

14th February 2013

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

New Talisman Mpokoto Project Option

- New Talisman Gold Mines Limited (NZX: NTL) acquires an option to invest in the low-cost Mpokoto mining project;
- Prefeasibility study anticipated by June 2013, targeting first gold production in 2014;
- Key focus for NTL remains on developing Talisman gold project (the Mpokoto investment will be managed by NTL's subsidiary, Coromandel Gold Limited).

NTL today announced that it had negotiated an interest in a low-cost, early-to-production African gold project called Mpokoto.

NTL itself will remain focussed on developing its Talisman gold project near Waihi, and the investment will be managed through its subsidiary Coromandel Gold Limited (CGL). The agreement announced today will allow CGL to pursue a strategy that was outlined to shareholders in April 2012 of investing in economically promising mining ventures in other locations.

The Mpokoto project at Kisenge in the Democratic Republic of Congo has been the subject of intensive exploration work including by the mining major, Gold Fields. US\$20 million has been spent to date on the resource, which is sited close to a national highway and in the vicinity of a number of foreign-owned mining ventures.

Further drilling completed after the resource estimation is presently being incorporated into the geological models and is anticipated to be reported to the market by end April 2013. An update including full description of the project resources and the metallurgical testwork recently completed on the project will be provided upon completion of the transaction.

The Mpokoto project is nearing completion of a prefeasibility study to assess the economic potential and determine the fastest route to production. This study is expected to be completed by April 2013, with a target production date of early 2014.

NTL's initial entry is through a loan agreement executed today with Netcom Global Inc (Netcom), who is in the process of purchasing an 80% interest in the project (anticipated to complete on or around 15 February 2013).

The agreement allows NTL to convert the loan into a 20% indirect interest in the project by way of equity in Netcom with no further expenditure required. If NTL elects not to convert the loan, it has the option of retaining a 10% interest in the project either by way of equity in

Netcom or receiving a direct 10% interest in the project whilst still having the loan to Netcom repaid to NTL.

If ongoing due diligence confirms the potential for an upgrade of resources to one million ounces and NTL converts the loan, it also has the right to acquire a further 30% interest in the project (through equity in Netcom) by meeting progressive expenditures of up to US \$1.75 million over an 18-month period.

Timing of the outlays will be determined after completion of the prefeasibility study. A conceptual study of the project was based around a low-cost, low technology, heap leach processing plan that required modest capital to quickly establish a cash flow. Early returns from an open cut gold mine at Mpokoto could help fund a higher-grade underground development.

NTL also announced today that it had entered into an underwriting commitment with Mr Patrick Harford, a majority shareholder of Netcom, in relation to a potential private placement of 25m NTL shares at the greater of A\$0.09 per share or a 10% discount of the volume weighted average market price reported on the NZX Main Board Equity Securities Market for NTL ordinary shares for the 5 trading days preceding the date of subscription.

NTL executive director Mr Matthew Hill said: "This opportunity was brought to us by serious partners that are highly experienced in mining, and Africa in particular. We have the opportunity to develop a diversified gold project in advanced stages of development for NTL's specialist vehicle Coromandel Gold Limited. Given Mpokoto's significant upside potential, its experienced local management team and accelerated plan for development, this provides a low risk route to gold production. NTL now has two projects in similar stages of development at Karangahake and Kisenge."

For more information on NTL go to www.newtalisman.co.nz

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For more information on the Kisenge Gold Project go to <http://www.casamining.com/pr-kisenge-drc.php>

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