

16 May 2016

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

FOR IMMEDIATE RELEASE

UPDATE ON RAHU

New Talisman Gold Mines Limited (**NTL**) notes that an application for an exploration permit over the Rahu project area has been granted to a subsidiary of Newcrest Mining Limited (**Newcrest**) by New Zealand Petroleum and Minerals.

Newcrest and NTL signed a non-binding Heads of Agreement (**HOA**) in May 2015 pertaining to a proposed farm-in and joint venture over the Rahu project which remains in full force and effect.

The HOA contemplates Newcrest earning a controlling interest in the Rahu project by incurring exploration expenditure.

Having held the Rahu exploration permit for over 19 years NTL has always viewed Rahu to conceptually host a vein system at depth similar in nature to the vein system running through Talisman.

The parties are currently in discussions to negotiate a revised heads of agreement in respect of the Rahu project in light of the new circumstances and NTL will update shareholders in due course.

Matthew Hill CEO said “We look forward to working with one of the world’s leading gold mining companies in New Zealand’s most productive gold regions. We have always believed that a similar vein system to Talisman exists deep within the Rahu permit area and a detailed exploration program will test this view.”

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) with over 1900 shareholders who are mainly from Australia and New Zealand. It is a leading New Zealand minerals development and exploration company with a mining permit encompassing the Talisman mine, one of New Zealand’s historically most productive gold mines. 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 a non-binding Heads of Agreement with Newcrest on 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.

More about New Talisman Gold at www.newtalisman.co.nz