

**ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL]
FOR PUBLIC RELEASE**

Quarterly Activities Report to 31 December 2012

New Talisman Gold Mines Limited is pleased to present its quarterly report for the period ended 31 December 2012.

HIGHLIGHTS

- Appointment of Wayne Chowles to the position of Principal Mining Engineer
- Upgrade of road works and mine surface access commenced during the period
- A prefeasibility study continued on the Talisman Mine project which is expected to be complete by the end of March 2013
- A rights issue fully underwritten by Canaccord Genuity (Australia) Pty Ltd was successfully completed during the reporting period raising NZ\$1.5m before expenses

CORPORATE

In November 2012 the company completed a rights issue raising NZ\$1.5M. The issue was fully underwritten by Canaccord Genuity (Australia) Pty Ltd and had significant take-up by existing shareholders in a relatively difficult period for capital raising.

The company is currently considering candidates with the necessary skills to assist with the next stage of the company's development for appointment to the board. A number of high calibre candidates are currently being reviewed.

During the period a number of investor groups indicated interest in the project and discussions are continuing with these groups.

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

Following the appointment of Wayne Chowles to the position of Principal Mining Engineer (December 2012) the company completed a survey of the mine with an aim to seek further levels for accessing the various ore bodies which have been identified for analysis in the prefeasibility study.

The prefeasibility study is well underway with detailed modelling and mine plan analysis which will identify the options available to NTL for sustainable development at Talisman. The prefeasibility study will be completed by the end of March 2013.

Works commenced on upgrading the road to the mine and the hardstand area at the entrance to the No. 8 level. The works were completed following the end of the quarter under review. Both the pad and the road are now clear and drainage points upgraded, paving the way for further development.

Initial scoping identified high grade mined ore and previously bulk sampled material available for testwork in order to develop metallurgical treatment options.

Samples previously collected are being tested in order to provide the full extent of treatment options

available for treatment of ore.

The prefeasibility study will identify the sequence for each mineable resource for removal from the initial Woodstock target through to the bonanza grade Dubbo vein which can be accessed via existing workings. The mine will be a low-impact, high-grade, small-scale gold and silver mine utilising best practice methods for sustainable development.

SUBSIDIARY COMPANY - COROMANDEL GOLD LIMITED (100%) [NOT LISTED]

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

The company holds EP 53706 through its subsidiary Northland Minerals Limited. The EP is west of Whangarei and covers 1188 hectares of private land and conservation land.

It is prospective for gold and copper, and literature research is being undertaken on the exploration and mining history of the area to aid the planning of further exploration.

Broken Hill Prospecting Ltd (21.7%) – NSW, Australia [ASX/NZSX: BPL]

Since 2011 Annual General Meeting BPL's exploration results have been encouraging. Exploration has located new and large deposits of cobalt mineralisation, adding to the previously discovered Pyrite Hill and Big Hill deposits. The new discoveries at NE Big Hill, Offset and Railway include outcropping zones of cobalt-pyrite mineralisation which extend along low ridges for more than five kilometres and range up to 300 metres wide. These large deposits have now been partly tested by wide-spaced drilling and this has confirmed continuity of the outcropping cobalt-pyrite rock which is very similar to the Pyrite Hill and Big Hill deposits.

The combined Inferred Mineral Resources estimate for the BPL project has more than doubled over the last twelve months and now totals 35.7 million tonnes of mineralisation with an average cobalt content of 1.85 pounds per tonne. In addition, BPL's resource consultants estimate that there is potential* for between 37-59 million tonnes of similar grade rock to occur close to the drilled areas although further drill assessment is required to establish this.

Estimates of contained cobalt within reportable JORC Inferred Mineral Resources now stand at 66 million pounds and additional potential* is estimated to contain between 63-101 million pounds.

In early November BPL announced the results of scoping studies by international engineering consultant GHD which examined the basic parameters for a large open cut mine to produce pyrite concentrate with about 0.5% cobalt content which could be used to produce sulphuric acid.

BPL both in its own name and through a wholly owned subsidiary Broken Hill Uranium Pty Ltd, has recently lodged an expression of interest to explore for uranium within the area of its tenements and surrounding region. If these expressions of interest are accepted by the NSW Government then Broken Hill Uranium intends to apply for Exploration Licence Applications (Group 11) over these targets to explore for uranium deposits.

**This potential lies outside of the Inferred Resource because of the absence of nearby drilling. This target is conceptual in nature and more drilling is required to further define it. There is no certainty that this will result in a Mineral Resource.*



*** BPL Competent Person Statement**

Robert H. Spiers consents to being named the competent person under the JORC code in relation to the Resource Estimates. He is a Competent Person as defined by the 2004 JORC Code. Information in this release relating to the H&S Consultants Ltd ('H&SC', formerly Hellman & Schofield Pty Ltd) resource estimates is based on, and accurately reflects information provided by Mr Spiers who consents to the inclusion in the report of the resource estimates which have been attributed to H&SC and to the matters based on his information in the form and context in which they appear.

H&SC quantified a potential target size within the modeled mineralisation envelope. This Potential lies outside of the Inferred Mineral Resource because of the absence of nearby drilling. By extending the search distance within the 3D mineralisation the model target size is between 37Mt and 59Mt at a grade between 600ppm and 900ppm cobalt. The Potential is conceptual in nature and more drilling is required to further define it. There is no certainty that this will result in a Mineral Resource.

Exploration activities and results contained in this report are based on information compiled by **Dr Ian Pringle**, a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Broken Hill Prospecting Ltd and also a Director of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Pringle has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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