems. It is believed that this vein had not been identified previously because of its location on the boundary between the two historic mining permits, although there is evidence that the vein may have been encountered in the lower levels of the Talisman Mine. The vein has been exposed over a strike length of some 50m and regular sampling carried out by New Talisman (then called Heritage Gold) identified samples on the face of Mystery with grades of up to 50 g/t.

The Mystery Vein shows similar geological characteristics to the adjacent veins and follows a similar north south strike direction, suggesting that this may be the same vein system worked at the historic Rhoderick Dhu Mine which is located roughly mid-way between the Talisman and Crown Mines around 100m below the current exposure on No 8 Level and some 500m to the north. Current activities at Talisman prioritize enhancing the Company's understanding of this vein given its potential to be a major contributor to mine life.

Testing of the rescue mining method at the Mystery vein, where the vein and associated waste material are extracted in separate cuts, is proving successful with the primary extraction of the vein achieving a clean break on the contact between the vein and host rock. This enables the vein material to be loaded separately from the waste, maximising the grade of ore trammed to the run of mine stockpile. Successful long-term implementation of this mining method will hold significant commercial advantages for the mine through reducing the tonnage of ore to be transported and milled, and correspondingly reducing the costs involved, while at the same time increasing the feed grade of the milled material as very little waste would be included.



View of Keillors Crosscut from Crown Mine Level 5A

Dubbo Zone Access

- Auxillary fan and services extended to Dubbo
- Refurbishments opening up BM37 Maria Vein complete
- Commencement of decline into bonanza grade ore block commenced
- High grade material returned grades in excess of 500gt



The Brow of the Dubbo Rise showing fine material being loaded out



In the last quarter of the year the technical team achieved a significant milestone by opening up the BM37 high grade area which is the last area partly mined at Talisman and has been inaccessible since 2004. The Dubbo area hosts some of the highest-grade gold found in NZ. This zone was identified by borehole BM37 which assayed **656 g/t Au over 1.8m including 1154 g/t Au over 1.0m** and was the location of the last mining activity to take place under the mines previous owners in the early 1990's.

With installation and commissioning of underground auxiliary fan complete, and air ducting in place through the single-entry Dubbo extension of No 8 Level, mobile machinery was deployed to the BM37 crosscut to commence loading of waste rock so that clearing access to the BM37 rise could get underway.

Initial inspection of the area indicated that there had been a substantial fall of ground in the on vein rise at the end of BM37 crosscut, completely blocking access to the vein. This material was removed during the period and as reported access to the vein has been made available with the preferred route to access ore safely adopted in the revised mine plan summarized below.

The next step in this journey as outlined earlier in this report is to create safe access to the high grade ore blocks directly below the No 8 Level Dubbo Zone establish drives on vein through this block, obtain advanced information on the geology in this area in order to delineate blocks for mining, install the infrastructure to support this and begin extraction of the ore blocks to be transported for stockpiling and processing.



Timber sets being constructed to reinforce the brow at the entrance to the Dubbo Rise

Stockpiling of Broken Ore

Stockpiling of ore underground has progressed well during the year. Approximately 110 tonnes of ore from the Bonanza zone of the Maria Vein have been loaded and transferred to the Run of Mine stockpile. Regular interval in-stream sampling was carried out with **44 samples yielding grades that are characteristically variable and range from trace to 66.0g/t Au for an average of 4.5g/t Au, silver grades assayed in a range of 7.1g/t to 633g/t for an average of 68g/t Ag** (please see <https://www.asx.com.au/asxpdf/20181214/pdf/44173qv872f6cz.pdf>).

Some 14 tonnes of ore have been removed from the Mystery drive and the results of regular in stream sampling show gold **grades ranging from 6.2g/t Au to 18.2g/t Au for an average of 11.9g/t Au. Silver ranges from 23.0g/t Ag to 37g/t Ag for an average of 28.3g/t Ag.** For more information please see the announcement of 24/01/19 (<https://www.asx.com.au/asxpdf/20190124/pdf/44225sh0bby4c4.pdf>)

Approximately 250 tonnes of rock, comprising mainly host andesite mixed with fine vein material, has been removed from the Dubbo Zone. Where possible the quartz has been transported separately from the andesite. Where larger sized blocks of ore could be identified they have been removed and are stored for later testing in the pilot plant. Assays of this ore have **yielding grades which ranged between trace and 515g/t Au for an average of 34.8g/t Au, and trace and 4070g/t Ag for an average of 296g/t Ag.**

Representative samples have been taken of broken ore on the northern side of the crosscut, **the results of this sampling have yielded grades ranging between 2.65g/t and 130g/t Au for an average of 36g/t Au, and between 35g/t and 441g/t silver for an average of 146g/t Ag.**

Specimen sampling of this remnant material removed from Dubbo returned **grades from between trace and a spectacular .5kg per tonne.** One small sample taken from the Run of Mine (ROM) was tested for contained gold **returned exceptional grades of over 1kg per tonne.** It should be noted however that due to the sample size and its nature as loose material it is classed as a specimen and not regarded as being representative of the orebody.

Historically the Dubbo area is known for producing such unusually high-grade specimens that they have been studied by universities and geological institutes and up until recently were displayed in the Auckland Museum due to their significance to NZ's long-standing mining history.

Metallurgical Testwork Pilot Plant

The pilot plant is assembled and ready to commence processing ore. Commissioning is awaiting grant of land use consent applications which are expected to be issued in the next 4 to 6 weeks. Upon grant of these consents the initial batches of grade ore will be tested to provide the necessary data to allow the upgrade and/or building of the full-scale production plant.

As announced recently the company has been approached by a third party that proposes to build a plant capable of meeting the needs of the bulk sampling project. Discussions over the last month have progressed to a point where subject to a number of key conditions a formal offer is expected to be put to the board with an aim to have a commercial agreement in place by the end of July.

The pilot plant and subsequent scaled up plant will produce both gold-silver bullion and gold-silver concentrate. The gold-silver bullion will be sold on the open market and the concentrate product developed to the specifications set out to NTL by a major NZ based buyer of concentrate. Should the customer enter into an agreement to purchase concentrate the plant will be designed and built to the exact specifications for that customer.

One aim of the test batch is to confirm the previously tested precious metal recovery rates as set out below can be achieved, and any the waste material product is a chemically inert commercially viable by-product. The waste product will in effect be a quartz sand which could have application in a wide variety of building products and aggregate.

While the capacity of the pilot plant is relatively low the aim is to replicate the recovery rates which were achieved using a similar flowsheet in the test work carried out in South Africa in February 2018 (please see <https://www.asx.com.au/asxpdf/20180322/pdf/43sn63s00fjnz6.pdf>). The recovery rates from that test work demonstrated recoveries which are near that of cyanide extraction using a more sustainable non-chemical means. Following completion of the metallurgical test work a number of minor upgrades will allow small batches of high grade ore to be processed and sold while the larger plant is built.

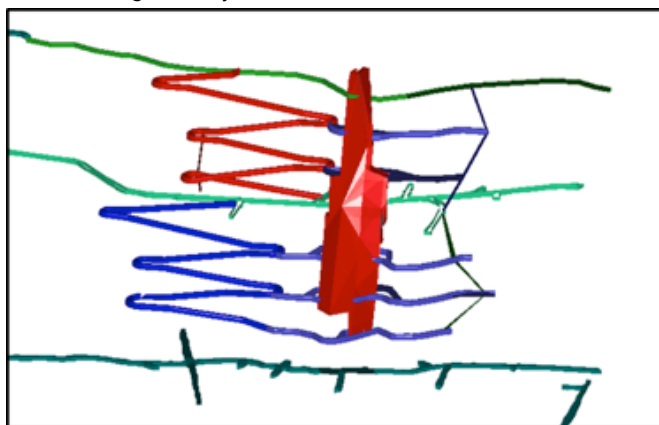
It is expected that once the resource consent for the pilot plant is granted by the end of July, the first ounces of gold and concentrate will be produced shortly thereafter.

2018 Prefeasibility study

In June of 2018 the Company completed and released a revised Prefeasibility study on the Talisman Project which significantly improved the key economic metrics of the project encompassing less than 15% of the overall resources over the initial six-year mine life. The bulk sampling activities seek to provide further data to increase the quantum and level of confidence of the resources, and provide a platform for increased reserves, their economic extraction and ultimately increased mine life.

As previously announced a Definitive Feasibility study is well underway with the remaining data being provided from the results of the bulk sampling project.

This study, based on the updated and independently reviewed Mineral Resource Estimate, which was released to the market in July 2017, has demonstrated an increase in the **Net Present Value of the project, (NPV) from NZD15.4m to NZD35.9m** at a 9% Discount Rate. The updated study proposes a mine plan, focussed on high confidence areas adjacent to No 8 level, based on the production of 45,000 tonnes at 30.6 g/t Au equivalent with a significant drop in **mine costs to NZD583 per ounce and cash costs of NZD710 per ounce.** The IRR (internal rate of return) increased significantly to 118%.



The key drivers for this increase in value are discussed below:

- Increased ounces available for extraction – this is a result of the mineral resource upgrade which saw gold equivalent ounces in the Measured and Indicated categories increase by some 18,000 ounces. These are included in the mining plan which has seen an increase in gold production of some 18,800 Oz AuEq.
- Increased mine life – on the back of the increased ounces the life of the mine is extended by a year giving a current expectation of six years;
- Grade – Run of Mine grade (ROM), on a gold equivalent basis, has increased from 11.2g/t to more than 27 g/t.
- The USD gold price, based on independent forecasts, is expected to continue trading in a narrow range of between USD1300/Oz and USD1400/Oz;

- Continued USD strength is expected to result in a falling NZD:USD exchange rate over the project life
- Extended mine life has seen an increase in operating costs of approximately \$8m;
- Capital expenditure is reduced by \$1m because of the work already completed towards the Bulk Sampling Project;

Other key project metrics, in comparison with the previous PFS results, are tabulated below in NZD

		Unit	2013	2018	Variance
Production	Life of Mine	Years	5	6	1
	Tonnes Milled	ktpa	107	64	-43
	Gold Recovered	Oz	32,200	51,000	18,800
Cost	Total Revenue	NZD(m)	68	109	41
	Total Opex (C3)	NZD(m)	34	42	8
	Total Capex	NZD(m)	11	12	1
Financial	Cash Surplus	NZD(m)	23	55	32
	NPV @9% (Pre-Tax)	NZD(m)	15	36	21
	IRR	%	83%	118%	35%
	Payback period	Yrs	3	2	-1
Unit Costs	Direct on mine Cost	NZD/Oz	692	583	-109
	Cash cost of production	NZD/Oz	904	710	-194
	All in Costs	NZD/Oz	1,041	985	-56
	Breakeven Gold Price	NZD/Oz	1,075	820	-255

Full details of the Pre-Feasibility Study were released to the market on 26/06/2018. The release can be viewed here <https://www.asx.com.au/asxpdf/20180626/pdf/43w27wyn66hxx8.pdf>.

