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20 July 2016

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL or NTLOA or Company)

FOR IMMEDIATE RELEASE

SHORTFALL FROM MAY 2016 RIGHTS ISSUE

New Talisman reminds Shareholders with a registered address in New Zealand or Australia (Eligible Shareholders, as further defined below) of their ability to participate in the remaining shortfall from the rights issue offer that closed on 30 June 2016 as contemplated by the offer document dated 25 May 2016 (Rights Issue).

In addition, Australian resident investors who are not Eligible Shareholders are also able to apply for Shortfall Shares (defined below) provided those investors are “sophisticated” or “professional” investors as defined by sections 708(8) and 708(11) of the Australian Corporations Act.

This shortfall offer allows for up to 1,547,632,243 fully paid ordinary shares (Shortfall Shares) to be issued at the same price as the Rights Issue (being AU\$0.005 or NZ \$0.005 per Shortfall Share).

Acceptances and cleared funds must be received by no later than Friday, 12 August 2016 (so that allotment can occur by Wednesday August 17th 2016). Although Shortfall Shares may be allocated to new shareholders, preference will be shown to existing Eligible Shareholders who participated in the Rights Issue and who are supportive of New Talisman’s long term goals, in a manner that is equitable and in the best interests of New Talisman. To the extent the offer of Shortfall Shares is oversubscribed, New Talisman will allocate the Shortfall Shares, at its discretion, in a manner consistent with this approach. Funds which are not accepted will be refunded in a manner consistent with the Rights Issue.

The application form for Shortfall Shares is attached and can also be found at www.newtalisman.co.nz with the original offer document dated 25 May 2016.

Eligible Shareholders – New Zealand

The offer is made to Eligible Shareholders in New Zealand pursuant to the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand). This communication is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 or any other laws and does not contain the information that an investor would find in such a document or which may be required in order to make an informed investment decision about the Offer or the Company.

Eligible Shareholders – Australia

The Offer is made to Eligible Shareholders in Australia pursuant to ASIC Instrument 2016/84 provided those shareholders were NTL shareholders at the time of, and were made offers under, the Rights Issue.

It is a term of the offer that New Talisman will take any necessary steps to ensure that the shares are, immediately after the issue, quoted.

In accordance with ASX Listing Rule 3.10.3, the following information is provided:

- Up to 1,547,632,243 Shortfall Shares will be issued at an issue price of AU\$0.005 or NZ \$0.005 per Shortfall Share.
- The Shortfall Shares are fully paid ordinary shares and rank equally to the New Talisman shares currently on issue.
- As noted in section 5 of the original offer document dated 25 May 2016, the Company intends utilising the funds raised through this Rights Issue (and this shortfall offer) as follows in order of priority:
 1. Initiating the bulk sampling programme and associated works immediately following completion of the raise.
 2. Accelerating the bulk sampling programme to maximise ore extraction within the terms of the granted resource consents and traffic management plan.
 3. Complete the feasibility study on the Talisman Mine Project.
 4. Accelerating the transition from bulk sampling to Phase 1 of the longer term production plan.
 5. Identifying additional gold mineralisation that could be upgraded to JORC 2012 compliant resources from the recently acquired digital historic production data and new exploration targets within the permit.
 6. Fund the Company's obligations under the Rahu Joint Venture with Newcrest Mining.
 7. Working capital.
- The Shortfall Shares will be issued pursuant to exception 3, ASX Listing Rule 7.2 and therefore shareholder approval will not be sought in relation to the issue of Shortfall Shares.
- The shortfall offer is made to Eligible Shareholders and to Australian resident investors who are "sophisticated" or "professional" investors as defined by sections 708(8) and 708(11) of the Australian Corporations Act.

Matthew Hill

Chief Executive Officer

New Talisman Gold Mines Limited

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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 a JORC compliant reserve statement within the original Talisman underground mine, and a binding Agreement for Newcrest to spend up to 5M on an adjacent exploration permit along strike from the mine, Rahu. 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

By completing and lodging this Application Form with the Company by no later than Friday August 12th 2016, the Applicant(s):

- 1) declare(s) that the agreements, statements, declarations and acknowledgments contained in the following paragraphs are given for the benefit of the Company;
- 2) declare(s) that all details and statements made by the Applicant(s) in this Application Form are complete and accurate;
- 3) agree(s) to be bound by the constitution of the Company;
- 4) represent(s), warrant(s) and undertake(s) to the Company that the Applicant(s) has/have full right and authority to sign and lodge this Application Form, to subscribe for the Shares and to perform the other obligations set out in this Application Form, and has/have taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
- 5) acknowledge(s) that the Applicant(s) have/has made its/their own enquires concerning the Company and its business and affairs and that the Company makes no representations or warranties to the Applicant(s);
- 6) acknowledge(s) that the Applicant(s) have/has relied on their own judgement as to whether to invest in the Company and have not relied on any statements or representations made by the Company or its directors and employees, other than in respect of public releases made to ASX Limited and to NZX Limited and the offer document dated 25 May 2016;
- 7) declare(s) that the Company is not required to provide to the Applicant(s) a prospectus or other disclosure document for the issue of the Shares;
- 8) acknowledge(s) that the offer of Shares in the Company in jurisdictions outside New Zealand and Australia may be restricted by law and warrants that the Applicant(s) has/have sought advice in relation to the jurisdiction which they are subject and will observe any such restrictions;

