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

FOR PUBLIC RELEASE

Quarterly Activities Report to 31st March 2015

New Talisman Gold Mines Limited (NTL) is pleased to present the report on activities for the quarter ended 31st March 2015:

HIGHLIGHTS

- **Change of Conditions on Talisman granted**
- **Further Gold delivered and processed**
- **Independent Traffic Survey complete**
- **Waikato Regional Council Water Review complete**
- **Health and Safety Management Plan update**
- **Rahu application and Joint Venture significantly advanced**

During the period under review New Talisman progressed developments at the mine site. This included a comprehensive survey which was completed for submission of a revised Traffic Management Plan (TMP).

Further ore from the Talisman mine was crushed, sampled and processed with a significant increase in the NZD amount received on a per ounce basis. Other stockpiles are currently being assessed for removal and processing under the existing consents.

During the period a group called Protect Karangahake lodged an application for a judicial review of the consents granted by Hauraki District Council (HDC). NTL intends to vigorously defend the action and has engaged Simpson Grierson as counsel. It is important to note the application for a judicial review has had no impact on the current consents and upon completion of the TMP, NTL will continue to advance the bulk sampling project.

Following the successful capital raising in November the board instigated a number of cost saving measures including reductions in both executive and board fees. A strategy session was completed by the board during the period which focussed on the road to production and future expansion of the Karangahake project area.

The focus on long term potential upside included the application made for an extension of land over Rahu which is generally contiguous with the Talisman permit mineralisation. As outlined further in the report this attracted the interest of a significant mining company.

Change of Conditions to Talisman Permit granted

New Talisman Gold Mines announces that it has been formally granted the Change of Conditions applied for in mid-2014 by New Zealand Petroleum and Minerals, (NZPAM).

The changes take into consideration the further definition of resources during the bulk sampling phase which replaces the previous drilling requirement as well as providing for extension of time for production. Amongst key features of this COC is the recognition of external climate factors outside the company's control which will affect annual production volumes.

Ore Sales

The company announces that it has delivered a second modest batch of ore for treatment. The gold ore was crushed and sampled offsite prior to treatment and contained an average of greater than 1 oz per tonne of gold and 53.7 oz per tonne silver. Revenue from the sale of ore was some \$130 per oz more than for the last batch with a NZD value of \$1,645 per oz. Funds have been reinvested into the Talisman mine project. The company has identified further stockpiles which it intends to remove and process in the coming months.

Traffic Survey

NTL engaged an independent expert to survey the traffic and pedestrian activity on the road leading to the mine site. The initial TMP approved by HDC and under which ore was removed and transported, required a survey which is now complete and the company will lodge its amended TMP shortly.

Waikato Regional Council Water Review

In response to correspondence from Protect Karangahake Waikato Regional Council engaged an independent expert to review the water treatment plans for New Talisman's sampling project. The findings outlined the misunderstanding of the group's own specialist and the group has since withdrawn its position on the matter.

Matthew Hill said "We have continually stated that there will be no measurable effects on water as we had developed a water management plan in conjunction with the bulk sampling project plan late last year and will not be discharging any water into the river system. This has now been independently confirmed. We accept that without any mining knowledge concerns may be raised and we have continually approached the group concerned to allay and discuss these matters, to date however the group remains unwilling to do so"

Health and Safety update

The following have been deemed compliant with the regulations of Worksafe NZ

- Fire and Explosions - Principal Hazard Management Plan (PHMP)
- Ventilation - Principal Control Plan (PCP)
- Worker Health - PHMP
- Air Quality - PHMP

Revisions have been submitted or are under review for the remaining requirements by Worksafe NZ. Upon completion of the final revisions New Talisman will be in a position to implement the bulk sampling project plan. NTL is committed to ensuring the safety of its workforce and is liaising closely



with Worksafe to ensure it has all the documentation required to support the lodgement made in October prior to underground operations commencing

Data Acquisition

As previously noted the Company is in the process of acquiring a significant amount of historical data on the Talisman mine, some dating back to initial mining in the 1880's. The plans and accompanying data sets will be invaluable in assessing the potential for additional resources and to assist in long term mine planning. There are indications within the dataset suggesting some higher grade zones not previously considered within the old workings. It is expected the acquisition will be complete in the next few weeks.

