

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

**FOR PUBLIC RELEASE**

**Quarterly Activities Report to 30<sup>th</sup> June 2013**

New Talisman Gold Mines Limited is pleased to present the quarterly report on activities for the period ended 30<sup>th</sup> June 2013.

**HIGHLIGHTS**

- Placement to raise A\$543,510 completed
- Selected Talisman rock specimens contain exceptionally high gold contents (to 1% Au)
- Broken Hill Prospecting Limited investigates new sulphuric acid venture

**CORPORATE**

A share placement by Cannacord Genuity Pty Ltd raised A\$543,510 at a price of A\$ 1.1 cents per share. The funds were used for due diligence on the Mpokoto project and are continuing to be applied to NTL working capital.

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

During the period NTL commissioned a Feasibility Study on the Talisman Project. As an integral part of the Feasibility Study the company will undertake a metallurgical sampling program to recover bulk ore samples from the resources targeted for early mining. The samples will be subjected to a rigorous programme of metallurgical test work.

Initial planning for this stage of the project is now complete, a budget and project schedule have been compiled and presented to the NTL Board.

The work programme consists of three parts: establishing the surface infrastructure required for underground operations, refurbishment of old the underground workings to provide safe access to the sampling sites and metallurgical sampling via a series of small drives (tunnels) developed on the ore. Infrastructure establishment and underground refurbishment is expected to take approximately five months to complete.

In order to facilitate smooth initiation of the project the company's activities are now focussed on recruitment and procurement. NTL has been fortunate to retain the skills of an experienced mine manager who has significant exposure to operations similar to that envisaged at the Talisman Mine. Additionally the company has sourced suppliers of appropriate machinery and key consumables and expects to begin locking in supply contracts shortly.

Five strongly mineralised rock specimens, each weighing 250g to 500g, were selected visually from BM37 Bonanza zone ore grade material previously collected from the Talisman mine. Each was assayed at SGS New Zealand's Waihi laboratory, to assist a geometallurgical study of the ore. The geometallurgical specimens yielded the following results:

<b>ROCK</b>	<b>Au</b>	<b>Au(R)</b>	<b>Ag</b>	<b>Ag(R)</b>
<b>SAMPLE</b>	<b>PPM</b>	<b>PPM</b>	<b>PPM</b>	<b>PPM</b>
BIN 1-6	2130	-	3660	3690
PRA 2-1	882	885	>4000	-
PRA 2-2	300	-	2540	-
PRA 4-1	766	755	2670	-
PRA 4-6	1.02%	1.05%	>4000	>4000

**Notes:**  
*Au* gold  
*Ag* silver  
*(R)* repeat analysis  
*PPM* parts per million  
*%* percent  
*>* greater than

An independent geometallurgical report on these rock specimens suggests testwork to assess the recoverability of gold via gravity concentration and flotation methods.

The company is progressing discussions with various companies in Australia and New Zealand for the possible toll treatment of ore.

Negotiations with consenting agencies for planned low-impact bulk sampling are progressing according to plan and NTL has received positive feedback.

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

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

The Golden Valley exploration permit adjoins Newmont Waihi’s mining licence and is prospective for additional discoveries of gold deposits similar to the nearby Martha, Favona and Correnso ore bodies. Exploration at Golden Valley has previously been hampered by barren post-mineral cover obscuring the rocks that host the epithermal gold deposits in the Waihi Gold District.

The company has carried out geochemical sampling programmes designed to detect anomalous geochemical signatures in soils that lie above buried mineralisation. The results of these programmes have been used to target areas for seismic surveys to detect buried but near surface structures favourable for gold mineralisation.

The seismic surveys have detected features interpreted as potentially mineralised structures associated with topographic highs in the andesite rocks that host gold deposits elsewhere at Waihi. These observations have been integrated with the company’s geochemical and aeromagnetic data and a phased drill programme is planned to test the surface soil geochemical anomalies and structures from seismic surveys.

The drilling results will provide essential information on the geochemistry and stratigraphy of the rocks encountered and allow more precise modelling of potentially mineralised structures for further exploration.

