

**NEW TALISMAN GOLD MINES LIMITED
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

New Talisman Gold Mines Limited (the "Company") advises that its Annual Meeting of Shareholders will be held at Top of the town, Level 14, Pullman Hotel, Cnr Princes St & Waterloo Quadrant, Auckland, New Zealand on Wednesday 20 September 2017 commencing at 10.00 am

The business of the Annual Meeting of Shareholders will be:

ITEM A - PRESENTATIONS

- (a) The Chairman's address to shareholders.
- (b) To receive and consider the Annual Report including the Financial Statements and the Auditor's Report for the year ended 31 March 2017.

ITEM B – RESOLUTIONS

To consider and, if thought fit, pass the following resolutions of the Company:

1. Director Re-election: James Murray McKee

To re-elect James Murray McKee as a Director. This resolution is to be passed as an ordinary resolution.

2. Director Re-election: Murray Ronald Stevens

To re-elect Murray Ronald Stevens as a Director. This resolution is to be passed as an ordinary resolution.

3. Auditor Remuneration

To authorise the Directors to fix the remuneration of the Company's auditors, KS Black & Co. This resolution is to be passed as an ordinary resolution.

4. Increase share issue capacity under ASX Listing Rule 7.1A

To approve, for all purposes (including ASX Listing Rule 7.1A), the issue of equity securities of up to 10% of the equity securities of the Company calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Notes.

This resolution is to be passed as a special resolution.

5. Increase in share issue capacity under NZX Main Board Listing Rule 7.3.1(a)

Subject to resolution 4 being passed, to approve, for all purposes (including NZX Main Board Listing Rule 7.3.1(a)), the issue of equity securities of up to 5% of the equity securities of the Company on the terms and conditions of as set out in the Explanatory Notes.

This resolution is to be passed as an ordinary resolution.

6. Alteration to Constitution

To alter New Talisman Gold Mines Limited's constitution, in the form and manner described in the explanatory notes to the Notice of Annual Meeting of Shareholders.

This resolution is to be passed as a special resolution.

Further information

The Explanatory Notes accompanying this Notice of Annual Meeting of Shareholders are incorporated in, and comprise part of, this Notice of Annual Meeting of Shareholders.

Shareholders are specifically referred to the Glossary in the Explanatory Notes which contains definitions of terms used both in this Notice of Annual Meeting of Shareholders and the Explanatory Notes.

Proxies and representatives

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company. A body corporate shareholder may appoint a representative to attend the meeting on its behalf.

A proxy form is enclosed with this Notice of Annual Meeting of Shareholders. If you wish to vote by proxy you must complete the form and produce it to the Company at its registered office, Nathan House, 541 Parnell Road, Parnell, Auckland, New Zealand so as to ensure that it is received by 10am on Monday 18 September 2017.

If, in appointing a proxy, you have inadvertently not named someone to be your proxy, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy and will vote in accordance with your express direction.

A proxy will vote as directed in the proxy form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions (or on any motions from the floor moved at the meeting). The Chairman and other directors intend to vote any discretionary proxies in favour of the resolutions, except in relation to resolution 5 where the NZX Main Board listing rules do not permit directors to vote discretionary proxies.

By order of the Board

Jane Bell
Company Secretary

5 September 2017

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at New Talisman Gold Mines Limited's (*the Company's*) 2017 Annual Meeting of Shareholders.

The purpose of these Explanatory Notes is to provide shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual Meeting.

These Explanatory Notes should be read in conjunction with the Notice of Annual Meeting. Capitalised terms in these Explanatory Notes are defined in the Glossary.

Resolutions 1, 2, 3 and 5 are ordinary resolutions and require the approval of a simple majority of votes cast at the meeting by shareholders entitled to vote and voting.

Resolutions 4 and 6 are special resolutions and require the approval of 75% of votes cast at the meeting by shareholders entitled to vote and voting.

