

4 September 2013

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

FOR IMMEDIATE RELEASE

Talisman Mine Maiden Ore Reserve Statement

- **28,800 Oz Gold and 127,800 Oz Silver Ore Reserve for start-up phase of the mine development underpinned by Pre-feasibility Study**
- **Analysis of Pre-Feasibility Study Conducted by International Consultancy**

Metallurgical Testwork and sampling

- **Recovery of visible physical gold and silver from metallurgical samples using non chemical extraction equipment recently purchased**
- **Recent samples of Talisman ore tested by SGS showed up to 453g/t gold which was processed.**

New Talisman Gold Mines Limited (NTL) is pleased to announce the maiden JORC compliant Ore Reserve for the Talisman Mine. Ore Reserves at the Talisman gold project, based on an average in-situ cut-off grade of 1.7g/t, 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.

A gap analysis on the Pre-Feasibility Study was carried out by Hatch Goba. Hatch Goba is an employee-owned, multidisciplinary professional services firm that delivers a comprehensive array of technical and strategic services, including consulting, information technology, engineering, process development, and project and construction management to the Mining, Metallurgical, Energy, and Infrastructure sectors. Hatch has served clients for over 80 years and has project experience in more than 150 countries around the world. With over 11,000 people in over 65 offices, the firm has more than \$35 billion in projects currently under management.

Based on the Hatch 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 Code).

While the volatility in gold price has affected other juniors gold operations particularly in New Zealand, New Talisman has continued to press forward. This has paid off with these positive results showing the potential for an accelerated development in getting Talisman into production. With the

development of an ore reserve New Talisman has continued to de-risk the project on the path to bulk sampling and mining.

Significant progress has been made with regard to consents and we are confident that consenting arrangements will be finalised in the coming months.

The company has more recently entered into discussions with a major group for the toll treatment of the Talisman ore and test work and sampling is underway to test the suitability of the ore for processing by the potential treatment plant.

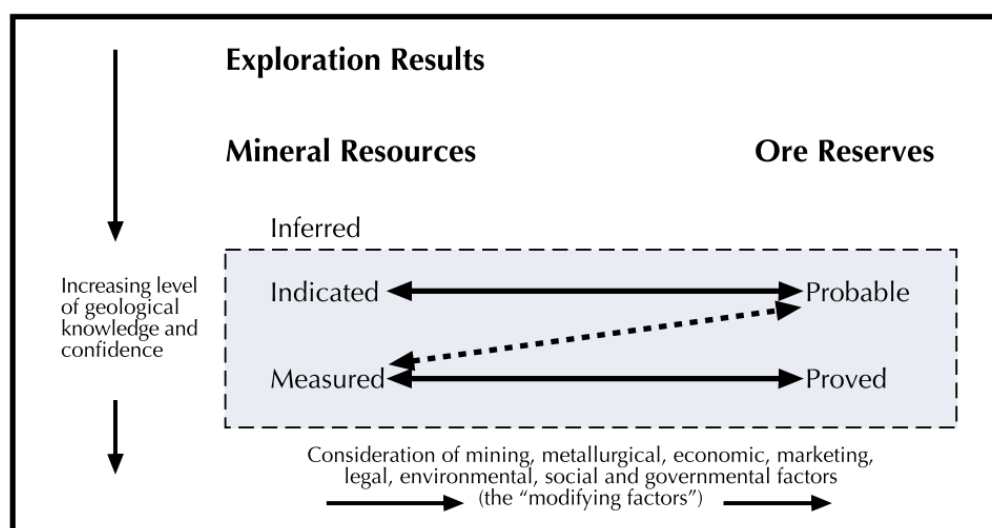
Matthew Hill Executive Director said “We continue with the company’s strategy to reopen the Talisman mine and the recent analysis of the Pre-Feasibility study by an international firm gives us great confidence in our pathway chosen and phased approach toward production. This is the first Ore reserve from Talisman since the mine was in full production many years ago.

With a difficult climate and depressed gold price felt by junior and major gold companies alike NTL has been able to deliver positive outcomes to our shareholders”.

Ore Reserves

Mineral Resources are converted to Ore Reserves via the application of a range of technical and economic factors (modifying factors) such as metal prices, dilution and estimated recovery, in order to assess project viability. Ore reserves are defined as follows:

Ore Reserves are those portions of Mineral Resources which, after the application of all mining factors result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a viable project, after taking account of all relevant Modifying Factors. The relationship between Mineral Resources and Ore Reserves is illustrated in the following graphic.



A technical report, titled “Ore Reserves Definition – Talisman Gold Project, August 2013”, in support of this maiden ore reserve statement has been prepared in accordance with the JORC Code. This

technical report “Ore Reserves Definition – Talisman Gold Project, August 2013”, has been prepared at the request of the board of New Talisman Gold Mines Limited with the purpose of supporting the definition of a maiden Ore Reserve attributable to NTL’s Talisman Gold Project, based on the outcome of the Pre-Feasibility Study completed in March 2013. The report is for the general information of Directors and shareholders of the company, potential investors and for the general disclosure of information to the market and is a Public Report as defined under the JORC Code 2004. The full report is available on the company website.

