

30 May 2013

FOR IMMEDIATE RELEASE

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

Full Year Preliminary Announcement

FINANCIAL RESULTS	Reporting Period 31 March 2013 (12 months)	Previous Reporting 31 March 2013 (12 months)	Change
	\$	\$	
Revenue from ordinary activities	11,791	35,649	-67%
Loss from ordinary activities after tax attributable to members of the listed issuer	914,265	766,259	+19%
No dividend attributed to this period			

New Talisman Gold Mines limited (NTL) added to the company's value significantly during the year through the completion of Scoping and Pre-Feasibility studies on the Talisman mine and the investment into the Mpokoto gold project in the DR Congo. As the company has no significant income streams, it raises funds from shareholders and new investors for its activities, this has led to greater reported losses.

Tenement expenditure for the reporting period was \$648,075 compared to \$419,016 in the previous reporting period representing significant activities. No exploration expenditure was written off during the current period compared to \$40,693 written off in the previous reporting period.

Overhead expenditure for the reporting period was 15% more than in the previous reporting period largely due to increased management costs to progress the company's Talisman project.

At the end of the year the Company had a cash balance of \$325,880.

HIGHLIGHTS

- **Restructured company's focus on Talisman with all non-core and offshore assets managed by 100% subsidiary Coromandel Gold Limited (CGL)**
- **Successful Completion of Pre-Feasibility Study on the Talisman mine**
- **Execution of an option over the Mpokoto Gold Project in DRC**
- **Successful completion of an SPP and a fully underwritten rights issue raised NZ\$1.8M**

CORPORATE

Talisman Gold Mines Limited successfully implemented all the changes necessary to focus its core efforts on the development of the Talisman gold project in the Hauraki gold field, New Zealand.

Coromandel Gold Limited, a 100% subsidiary of New Talisman, manages and develops New Talisman's exploration and non-core assets, such as the Mpokoto project, with separate board and management.

TALISMAN GOLD PROJECT (NEW ZEALAND)

Completion of Pre-Feasibility Study

The Pre-Feasibility Study was completed in March 2013 and analysed a range of options centred on the concept of a small scale underground mine with low capital requirements which would generate the funds required for further opening up and evaluation of future possible ore shoots.

The operation would focus initially on the high confidence resources, immediately adjacent to the accessible Talisman No 8 Level drive and create the infrastructure necessary to support further evaluation work.

The production plan developed as an output from the study indicated that an initial five-year operation, with peak production of 35,000 tonnes of ore and 12,000 ounces of gold per annum was possible. The total capital requirement estimated was NZ\$10.9 million with an all-in unit cost, including capital expenditure, of NZ\$1166/oz.

Key findings from the study were released to the market on 18 April 2013.

EXPLORATION – Coromandel Gold Limited

Golden Valley (Waihi, New Zealand)

The area lies along the eastern side of Newmont's mining tenements at Waihi and has no previous gold or silver production.

Existing airborne and ground geophysical data shows a signature similar to that over Waihi and the results from more recent geochemical surveys warrant testing.

Extensive exploration data was reviewed and re-interpreted to aid selection of drilling targets, and several holes are planned to test the main geochemical and geophysical anomalies.

Base Metals (Northland, New Zealand)

An exploration permit covering more than 1100 hectares was granted in the September quarter 2012 over an area about 30 km west of Whangarei.

The geological environment is prospective for base metals and gold, and the area has a history of small scale copper production for agricultural fertiliser.

No exploration appears to have been undertaken in the past 30 years and the company is completing a study of all available geological reports and references, prior to planning ground surveys.

Mpokoto Gold Project, Africa

The Mpokoto project is an advanced development gold project, with a reported JORC Code (2004) compliant resource located in the Democratic Republic of Congo; the details have previously been announced. With an in-country specialist team and a senior executive engaged to raise the required funds NTL sees the project as a significant milestone in the transition to junior producer.

During the period New Talisman entered into a loan and option agreement with Netcom Global Inc (Netcom), the indirect owner of the Mpokoto gold project, which gives New Talisman the right to acquire up to 62.5% of the shares in Netcom for a commitment to spend up to USD\$1.75M over the next 18 months.

THACKARINGA COBALT PROJECT (NEW SOUTH WALES, AUSTRALIA)

The company holds a 21.7% interest in Broken Hill Prospecting Limited (BHPL) which owns the project.

The most recent resource evaluation (JORC Code (2004), 27 July, 2012) estimated the combined Inferred Mineral Resources of the Thackaringa cobalt-pyrite deposits (Pyrite Hill, Big Hill and Railway) as 35.7 million tonnes of pyrite mineralisation with an average grade of 1.85 pounds per tonne of cobalt (66 million pounds of

contained cobalt). In addition, 'Potential' for between 37 and 59Mt of pyrite mineralisation of similar cobalt grade was estimated (additional 63 to 101 million pounds of contained cobalt). This Potential is conceptual in nature and more drilling is required to further define it and there is no certainty that more drilling will result in an upgrade to the Resource.

In November 2012, BHPL completed a detailed Scoping Study for the production of sulphuric acid by-product from the deposits and this has highlighted significant merit for a long-term operation with a low capital start-up and staged development.

