

Market Announcement

For Immediate Release



Quarterly Activities Report to 31 March 2024

New Talisman Gold Mines Limited

***Responsible,
Environmentally
Sustainable Mining***

ASX/NZX Code **NTL**

Commodity Exposure
GOLD and SILVER

Board

Samantha Sharif Chair/Independent Director

John Upperton Director

Michael Stiassny Independent Director

Richard Tacon Independent Director

Jane Bell Company Secretary

Capital Structure

Ordinary Shares at 31/03/2024 458,029,555

Share Price

Share Price at 24/04/2024 (NZX) \$0.022

Share Price at 24/04/2024 (ASX) \$0.020



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New Talisman Gold Mines Limited (NTL) is pleased to present a report on activities for the quarter ended 31 March 2024.

Key activities include:

- Continued investigations of suitable processing sites and plant.
- Near term mine development plan firmed up.
- Response to protest activity
- Ongoing Engagement with Department of Conservation.
- Progression of long-term access arrangements with DOC
- Partial Conversion of Convertible Note
- Transfer of shares to Terra Firma

Processing

Continuing investigations to identify a suitable processing site. Unfortunately, we were not able to finalise a deal with our preferred processing site, but have identified three further promising alternatives. We are progressing discussion on these options and expect to be presenting those to the Board in the coming weeks. Alongside these deliberations the Company has also identified a suitable modular processing plant and is working towards a Heads of Agreement with the vendor.

Mine Development Plan

We have firmed up plans for near-term mine development. NTL will advance Mystery vein 200m to the North on the existing drive, and if it proves contiguous and lode bearing, decide at that point whether or not to advance on an offset second level, in conjunction with potentially the reinstallation of rail from the 8 level Portal to Keillor's crosscut, to enable higher volumes of ore to be moved within the mine.

Response to Protest Activity

In March the Company responded on TV1 news to unfounded and incorrect claims made by former Green MP Catherine Delahunty and others at a protest held at the Talisman mine. NTL noted that none of the protest's stated concerns pertain to NTL and question their motivations. NTL has received strong support from local police regarding the protest.

Site Security

NTL has invested in increased site security to counteract vandalism and illegal mining occurring in the area.

Long Term Access Arrangements with Dept of Conservation

During the quarter NTL had ongoing engagement with Department of Conservation senior management and permissions staff towards a Long Term Access Arrangement (AA) and Authority to enter and Operate (AEO), including numerous meetings and supply of additional information.

As described in our December quarterly report, New Talisman has been able to progress the Talisman mine to a state of readiness to begin production in the Quarter to December 2023. We have worked hard with the Department of Conservation to ensure our access underground (interim access arrangement) continued to allow us to get to this stage.

However, as highlighted in our previous quarterlies, unfortunately, the Department of Conservation has continued to be extremely slow in progressing our long-term Access Arrangement and associated Authority to Enter and Operate.

NTL applied almost a year ago (June 2023) for what was anticipated to be a straightforward renewal of the access arrangements that have been in place for the last 25 years,

In recent meetings with DOC senior management, the Department itself acknowledged its ongoing delays were unacceptable. We remain hopeful that we are in the final stages of this process and will receive a positive outcome soon. Today DOC have advised that we can now expect a decision in June. In the meantime, post quarter we have agreed a further interim access arrangement with an increased bond requirement to \$60k.

In the meantime, whilst we are ready to commence production – we have reduced Terra Firma's activities to the minimum required to reduce our cash burn as much as possible.

The inevitable result of these delays – and the impact on our original production and revenue timetable – is that we will now have to raise further funds before we are able to remobilise our team, secure a processing facility, buy a processing plant and commence production.

Clearly, we do not want to begin a capital raise until we are certain that we will receive our long-term Access Arrangement and associated Authority to Enter and Operate. As a contingency, we have identified debt funding options to provide us with a liquidity buffer if needed.

As previously announced, our concerns have been escalated to the new Minister of Conservation and the Minister of Resources. We have invited the Ministers for a tour of the Talisman site so they can see first-hand the boutique nature and limited impact of this historical mine.

Whilst our physical and environmental footprint is small, our economic and social contribution to New Zealand has significant potential. Although we already have a Bulk Sampling Permit in place – we intend to consider the option of Fast Track Consenting for projects of national significance for our full Mining Permit.

Despite higher inflation post Covid, the revenue and cashflow budgets within NTL's Strategic Plan remain viable, with the Gold price up more than 35% in NZD terms in the same period.

In the last few days, a number of brokers have approached NTL to support a capital raise,

prompted by the strong Gold price and potential for imminent production from the Talisman mine. We hope to be able to use their services soon.

Partial Conversion of Convertible Note

As announced during the period the Company advised (<https://www.nzx.com/announcements/426861>) the partial conversion of the Convertible Loan Note held by its largest shareholder Hamish Brown by the issue of 16,500,000 shares which takes Mr Browns holding to 19.98%.

NZ Petroleum & Minerals

During the quarter the Company filed its Annual Return with NZ Petroleum & Minerals.

Shares Transferred to Terra Firma Mining Ltd

5,385,523 shares have been transferred to mine operator Terra Firma Mining Ltd during the period as part of their commitment to take a 300k shareholding in NTL (paid by way of set-off against invoices), as previously announced. This leaves 11,281,144 shares or \$203,061 of Terra Firma services still to be utilised.

