

29 August 2012

ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL)

FOR IMMEDIATE RELEASE

CAPITAL RAISING

New Talisman Gold Mines Limited intends raising up to A\$1.2M via a 1 for 3 Renounceable Rights Issue at A\$0.01 per ordinary Share.

The Rights Issue will have an Option attached to every share issued under the offer. The Options will entitle the holder to subscribe for one ordinary share on exercise, have an exercise price of A\$0.02 and will expire 5 years from issue.

Martin Place Securities have been appointed Lead Manager and Underwriter to the Renounceable Rights Issue subject to formal documentation and regulatory approvals.

The funds raised will be used to advance the Talisman project through prefeasibility, including a project development study to include mining and processing options, safety and environmental requirements; and to fund general working capital.

Further details of the timetable for the Renounceable Rights Issue will be released in due course.

J Murray McKee
Deputy Chair
New Talisman Gold Mines Ltd

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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 JORC compliant 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.newtalismangold.co.nz