The Prefeasibility Study referred to earlier in this report is a technical study as defined in the JORC Code and can be used for the purposes of defining an Ore Reserve. Because of this the Prefeasibility Study is confined to examining only the higher confidence Measured and Indicated Resources and does not take account of the extensive information available pertaining to the deeper extents of the mine where the Mineral Resources are classified in the Inferred Resource category.

The Prefeasibility Study thus sets out a roadmap for initial development of the Talisman Mine project which has progressed through the traditional methods of mine evaluation and development.

Ore Reserve Update

The outcome of the Prefeasibility Study supports a 50% increase in the Ore Reserve attributable to the Talisman Mine. Ore Reserves, based on an average in-situ cut-off grade of 2.6 g/t, are 45,000 tonnes at **30.6 grams** per tonne gold equivalent. Reserves are quoted at the point of delivery to the gold processing plant and are derived from and contained within, not additional to, the Measured and Indicated portions of the Mineral Resource.

The study was reviewed by independent experts who found that the proposed mining plan is appropriate for the style of deposit at Talisman, and that determination of Ore Reserves has been attained through reasonable evaluation of mining costs and process recoveries.

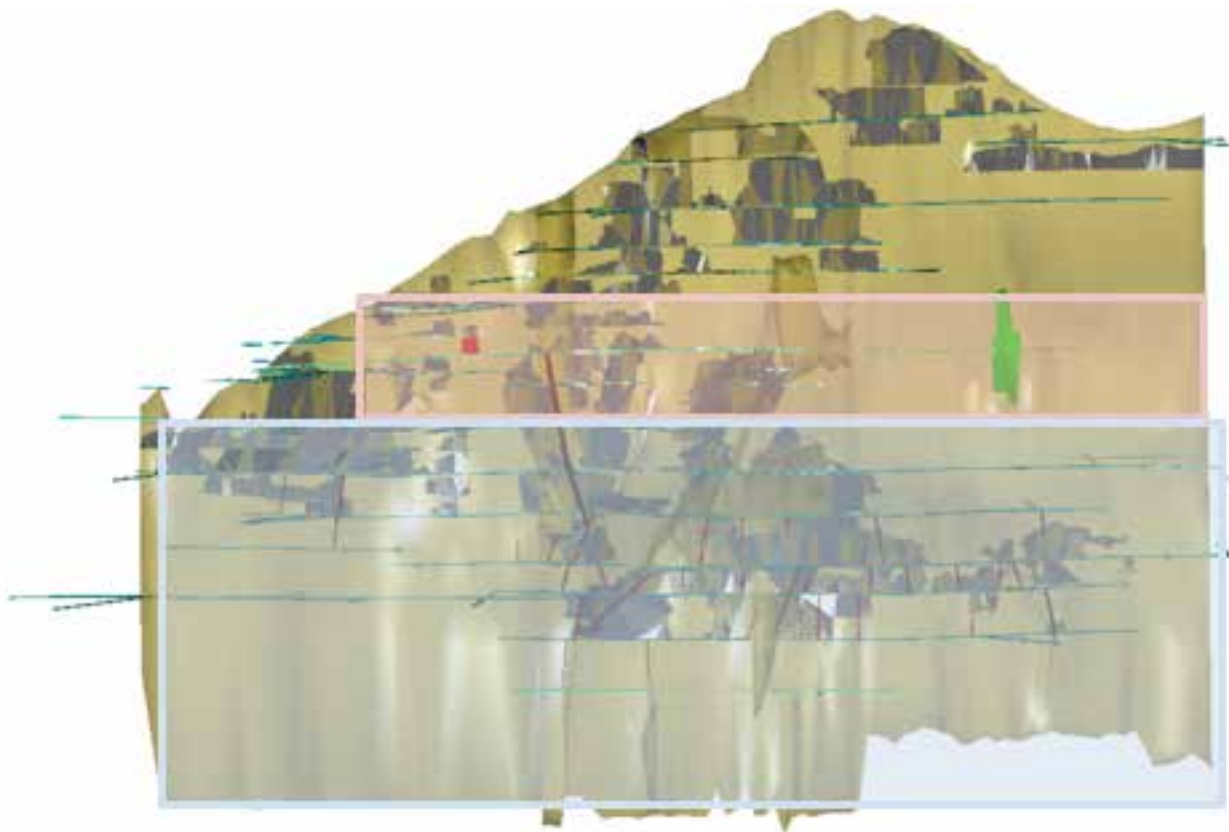
Mineral Resource and Reserves

Mineral Resources	Total NTL		Gold Equivalent	
	Category	Tonnes	Grade	Ounces
	Measured	102,800	17.4	57,480
	Indicated	97,700	7.4	23,100
	Inferred	750,000	15.9	389,200
	Total Resources	950,500	15.1	469,800

Ore Reserves	Total NTL		Gold Equivalent	
	Category	Tonnes	Grade	Ounces
	Proved	30,300	35.7	34,800
	Probable	14,600	20.1	9,500
	Total Reserves	44,900	30.6	44,300

Full details of the Ore Reserve were released to the market on 26/06/2018. The release can be viewed here <https://www.asx.com.au/asxpdf/20180626/pdf/43w27wyn66hxx8.pdf>





Long section of the Maria lode showing the location of the Talisman Project area (pink) and the Talisman Deeps Project Area (Light Blue)

Talisman Deeps Project

In contrast to the advanced stage of the Talisman Project, the Talisman Deeps project is in its very early stages of development. This standalone project was conceptualised primarily as a result of the upgraded mineral resource estimate which was released to the market in the latter part of 2017. This estimate, which substantially increased the overall mineral resources available within the Company's lease area, identified a substantial inferred resource occurring at depth within the Talisman Mine. These inferred resources fall outside the scope of works delineated by the Talisman Project but nevertheless offer the potential for considerable upside to the company. In order to gain an understanding of the possible impact of developing the Talisman Deeps Project NTL commissioned a Scoping Study.

The scoping study referred to above was completed in June 2018 and, following an independent review of the output which was completed as part of the Valmin compliant valuation discussed in the 2018 Annual Report, the results were released to the market on 27 June 2018. However, whilst compliant with JORC and NZX listing rules, under the ASX listing rules, where inferred resources form a majority of the mineral resources on which a scoping study is based, the study must meet a number of requirements over and above those set out in the JORC Code. These requirements are set out in the ASX guidance note which can be viewed here <https://www.asx.com.au/documents/asx-compliance/asx-guidance-on-reporting-scoping-studies-with-checklist.pdf>.

The technical studies and work being carried out on Talisman deeps are separate to the mining activities and Definitive Feasibility study underway on the higher levels of the mine. As commercial mining activities continue, a better understanding and confidence of resources at the deeper levels of the mine may allow the Definitive Feasibility Study to include some areas of the Deeps.



Rahu

Following the acquisition of Rahu Resources Pty Ltd from Newcrest, and in discussion with NZPAM at the Annual Review Meeting NTL were directed, to and applied for access to the northern part of the Rahu permit area for soil sampling over land administered by the Department of Conservation. The application was lodged over 6 months ago and has not yet been granted. The board has determined that until DOC access is granted further work must be deferred.

Without the access to enable the technical team to complete sampling in the DOC area which provides support and targeting data for the drilling programme the company continues to focus all its resources on the Talisman mine project.

Tenement Holdings

Project	Permit Number	Ownership
Talisman	MMP 51326	100% New Talisman Gold Mines Ltd
Rahu	MEP 60144	100% Rahu Resources Pty Ltd a 100% owned subsidiary of NTL

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 2700 shareholders who are mainly from Australia and New Zealand and has been listed since 1986. It is a leading New Zealand minerals development and exploration company with a mining permit encompassing the Talisman mine, one of New Zealand's historically most productive gold mines. The company has commenced prospecting and upgrading activities at the mine and advance the exploration project and increase its considerable global exploration target into JORC 2012 resources.

Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including New Zealand's highest-grade underground gold mine, a JORC 2012 compliant mineral resource of over 427,000 ounces AuEq at an average above 15 g/t AuEq and a JORC compliant reserve statement. The company owns 100% of exploration permit Rahu, which lies along strike from the Talisman mine of which 80% was recently acquired from Newcrest Mining.



Photo of high grade ore from 13 Level of Maria Vein. Bonanza Section. Grade 701.05 g/t Gold and 3,426.6 g/t Silver

Cautionary Statement for Public Release

Certain information contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to future performance and reflect the Company's expectations regarding execution of business strategy, business prospects and opportunities of New Talisman Gold Mines and its related subsidiaries. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions and inherent operating risks. There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially because of risks facing the Company, some of which are beyond the Company's control. Although the Company believes that any forward-looking statements and information contained in this press release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information, whether because of new information, events or otherwise, except as required by applicable securities laws. The information contained in this release is not investment or financial product advice.

Competent Person Statements

The information in this report that relates to exploration results, exploration targets and mineral resources is based on information compiled by or supervised by Mr Murray Stevens and Mr Wayne Chowles. Mr Stevens is a consulting geologist and director of New Talisman Gold Mines Ltd, who is a corporate member of the AusIMM. Mr Stevens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Chowles is a Mining Engineer and member of the AusIMM. Mr Chowles is a full-time employee of New Talisman Gold Mines Limited, he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Both Mr Chowles and Mr Stevens consent to the inclusion in this report of the matters based on his information in the form and context in which it appears. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcement.