Resolution 1 – Director Re-election: James Murray McKee

James Murray McKee retires as a director by rotation under clause 27.2 of the Company's constitution and, being eligible, offers himself for re-election. A brief biography of Mr McKee is as follows:

Mr James Murray McKee BA (Hons)

Non-executive (Independent) Director

Murray McKee practices as a Public Policy and Risk Management Adviser in Wellington. He previously held Operations Management positions with a US offshore oil and gas exploration company (1975–1987) and Senior Management positions with Coal Corporation of New Zealand Limited (1987–1995). He was Chairman of the Coal Research Association of New Zealand (1995) and a Councillor on the New Zealand Minerals Industry Association (1993–1995).

He was a ministerial appointee to the New Zealand Conservation Authority for two terms and has served on both the West Coast and Tongariro/Taupo Conservation Boards.

Resolution 2 – Director Re-election: Murray Ronald Stevens

Murray Ronald Stevens retires as a director by rotation under clause 27.2 of the Company's constitution and, being eligible, offers himself for re-election. A brief biography of Mr Stevens is as follows:

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 Stevens is a non-executive director but is not considered an Independent Director for the purposes of the NZX Main Board listing rules as he has provided expert geologist consulting services to the Company on an arms-length basis.

Resolution 3 – Auditor Remuneration

Under section 207T of the Companies Act 1993, KS Black & Co are automatically reappointed as the auditors of the Company. Section 207S of the Companies Act 1993 provides that the fees and expenses of the auditor are to be fixed in such a manner as the Company determines at the annual shareholder meeting. The proposed resolution is to authorise the Directors to fix the remuneration of the auditors.

Resolution 4 - Increase share issue capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek shareholder approval, by special resolution, to issue equity securities equivalent to an additional 10% of the number of equity securities on issue by way of placements over a 12 month period (the *10% Placement Facility*). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

Resolution 4 is seeking approval of shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Note.

Eligibility criteria

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both the following criteria at the date of the company's Annual Meeting:

- it has a market capitalisation of AUD\$300 million or less; and
- It is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the Annual Meeting.

Formula for calculating 10% placement capacity

The number of equity securities which may be issued or the Company may agree to issue is calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A.2:

(A x D) – E

Where:

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4. This does not include an issue of fully paid ordinary securities under the Company's 15% placement capacity without shareholder approval;
- less the number of fully paid ordinary securities cancelled in the 12 months.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

Placement capacity under ASX Listing Rule 7.1 and 7.1A

Pursuant to ASX Listing Rule 7.1, the Company must not issue, or agree to issue, more equity securities in a 12 month period, than 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. The Company's capacity is currently 15%.

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

Minimum issue price

- The minimum price at which the equity securities will be issued will be no less than 75% of the VWAP for equity securities of the same class, calculated over the 15 trading days on which trades are recorded immediately before:
 - the date on which the price at which the securities are to be issued is agreed, or
 - if the securities are not issued within 5 trading days of the date in the above paragraph, the date on which the securities are issued.

Dilution to existing shareholdings

- The existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such equity securities are issued, including:
 - the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary shares as at the date of this Notice of Meeting and Explanatory Note (**Variable A**) calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting and Explanatory Note. The table also shows:

- examples of where Variable A has increased by 50% and by 100% respectively. The number of ordinary shares on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro-rata entitlement issue or shares issued under a takeover offer) or future specific requirements under Listing Rule 7.1 that are approved at a future shareholders meeting; and
- examples of where the issue price of ordinary shares has decreased by 50%, and increased by 100% respectively, as against the current market price.

Share Capital - Variable A (ASX Listing Rule 7.1A.2)		Dilution		
		AUD\$0.0115 50% decrease in Issue Price	AUD\$0.023 Issue Price	AUD\$0.046 100% increase in Issue Price
Current Variable A 2,076,995,855 ordinary shares	Number of Shares (10%)	207,699,585 ordinary shares	207,699,585 ordinary shares	207,699,585 ordinary shares
	Funds raised	AUD\$2,388,545	AUD\$4,777,090	AUD\$9,554,181
50% increase in current Variable A 3,115,493,783 ordinary shares	Number of Shares (10%)	311,549,378 ordinary shares	311,549,378 ordinary shares	311,549,378 ordinary shares
	Funds raised	AUD\$3,582,818	AUD\$7,165,636	AUD\$14,331,271
100% increase in current Variable A 4,153,991,710 ordinary shares	Number of Shares (10%)	415,399,171 ordinary shares	415,399,171 ordinary shares	415,399,171 ordinary shares
	Funds raised	AUD\$4,777,090	AUD\$9,554,181	AUD\$19,108,362