The main aspects of the study:

- Robust economics for production of sulphuric acid by-product
- Five fast-track, low cost development options identified at nominal processing rates of 1.5 to 7.5 million tonnes per annum
- Strong Australian sulphuric acid demand from fertiliser and mineral processing industries
- Enhancement of project flexibility for development of world-class cobalt mine
- First step in ongoing cobalt development, infrastructure and marketing evaluation

The study, undertaken in Australia by international engineering consultants GHD, confirmed that pyrite from BHPL's Railway, Pyrite Hill and Big Hill cobalt deposits could yield valuable sulphuric acid. Currently, sulphuric acid is in strong demand in fertiliser production, mineral processing and other industries. The processing of the pyrite for sulphuric acid production would also provide significant cobalt and iron recovery.

CAPITAL RAISING

Share Purchase Plan

An SPP was initiated in April 2012 and raised NZ\$306,000 (before expenses). Funds were applied to the Scoping Study as a precursor to the Pre-Feasibility Study at Talisman.

Completion of fully underwritten rights issue

NTL raised A\$1.5M (before expenses) through a rights issue underwritten by Cannacord Genuity Pty Ltd. The funds allowed for the completion of the Pre-Feasibility Study which was completed on time and under budget.

Matthew Hill
Executive Director

Annual results are outlined below:

Consolidated Statement of Comprehensive Income	Reporting Period 31 March 2013	Previous Reporting Period 31 March 2012
	\$	\$
Revenue	11,791	35,649
Total revenue	<u>11,791</u>	<u>35,649</u>
Audit fees	16,550	17,865
Depreciation	1,103	908
Director fees	72,022	81,793
Director remuneration	225,753	90,000
Foreign exchange loss	6,160	812
Share revaluation loss	7,664	9,339
Rent and leasing	14,517	13,313
Operating expenses	<u>318,093</u>	<u>318,727</u>
Total administrative expenses	661,862	532,757
Exploration costs written off	-	40,694
Total operating expenses	<u>661,862</u>	<u>573,451</u>

Loss from operations	650,071	537,802
Share of results of associate using equity method (Broken Hill Prospecting Ltd)	264,194	228,457
Net deficit attributable to members	914,265	766,259
Earnings per share		
Basic earnings/(loss) per share	(0.22) cents	(0.25) cents
Diluted earnings/(loss) per share	(0.15) cents	(0.25) cents

Consolidated Statement of Financial Position

	Reporting Period 31 March 2013	Previous Reporting Period 31 March 2012
	\$	\$
Cash	325,880	346,921
Receivables and prepayments	40,103	28,990
Advances to related parties	156	7,525
Current assets	366,139	383,436
Property, plant & equipment	5,564	7,284
Intangible assets (prospecting expenditure)	8,720,090	8,072,015
Investments	340,007	36,545
Investment in associate using equity method	672,460	936,654
Non-current assets	9,738,121	9,052,498
Total assets	10,104,260	9,435,934
Payables	136,328	108,021
Employee entitlements	16,063	6,559
Current liabilities	152,391	114,580
Total liabilities	152,391	114,580
Capital	25,814,174	24,269,394
Reserves	335,341	335,341
Retained profit/(loss)	(16,197,646)	(15,283,381)
Total equity	9,951,869	9,321,354
Total Equity and Liabilities	10,104,260	9,435,934
Net tangible assets per security		
Net tangible assets	1,384,170	1,363,919
Net tangible assets per security	0.3 cents	0.4 cents

Consolidated Statement of Cash Flows

	Reporting Period 31 March 2013	Previous Reporting Period 31 March 2012
	\$	\$
Cash flows relating to operating activities		
Cash inflows	12,781	37,424
Cash outflows	(737,966)	(560,290)
Net operating cash flows	(725,185)	(522,866)
Cash flows relating to investing activities		
Cash inflows	61	5,847
Cash outflows	(834,588)	(379,126)
Net investing cash flows	(834,527)	(373,279)

Cash flows relating to financial activities		
Cash inflows	1,838,226	Nil
Cash outflows	(293,398)	Nil
Net financing cash flows	1,544,828	Nil
Net increase/(decrease) in cash held	(14,884)	(896,145)
Cash at beginning of period	346,921	1,244,128
Exchange rate gain/(loss)	(6,157)	(1,062)
Cash at end of period	325,880	346,921

Consolidated Statement of Changes in Equity	Reporting Period 31 March 2013 \$	Previous Reporting Period 31 March 2012 \$
Equity at start of period	9,321,354	10,087,613
Net loss	(914,265)	(766,259)
Shares issued	1,544,780	Nil
Equity at end of period	9,951,869	9,321,354

Ownership in Broken Hill Prospecting Ltd

Percentage held	21.7%	21.7%
Contribution towards / (against) net loss	264,194	228,457

No dividends or distributions were paid or are planned.

All statements are prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.

There are no accounting policies which the directors believe are critical to the portrayal of New Talisman's financial condition and results which require the directors to make judgements and estimates about matters that are inherently uncertain.

All accounting policies have been applied on bases consistent with those used in previous years.

The annual financial statements are subject to completion of the audit.

About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed company (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 progress 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.newtalisman.co.nz and Broken Hill Prospecting at www.bhpl.biz

Competent Person Statement

Exploration activities and results contained in the Broken Hill Prospecting Ltd section of 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. Dr Pringle 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.

Potential; H&SC quantified a potential target size within the modelled Thackaringa pyrite 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.