From L-R: Murray Stevens, Tony Haworth, Charbel Nader, Matt Hill

BOARD OF DIRECTORS

Mr Charbel Nader B.com, M App Fin, CA, CTA

Chairman and Non-executive Director

Mr Nader is an investment banker with extensive experience in corporate finance and strategic advisory and board roles, including experience in mergers and acquisitions project finance. Charbel has worked across a range of industries and has expertise in the finance of capital intensive projects with volatile returns. Charbel was formerly deputy chairman of Aspermont Ltd publisher of the Mining Journal and organiser of the Mines and Money events in Hong Kong, London and Melbourne.

Mr Nader was, head of Pitt Capital Partners Melbourne office (a subsidiary of Washington H Soul Pattinson), and founding Chairman of a successful media start up and oversaw its sale to Fairfax Ltd for in excess of \$100m. He is Non-Executive Director of Madman Entertainment, distributor of the highly successful New Zealand film The Hunt for the Wilderpeople. He has been a director of gold mining companies with assets in Hungary. Mr Nader is a non executive Director of United Networks Ltd, Chairman Growth Factor Ltd. He has a Bachelor of Commerce and Masters of Applied Finance from the University of Melbourne, is Chartered Accountant and is fellow of the Tax Institute of Australia.

Matthew Geoffrey Hill, MBA, MAICD, Ffin

Chief Executive Officer

Mr Hill is an Executive Director of International Pacific Capital Limited, and Managing Director of Asia Pacific Capital Group Limited. Matthew is an experienced merchant banker having worked previously at Potter Warburg (now UBS); Eventures (a joint venture between Newscorp and Softbank); Pitt Capital and Souls Private Equity Limited. Matthew specialises in resources and company listings on the ASX and NZX.

Matthew has been responsible for leading the company from exploration into the development phase at the Talisman mine since his appointment in late 2012 and is primarily responsible for day to day operations and capital raising initiatives of the company. Mr. Hill is a non-executive director of Broken Hill Prospecting Limited ASX:BPL which holds interests in the Thackaringa cobalt project near Broken Hill in NSW Australia and a portfolio of heavy mineral sands tenements in the Murray Basin. Matthew is also alternate director for Geoffrey Hill on Pacific American Coal ASX:PAK.

Mr Hill Holds a Graduate Diploma in Applied Finance and Master of Business Administration. He is a fellow of the FINSIA and a member of the Australian Institute of Company Directors.

Mr Hill was appointed to the New Talisman Board as Alternate Director for Geoffrey Hill on 1 December 1999, and has served as a full Director for nearly 13 years since his appointment on 10 October 2006 and Appointed as CEO/Managing Director on 3 September 2012.

Mr Murray Ronald Stevens, BSc, MSc(Hons), Dip. Geol.Sci, MAusIMM

Non-executive Director

Mr Stevens has BSc and MSc (Hons) degrees in geology from the University of Auckland and a Post-graduate Diploma in Geoscience from Macquarie University in Sydney majoring in Mineral Economics.

Mr Stevens has over than 35 years of experience as a geologist and has provided consulting services to NTL since 2002.

Mr Stevens has extensive expertise exploring for epithermal gold deposits in the Coromandel and the wider Asia-Pacific region. He has held Senior Management and consulting roles in a number of public and private companies and was NTL's (formerly Heritage Gold Ltd) first Exploration Manager from 1987 to 1996. He was instrumental in recognizing the potential for the Talisman Mine and the Rahu area when NTL acquired these areas in the early 1990's. Murray played a key role in the original discovery made at Rahu and was the exploration consultant for NTL when the work undertaken between 2003 and 2006 delineated the current resources at Talisman.

Mr Tony Haworth, M.Sc (Tech), M.Sc (Fin), M.AusIMM, MAICD

Independent Director

Mr Haworth has over 20 years' experience spanning a variety of geological, corporate, finance and governance roles across the minerals industry and as a corporate adviser and investment banker.

Mr Haworth began his career as an Exploration Geologist with Heritage Gold (now NTL) and has worked in New Zealand and offshore for a range of private and public listed companies. His other previous roles include General Manager of Mawarid Mining (formerly National Mining Company) in Oman, Director of Liberty Gold Corporation in London and Director at New Zealand corporate advisory firm Campbell MacPherson Ltd. He is currently an Investment Manager with New Zealand Trade & Enterprise.

Mr Haworth holds a Masters in Finance from London Business School and a Masters in Earth Science from the University of Waikato. He is a corporate Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors.

AUDITOR'S REPORT

Level 1
251 Elizabeth Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

PO Box 2210
NORTH PARRAMATTA NSW 1750

INDEPENDENT AUDITOR'S REPORT

To the Members of New Talisman Gold Mines Limited

Report on the Financial Statements.

Opinion

We have audited the financial report of New Talisman Gold Mines Limited ("the company") and its subsidiaries (together "the group"), which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the group, and the notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report present fairly, in all material respects, the financial position of the group as at 31 March 2019 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than our capacity as auditor, we have no other relationship with, or interest in New Talisman Gold Mines Limited and its subsidiaries.

Liability limited by a
scheme approved
under Professional
Standards Legislation

Phone 02 8839 3000 Fax 02 8839 3055

www.ksblack.com.au



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of mining tenements</p> <p>Refer to note 9 (Assets under Construction)</p> <p>At 31 March 2019, the Group has capitalised mining tenement costs of NZ\$12.03m. IAS 136, 'Impairment of Assets' requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.</p> <p>The Group's assessment of the recoverable amount of its producing and non producing Ore Reserves was a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of recoverable amounts incorporated significant internal and external judgments and assumptions including commodity prices, available reserves, residual values and discount rates.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Assessing whether the external expert that had been engaged by management to provide independent valuations was appropriately experienced and qualified;• We evaluated management's key assumptions and estimates used to determine the recoverable amount of its assets, including those related to forecast commodity prices and revenue costs, discounted rates and estimated residual values;• We checked the mathematical accuracy of the cash flow models, testing inputs, from valuation reports produced, as well as external inputs, including spot and forecast process for gold at the reporting date;• We assessed the accuracy of management's forecasting by assessing the reliability of historical forecasts and reviewing whether current market conditions would impact those forecasts; and• Assessing whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.• Technical Valuation Report dated 8 June 2018 prepared by GEOS Mining.

Information Other than the Financial Statements and Auditor's Report

The directors of the company are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' Responsibilities for the Financial Report

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

Level 1
251 Elizabeth Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

PO Box 2210
NORTH PARRAMATTA NSW 1750

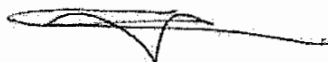
aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at External Reporting Board's website: https://www.xrb.govt.nz/Site/Auditing_AssuranceStandards/CurrentStandards/Page1.aspx. This description forms part of our auditor's report.

Report on the Other Legal and Regulatory Requirements

The engagement partner on the audit resulting in this independent auditor's report is Scott Bennison.

Scott Bennison
A Partner of KS Black & Co
Chartered Accountants



Dated: 26 June 2019
Sydney

Liability limited by a
scheme approved
under Professional
Standards Legislation

Phone 02 8839 3000 Fax 02 8839 3055
www.kblack.com.au



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND



NEW TALISMAN GOLD MINES LIMITED

Statement of Comprehensive Income For year ended 31 March 2019

	Note	Group 2019 NZ\$	2018 NZ\$	Parent 2019 NZ\$	2018 NZ\$
Continuing Operations					
Other Operating income	2	86,734	128,597	86,734	128,597
Operating and administrative expenses	3, 4	(1,290,061)	(1,130,754)	(1,276,164)	(1,130,754)
Exploration costs written off	10	-	-	-	-
Gain/(loss) from operations		(1,203,327)	(1,002,157)	(1,189,430)	(1,002,157)
Net profit/(loss) for the year		(1,203,327)	(1,002,157)	(1,189,430)	(1,002,157)
Other Comprehensive Income / (Loss)		1,783	8,137	1,783	8,137
Total comprehensive income/(loss)		(1,201,544)	(944,020)	(1,187,647)	(994,020)
Net profit/(loss) attributable to equity holders of the parent		(1,201,544)	(944,020)	(1,187,647)	(994,020)
Comprehensive profit/(loss) attributable to equity holders of the parent		(1,201,544)	(944,020)	(1,187,647)	(994,020)
Earnings per share					
Basic earnings/(loss) per share					
From continuing operations		(0.06) cent	(0.05) cent	(0.05) cent	(0.05) cent
Diluted earnings/(loss) per share					
From continuing operations		(0.06) cent	(0.05) cent	(0.05) cent	(0.05) cent

The accompanying notes form part of these financial statements

NEW TALISMAN GOLD MINES LIMITED

Statement of Changes in Equity For the Year Ended 31 March 2019

	Note	Group 2019				Group 2018			
		Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$	Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$
Profit/(Loss)		-	-	(1,203,327)	(1,203,327)	-	-	(1,002,157)	(1,002,157)
Other comprehensive income/(loss)		-	-	1,783	1,783	-	-	8,137	8,137
Proceeds from share capital issued		-	-	-	-	1,925,910	-	-	1,925,910
Transfer to accumulated income	7	-	-	-	-	(2,500,000)	(335,341)	2,835,341	-
Equity at beginning of year		34,590,849	-	(17,361,043)	17,229,806	35,164,939	335,341	(19,202,364)	16,297,916
Equity at end of year	7	34,590,849	-	(18,562,587)	16,028,262	34,590,849	-	(17,361,043)	17,229,806
	Note	Parent 2019				Parent 2018			
		Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$	Share Capital NZ\$	Capital Reserves NZ\$	Retained Earnings NZ\$	Total Equity NZ\$
Total comprehensive income/(loss)		-	-	(1,187,647)	(1,187,647)	-	-	(994,020)	(994,020)
Proceeds from share capital issued		-	-	-	-	1,925,910	-	-	1,925,910
Transfer to accumulated income	7	-	-	-	-	(2,500,000)	(297,641)	2,802,301	4,660
Equity at beginning of year		34,590,849	-	(20,090,949)	14,499,900	35,164,939	297,641	(21,899,230)	13,563,350
Equity at end of year	7	34,590,849	-	(21,278,596)	13,312,253	34,590,849	-	(20,090,949)	14,499,900

