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

FOR PUBLIC RELEASE

Quarterly Activities Report to 30th September 2014

New Talisman Gold Mines Limited (NTL) is pleased to present the report on activities for the quarter ended 30th September 2014.

HIGHLIGHTS

- **Authority to enter and Operate Talisman received**
- **Rahu Resource declared and application lodged**
- **Stockpiled ore sampled and prepared for treatment**
- **Stockpiled ore sent to Newmont Waihi for processing**
- **Appointment of CFO and company Secretary**
- **Exploration joint venture discussions underway**
- **Placement raising \$280,000 complete**

During the period under review New Talisman significantly advanced the Talisman mine project at Karangahake.

Following receipt of the Authority to Enter and operate from the Department of Conservation during the period the company focussed its attention on the Health and Safety Management plan which was lodged subsequent to the period under review.

Over the coming months NTL will start the process to restore the mine workings and install the initial equipment and site offices on the hardstand area prior to initiating the bulk sampling project. The bulk sampling project is envisaged to produce 600 tonnes of ore per month with approximately 190 Oz of contained gold.

During the period the company appointed a virtual CFO Ash Clarke of Bellingham Wallace and appointed Francesco Giroto CPA as Company secretary. The company's capabilities have been further expanded with the additional appointment as it moves toward production.

CORPORATE

Rights Issue

As at the date of this report a rights issue is underway to raise up to 1.3M NZD at a price of 1 cent per share. These funds will be applied to funding the bulk sampling project and working capital.

Placement

Whilst the overall investment climate and particularly the climate for gold juniors remains depressed, the company successfully completed a placement raising \$280,000 on 3 October. The placement was priced at 1 cent per share and had significant support from its major shareholders.

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

Health and Safety Management Plan

The Health and Safety in Employment (Mining Operations and Quarrying Operations) Regulations 2013 were promulgated on 16 December 2013. Foremost amongst the requirements of the revised New Zealand mining regulations is a Health and Safety Management System (HSMS) supported by a comprehensive hazard appraisal and risk assessment process and underpinned by a series of prescribed Principal Hazard Management Plans. Taken together these set out all the processes that the company will follow to ensure the safety of employees. It is a further requirement that a draft of this HSMS must be provided to the High Hazards Unit (HHU) two months prior to commencing operations at the mine.

NTL is committed to ensuring the safety of its workforce and is fully supportive of the new regulations.

The board is pleased to advise that the company lodged this significant body of work with the High Hazards unit which will allow for start of operations from the 13th December.

Authority to enter and operate the Talisman mine

During the period the Department of Conservation granted the authority for NTL to enter and operate the Talisman mine pursuant to the proposed bulk sampling project plan outlined at the 2013 AGM.

This authority allows free access to the road with the equipment to carry out modifications in preparation of heavy vehicle movements, and to the hardstand to begin construction of surface facilities in preparation of commencing underground operations. This is a significant step forward in the process of commencement of operations at the Talisman mine.

Stockpiled ore

A batch of stockpiled ore was crushed and sampled during the period and subsequently sent off to Newmont Waihi for processing. Following receiving the results of samples which showed gold grades in excess of 1.5 Oz per tonne and silver grades of 8.75 Oz per tonne this batch was sent to and is currently being processed at Newmont's Waihi plant. It is expected that such will set the platform for long term toll treatment arrangements.

Rahu Gold Project (100%) – Hauraki District, NZ

The Company during the period lodged an application to extend the area of land of its Mining Permit 51 326 at Talisman to include the highly prospective Rahu Exploration permit. Extending the area of the Talisman mining permit over Rahu is part of the Company's strategy to ensure the future growth and expansion of the Talisman Project.

The Company has long recognised that the gold mineralised vein system at Talisman extends into Rahu where less erosion has preserved the upper levels of the mineralisation and the likelihood of high grade veins at moderate depth.



Exploration Joint Venture

During the period New Talisman worked closely with a significant gold producer and completed a detailed site visit at Rahu and other tenements in the Coromandel including Golden Valley. A review of the core samples from New Talisman's previous drilling programs at Rahu was carried out at New Talisman's core shed in Waihi during the site visit. As at the date of this report discussions on a potential joint venture or farm-in continue to be advanced and an update will be provided to the market in due course.

SUBSIDIARY COMPANY – COROMANDEL GOLD LIMITED (CGL) (100%) [Not Listed]

The strategy established in 2012 provided for the separation of the exploration and production activities of the group. As noted in the recent Annual Report various structures are being considered which would allow for a greater degree of separation of CGL from NTL. CGL holds a portfolio of highly prospective exploration assets both directly and indirectly and will be expected under a new structure to fund and manage their exploration independently of NTL. As noted above with the potential exploration joint venture, CGL will be in a strong position to further develop its separate platform to operate independently of NTL. A management team is currently being identified to develop CGL's business plan.

Golden Valley Gold Project (100%) - Hauraki District, NZ

The proposed work programme is under review while targets identified are being verified.

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

Exploration planned for the current year is being based on results of previous prospecting work by the company and the literature and data review in 2013.

BROKEN HILL PROSPECTING LTD 'BPL' (20.29%) – NSW, AUSTRALIA [ASX: BPL] Thackaringa Cobalt Project, Heavy Mineral Sands Project, New South Wales AUSTRALIA

Ti and Zr projects – New Exploration Licences Granted

Five Exploration Licences to explore for heavy mineral sand deposits (titanium and zirconium) in the Murray Basin, south of Broken Hill, NSW have been granted. The new tenements cover substantial heavy mineral sand deposits which include two deposits of considerable size and grade:

- The Magic Deposit which extends for over 12 kilometres and has a 2-3 metre thick, 110 metre wide high-grade zone with heavy mineral contents of up to 28%.
- The Copi North Deposit which extends for 15.5 kilometres and has a 3.2 metre thick, 107 metre wide high-grade zone with an average heavy mineral content of 9.8%.

The tenements also include another 18 deposits which have been drilled by other exploration groups.

BPL is planning drill sampling of high-grade, near-surface mineralisation for JORC resource calculation and processing test work during early 2015.

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About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZSX & ASX: NTL) leading New Zealand minerals development company with 1890 shareholders who are mainly from Australia and New Zealand.

The company's flagship asset the Talisman mine holds a JORC compliant mineral resource, a JORC compliant reserve and has been granted resource consents and access arrangements for the initial phase of the project. The company is currently initiating bulk sampling at Talisman and continues to advance the development of the mine. New Talisman's wholly owned subsidiary Coromandel Gold Limited holds a portfolio of high quality mineral interests and gold properties in the Hauraki and Northland Districts of New Zealand.

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

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.