For New Zealand shareholder applicants

- 9) acknowledge(s) that the offer of Shares is made pursuant to the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand). This communication is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 or any other laws and does not contain the information that an investor would find in such a document or which may be required in order to make an informed investment decision about the offer or the Company;

For Australian shareholder applicants

- 10) represent(s), warrant(s) and undertake(s) to the Company that the Applicant(s) was/were a shareholder(s) in the Company at the time of, and was/were made an offer under, the rights issue offer document dated 25 May 2016; and

For Australian non-shareholder applicants

- 11) represent(s), warrant(s) and undertake(s) to the Company that the Applicant(s) is/are a sophisticated or professional investors for the purpose of sections 708(8) and 708(11) of the Corporations Act 2001.

HOW TO COMPLETE THE APPLICATION FORM

Forward your completed application together with the application money (or pay by EFT) to:

Please complete all relevant sections of the Application Form using block letters and remit form to New Talisman

Mail to: Computershare Investor Services Limited
Private Bag 92119, Auckland, 1142, New Zealand

Email to: ntl@computershare.co.nz (If payment was made by Internet Banking or Direct Credit)

Pay by EFT: New Zealand Bank Account: **02-0192-0388782-17**
Australian Bank Account **BSB: 013006 Account: 8364-51768**

IF INTERNET BANKING OR DIRECT CREDITING INTO EITHER ACCOUNTS, PLEASE REMEMBER TO NOTE NAME AND CSN/HOLDER NUMBER/HIN AND SEND BACK SHORTFALL APPLICATION FORM FOR OFFER.

Attach your cheque or advise on first page that payment has been made via EFT

- A. Enter the number of shares you wish to apply for.
- B. Enter the total amount of application money payable. To calculate the amount, multiply the number of shares applied for by the amount of NZ\$0.005 or AU\$0.005 per ordinary share and show the currency.
- C. Enter the full name(s) and title(s) of all legal entities that are to be recorded as the registered holder(s). Refer to the name standards below for guidance on valid registration.
- D. Enter the postal address for all communications from the Company. Only one address can be recorded.
- E. Enter telephone numbers and a contact person that the Company Secretary can speak to if they have any queries regarding this application.
- F. Enter the ACN or ARBN if the Applicant is a company.
- G. Enter the CHESS Holder Identification Number (HIN) or SRN of the applicant if appropriate.
- H. Complete cheque details as requested. Payment must be made in New Zealand or Australian currency. Cheques or bank drafts must be payable to "**New Talisman Gold Mines Limited**" and crossed not negotiable. (No post-date)
- I. Before completing the Application Form the applicant(s) agree(s) that this application is for shares in New Talisman Gold Mines Limited and agree(s) to take any number of shares equal to or less than the number of shares indicated on page 1 that may be allotted to the applicants by New Talisman Gold Mines Limited and declare(s) that all details and statements made are complete and accurate.

Correct forms of registrable title

Only legal entities may be registered as holders of the securities. Applications must be in the full name(s) of natural persons, companies or other legal entities. Securities cannot be registered in the name of a trust and no trust can be implied. The name of a beneficiary or any other registrable name may be included by way of account description if completed exactly as described in the examples of correct forms of registrable names below.

Type of investor	Correct form of registration	Incorrect form of registration
Individual <i>Use given names in full not initials</i>	Mr John Alfred Smith	J A Smith
Company <i>Use company title, not abbreviation</i>	ABC Pty Ltd	ABC P/L or ABC Co
Trust <i>Use the trustee(s) names, not the name of the trust</i>	Ms Susan Jane Smith (Sue Smith Family A/C)	Sue Smith Family Trust
Deceased Estate <i>Use the executor(s) personal names, not the name of the deceased</i>	Ms Jane Mary Smith & Mr Frank William Smith Estate John Smith A/C	Estate of the late John Smith or John Smith Deceased
Partnership	Mr Robert Smith & Mr Michael John Smith – John Smith	John Smith and Son

Superannuation Fund Use the name of the trustees, not the name of the fund	Jane Smith Pty Ltd (Super Fund A/C)	Jane Smith Pty Ltd Superannuation Fund
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