

17 September 2013

**ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED (NTL, NTLOA or NTLO)
FOR IMMEDIATE RELEASE**

- **FIRST GOLD RECOVERED FROM METALLURGICAL SAMPLES**
- **HIGH GRADE ORE ALLOWS FOR NON CHEMICAL RECOVERY METHODS**

New Talisman Gold Mines Limited ("NTL"), today announces the first recovery of gold from its Talisman gold mine as part of its metallurgical sampling as a precursor to bulk sampling ramp up and test work. This was recovered utilising state of the art non chemical extraction methods.

Talisman is an important gold resource for New Zealand and was in the past a prolific gold producer and employer having produced 1 m oz of gold historically, in a gold region which has produced over 8m oz of gold.

GOLD RECOVERED FROM METALLURGICAL SAMPLING

Metallurgical test work investigated a suitable floatation and gravity recovery method of extracting gold from ore samples. The company tested 146 kg of very finely ground ore and has produced approximately 3 ounces of gold and silver. Further concentrates will be used for more test work to evaluate the most effective recovery rates.

Sample Collection

Hand selected samples were collected from the Talisman stockpile in bags of approximately 8kg each. Samples were classified into rock types and an example of each type retained for identification purposes. Samples were then processed at the SGS Waihi laboratory being crushed and pulverised before passing through a 50 micron screen (approximately the same grain size as cement). The pulverised product was then thoroughly mixed and a representative sample taken for assay purposes.

Lower grade samples were discarded as the equipment is not sensitive enough to record micro gram recovery levels. The assay results of the samples selected for processing are tabulated below and a photographic record of examples of those samples is shown in the table overleaf.

Grades included in test sampling

UDETENTION	100	100	100	10000	
UNITS	PPM	PPM	PPM	PPM	grade
44902	>100	-	-	162	162
44909	>100	-	-	153	153
44910	>100	-	-	190	190
44911	78.2	-	-	-	78.2
44914	>100	-	-	358	358
44915	22.2	-	-	-	22.2
44916	>100	-	-	148	148
44918	>100	-	-	453	453
44919	>100	-	-	258	258
44920	>100	-	-	103	103

Sample No	Type	Grade(ppm)
44902		162
44909		153
44910		190

44911		78.2
44914		358
44916		148
44918		453

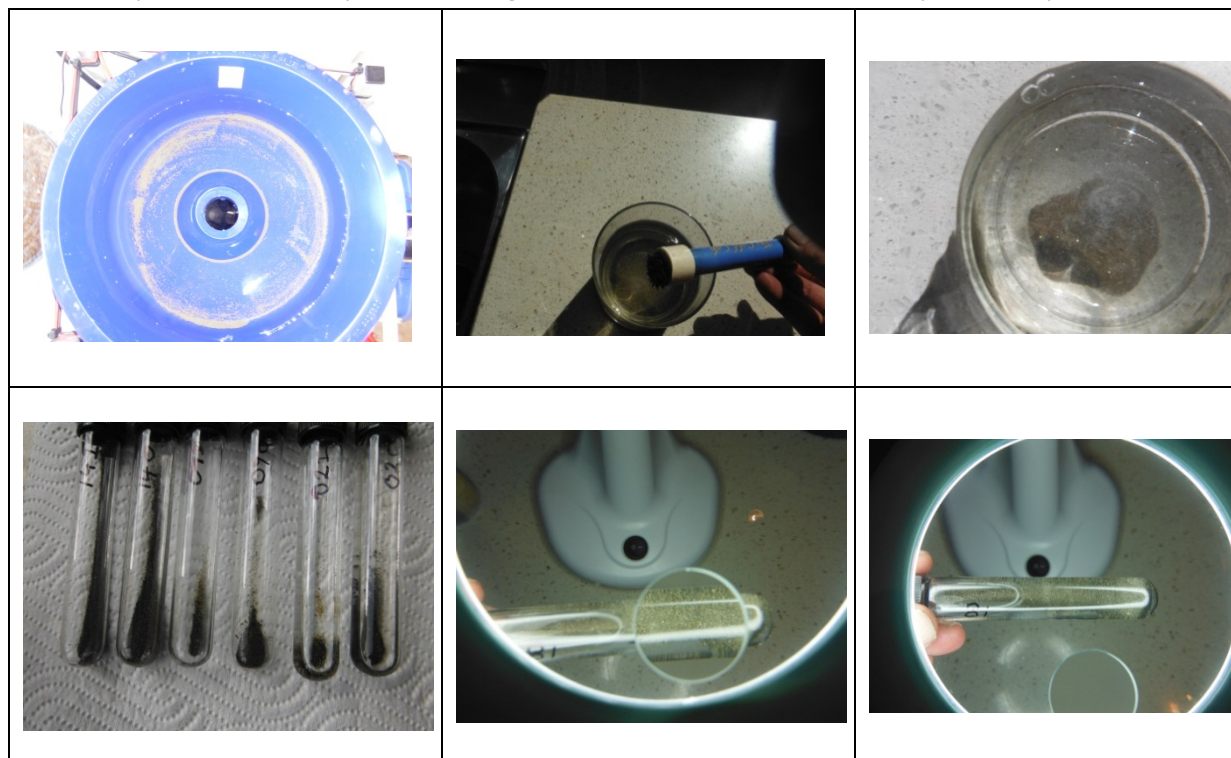
44919		258
44907		14.5

Primary Concentrating

This testwork relied heavily on wet gravity separation to remove the clay and other light minerals from the heavier electrum and sulphide minerals. It was found to be important to pass as clean a concentrate as possible through the final concentrator as the equipment relies on recirculating water and excess clay was kept in suspension causing cloudy water to be passed back through the separator bowl.

In order to float out the clay approximately 2.5kg at a time of the sample was added to a bucket along with 3 litres of water and a small amount of surfactant to break surface tension and prevent fine gold particles being washed away. The mixture was stirred thoroughly to move the clay into suspension and then allowed to settle for a minute. Approximately 2/3rd of the liquid was then decanted and the process repeated until rapid settling was attained. It was found that, on average and dependant on the grade of the sample, a 7kg sample could be concentrated to approximately 160g of material which was then passed through the final concentrator.

Matthew Hill, Executive Director, said “whilst this is a small amount of gold, in the larger scheme of things it is key to demonstrating our fuller understanding of the effectiveness of our extraction method options. Without unnecessary expenditure and use of chemicals, we have identified a number of manufacturers to scale up the treatment options allowing for concentration and extraction, prior to any toll treatment



driving early revenues to the company.”

ABOVE: THE GOLD LAB UTILISING GRAVITY AND FLOTATION – resulting gold recovered

“These are the first ounces recovered from the Talisman ore since New Talisman owned the permit and show the huge strides the company has made its final steps toward bulk sampling for which final approvals are underway. We have found nothing but support from shareholders and the wider community.” Following initial test work we expect to be able to recover up to 30 oz gold per month using existing samples, while initiating precursor work toward bulk sampling.

Matthew Hill
Executive Director
New Talisman Gold Mines Limited
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Competent Person Statement

The information in this announcement that relates to Metallurgical Testwork and gold recovery 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 testwork referred to in this release was carried out under his direct supervision. He has sufficient experience which is 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.

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.newtalisman.co.nz

