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FOR IMMEDIATE RELEASE

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

NEW TALISMAN SIGNS HEADS OF AGREEMENT WITH CHINESE INVESTOR GROUP

- **Special Purpose Vehicle set up by Chinese investor group for purposes of funding Talisman Mine Development**
- **Heads of Agreement provides for investor group to :**
 - **Invest NZ\$10.9M in development and operation of Talisman gold mine on basis set out in Pre-Feasibility study**
 - **Earn right to 65% of gold and silver produced (after costs) from reserve identified in Pre-Feasibility study .**
 - **To establish at its cost gold processing and treatment plant and to treat Talisman ore on competitive terms**
 - **To fund potential future joint ventures with NTL**

New Talisman Gold Mines announced today that it has signed a Heads of Agreement (HOA) with St Albans Pty Ltd, a Special Purpose Vehicle (SPV) set up by a Chinese investor group (the Investor), which contemplates the investment of NZ\$10.9m to fund the Talisman Mine development project, subject to completion of satisfactory due diligence, entering into definitive binding agreements and NTL shareholder approval.

The Terms of the HOA cover the funding requirements of NZ\$10.9m set out in the Talisman mine Pre-Feasibility study dated 30 March 2013 in return for 65% of the physical gold and silver produced (after costs) from the reserves identified in the Pre-Feasibility study. It also provides for the investor to bring to the project specialist gold extraction capabilities and plant and equipment which are intended to be set up near the Talisman site for the processing of ore. In addition to these terms the HOA provides the incoming investor with first option to fund any future expansion at the Talisman Permit Area.

During due diligence the Investor will visit the Talisman mine site with a group of metallurgical and gold extraction specialists. This site visit is planned for the coming weeks and will enable the parties to finalise the commercial terms of the agreement.

Executive Director Matthew Hill said, "Following our board's strategic decision to seek a funding partner our advisors, Emerald Resources (Asia) Limited, set out in October to secure a potential project partner. We welcome the opportunity to work with St Albans and its ultimate parent company in developing this project. Through the proposed funding structure existing shareholders are not diluted and retain 100% title to the Talisman Mine and full rights to the ore once production from the Pre-Feasibility ore reserves is complete. Having a strong partner allows New Talisman to accelerate

its path to production and to strengthen its ability to develop its other highly prospective tenements including Rahu, Golden Valley and Northland.”

The ability to accelerate the development of the Talisman mine project presents a significant opportunity to both parties to benefit from this historically important mine in the most commercially productive gold region in New Zealand.



The Gold Pyramid by Hauraki Gold Mining Company Limited

“We intend to work closely with our potential partners over the next 30 days and to assist them in the completion of due diligence in order to enter into a formal commercial arrangement in the timeline agreed today. We look forward to being in a position to update the shareholders in the coming weeks,” Hill says.

Following the recent grant of its Resource Consents and Access Arrangement over its Mining Permit, NTL intends in the near future to undertake a metallurgical sampling program to recover bulk ore samples from the resources targeted for early mining. This will allow for the detailed test work required to support the design of a processing facility provided for in the HOA.

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For more information on New Talisman Gold Mines go to www.newtalisman.co.nz

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 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 both the ASX and NZSX (Code: BPL).

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