Notes:

- The table assumes that the Company issues the maximum number of ordinary shares available under ASX Listing Rule 7.1A.
- The table assumes that no options are exercised for ordinary securities before the date of the issue of ordinary shares under ASX Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placements Facility based on that shareholder's interest at the date of the meeting.
- The table shows the effect of an issue of ordinary securities under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- The issue price of AUD\$0.023 being the closing price of the shares on the ASX on 7 August 2017.

Placement period

- The date by which the Company may issue the equity securities is the period commencing on the date of the Annual Meeting (to which this Notice of Meeting relates, i.e. 20 September 2017) at which approval is obtained and expiring on the first to occur of the following:
 - The date which is 12 months after the date of the Annual Meeting at which approval is obtained (i.e. 19 September 2018); and
 - The date of the approval by shareholders of the Company's equity securities of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale or activities) or 11.2 (disposal of main undertaking).

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

Purpose of 10% Placement Facility

- The ordinary shares will be issued for the purpose of raising working capital for the Company and may be issued for non-cash consideration. The funds will be applied to further Talisman mine development, initiation of Talisman mine bulk sampling and for general working capital purposes.

Allocation policy

- The Company's allocation policy is dependent on the prevailing market conditions at the times of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:
 - The methods of raising funds that are available to the Company;
 - The effect of the issue of the equity securities on the control of the Company. Allocation will be subject to takeovers code restriction thresholds;
 - The financial situation and solvency of the Company; and
 - Advice from corporate, financial and broking advisers (if applicable).

The Allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial security shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Previous approvals

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Annual Meetings of Shareholders dated 10 September 2014, 11 September 2015, and 14 September 2016. During the 12 months preceding the date of the current meeting the Company did not issue any ordinary shares pursuant to the approval.

Voting Exclusion: The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in respect of this resolution 4 by a person (and any associates of such a person) who may participate in the 10% placement facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of securities, if this resolution is passed. At this point in time there is no potential allottee to which securities may be issued under this resolution.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At the date of this Notice of Meeting, the proposed allottees of any securities which may be issued in accordance with this resolution are not as yet known or identified. In these circumstances, (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rule 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the securities which may be issued in accordance with this resolution), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Effect if resolution not passed

If the resolution is not passed, the Company will be limited to the 15% placement capacity under the ASX Listing Rules.

Resolution 5 - Increase in share issue capacity under NZX Main Board Listing Rule 7.3.1(a)

As explained above in relation to resolution 4, the ASX Listing Rules provide that eligible issuers have capacity to complete placements without shareholder approval of up to a total of 25% of equity securities (being the ability to issue 15% of equity securities under ASX Listing Rule 7.1 and a further 10% placement capacity under ASX Listing Rule 7.1A).

The NZX Main Board Listing Rules provide that issuers have capacity to complete placements without shareholder approval of up to a total of 20% of equity securities (under NZX Main Board Listing Rule 7.3.5).

The Company wishes to align its capacity under the ASX Listing Rules and the NZX Main Board Listing Rules, so that it is able to complete placements of up to 25% of its equity securities without shareholder approval.

Therefore, the resolution proposed seeks shareholder approval for the Company to have the capacity to issue an additional 5% of its equity securities under NZX Main Board Listing Rule 7.3.1(a) (effectively increasing its total private placement capacity to 25%). Based on the number of shares currently on issue, the additional 5% would constitute 103,849,793 shares (being 5% of 2,076,995,855). In accordance with NZX Main Board Listing Rule 7.3.1(a), a listed company may not issue any equity securities unless either the precise terms and conditions of the issue of those equity securities have been approved by an ordinary resolution of shareholders who hold the class of equity securities to be issued, or the issue is made in accordance with one of the modes of issue provided in NZX Main Board Listing Rules 7.3.4 to 7.3.11.

