

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]

FOR PUBLIC RELEASE

Quarterly Activities Report to 30th September 2013

New Talisman Gold Mines Limited (NTL) is pleased to present the quarterly report on activities for the period ended 30th September 2013.

HIGHLIGHTS

- **Completion of further metallurgical testing identified ore samples up to 453g/t gold (14.6 ounces per tonne Au)**
- **Talisman Mine Maiden Ore reserve for start-up phase contains 28,800 ounces gold and 127,800 ounces silver**
- **Gap Analysis completed by Hatch Goba**
- **First gold recovery using non chemical methods**
- **Share Purchase Plan raises NZ\$348,445**
- **Broken Hill Prospecting Limited update**

CORPORATE

A share purchase plan (SPP) was initiated during the period to raise funds at a price of NZ 1 cents per share. The SPP funds are to investigate bulk sampling and trial mining methods and to fund NTL working capital. Following the reporting period the SPP raised NZ\$348,445 before expenses.

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

Metallurgical Testwork

During the period NTL continued to sample stockpiles at the Talisman mine and these samples contained high gold content ranging to 453g/t gold. NTL will continue to test representative samples of ore stockpiles from the previous Talisman workings.

Gold Recovery

Continuing metallurgical test work is investigating a suitable floatation and gravity recovery method for extracting gold from ore and stockpile samples. The company tested 146 kilograms of fine-ground ore and has produced approximately 3 ounces of gold and silver. Additional concentrates will be used for planned test work to evaluate the most effective gold recovery using a variety of methods during the bulk sampling evaluation work.

“Executive Director Matthew Hill said *“the continuing metallurgical test work at Talisman is very encouraging given some of the high grades of the representative samples tested by SGS. We will continue to test further ore as we initiate bulk sampling. Coupled with this, the work carried out by our technical team on potential extraction methods has given us a greater understanding of the options for the most efficient metallurgical extraction route as we proceed toward production”*.

Maiden Ore reserve

During the period the Company announced a maiden JORC (2004) compliant Ore Reserve for the Talisman Mine. Ore Reserves at the Talisman gold project, based on an average insitu cut-off grade of 1.7g/t Au, are 82,500 tonnes at 10.8 grams per tonne gold and 48.1 grams per tonne silver. Ore Reserves are derived from and contained within, not additional to, the Measured and Indicated portions of the Mineral Resource. This ore reserve estimate reflects the outcome of the Pre-Feasibility Study conducted on Phase 1 of the Talisman Mine Project, and forms a solid basis for the company to proceed with further project development.

Hatch Goba Gap Analysis completed

During the period a gap analysis on the Pre-Feasibility Study was carried out by Hatch Goba. Based on this analysis NTL are confident that the Pre-Feasibility Study conforms to the requirements of a Technical Study as defined in the joint *Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004* (the JORC (2004) Code).

SUBSIDIARY COMPANY – COROMANDEL GOLD LIMITED (100%) [Not Listed]

Golden Valley Gold Project (100%) - Hauraki District, NZ

During the period all project exploration data was reviewed to aid selection of favourable drilling targets. These are designed to test several gold and silver geochemical anomalies that overlay geophysical and geological anomalies. Target selection will be checked in the field in the December quarter.

Northland Base and Precious Metals Project (100%) - Northland region, NZ

Historical data derived from the recent literature survey is being used to design a ground exploration programme. This will include field verification for planned exploration coverage.

BROKEN HILL PROSPECTING LTD 'BPL' (21.7%) – NSW, AUSTRALIA [ASX/NZSX: BPL]

Broken Hill Prospecting Ltd has continued work at the Thackaringa cobalt deposit near Broken Hill, NSW, Australia. The Company has been granted a new exploration license located immediately to the south of the cobalt deposits in EL6622, ML86 and ML87.

Broken Hill Prospecting Ltd is evaluating the potential for a sulphuric acid industry using cobalt-pyrite concentrate from the Company's deposits as a feed source. Several large, international chemical groups are assessing the business model. The cobalt-rich pyrite deposits are particularly well suited to acid production as they contain negligible deleterious metals, are very large and are well located for cost effective open-cut development.

The Annual General Meeting of Broken Hill Prospecting Limited will be held at Level 14, 52 Phillip Street Sydney Australia on Friday 15th November 2013 at 11:00 am (Sydney time).

MPOKOTO GOLD PROJECT

During the quarter Armadale Capital PLC, a listed AIM company made an offer to acquire up to 90% of the shares in Netcom. Peregrine Corporate, advisers to Armadale Capital, subsequently entered discussions with New Talisman regarding its 12.5% equity position in Netcom and its \$250,000 loan. At the end of the quarter the parties were still in discussion.

Matthew Hill
Executive Director
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About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with 1800 shareholders who are mainly from Australia and New Zealand. It is a leading New Zealand minerals development and exploration company with a portfolio of high quality mineral interests. Its gold properties near Paeroa in the Hauraki District of New Zealand are a granted mining permit, including a mineral resource within the original Talisman underground mine, and 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. Through a subsidiary company, New Talisman Gold owns 21.7% of Broken Hill Prospecting Limited, which is planning to develop a cobalt project at Thackaringa, about 25 kilometres south-west of Broken Hill in Australia. BPL is listed on both the ASX and NZSX (Code: BPL). More about New Talisman Gold at www.newtalisman.co.nz

Competent Person Statement:

The information in this announcement that relates to the Talisman Project Pre-Feasibility Study and the Ore Reserve estimates were prepared by Mr Wayne J Chowles, a Mining Engineer and member of the AusIMM. Mr Chowles is a full time employee of New Talisman Gold Mines Limited and the author of the Talisman Prefeasibility Study referred to in this release. 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Chowles consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Hatch Goba Disclaimer

The Gap Analysis report was prepared "Hatch", for the sole and exclusive benefit of New Talisman Gold Mines Ltd for the purpose of providing a GAP analysis for the New Talisman Pre-feasibility Study (FEL2) and may not be provided to, relied upon or used by any third party. Any use of this report by the Owner is subject to the terms and conditions of the Services Agreement between Hatch and the Owner dated, including the limitations on liability set out therein.

This report is meant to be read as a whole, and sections should not be read or relied upon out of context. The report includes information provided by the Owner, the Third Party Consultants and by certain other parties on behalf of the Owner. Unless specifically stated otherwise, Hatch has not verified such information and disclaims any responsibility or liability in connection with such information. In addition, Hatch has no responsibility for, and disclaims all liability in connection with, the sections of this report that have been prepared by the Owner or by the Third Party Consultants.

This report contains the expression of the professional opinion of Hatch, based upon information available at the time of preparation. The quality of the information, conclusions and estimates contained herein is consistent with the intended level of accuracy as set out in this report, as well as the circumstances and constraints under which this report was prepared.

However, this report is a GAP Analysis review and, accordingly, all estimates and projections contained herein are based on limited and incomplete data. Therefore, while the work, results, estimates and projections herein may be considered to be generally indicative of the nature and quality of the Project, they are not definitive. No representations or predictions are intended as to the results of future work, nor can there be any promises that the estimates and projections in this report will be sustained in future work.