The accompanying notes form part of these financial statements

NEW TALISMAN GOLD MINES LIMITED

Statement of Financial Position

As at 31 March 2019

	Note	Group 2019 NZ\$	2018 NZ\$	Parent 2019 NZ\$	2018 NZ\$
Equity					
Attributable to parent company shareholders	7	16,028,262	17,229,806	13,312,253	14,499,900
		16,028,262	17,229,806	13,312,253	14,499,900
Term liabilities					
Rehabilitation Reserve	9	32,215	17,795	32,215	17,795
Total term liabilities		32,215	17,795	32,215	17,795
Current liabilities					
Payables	8	402,046	213,584	402,046	213,584
Employee benefits	20	19,997	21,330	19,997	21,330
Total current liabilities		422,043	234,914	422,043	234,914
Total liabilities		454,258	252,709	454,258	252,709
Total equity and liabilities		16,482,520	17,482,515	13,766,511	14,752,609
Current assets					
Cash		1,243,656	4,828,750	1,243,656	4,828,750
Receivables and prepayments	21	172,066	116,922	206,641	129,550
Total current assets		1,415,722	4,945,672	1,450,297	4,958,300
Non-current assets					
Property, plant & equipment	9	259,960	89,677	259,960	89,677
Assets under construction	9	12,034,575	9,638,268	12,034,575	9,638,268
Intangible exploration assets	10	2,760,950	2,752,900	10,575	10,575
Investments	11	11,313	55,998	11,104	55,788
Total non-current assets		15,066,798	12,536,843	12,316,214	9,794,308
Total assets		16,482,520	17,482,515	13,766,511	14,752,609

For and on behalf of the Board:



C Nader (Chairman)
26 June 2019



M G Hill
26 June 2019

The accompanying notes form part of these financial statements . * See note 13.

NEW TALISMAN GOLD MINES LIMITED

Statement of Cash Flows

For year ended 31 March 2019

		Group		Parent	
	Note	2019 NZ\$	2018 NZ\$	2019 NZ\$	2018 NZ\$
Cash flows from operating activities					
<i>Cash was provided from:</i>					
Interest received		62,081	128,597	62,081	128,597
Other		-	-	-	-
		62,081	128,597	62,081	128,597
<i>Cash was disbursed to:</i>					
Payments to suppliers		(1,115,353)	(1,061,043)	(1,115,353)	(1,061,043)
Rent		(25,508)	(24,248)	(25,508)	(24,248)
Payments to and on behalf of employees		-	-	-	-
		(1,140,861)	(1,085,291)	(1,140,861)	(1,085,291)
Net cash outflows from operating activities	15	(1,078,780)	(956,694)	(1,078,780)	(956,694)
Cash flows from investing activities					
<i>Cash was provided from:</i>					
Proceeds from sale of shares		-	-	-	-
		-	-	-	-
<i>Cash was applied to:</i>					
Prospecting and mine development expenditure		(2,277,704)	(1,784,590)	(2,256,183)	(1,776,590)
Purchase of property, plant and equipment		(217,188)	(100,000)	(217,188)	(100,000)
Investments		-	-	-	-
Intercompany loans		-	-	(21,521)	(8,000)
		(2,494,892)	(1,884,590)	(2,494,892)	(1,884,590)
Net cash outflows from investing activities		(2,494,892)	(1,884,590)	(2,494,892)	(1,884,590)
Cash flows from financing activities					
<i>Cash was provided from:</i>					
Issue of shares		-	1,925,910	-	1,925,910
Other		-	-	-	-
		-	1,925,910	-	1,925,910
<i>Cash was applied to:</i>					
Issue of shares		-	-	-	-
		-	-	-	-
Net cash inflows from financing activities		-	1,925,910	-	1,925,910
Net increase /(decrease) in cash held		(3,573,672)	(915,374)	(3,573,672)	(915,374)
Effect of changes in exchange rates		(11,422)	(10,274)	(11,422)	(10,274)
Cash at beginning of year		4,828,750	5,754,398	4,828,750	5,754,398
Cash at end of year		1,243,656	4,828,750	1,243,656	4,828,750
CASH COMPRISES:					
Cash		121,884	1,723,750	121,884	1,723,750
Short term deposits		1,121,772	3,105,000	1,121,772	3,105,000
		1,243,656	4,828,750	1,243,656	4,828,750

All cash balances are available without restriction except for NZ\$105,000 held on deposit as security for guarantees issued by the bank. The bank holds a \$75,000 bond on behalf of the NZ Stock Exchange for the term of the exchange listing and a \$30,000 bond on behalf of the Department of Conservation held for any potential mining rehabilitation.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

New Talisman Gold Mines Limited is a profit-oriented company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).

The company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the financial statements of the company and group have been prepared in accordance with the Financial Markets Conduct Act 2013 and comply with NZX Listing Rule 10.6.1 with the exception that separate financial statements for the parent have been presented as the parent engages in the majority of the group's business activities.

The group consists of New Talisman Gold Mines Limited (the "company") and its subsidiaries (the "group") and these financial statements comprise the separate financial statements of the parent company and the consolidated financial statements of the group. The group is engaged in mine development and mineral exploration.

These financial statements were approved for issue by the Directors on 18 June 2019.

Statement of compliance

These consolidated and parent financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP), the requirements of the Companies Act 1993 and comply with New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS).

Measurement base

The accounting principles adopted are those recognised as appropriate for the measurement and reporting of financial performance and financial position on the historical cost basis modified by the revaluation of certain assets. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The information is presented in New Zealand dollars which is the company's functional currency.

Use of estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The group has made significant accounting estimates in respect of:

- the assessment of impairment to capitalised exploration and development expenditure, and
- the anticipated rehabilitation costs at the conclusion of mining. The estimate does not have a profit effect in the current year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Specific accounting policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied consistently.

(a) Prospecting costs

Acquisition, exploration and development expenditure on exploration and mining tenements is initially recorded at cost. Exploration and evaluation costs are capitalised as deferred expenditure.

In the event where exploration demonstrates a permit area is no longer prospective for economically recoverable reserves, or the exploration or prospecting permit is relinquished, the value or cost of the tenement is immediately recognised as an expense in the statement of comprehensive income.

Prospecting costs are expected to be recovered from future mining revenues. The recoverability of exploration and evaluation assets is contingent upon future events, such as technical success and commercial development, sale of the area of interest, the results of further exploration, agreements entered into with other parties, and also upon meeting commitments under the terms of the permits.

(b) Mining tenements

When a tenement is assessed as capable of sustaining commercial mining operations, capitalised exploration and evaluation expenditure is reclassified as assets under construction and is disclosed as a component of property, plant and equipment. All subsequent development expenditure, net of any proceeds from ore sales during the development stage, is capitalised and classified as assets under construction. On completion of development, the value or cost of accumulated exploration and development costs will be reclassified as other mineral assets and amortised on the basis of units of production over the expected productive life of the mine. Provisions for closure and rehabilitation are initially recognised when an environmental disturbance first occurs. The estimate for the rehabilitation provision is reviewed by management at each reporting date and an assessment is made on whether the estimate continues to reflect the company's present legal and constructive obligations.

(c) Property plant and equipment

All property, plant and equipment is initially recorded at cost.

When an item of property, plant and equipment is disposed of, the gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between the sale price and the carrying value.

(d) Depreciation

Depreciation is provided on all tangible property, plant and equipment on a straight line basis at rates calculated to allocate the difference between the cost and residual values of each asset over its estimated useful life. For this purpose, the company has adopted the depreciation rates set by the Inland Revenue Department as appropriate.

Rates used during the year were:

Computer software and hardware	Straight line	30-50%
Field equipment	Straight line	7-30%
Fixtures and fittings	Straight line	9-10%
Motor Vehicles	Straight line	30%

(e) Impairment of assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount and the write down recognised as an expense in the statement of comprehensive income. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the carrying value of intangible capitalised exploration expenditure exceeds the value determined by an independent valuation, the asset is written down and the write-down recognised as an expense. A reversal of an impairment loss for an asset is recognised immediately in profit or loss.

(f) Segment information

Operating segments are reported if:

- Revenue is 10% or more of combined operating segment revenues;
- The absolute value of profit or loss is greater than 10% of the combined reported profits or losses of all operating segments, whichever is greater;
- Assets are 10% or more of the combined assets of all operating segments; or



NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

- Information about the segment would be useful to users of the financial statements.

(g) Income tax

The company is a mining company for New Zealand tax purposes. All exploration and development expenditure, including the cost of mining assets, is tax deductible in the year the expenditure is incurred. Mining losses can be set off against non-mining income in the ratio 3:2.

Deferred taxation assets are recognised in the financial statements only to the extent that it is probable that there will be future taxable profit to utilise them.

(h) Share capital

Ordinary shares and options are classified as equity. Direct costs of issuing shares and options are deducted from the proceeds of the issue.

(i) Cash flows

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less.

(j) Employee entitlements

The liability for annual leave is accrued and recognised in the statement of financial position. Annual leave is recorded at the undiscounted amount expected to be paid for the entitlement earned.

(k) Foreign currencies

Transactions in foreign currencies are converted into NZ currency at the rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange variations resulting from these translations are recognised in the income statement.

(l) Leases

New Talisman group leases certain equipment, land and buildings. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are included in profit and loss in equal instalments over the lease term.

Finance leases, which effectively transfer the risks and benefits of ownership, are capitalised at the lower of fair value and the present value of the minimum lease payments. Leased assets are recognised at cost and depreciated over their respective estimated useful lives.

(m) Basis of consolidation

The consolidated financial statements include the parent company and all subsidiaries over which the parent company has the power to control the financial reporting and operating policies. The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intercompany transactions are eliminated on consolidation. In the parent company's separate financial statements, the investment in subsidiaries is stated at cost less any impairment losses.

(n) Financial instruments

Financial instruments recognised in the statement of financial position include cash balances, receivables, payables, investments in and loans to others and borrowing. The parent and group have no off-balance sheet financial instruments.

(1) Receivables and payables

Receivables and payables are initially recorded at fair value and subsequently at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). The resulting carrying amount for receivables is not materially different from estimated realisable value.

(2) Share investments

Share investments in listed companies are designated as financial assets at fair value. They are initially recorded at cost and subsequently at market value. Gains or losses are recorded in profit or loss. Share investments in unlisted companies cannot be reliably valued. They are therefore carried at cost less any impairment losses. Impairment losses, once recognised, are not reversed even if the circumstances leading to the impairment are resolved.