Information on Mineral Resources has been sourced mainly from the companies own exploration activities. The Mineral Resource estimate used as the basis for conversion to Ore Reserve is set out in the public report titled “TALISMAN GOLD RESOURCE INCREASES TO 205,000 OZ” released to the market on 11 May 2005 also available on the company website.

The Pre-Feasibility Study on which conversion of Mineral Resources to Ore Reserves is based, has been carried out and determined a mine plan that is technically achievable and economically viable; all material Modifying Factors have been considered.

Mineral Resource and Ore Reserve categories are tabulated below.

Mineral Resources			Au		Ag	
	Category	Tonnes	Grade	Ounces	Grade	Ounces
	Inferred	507,200	8.5	139,100	27.2	442,800
	Indicated	197,690	5.0	31,660	26.5	168,140
	Measured	212,500	5.0	34,000	27.5	187,900
	TOTAL	917,390	6.9	204,760	27.1	798,840

Ore Reserves			Au		Ag	
		Tonnes	Grade	Ounces	Grade	Ounces
	Probable	19,600	8.5	5,400	36.9	23,300
	Proved	62,900	11.6	23,400	51.6	104,500
	TOTAL	82,500	10.8	28,800	48.1	127,800

Wayne Chowles, Principal Mining Engineer commented that “the rigorous approach taken in the Pre-Feasibility Study has identified a robust course of action to bring the Talisman asset to account. Upon initiating the bulk sampling program currently under application we are confident in our ability to develop a sustainable high grade mining operation. With areas such as the Mystery vein relatively untouched, NTL has the flexibility needed in the current climate for junior miners”

Metallurgical Testwork

The recent purchase of non-chemical recovery equipment to test samples recovered from Talisman has given us further insight into the various non-chemical processing routes which have resulted in recovery of sample amounts of physical gold and silver using gravity concentration and flotation techniques.

Samples were sent for chemical analysis at SGS New Zealand's Waihi Laboratory with the following preliminary results:

METHOD	FAA505	FAA505	FAA505	FAD505
LDETECTION	0.01	0.01	0.01	0.1
UDETECTION	100	100	100	10000
UNITS	Au PPM	Au PPM	Au PPM	Au PPM
44901	0.86	-	-	-
44902	>100	-	-	162
44903	6.22	-	-	-
44904	5.4	-	-	-
44905	2.89	-	-	-
44906	7.85	-	-	-
44907	14.5	-	-	-
44908	18.3	-	-	-
44909	>100	-	-	153
44910	>100	-	-	190
44911	78.2	-	-	-
44912	7.93	-	-	-
44913	13.4	-	-	-
44914	>100	-	-	358
44915	22.2	-	-	-
44916	>100	-	-	148
44917	16	-	-	-
44918	>100	-	-	453
44919	>100	-	-	258
44920	>100	-	-	103

Au Gold **LDETECTION** Lower Detection Limit **UDETECTION** Upper Detection Limit
PPM Parts Per Million (grams per tonne) > Greater than

Analytical methods used by SGS New Zealand, according to gold content of sample
FAA505 : Gold, Platinum & Palladium by AAS after Fire Assay, 50g, Lead Collection
AD505 : Gold, Fire Assay, AAS, 50g, Over-Range
Further testwork is in process to ascertain recovery efficiency.

The purpose of the testwork was to identify an efficient grain size required to extract and concentrate gold and silver using gravity and flotation methods. This information will assist in developing the most efficient route for the processing of the ore once mining commences.

Matthew Hill

Executive Director

New Talisman Gold Mines Limited

Competent Person Statements:

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.

The information in this report that relates to exploration results, exploration targets and mineral resources is extracted from the report entitled **"HERITAGE GOLD NEW ZEALAND LIMITED, KARANGAHAKE GOLD PROJECT, EXPLORATION AND RESOURCE DEFINITION PROGRAMME – PHASE 2, TALISMAN MINE, EXPLORATION PERMIT 40-081"** created on 09/06/2006. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcement.

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.

Disclaimer

Although New Talisman Gold Mines Ltd (NTL) commissioned the geological information and mining data referred to in this presentation, NTL does not guarantee or otherwise warrant the accuracy or currency of such information or data. Further, no representation is given or warranty is made in respect of any future performance of the share price of shares in NTL or any company associated with it. This document is not intended to, and does not, represent an offer of any securities.

The terms geological potential, potential, exploration target and target where used in this report do not constitute and should not be interpreted as Mineral Resources or Ore Reserves under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012). The potential quantity and grade is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource or an Ore Reserve and it is uncertain if further exploration will result in the estimation of a Mineral Resource or Ore Reserve.

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZX Main Board & 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 the ASX (Code: BPL). More about New Talisman Gold at www.newtalismangold.co.nz