The total number of equity securities to be issued is to be 5% of total equity securities in the Company, calculated on the same basis as the additional 10% of total equity securities authorised under resolution 4 (or, put another way, half of the total number of shares able to be issued under the 10% Placement Facility as specified in the Explanatory Note to resolution 4, above).

The Company anticipates that funds raised under the additional capacity, and under its existing capacity under NZX Main Board Listing Rule 7.3.5, would be used to expand underground bulk sampling under the current resource consents and further evaluation at New Talisman Mine in Karangahake (including mining and processing options, safety and environmental requirements and relevant additional bulk sampling consents) and for working capital.

The Company has not yet determined any specific party or parties to whom securities authorised under this resolution may be issued. The Company may issue such securities to Directors, Associated Persons of Directors or Employees, subject to complying with all applicable laws and the Listing Rules. If the Company was to issue any of the additional 5% of its equity securities authorised under this resolution to Directors, Associated Persons of Directors or Employees of the Company, then:

- Directors voting in favour of the resolution would sign a certificate that the participation of such Directors, Associated Persons of Directors or Employees in the issue is in the best interests of the Company and fair to holders of equity securities who are not receiving, or associated with those parties receiving, equity securities under the issue;
- The terms of issue to all persons would be the same;
- The level of participation by such Directors, Associated Persons of Directors or Employees would be determined according to criteria applying to all persons participating in the offer.

NZX Main Board Listing Rules 7.5 and 9.2.1 impose certain restrictions on the Company's ability to issue shares. The Company is not seeking shareholder approval in relation to these restrictions (so the restrictions will continue to apply). Broadly, the Company will require shareholder approval if:

- there is a significant likelihood that the issue will result in a person (or group of associated persons) materially increasing their ability to control the Company and that person (or group of associated persons) already holds or controls the exercise of 1% of the votes attached to shares in the Company;
- the issue constitutes a “Material Transaction” with a “Related Party” (which includes a Director or executive officer of the Company or a holder of a relevant interest in 10% of the Company’s ordinary shares or any associated person of them).

The precise terms and conditions of the proposal to issue equity securities (including the minimum issue, timeframe and price details) are as set out in the Explanatory Note to resolution 5 above.

Voting Exclusion: The Company will disregard any votes cast on this resolution 5 by any Director of the Company and any Associated Person of a Director. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the express directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Effect if resolution not passed

If the resolution is not passed, the Company will be limited to the 20% placement capacity under the NZX Main Board Listing Rules (and subject to the lower limit under the ASX rules for so long as the Company is fully listed by ASX).

Resolution 6 – Alterations to constitution

It is proposed that the Company’s constitution be updated to:

- reflect recent amendments to the Companies Act 1993, to better reflect use of electronic technology, and flexibility to close-off proxy voting and postal voting closer to the date of a shareholders’ meeting.
- Remove redundant provisions relating to listing on the Newcastle Stock Exchange, given the Company is no longer listed by that securities exchange
- simplify procedures for board meetings and to make the constitution more technology neutral
- update legislative references following enactment of the Financial Markets Conduct Act 2013.

NZX Regulation has approved the alterations. However, NZX does not take responsibility for any statement contained in this Notice of Meeting. In accordance with the Listing Rules, if there is any provision in the Constitution as amended that is inconsistent with the NZX Main Board Listing Rules, the NZX Main Board Listing Rules (as amended by any waiver or ruling relevant to the Company) will prevail.

A copy of the proposed altered form of constitution is available free of charge by contacting Company Secretary Jane Bell at jane@newtalisman.co.nz.

You may inspect the proposed altered constitution at <http://www.newtalismangoldmines.co.nz>.

The proposed altered constitution contains additional explanatory notes identifying which category above each proposed change falls into.

Glossary

In these Explanatory Notes and the accompanying Notice of Annual Meeting of Shareholders, the following terms have the following meaning unless the context otherwise requires:

Board	Board of Directors
Company	New Talisman Gold Mines Limited ARBN 009 474 702
Director	A director of the Company