A gain or loss on financial instruments stated at market value is recognised in the Statement of Comprehensive Income.

(o) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST. The net amount of GST recoverable or payable is included as part of the receivables or payables balance in the statement of financial position.

(p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders outstanding, adjusted for the effects of all dilutive potential ordinary shares, comprising share options.

(q) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of GST. Revenue is recognised when the significant risks and rewards of ownership of gold-bearing ore have been transferred to the buyer.

(r) Change in Accounting Policies

There have been no significant changes in accounting policies. All policies have been applied on bases consistent with those used in the prior period.

(s) New and revised standards

Adoption of Standards, Interpretations and modifications

New Standards and amendments not adopted early:

- NZ IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019) - applied to exploration assets

(t) Inventories

Inventories are valued at the lower of weighted average cost and net realisable value. Costs include mining and production costs as well as commercial, environmental, health and safety expenses, and stock movements.

2. OPERATING INCOME

	Group Mar 2019 NZ\$	Group Mar 2018 NZ\$	Parent Mar 2019 NZ\$	Parent Mar 2018 NZ\$
Interest	52,252	128,597	52,252	128,597
Reimbursement of Expenditure	-	-	-	-
Sundry income	34,482	-	34,482	-
Total operating income	86,734	128,597	86,734	128,597

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

3. OPERATING AND ADMINISTRATION EXPENSES BY NATURE

	Group Mar 2019 NZ\$	Group Mar 2018 NZ\$	Parent Mar 2019 NZ\$	Parent Mar 2018 NZ\$
Auditor's fees – auditing financial statements	34,058	33,846	34,058	33,846
Consultancy Fees	44,379	14,665	34,503	14,665
Depreciation	46,906	23,084	46,906	23,084
Director fees	140,000	170,000	140,000	170,000
Foreign exchange loss/(gain)	11,426	10,274	11,426	10,274
Kiwisaver	5,025	4,927	5,025	4,927
Legal fees	97,167	89,563	97,167	89,563
Rental and lease costs	25,508	24,248	25,508	24,248
Share revaluation loss/(gain)	44,685	(38,461)	44,685	(38,461)
Other	840,907	798,608	836,886	798,608
Total administration expenses	1,290,061	1,130,754	1,276,164	1,130,754

4. DIRECTOR AND EMPLOYEE REMUNERATION

Director remuneration

	2019 NZ\$	2018 NZ\$
MG Hill (Executive Director)*	415,000	360,000
C Nader	50,000	50,000
J M McKee	10,000	40,000
A V Haworth	40,000	40,000
M R Stevens	40,000	40,000

*Of which \$101,800 (2018: \$46,800) is expensed as consultancy fees and the remainder is capitalised in the Statement of Financial Position as Talisman development expenditure. The development expenditure amount is based on time spent on directly attributable mine development activities.

During the reporting period, no options were issued to directors or employees. In the prior year, no options were issued to directors or employees.

Remuneration of Employees

During the reporting period, one employee received remuneration and benefits of between \$240,000 and \$250,000. The remuneration included Kiwisaver contributions of \$5,025.

Employee share option plan

	2019 Number	2018 Number
Unlisted options Issued to employees	-	-
Unlisted options Issued to directors	-	-
Total unlisted options issued during the period	-	-
Balance of options at start of period	4,250,000	5,750,000
Unlisted options converted to fully paid shares during the period	-	-
Options cancelled during the period	4,250,000	1,500,000
Unlisted options on issue at end of the period	-	4,250,000

5. TAXATION

	Group 2019 NZ\$	Group 2018 NZ\$	Parent 2019 NZ\$	Parent 2018 NZ\$
Operating loss before taxation	(1,203,327)	(1,002,157)	(1,189,430)	(1,002,157)
Prima facie income tax at 28%	(336,932)	(280,604)	(333,040)	(280,604)
Add/(subtract) the taxation effect of permanent differences:				
Capital Loss on Disposal of Investments	-	-	-	-
IRD Penalties	154	28	154	28
Non-Deductable Legal Fees Adjustment	-	3,273	-	3,273
Non- Deductable Entertainment Adjustment	272	134	272	134
Tax losses not recognised	(336,506)	(277,168)	(332,614)	(277,168)
Temporary differences not recognised	-	-	-	-
Income tax expense/(benefit) not recognised	(336,506)	(277,168)	(332,614)	(277,168)

Deferred tax will not be recognised unless future taxable profit is probable.

The parent company has the following estimated taxation losses available:

- mining losses to offset against future mining income of NZ\$10,878,656 (2018: NZ\$10,358,693) and
- non-mining taxation losses of NZ\$16,029,805 (2018: NZ\$21,184,582).



NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

The mining losses are currently being assessed by the IRD and the company is working closely with their representatives to confirm balances brought forward from previous years. Such losses will only be available to be offset if:

- the company derives future assessable income of a nature and an amount sufficient to enable the benefit of the losses to be realised;
- the company continues to comply with the conditions for deductibility imposed by the law;
- there are no adverse changes in tax legislation or tax rates which affect the company in realising the benefit from the deduction for the losses.

At balance date the company's imputation credit account balance was Nil (2018: \$789).

6. SEGMENT INFORMATION

During the current period, the company had only one business segment - mineral exploration, within New Zealand.

7. EQUITY & RESERVES

Equity	Group 2019 NZ\$	Group 2018 NZ\$	Parent 2019 NZ\$	Parent 2018 NZ\$
Share capital	34,590,849	34,590,849	34,590,849	34,590,849
Capital reserve	-	-	-	-
Share premium reserve	-	-	-	-
Asset revaluation reserve	-	-	-	-
Share revaluation reserve	-	-	-	-
Accumulated deficit	(18,562,587)	(17,361,043)	(21,278,596)	(20,090,949)
Total parent shareholder equity	16,028,262	17,229,806	13,312,253	14,499,900

The group's capital is managed with the objective of maintaining adequate working capital so that all obligations can be met on time. All components of equity are regarded as "capital". All internal capital management objectives have been met. This has not changed since last year.

Accumulated deficit	Group 2019 NZ\$	Group 2018 NZ\$	Parent 2019 NZ\$	Parent 2018 NZ\$
Balance at beginning of year	(17,361,043)	(19,202,364)	(20,090,949)	(21,899,230)
Net loss attributable to shareholders	(1,203,327)	(1,002,157)	(1,189,430)	(1,002,157)
Other Comprehensive Income	1,783	8,137	1,783	8,137
Transfer of Reserves	-	2,835,341	-	2,797,641
Balance at end of year	(18,562,587)	(17,361,043)	(21,278,596)	(20,090,949)

Share capital	Group and Parent			
Ordinary shares	2019 Number	2018 Number	2019 NZ\$	2018 NZ\$
Balance beginning of year	2,164,503,303	2,076,995,855	34,590,849	35,164,939
Shares Issued	-	87,507,448	-	1,925,910
Transfer from Reserves	-	-	-	(2,500,000)
Balance at end of year	2,164,503,303	2,164,503,303	34,590,849	34,590,849

All authorised shares have been issued, are fully paid, have equal voting rights and will share equally in dividends and surplus on winding up. The shares have no par value.

Share based payments

There were no share-based payment arrangements that existed during the period under review. (2018: Nil)

Transfer of Reserves

During the period under review all Asset Revaluation, Share Premium and Capital reserves were transferred to Accumulated Income.

Listed options	Group and Parent	
	2019 Number	2018 Number
Balance at beginning of year	17,036,384	119,851,516
Expired Options	-	(119,851,516)
Issued Options	17,036,384	17,036,384
Balance at end of year	17,036,384	17,036,384

Listed options can be exercised on or before 30 September 2022. Conversion price is A\$0.055. When exercised, one option will convert to one fully paid ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

Unlisted Options

	Group and Parent	
	2019 Number	2018 Number
Options issued to employees:		
Opening Balance of options on issue	1,250,000	1,250,000
Unlisted options issued (expiry 11/11/2018)	-	-
Unlisted options issued (expiry 13/2/2019)	-	-
Unlisted options cancelled during period	1,250,000	-
Unlisted options converted to fully paid share at A 1.1 cent each	-	-
Total unlisted options on issue to employees	-	1,250,000
Options issued to directors:		
Unlisted options issued during the period	-	-
Total unlisted options on issue to directors	-	3,000,000
Total unlisted options on issue at end of year	-	4,250,000
Total listed and unlisted options on issue at end of year	17,036,384	21,286,384

Options issued to directors and employees have not been recognised in these financial statements because they were issued for no consideration during a rights issue.

Nil unlisted employee options were converted during the year (Last Year Nil).

These options were issued as an incentive for employees for no consideration.

8. RELATED PARTY TRANSACTIONS

Payments for consulting services to companies in which directors and major shareholders have a substantial interest amounted to NZ\$462,447 (2018: NZ\$522,287). At balance date, creditors included NZ\$149,894 payable to directors and other related companies (2018: NZ\$92,394). Related party debtors totalled \$2,194 at balance date (2018: NZ\$Nil) and no related party debts were written off during the year.

9. PROPERTY, PLANT & EQUIPMENT

	Fixtures & fittings NZ\$	Office equipment NZ\$	Field equipment NZ\$	Motor Vehicles NZ\$	Total NZ\$
Year ended 31 March 2018					
Carrying amount 1 April 2017	515	2,154	10,091	-	12,760
Additions	-	39,814	30,531	29,655	100,000
Depreciation	(125)	(12,771)	(2,824)	(7,364)	(23,084)
Carrying amount	390	29,198	37,798	22,291	89,679
31 March 2018					
Cost	1,260	46,677	46,390	29,655	123,982
Depreciation	(870)	(17,479)	(8,592)	(7,364)	(34,305)
Carrying amount	390	29,198	37,798	29,291	89,677
Year ended 31 March 2019					
Carrying amount 1 April 2018	390	29,198	37,798	22,291	89,677
Additions	-	701	216,487	-	217,188
Depreciation	(125)	(17,262)	(20,623)	(8,896)	(46,906)
Carrying amount	265	12,637	233,664	13,395	259,960
31 March 2019					
Cost	1,260	47,378	262,878	29,655	341,171
Depreciation	(995)	(34,741)	(29,215)	(16,260)	(81,211)
Carrying amount	265	12,637	233,663	13,395	259,960

ASSETS UNDER CONSTRUCTION

	Group and Parent	
	2019 NZ\$	2018 NZ\$
Talisman mine development		
Balance at beginning of year	9,638,268	7,843,882
Development expenditure	2,396,307	1,794,386
Balance at end of year	12,034,575	9,638,268

A mine is currently being developed on the Talisman Mining permit and development expenditure has been recorded at cost in the statement of financial position.