Vanuatu

Progress in coming to an agreement with a JV partner or sale for the Vanuatu permit continues to be difficult, but we remain open to any interest.

Administration

During the quarter the Company paid \$45,000 for director fees to companies in which directors and major shareholders have a substantial interest. The Company paid \$17,500 to John Upperton in his capacity as Strategic Delivery Manager.

Tenements

Talisman Mine – MP51326
Capella Vanuatu – PL1851

We thank shareholders for their continued support.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

NEW TALISMAN GOLD MINES LIMITED

ABN

009 474 702

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	Nil	Nil
1.2	Payments for		
	(a) exploration & evaluation	Nil	Nil
	(b) development	(391)	(741)
	(c) production	Nil	Nil
	(d) staff costs	Nil	Nil
	(e) administration and corporate costs	(136)	(763)
1.3	Dividends received (see note 3)	Nil	Nil
1.4	Interest received	5	40
1.5	Interest and other costs of finance paid	(9)	(80)
1.6	Income taxes paid	Nil	Nil
1.7	Government grants and tax incentives	Nil	Nil
1.8	Other (provide details if material)	Nil	Nil
1.9	Net cash from / (used in) operating activities	(531)	(1,544)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	Nil	Nil
	(b) tenements	Nil	Nil
	(c) property, plant and equipment	Nil	Nil
	(d) exploration & evaluation	Nil	Nil
	(e) investments	Nil	Nil
	(f) other non-current assets	Nil	Nil

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
2.2	Proceeds from the disposal of:		
	(a) entities	Nil	Nil
	(b) tenements	Nil	Nil
	(c) property, plant and equipment	Nil	Nil
	(d) investments	Nil	Nil
	(e) other non-current assets	Nil	Nil
2.3	Cash flows from loans to other entities	Nil	(3)
2.4	Dividends received (see note 3)	Nil	Nil
2.5	Other (provide details if material)	Nil	Nil
2.6	Net cash from / (used in) investing activities	Nil	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	Nil	152
3.2	Proceeds from issue of convertible debt securities	Nil	Nil
3.3	Proceeds from exercise of options	Nil	Nil
3.4	Transaction costs related to issues of equity securities or convertible debt securities	Nil	Nil
3.5	Proceeds from borrowings	Nil	Nil
3.6	Repayment of borrowings	Nil	Nil
3.7	Transaction costs related to loans and borrowings	Nil	Nil
3.8	Dividends paid	Nil	Nil
3.9	Other (provide details if material)	Nil	Nil
3.10	Net cash from / (used in) financing activities	Nil	152

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,124	1,988
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(531)	(1,544)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	152

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	593	593

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZ'000	Previous quarter \$NZ'000
5.1	Bank balances	17	33
5.2	Call deposits	471	986
5.3	Bank overdrafts	Nil	Nil
5.4	Other (provide details)	105	105
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	593	1,124

6.	Payments to related parties of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(63)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The Company paid \$45,000 for director fees to companies in which directors and major shareholders have a substantial interest

The Company paid \$17,500 to John Upperton in capacity as Strategic Delivery Manager.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
7.1	Loan facilities	Nil	Nil
7.2	Credit standby arrangements	Nil	Nil
7.3	Other (please specify) Convertible Note	724	724
7.4	Total financing facilities	724	724
7.5	Unused financing facilities available at quarter end		Nil
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The Company issued a Convertible Debt Security with a principal value of NZ\$1,000,000 on 24 August 2022. The Convertible Debt Security has the following terms:</p> <ul style="list-style-type: none"> Term, 18 months from drawdown, Drawdown of the Convertible Debt Security will be in one tranche, Annual Interest rate of 9.5%, payable quarterly in cash. Conversion to ordinary shares at the 18 month anniversary of drawdown at a 15% discount to the preceding 20 day VWAP of the ordinary shares of the Company, or at the discretion of the Company repaid in cash on the 18 month anniversary of drawdown, with no additional fees. In either case the principal amount to be repaid will be NZ\$1,000,000. The Convertible Debt Security will be unsecured and rank pari-passu with unsecured trade creditors. <p>The issue of the Convertible Debt Security was approved by shareholders at a special meeting held on 22 June 2022.</p> <p>In February 2024 the Company partially settled the Convertible Debt Security by the issue of 16,500,000 shares leaving \$723,625 owing which was rolled over on the same terms.</p>		

8.	Estimated cash available for future operating activities	\$NZ'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(531)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	Nil
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(531)
8.4	Cash and cash equivalents at quarter end (item 4.6)	593
8.5	Unused finance facilities available at quarter end (item 7.5)	Nil
8.6	Total available funding (item 8.4 + item 8.5)	593
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: No, the Company has reduced its operating costs in terms of development while it awaits consenting from Dept of Conservation in NZ.</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. NTL anticipates the required consenting to be issued no later than the end of May 2024, at which point the Company plans to complete a Capital Raise to fund its strategic plan.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company is awaiting consents from the Department of Conservation in NZ. The required consents that have previously been in place for 25 years. Once those consents have been renewed by Dept of Conservation a Capital Raise will be undertaken.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 Mar 2024

Date:



Authorised by:
(Jane Bell – Company Secretary)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.