

4th April 2014

FOR IMMEDIATE RELEASE

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

Chinese investment update

New Talisman Gold Mines announced today that it has been unable to reach a satisfactory commercial agreement with St Albans.

A Heads of Agreement (HoA) was signed by NTL in December 2013 with St Albans who were unable to commence on-site due diligence within the timeframe set out in the HoA. Despite the lapsed HoA both parties had continued discussions in good faith. Ultimately the NTL directors have decided that these discussions did not reflect the offer of direct investment into NTL on the basis set out in the HoA and have declined to proceed.

NTL has subsequently received a letter of intent from the Langfang Group proposing an earn-in arrangement whereby Langfang would provide at its cost, technical, engineering and specialist ore extraction and treatment services in exchange for a percentage of the project. NTL considered that this proposal in the form provided was not acceptable.

NTL is currently at an advanced stage of negotiating an alternative financing arrangement for the Talisman project and expects to be in a position to update shareholders in the coming weeks.

Executive Director Matthew Hill said, "With alternative financing options open to NTL the board felt that the options presented during negotiations were not in the best interests of New Talisman shareholders. We have made excellent progress towards reopening the Talisman Mine and we are still on track to enter and upgrade access in preparation for gold production."

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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