Development expenditure consists of mining development costs, professional salaries, data acquisitions and all overhead expenses relating to the operation of the mine. Management assesses the allocation of directly attributable overheads at the end of each reporting date.

The directors have provided for rehabilitation costs of the Talisman mine site on its closure. The estimated cost is \$32,215 (2018: \$17,795). The same value has been included in the development expenditure.

In June 2018, an independent valuation report that complies with the 2015 Valmin Code was obtained from Geos Mining Mineral Consultants for the Talisman Permit inclusive of Talisman and Talisman Deeps. The independent valuation indicated a value of the Talisman project MP51326 in the range of \$11.7m to \$26.4m with a preferred value of \$18.8m.



NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

The Geos report confirmed that the Company's technical statement on the Talisman mine and Technical reports, including the 2018 Prefeasibility and Scoping studies are reported in compliance with the reporting requirements of the 2012 JORC Code. The Geos report confirmed that the resource classifications of the 2017 Mineral resource estimate are consistent with the principles of the JORC Code 2012.

10. INTANGIBLE EXPLORATION ASSETS

	Group		Parent	
	2019 NZ\$	2018 NZ\$	2019 NZ\$	2018 NZ\$
Prospecting costs				
Balance at beginning of year	2,752,900	2,744,900	10,575	10,575
Development expenditure	8,050	8,000	-	-
Balance at end of year	2,760,950	2,752,900	10,575	10,575

	Group		Parent	
	2019 NZ\$	2018 NZ\$	2019 NZ\$	2018 NZ\$
Gross prospecting costs				
Gross cost of current permit	2,760,950	2,752,900	10,575	10,575
Balance at end of year	2,760,950	2,752,900	10,575	10,575

Exploration and evaluation expenditure is recorded at cost. The carrying value of the Rahu exploration asset has been written back in the 2017 statement of financial position to reflect the application of a consistent group accounting policy to its cost of \$2,733,363. In June 2018, an independent valuation report compliant with the 2015 Valmin Code was obtained from Geos Mining Mineral Consultants which included the Rahu permit. The independent valuation indicated a value for the Rahu project EP60144 in the range of \$1.0m to \$4.6m with a preferred value of \$2.2m.

TENEMENT SCHEDULE:

Permits held by New Talisman Gold Mines Limited Group:

51 326 Talisman (Mining) – Granted mining permit, Coromandel, New Zealand
60 144 Rahu (Exploration)

11. SHARE INVESTMENTS

	Group 2019 NZ\$	Group 2018 NZ\$	Parent 2019 NZ\$	Parent 2018 NZ\$
Investment in listed companies – at fair value	8,142	52,698	7,933	52,488
Investment in unlisted companies – at cost	3,171	3,300	3,171	3,300
Total share investments	11,313	55,998	11,104	55,788

Investment in listed companies includes the investment in Broken Hill Prospecting Limited.

Unlisted shares are held for the long term. They are stated at cost because fair value cannot be reliably measured.

12. SUBSIDIARY COMPANIES

	Percent held		Incorp	Balance	Activity
	2019	2018	in	date	
Subsidiaries					
Coromandel Gold Limited	100%	100%	NZ	31 March	Share investment
Northland Minerals Limited	100%	100%	NZ	31 March	Minerals exploration
Rahu Resources Pty Limited	100%	100%	NZ	31 March	Minerals exploration

All subsidiaries are direct subsidiaries of the Company. The investment in each subsidiary is recorded at cost (NZ\$Nil) in the company's statement of financial position. Coromandel Gold and Northland Minerals did not trade during the year.

13. FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the company to credit risk principally consist of bank balances and receivables. Surplus funds are placed in interest bearing accounts with major trading banks and the company does not anticipate non-performance by those parties. Maximum exposure to credit risk at balance date is represented by the carrying value of the financial instruments. No collateral is held on these assets and the balances are stated net of recognised impairment losses. Cash at bank represented 97% of total cash and receivables. The group deals only with banks having at least an A credit rating.

Currency Risk

The company has exposure to foreign exchange risk as a result of transactions from normal trading activities mainly denominated in Australian currencies. The company holds funds in an Australian currency bank account. Exposure to exchange risk is unhedged.

Liquidity Risk

Management supervises liquidity through cashflow forecasting, budgeting and by carefully controlling cash outflows from existing cash resources. The group relies on new equity to fund exploration and mine development expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

Interest Rate Risk

At balance date the company had no exposure to interest rate risks. The table below shows short term deposits held at balance date:

Re-pricing Analysis	Effective Interest Rate	Total NZ\$	6 months or less NZ\$
Short term bank deposits	2.65-2.95%	1,121,772	1,121,772

Over the long term, changes in interest rates and reduced amounts on deposit will affect profit or loss.

Fair Values

Fair values used in the measurement of financial instruments may vary from values directly observed in active markets to those that must be derived without reference to observable data. Investments in listed companies are measured at fair value based on quoted prices in active markets. As stated in Note 11, the fair value of unlisted shares cannot be reliably measured and are stated at cost. Except for unlisted shares, there is no material difference between the carrying amounts and estimated fair values of the company's financial assets and liabilities.

14. COMMITMENTS

Operating lease commitments

Lease commitments under non-cancellable operating leases:

	Group & Parent	
	2019 NZ\$	2018 NZ\$
Not later than one year	23,535	18,204
Later than one year but not later than five years	-	-
	23,535	18,204

The company currently leases offices on an annual basis.

The group has capital commitments of NZ\$Nil (2018:Nil).

15. RECONCILIATION OF OPERATING CASHFLOW AND REPORTED DEFICIT

	Group		Parent	
	2019 NZ\$	2018 NZ\$	2019 NZ\$	2018 NZ\$
Net profit/(deficit) after taxation	(1,203,327)	(1,002,157)	(1,189,430)	(1,002,157)
Add non-cash items:				
Depreciation	46,906	23,084	46,906	23,084
Field expenditure write off	-	-	-	-
Share revaluation (gain)/loss	44,685	(38,461)	44,685	(38,461)
Provision For Doubtful Debts	-	-	-	-
Share based payments	-	-	-	-
Capital loss on sale of shares	-	-	-	-
In Specie Share Distributions	-	-	-	-
Development expenditure owing	-	-	-	-
Revaluation of Investments	-	-	-	-
Exchange (gain)/loss	11,426	10,274	11,426	10,274
	103,017	(5,103)	103,017	(5,103)
Add (less) movement in working capital:				
Decrease (increase) in debtors	1,112	(3,968)	1,112	(3,968)
Increase (decrease) in creditors	187,129	109,038	187,129	109,038
Decrease (increase) in accrued income	9,829	(14,918)	9,829	(14,918)
Decrease (increase) in Stock on Hand	(34,482)	-	(34,482)	-
Decrease (increase) in Development WC	(110,455)	-	(102,405)	-
Decrease (increase) in prepayments	(3,644)	(25,572)	(3,644)	(25,572)
Decrease (increase) in intercompany loans	-	-	(22,410)	-
Decrease (increase) in GST	(27,959)	(14,014)	(27,496)	(14,014)
	21,530	50,566	7,633	50,566
Net cash outflows from operating activities	(1,078,780)	(956,694)	(1,078,780)	(956,694)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2019

16. CONTINGENT LIABILITIES

	Group and Parent	
	Mar 2019 NZ\$	Mar 2018 NZ\$
Contingent liabilities	-	-

17. NET TANGIBLE ASSETS PER SECURITY

	Group and Parent	
	Mar 2019 NZ\$	Mar 2018 NZ\$
Net tangible assets	13,267,312	14,476,906
Net tangible assets per security	0.61 cent	0.68 cent

18. GOING CONCERN

The financial report has been prepared on a going concern basis. The directors are in the process of a capital raise to ensure sufficient funds are available to ensure financial obligations can be met. The outcome of this capital raise is unknown as at the date of this report.

19. EARNINGS PER SHARE

	Group Mar 2019	Group Mar 2018	Parent Mar 2019	Parent Mar 2018
Profit/(loss) from continuing operations	(1,203,327)	(1,002,157)	(1,189,430)	(1,002,157)
Weighted average number shares	2,164,503,303	2,120,438,248	2,164,503,303	2,120,438,248
Basic earnings per share	(0.06) cent	(0.05) cent	(0.06) cent	(0.05) cent
Diluted average shares on issue	2,187,705,676	2,187,705,676	2,187,705,676	2,187,705,676
Diluted earnings per share	(0.06) cent	(0.05) cent	(0.06) cent	(0.05) cent
Weighted average number shares	2,164,503,303	2,120,438,248	2,164,503,303	2,120,438,248
Weighted average number options	17,036,384	67,267,428	17,036,384	67,267,428
Diluted average share on issue	2,181,539,687	2,187,705,676	2,181,539,687	2,187,705,676

20. EMPLOYEE BENEFITS

	Group Mar 2019 NZ\$	Group Mar 2018 NZ\$	Parent Mar 2019 NZ\$	Parent Mar 2018 NZ\$
Balance at beginning of year	21,330	30,147	21,330	30,147
Additional provision	-	-	-	-
Amount utilised	(1,333)	(8,817)	(1,333)	(8,817)
Balance at end of year	19,997	21,330	19,997	21,330

Employee benefits accrued comprise holiday pay.

21. RECEIVABLES AND PREPAYMENTS

	Group Mar 2019 NZ\$	Group Mar 2018 NZ\$	Parent Mar 2019 NZ\$	Parent Mar 2018 NZ\$
Sundry receivables	129,162	67,833	133,327	67,833
Accrued income	5,365	15,194	5,365	15,194
Prepayments	37,539	33,895	37,539	33,895
Intercompany advances	-	-	30,410	12,628
	172,066	116,922	206,641	129,550

Trade Receivables

All financial assets are within the contractual terms. None are overdue and none are impaired. No collateral is held for receivables.