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

Wholly owned subsidiary Northland Minerals Ltd has reviewed historic exploration data for its 1188 hectare Exploration Permit in Northland, New Zealand.

The permit covers an area of ancient seafloor basalt, intrusive dolerite and associated seafloor sediments, (Tangihua Volcanics) that have potential for the discovery of gold-rich base metal massive sulphide deposits. This deposit style is considered analogous to the “black smoker” base metal and gold-rich deposits currently being researched off the north east coast of New Zealand, often referred to as volcanogenic massive sulphide (VMS) deposits. Overseas examples of this style of mineralisation include Rio Tinto in Spain, Cyprus-style on Cyprus Island, and Mt Lyell in Tasmania.

Several copper occurrences have been mined in the past but no modern exploration has been undertaken in the area since the 1970’s. Previous reconnaissance sampling by Northland Minerals showed that this deposit style can host high grade mineralisation. Two grab samples of mullock from the Copper Queen Mine near Parakao demonstrate this potential. The first sample comprised massive sulphide that contained 17.2g/t Au, 11.41% Cu, 28.2g/t Ag and 0.42% Zn. The second sample of highly oxidized massive sulphide returned grades of 21.68g/t Au, 47.41% Cu, 48.6g/t Ag and 0.08% Zn.

The Company considers there is good potential to discover economic VMS deposits in the permit using modern exploration techniques in this underexplored region of New Zealand.

## **BROKEN HILL PROSPECTING LTD 'BPL' (21.7%) – NSW, AUSTRALIA [ASX/NZSX: BPL]**

During the quarter BPL formed a subsidiary company (Broken Hill Chemical Pty Limited, 'BCL') as a vehicle for a proposed new chemical business to produce sulphuric acid from the company's pyrite deposits. BCL is seeking a partner to undertake due diligence, metallurgical review and feasibility studies with the intention to develop a world-class industrial project based on sulphuric acid production from pyrite concentrate prepared from BPL's extensive cobaltiferous pyrite mineralisation. Cobalt could be recovered from hematite ash during the process and residual hematite could also add to project value.

Australia is a net importer of sulphuric acid which is required in many phosphate fertiliser, mineral processing and industrial applications. Fine grained hematite ash is widely used in cement manufacture to increase strength and abrasive resistance of concrete.

BPL has commenced investigations into the future production of electricity during the pyrite roasting process. Steam from exothermic heat generated by pyrite concentrate 'roasting' and sulphuric acid production could be used for electric power generation to operate future on-site processing and infrastructure. Sale of surplus, sustainable, zero-carbon energy generated by this process could also add considerable value. For a typical 2,000 MTPD sulphuric acid plant between 18-24MW of electricity could be generated.

Broken Hill Prospecting may benefit by recent DR Congo announcements. The DR Congo government has announced bans on exports of cobalt (and copper) concentrates to commence after 31 December 2013. They have also increased export taxes on concentrates from US\$60/tonne concentrate to US\$100/tonne concentrate. These measures are having a significant effect on cobalt prices and metal markets. The London Metals Exchange (LME) cash buyer cobalt price has increased from about US\$25,000/tonne to US\$31,000/tonne during the quarter.

## **MPOKOTO GOLD PROJECT**

NTL will not exercise its earn in option on the Mpokoto Gold project to spend up to a further US\$1.75M to earn a 37.5% interest as it was unable to complete satisfactory technical, legal and financial due diligence with the information provided in the deadline set out by Netcom of July 3.

NTL continues to have exposure to the project by way of its current 12.5% holding in Netcom and its US\$250,000 convertible loan.

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### **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 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.newtalisman.co.nz](http://www.newtalisman.co.nz)

### **Competent Person Statement s**

(1) The information in this report that relates to gold and silver exploration activities and results in New Zealand is based on information compiled by or supervised by Mr Peter Atkinson, a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Atkinson is a director of Coromandel Gold Ltd and also managing director of Up Minister Ltd, an independent geological consultancy company. Mr Atkinson has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Atkinson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

(2) Exploration activities and results contained in this report on Broken Hill Prospecting Limited 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. He 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.

