

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

FOR PUBLIC RELEASE

Quarterly Activities Report to 31st March 2014

New Talisman Gold Mines Limited (NTL) is pleased to present the quarterly report on activities for the period ended 31st March 2014.

HIGHLIGHTS

- **Health and safety management plan initiated**
- **Sale of ACP shares**
- **Test work underway with potential toll treatment facilities**

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 in response to recommendations from the Royal Commission of Enquiry into the Pike River Mine disaster. The commission recommended several amendments to the regulations to align New Zealand mining legislation with international best practice. Foremost amongst the requirements of these regulations is for a Health and Safety Management System (HSMS) which is supported by a comprehensive hazard appraisal and risk assessment process and underpinned by a series of prescribed Principal Hazard Management Plans which set out 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. To date the company has conducted the initial hazard appraisal and risk assessment and is in the process of developing the risk mitigation procedures which will protect its employees from exposure to harm. NTL has assembled a team of subject matter experts particularly in the areas of mine ventilation and strata control to provide specialist independent advice to the plan.

The Health and Safety Management plan satisfies all NTL's requirements to enter and operate the mine and represents the last significant milestone on NTL's pathway to production.

Sale of ACP shares

A net return of over 38% on the initial investment was made in February 2013 through the sale of the Armadale Capital PLC shares received in exchange for the Company's interest in the Mpokoto project.

Toll Treatment

NTL has continued to progress discussions with a local treatment facility and has completed initial testing of its ore to ensure no unwanted contaminants. Further testing is currently underway to ensure suitability of the Talisman ore with the plant's configuration. Following the completion of test work NTL will be in a position to initiate deeper discussions on potential toll treatment terms.

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

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' (21.7%) – NSW, AUSTRALIA [ASX/NZSX: BPL]

BPL's cobalt-pyrite ore at the Thackaringa deposits near Broken Hill (NSW) could form the basis for sulphuric acid production. This important chemical is mostly imported into Australia and is critical for processing of many mineral commodities and for numerous industrial applications. BPL has identified a growing Australian market for sulphuric acid which will add considerable value to BPL's deposits when they are developed. Future processing options could also benefit from electricity generated from process steam and sale of the fine-grained iron (hematite) residual following cobalt recovery.

BPL has announced a financial analysis which identified the potential for a viable stand-alone project to produce 2 million tonnes per year sulphuric acid production from roasting BPL's cobalt-pyrite.

Main findings of the study for a Broken Hill location include:

- CAPEX AUD768.5m (includes mining, concentrate plant, freight, roast/acid plant)
- Sale price; AUD186/t sulphuric acid
- Revenue per year; AUD381.5 million
- Profit margin 30%
- Cost estimates are $\pm 50\%$
- Sensitivity analyses show an opportunity for significant value creation when cost estimates are reduced by 40% from base case cost assumptions.

In addition, the project's cobalt value is considerable because ore mining and processing costs prior to cobalt recovery are included in the cost structure for sulphuric acid production. Based on a cobalt price of USD27,450 per tonne, the study also suggested that an additional value of the contained cobalt within the deposits could be between USD822 million to USD1,300 million.

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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 1800 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.

New Talisman Gold owns 21.7% of Broken Hill Prospecting Limited, which holds a cobaltiferous pyrite 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.newtalismandgold.co.nz