22. PRIOR PERIOD ADJUSTMENT

No prior period adjustments have been made.

23. SIGNIFICANT EVENTS SINCE BALANCE DATE

On June 6, 2019 the company announced an offer to shareholders to participate in a Share Purchase Plan (the SPP).

The SPP provides shareholders the opportunity to subscribe for shares up to NZ\$15,000, or A\$14,175 in total or in lots of NZ\$1,000 or A\$945.

In addition, promptly following 24 July 2020, the company will issue or transfer to each shareholder issued shares in the SPP 1 loyalty share for every 5 shares subscribed for that the shareholder continues to hold on 24 July 2020 for nil consideration.

The issue price under the SPP is NZ\$0.6875 cents per share or A\$0.65 cents per share.

The offer closes at 7.00 pm New Zealand time on 19 July 2019, and allotment is scheduled to occur by 24 July 2019.

ADDITIONAL INFORMATION

DIRECTOR INFORMATION AND DISCLOSURE OF DIRECTORS INTERESTS

The following general disclosures of interest were received in relation to the year ended 31 March 2019:

Director	Relevant interest in Ordinary Shares	Relevant Interest in Unlisted Options
M G Hill	42,159,085	1,500,000
M Stevens	60,000	0
C Nader	0	0
A V Haworth	4,500	0

TOP 20 OPTION HOLDERS as of 18 JUNE 2019			
Rank	Name	Units	% of Units
1.	COSMO BRYAN BOREHAM	1,000,000	5.87
2.	KA FU TSE	537,064	3.15
3.	WARWICK JOHN LANGE	386,090	2.27
4.	MURRAY LAWRENCE CAMERON	286,364	1.68
5.	CITICORP NOMINEES PTY LIMITED	181,818	1.07
6.	STEPHEN WILLIAM BAGGETT	154,545	0.91
7.	MADAPATHA MUDIYANSELAGE AMBANPOLA	136,364	0.80
8.	UDARA AMBANPOLA	136,364	0.80
9.	REGINALD GEORGE ANDERSON	136,364	0.80
10.	BEAZER INVESTMENT LIMITED	136,364	0.80
11.	MICHAEL JOHN BOUWMEESTER	136,364	0.80
12.	JAMES DANIEL BRISBANE	136,364	0.80
13.	HAMISH EDWARD ELLIOT BROWN	136,364	0.80
14.	PHILIP ANTHONY CALDWELL + CHERIE KIM CALDWELL	136,364	0.80
15.	JANICE AMANDA CALLEN	136,364	0.80
16.	CRAIG WILLIAM CARTER	136,364	0.80
17.	CHI HUA CHEN	136,364	0.80
18.	JIANBIN CHEN	136,364	0.80
19.	CHUNG KAN CHOW	136,364	0.80
20.	DAVID CLAUDE COCKBURN	136,364	0.80
Total top 20 holders of 30/09/2022 Aud \$0.05 Options		4,454,977	26.15
Total listed options		17,036,384	



HOLDING RANGE		Ordinary Shares as of 31 May 2019	
Range	Total holders	Shares Held	% of Issued Capital
1 - 1,000	112	25,666	0.00
1,001 - 5,000	253	874,305	0.04
5,001 - 10,000	198	1,701,502	0.08
10,001 - 100,000	958	45,978,279	2.12
100,001 - 9,999,999,999,999	1,228	2,115,923,551	97.76
Total	2,749	2,164,503,303	100.00

TOP 20 ORDINARY SHAREHOLDERS as of 18 June 2019			
Rank	Name	Units	% of Units
1.	HAMISH EDWARD ELLIOT BROWN	270,681,818	12.51
2.	RIUO HAURAKI LIMITED	80,937,638	3.74
3.	BEVERLEY IDA EVANS	75,650,000	3.50
4.	INTERNATIONAL PACIFIC SECURITIES LIMITED	56,510,117	2.61
5.	MATTHEW GEOFFREY HILL	42,940,903	1.98
6.	FEOH PTY LTD <KARLSON INVESTMENT A/C>	40,681,818	1.88
7.	CHRISTOPHER DAVID ENGLISH + JACQUELINE ENGLISH <KRINGLES SUPER FUND A/C>	35,758,910	1.65
8.	TONY CALDER BUTTERICK	32,500,000	1.50
9.	HILL FAMILY GROUP PTY LIMITED	28,096,507	1.30
10.	THOMAS HERBERT TEBBS GOTHORP	27,406,783	1.27
11.	HOI YEE JULIE TSE	24,386,285	1.13
12.	CHI HUA CHEN	19,365,819	0.89
13.	ROBERT MARSHALL WALSHAM + RACHEL SANDRA WALSHAM <R & R WALSHAM FAMILY A/C>	19,215,978	0.89
14.	BEAZER INVESTMENT LIMITED	16,363,966	0.76
15.	BOYI WEI	16,000,000	0.74
16.	CHUNG KAN CHOW	15,469,550	0.71
17.	ANDREW WILLIAM LIDDELL	14,400,000	0.67
18.	WIEBKE GAILER	14,000,000	0.65
19.	PETER WILLIAM HALL	14,000,000	0.65
20.	BERNARD CHEUK MUN FONG & KWOK CHUEN FONG	13,850,000	0.64
Total Top 20 holders of Ordinary Shares		858,216,092	39.65
Total issued Capital		2,164,503,303	

CORPORATE GOVERNANCE

In accordance with the NZX Corporate Governance Code 2017 ("NZX Code"), and the ASX Corporate Governance Council's Principles and Recommendations (3rd Edition) ("ASX Recommendations") New Talisman Gold Mines Ltd ("Company") has adopted systems of control and accountability as the basis for corporate governance best practice.

Policies and Charters (for the board and its committees), including the Company's Code of Ethics and other policies and procedures relating to the Board and its responsibilities are available on the Company's website www.newtalisman.co.nz

Commensurate with the spirit of the NZX Code and the ASX Recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company.

After due consideration by the Board during the Company's 2018/2019 financial year ("reporting period") the Company's corporate governance practices departed from the NZX Code or ASX Recommendations only as set out below.

The information in this statement is current at 31 March 2019.

EXPLANATIONS FOR DEPARTURES FROM NZX CORPORATE GOVERNANCE CODE 2017

Recommendation	Notification of Departure	Explanation for Departure
2.5: An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.	The Company has established a diversity policy, a copy of which is disclosed on the Company's website. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity, or for the board to assess annually the objectives and the progress towards achieving them.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity.

EXPLANATIONS FOR DEPARTURES FROM ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (3rd Edition)

The Company has followed each of the ASX Recommendations during the reporting period, except in relation to the matters specified below:

Recommendation	Notification of Departure	Explanation for Departure
3.2: The Company should establish a diversity policy and disclose the policy or a summary of the policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and the progress towards achieving them.	The Company has established a diversity policy, a copy of which is disclosed on the Company's website. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity, or for the board to assess annually the objectives and the progress towards achieving them.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity.
3.3: Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No measurable objectives for achieving gender diversity have been set by the Board.	The Board considers the size of the Company's operations make it impractical to establish meaningful measurable objectives for achieving gender diversity. However, the Board recognises the importance of diversity and has therefore adopted a diversity policy, a copy of which is available on the Company's website.

BOARD COMPOSITION AND EXPERTISE

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in a Statement of Board and Management Functions, which is disclosed on the Company's website.

A profile of each director containing the skills, experience, expertise, formal qualifications and term of office of each director is set out in the director profiles in this Annual Report.

The mix of skills and diversity that the Board is seeking to achieve in its membership is significant experience and expertise in: mine development and underground operations, geological modelling, financial reporting, financial markets, risk management, statutory compliance, resource management, health and safety and employment. Each of these skills are represented in the Board's current composition except significant experience and expertise in financial reporting and mine development. These skills are represented in the senior management team. The size of the Board and the development of the Company's projects places constraints on the mix of skills the Board is able to achieve.

It is the policy of the Board that in determining candidates for the Board, the following process shall occur:

CORPORATE GOVERNANCE

- The Nomination Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board.
- A potential candidate is considered with reference to their skills and expertise in relation to other Board members.
- If relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic. The Company's Policy and Procedure for Selection and (Re)Appointment of Directors is disclosed on the Company's website.

IDENTIFICATION OF INDEPENDENT DIRECTORS

In considering independence of directors, the Board refers to the criteria for independence as set out in NZX Listing Rule 3.3.2 and Box 2.1 of the ASX Recommendations ("Independence Criteria"). Applying the Independence Criteria during the reporting period and at balance date the Board comprises a majority of independent directors. The independent directors of the Company were the Chair, Charbel Nader, and Tony Haworth. Murray Stevens is not an independent director as he provides consultancy services to the company from time to time, and Matthew Hill is not an independent director as he is the Chief Executive Officer.

STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

DIRECTOR REMUNERATION

Details of remuneration are contained in the Notes to the Financial Statements forming part of this report.

The Company's Remuneration Policy is disclosed on the Company's website. Remuneration of Directors and senior executives is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and executives.

There is currently no direct link between remuneration paid to any of the non-executive directors and corporate performance such as bonus payments for achievement of key performance indicators. There are no termination, retirement or Company superannuation scheme benefits for non-executive directors.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND SENIOR EXECUTIVES

The board reviews the size and composition of the board and the mix of existing and desired competencies across members from time to time. Criteria considered by the directors when evaluating prospective candidates are contained in the board's charter. The chair of the board is responsible for ensuring a regular review of the performance of the board, committees and individual directors occurs at least annually. The chair is responsible for determining the process under which this evaluation takes place. The board reviews annually the size and composition of the board and the mix of existing and desired competencies across members.

The board is responsible for evaluating the performance of senior executives. The board evaluates the performance of senior executives via an ongoing process of assessment and a formal annual review in December. During the formal review, the

senior executive's performance is measured against their role's assessment criteria.

The Company's Process for Performance Evaluations is disclosed on the Company's website.

