
**ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]
FOR PUBLIC RELEASE**

Quarterly Activities Report to 31 December 2016

New Talisman Gold Mines Limited is pleased to present the quarterly report on activities for the period ended 31 December 2016

HIGHLIGHTS

- Charbel Nader appointed as Chairman
- Talisman Prefeasibility updated
- Talisman Deeps analysis identifies mineralised extensions
- Rahu targeting work commenced

Corporate

As announced in the Half yearly report released in December the company has recently appointed 2 new Directors with Mr Charbel Nader being appointed as Chairman during the period and Mr Murray McKee stepping down as Chairman.

TALISMAN GOLD PROJECT (100%) – Hauraki District, NZ

During the quarter to December 2016 the company continued to make progress towards initiating works at the Talisman Mine. Having received approval in principle for the company's proposals for managing traffic safety on the mine road, and having completed the preliminary roadway design, the focus remains on agreeing the final road design parameters with local council.

The company continues to engage with the council and other stakeholders to achieve a design that reflects the needs of all road users and acknowledges that, while progress is not as rapid as initially hoped, it is necessary to follow a continuous review process in order to ensure the safety of all road users when operations commence. Once complete the company will be able to issue tender documents for the full scope of works including earthworks and traffic control requirements.

Risk assessment of the projects preliminary electrical reticulation system design has been completed and suitable controls to manage those risks have been identified. Those controls have been documented in the hazard management plans and are now being incorporated into the final system design.

Work on the update of the pre-feasibility study continues with current efforts centred on an update of the resource estimate utilising geochemical and structural information obtained from the historical database. This is being run in parallel with the Talisman Deeps project which is discussed in the next section.

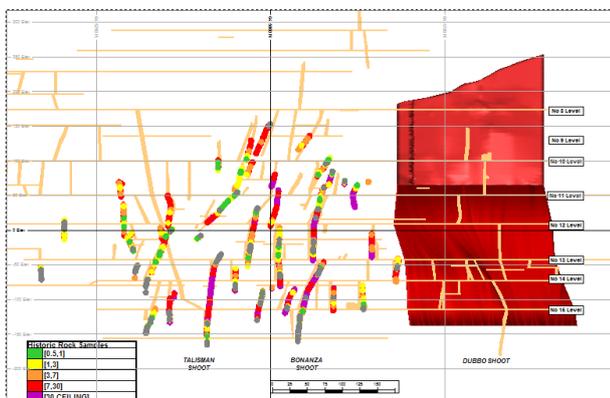
Talisman Deeps Project

The Talisman Deeps project has progressed well during the quarter. This project was commissioned with the objective of identifying extensions to the existing indicated and inferred mineral resources through analysis and modelling of the historical database acquired by the company in 2015. The first stage of this project will involve merging all existing data into one comprehensive database and compiling the most advanced three dimensional model of the mines geology and historical workings ever produced.

Data verification of the historic geochemical sampling database is complete, the most important historical plans have been digitally scanned and digitising of the historic workings and structural geology is now well underway.

Preliminary results previously reported suggest sizeable blocks of unmined ground remain between the 10 and 16 Levels in sections of the Maria Vein referred to as the Talisman and Bonanza Shoots.

The figure below shows the existing resource block in the Dubbo Shoot and gold equivalent grades in grams per tonne from channel samples collected circa 1919 in the old workings in the Talisman and Bonanza Shoots.



Mined out blocks are not shown as their locations and dimensions are still being evaluated from historic mine plans.

The quality control and assurance procedures in place at the time that the samples were taken cannot be verified at this stage and therefore the data cannot currently be used to generate mineral resource or reserve estimates that will comply with the requirements of the JORC code 2012 but do constitute an Exploration Target as defined in the

2012 JORC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Rahu

During the quarter, Newcrest, the manager of exploration activities at the Rahu project has undertaken geological studies utilising data provided to it by NTL to define deep drill targets. These studies included a re-evaluation of Rahu drill core using hyperspectral analysis and chemical analysis to determine zonal patterning of hydrothermal alteration mineralogy and geochemistry indicative of gold mineralisation at depth.

Amer

During the period NTL met with representatives of Amer and while the groups have continued to express an interest in working together; however agreement on material matters such as valuation, and asset composition, are not at this stage in a form capable of being considered by the Company and its Shareholders. Both parties have agreed to continue to investigate the opportunity.

Tenements

The interest in Mining Tenements Held by New Talisman Gold Mines (and its subsidiaries) at the end of the quarter and related percentage of ownership.

Permit Number	Type	Permit Name	Interest
MP51326	Mining	Talisman	100%
EP60144	Exploration	Rahu	80% Newcrest/20% Held in Trust by Newcrest on Behalf of NTL

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 1900 shareholders who are mainly from Australia and New Zealand. 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. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a JORC compliant mineral resource within the original Talisman underground mine, and a Heads of agreement with Newcrest on an adjacent exploration permit along strike from the mine. The company is now advancing its plans to develop the mine, and advance the exploration project.

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

Competent Person Statements

Exploration activities and results contained in this report on Broken Hill Prospecting Limited are based on information compiled by Dr Ian Pringle, a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Broken Hill Prospecting Ltd and also a Director of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Pringle has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