CORPORATE CODE OF CONDUCT

The board has adopted a Corporate Code of Conduct (available on the Company's website). Directors, employees and consultants must comply with the policies which the Board has endorsed to achieve ethical behaviour and efficiency within the authorities and discretions designated to them, avoiding putting themselves in a position where they stand to benefit personally or be accused of insider trading. Compliance with all laws and regulations and maintenance of confidentiality and honesty is expected. The Corporate Code of Conduct forms part of every employment and consultancy agreement. Failure to comply can result in disciplinary action, including, where appropriate, dismissal. The Board has not adopted a Whistleblower Policy. However, employees have direct access to the Chair and are encouraged to contact the Chair with any suspected departure from the Company's Code of Conduct.

GENDER DIVERSITY

The board has adopted a Diversity Policy (available on the Company's website). As noted above, the Diversity Policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Gender diversity at balance date for the reporting period:

Component	Total	Female Component	% Female Component
Board of Directors	4	0	0%
Senior Executives	1	0	0%
Consultants	3	2	67%
TOTAL*	8	2	25%

* Total comprises the figures for the whole organisation.

The Board considers that the Company complied with its diversity policy during the reporting period.

AUDIT COMMITTEE

The Audit Committee as at the end of the reporting period consists of the following non-executive independent directors: Tony Haworth (Chair), Charbel Nader and Murray Stevens. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

During the reporting period the Audit Committee had the opportunity to meet with the external auditor in respect of the financial reports. The Audit Committee is responsible for reviewing Annual and Interim Financial Statements, related stock exchange announcements and all other financial information published or released to the market; monitoring and making recommendations for improvement in internal control environment, including effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations; overseeing the risk management and compliance framework; the appointment, removal and remuneration of the external auditors; reviewing the terms of their engagement and the scope and quality of the audit, reviewing and approving the nature and scope of non-audit services and ensuring rotation of the external audit engagement partner.

Details of each of the director's qualifications are included in the Board of Director's Profiles. All members of the sub committee considered themselves to be financially literate and have financial experience and industry knowledge. Mr Haworth and Mr Stevens have significant experience in mineral exploration, development and valuation at senior advisory level, Mr Nader has gained significant financial experience from his background in investment banking and corporate finance.

CORPORATE GOVERNANCE

The Company has established a Procedure for the Selection, Appointment and Rotation of its External Auditor, which is disclosed on the Company's website. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (N&R) as at the end of the reporting period consists of the following non-executive independent directors: Charbel Nader, Anthony Howarth and Matthew Hill. Some responsibilities of the N&R Committee were also addressed by the full Board at Board and Strategy meetings during the reporting period. The Board has adopted, and the N&R Committee applies a Nomination Committee Charter and a Remuneration Policy which is available on the Company's website.

Duties of the N&R Committee includes reviewing remuneration of executive and non-executive directors, incentive schemes and reviewing the Remuneration Committee Policy (disclosed on the Company's website).

The Board has adopted, and the Remuneration Committee applies, a Remuneration Committee Charter which is available on the Company's website.

HEALTH SAFETY SECURITY AND ENVIRONMENT COMMITTEE

The Health Safety Security and Environment Committee (HSSE) as at the end of the reporting period consists of the following directors: Murray Stevens, Tony Haworth, and Matthew Hill, Chief Operations officer Wayne Chowles and external expert consultant Craig Smith are also members of the committee. Some responsibilities of the HSSE Committee were also addressed by the full Board at Board and Strategy meetings during the reporting period. The Board has adopted, and the HSSE Committee applies a HSSE Committee Charter which is available on the Company's website

The Company's Policy for Trading, which is disclosed on the Company's website, states that key management personnel must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair, Audit Committee Chair or Executive Director; and Key Management Personnel are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

MEETING ATTENDANCE

Director/Consultant	Board	Audit	Nomination	HSSE
M Hill	8/8	3/3	1/1	3/5
M Stevens	8/8	3/3	1/1	5/5
C Nader	8/8	3/3	1/1	n/a
A Haworth	8/8	3/3	1/1	n/a
W Chowles	n/a	n/a	n/a	5/5
C Smith*	n/a	n/a	n/a	4/4

* C Smith was appointed as a member of the HSSE Committee effective 1 July 2018.

RISK MANAGEMENT

The Company has continued to develop its strategies for managing risk during the reporting period, particularly where internal controls are concerned. The Company's internal controls are reviewed by the external auditor twice a year, and are monitored regularly by the independent directors. The Board relies on the sign-off of senior management with respect to the financial reports, which sign-off has been provided in respect of the Company's 2018/2019 accounts.

The Company has adopted a Risk Management Policy (a summary is available on the Company's website). Under the Policy, the Board delegates day-to-day management of risk to the Chief Executive Officer. The Policy sets out the role of the Chief Executive Officer and accountabilities. It also contains the Company's risk profile and describes some of the policies and practices the Company has in place to manage specific business risks.

The process of management of material business risks is allocated to the business risk owners within the management team. The Board relies on risk controls being implemented effectively and the primary risk controls reviewed monthly through a standing item on the Board agenda. The Company is in the process of updating its Risk Management Policy to include formal processes to identify, manage and mitigate risk, using a risk register. A significant body of work was completed during the reporting period addressing mine operational risks. This document will be reviewed externally by government regulators. Certain risks pertinent to the sector in which the Company operates are not able to be managed at this time, for example the price of gold.

Material business risks reported on during the reporting period included statutory compliance, health and safety in the operational environment, sustainability of the company's ore resources, environmental risk working in a conservation estate, internal audit compliance, adequacy of computer systems, ethical conduct and business practice, retention of key staff, financial reporting and liquidity risk.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board receives on a regular basis reports from management as to the effectiveness of the Company's management of its material business risks, risk evaluation, analysis and treatment. Risk management is a standing item on the Board agenda, giving opportunity for Board discussion. The Audit Committee and the full Board addresses areas of risk and evaluates the effectiveness of controls.

ASSURANCES TO THE BOARD

The Chief Executive Officer (CEO) and the Chief Financial officer (CFO) are not required to provide a declaration to the Board in accordance with section 295A of the Corporations Act (Australia) as the Company is instead subject to the laws of New Zealand. However, the Board requires the CEO and the CFO to provide a declaration confirming that the financial reports for the reporting period present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. Assurance is also given that the financial statements are founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control is operating efficiently and effectively.



CORPORATE GOVERNANCE

CONTINUOUS DISCLOSURE

The Company has adopted a Continuous Disclosure Policy which sets out obligations for directors, employees and consultants in relation to continuous disclosure. The Company has also adopted Compliance Procedures to ensure compliance with the ASX Listing Rule requirements in relation to continuous disclosure, and to ensure accountability at a senior executive level for that compliance. Summaries of both these documents are available on the Company's website. In accordance with the NZX and ASX Listing Rules, the Company is required to disclose to the market matters which could be expected to have a material effect on the price or value of the Company's securities. Management processes are in place to ensure that all material matters which may potentially require disclosure are promptly reported to the Chief Executive Officer or the Company Secretary who is responsible for ensuring that such information is not released to any person until the NZX and ASX have confirmed its release to the market.

SHAREHOLDER COMMUNICATION

The Board has adopted a Shareholder Communication Policy, a copy of which is disclosed on the Company's website.

DIRECTOR AND OFFICER LIABILITY INSURANCE

The Company maintains director and officer liability insurance and indemnifies directors and officers of the Company against all liabilities which may arise out of the performance of normal duties as directors or officers, unless the liability relates to conduct involving a lack of good faith. This includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

MATERIALITY

Independence of directors, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website. Balance sheet items are material if they have a value of more than 10% of pro-forma net asset. Profit and loss items are material if they have an impact on the current year operating result of 10% or more. Items are also material if they impact on the reputation of the Company, they involve a breach of legislation; they are outside the ordinary course of business; they could affect the Company's rights to its assets; if accumulated, they would trigger the quantitative tests; they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%. Criteria for determining the materiality of contracts can be found in "Board and Management" under Corporate Governance on the Company's website.

SHARE TRADING

The Company has adopted a Share Trading Policy to assist with compliance with insider trading regulations under the Securities Market Act 1988 (New Zealand) and the Corporations Act 2001 (Australia). This policy restricts directors, employees and consultants from trading in a number of ways and is available on the Company's website. Application must be made by directors, employees and consultants to the Company for approval prior to trading in the Company's securities. A requirement to comply with this policy forms part of every employment or consultancy agreement.

SUMMARY OF WAIVERS

No waivers to the rules were requested to the Stock Exchanges during the reporting period.

COMPANY DIRECTORY

DIRECTORS

Charbel Nader (Chairman, Independent)
Tony Haworth (Independent Director)
Murray R Stevens (Director)
Matthew G Hill (Chief Executive Officer)

COMPANY SECRETARY

S Jane Bell

REGISTERED (HEAD) OFFICE

541 Parnell Road, Parnell
Auckland, New Zealand
Telephone (+64 9) 303-1893
Facsimile (+64 9) 303-1612
Email: office@newtalisman.co.nz
Website: www.newtalisman.co.nz

PRINCIPAL OFFICE IN AUSTRALIA

1st Floor, 25 Richardson Street
West Perth
Western Australia 6005
Telephone (+61 8) 9481-2040
Facsimile (+61 8) 9481-2041

BANKERS

Westpac Bank, Auckland
National Australia Bank, West Perth

AUDITORS

K S Black & Co
Level 5
350 Kent Street,
Sydney, 2000

SOLICITORS

Chapman Tripp, Auckland
Williams & Hughes, Perth

SECURITIES LISTED

New Zealand Stock Exchange
Code: Shares NTL; Options NTLOB
Australian Securities Exchange
Code: Shares NTL; Options NTLOB

SHARE REGISTRARS

New Zealand:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
159 Hurstmere Road
Takapuna, Auckland 0622.
New Zealand
Telephone (+64 9) 488 8777
Facsimile (+64 9) 488 8787

Australia:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067, Australia
Telephone 1300 850 505
Overseas callers (+61 3) 9415 4000

Managing your shareholding online:

To change your address, update your payment instructions and view your investment portfolio including transactions please visit

www.computershare.co.nz/investorcentre

General enquiries can be directed to:

enquiry@computershare.co.nz

Please assist our registrar by quoting your CSN or shareholder number

www.newtalisman.co.nz