Pre-Feasibility study

The pre-feasibility study on the combined Talisman and Rahu project (Karangahake Project) is well underway where the data from bulk sampling will provide the required information to complete a bankable feasibility study. It is envisaged that coupled with historical data to be acquired and analysed this will form a longer life of mine scenario.

Rahu Project

The Rahu area which is considered to be a generally contiguous mineralisation and an extension of the Talisman vein systems is currently under an application for an extension of land to be included in the Talisman permit area. The Company has long recognised that the gold mineralised vein systems at Talisman extend into Rahu where less erosion has preserved the upper levels of the mineralisation and the likelihood of high grade veins at moderate depth.

The NTL executive team and its potential joint venture partners recently met with NZPAM to discuss the application for an Extension of Land "EOL" over Rahu lodged in August 2014 for which a formal response was received and further details are being provided to support the application. The Company is working closely with NZPAM in order to finalise the application.

A Rahu project plan encompassing such an extension of the Talisman mine plan will be submitted to NZPAM in early May as requested. As previously announced the company is currently in the final stages of negotiations with a global mining company over the Rahu target area and expects to proceed with an extensive work program should the EOL be successful. A draft Heads of Agreement is currently being reviewed by both parties.

NTL have completed some 2,492m of drilling at Rahu which, together with previous drilling campaigns and geological investigations, provides evidence that mineralisation and alteration present at Rahu represent the northern extension of the Talisman epithermal gold system. Most of the drilling has intersected broad zones of low-medium grade Au and Ag mineralisation with narrower higher grade intervals. This is characteristic of the upper parts of an epithermal system. Highly mineralised quartz vein fragments (up to 7.6g/t Au) in hydrothermal breccia zones present within drill core attest to the presence of deeper higher-grade quartz veining that is characteristic of the veins mined within the Talisman Mine and provides further evidence that Rahu is an extension of the Talisman. The EOL to include Rahu in the Talisman MP will allow for a natural extension of mining operations from the Talisman.



Tenements

The interests in mining tenements held by New Talisman Gold Mines Limited (and fully owned subsidiaries) at the end of the quarter and the related percentage of ownership:

Permit Number	Type	Permit Name	Location	Interest
MP 51326	Mining	Talisman	Coromandel, NZ	100%
EP 40117	Exploration	Rahu	Coromandel, NZ	100%
EP 40736	Exploration	Golden Valley	Coromandel, NZ	100%
EP 53706	Exploration	Parakao	Northland, NZ	100%

Broken Hill Prospecting Ltd (18.04%) – NSW, Australia [ASX: BPL]

Thackaringa Cobalt-Pyrite Project, Heavy Mineral Sands Project, New South Wales Australia Ti and Zr projects – New Drilling Results Show Promise

Broken Hill Prospecting Limited (BPL) undertook maiden drilling programmes at two Heavy Mineral Sands (HMS) projects (titanium, zirconium) in western New South Wales. 6,000 metres of air-core drilling was completed at the Copi North and Magic Heavy Mineral Sands deposits and this included 129 drill holes at Copi North and 88 drill holes at Magic. Initial results from Copi North include widespread intervals of >20% heavy minerals with grades ranging up to 35%. Final analytical results are expected during May and completed JORC 2012 resource estimates for the deposits are anticipated in mid-2015.

No field work was undertaken at BPL's Thackaringa Cobalt-Pyrite project which received considerable interest from potential investors and developers.

Matthew Hill said "The Company has had an active and productive quarter and progressed its activities at both Talisman and Rahu. The board is determined to continue on its path to develop NTL as the next significant producer with some of the highest grades of gold and silver in the country".

Matthew Hill

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About New Talisman Gold Mines Ltd

New Talisman Gold is a dual listed (NZX & ASX: NTL) leading New Zealand minerals development company with about 2,000 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 highly prospective mineral interests and gold properties in the Hauraki and Northland Districts of New Zealand. New Talisman owns 18.04% of Broken Hill Prospecting Limited, which holds a significant cobalt project at Thackaringa, about 25 kilometres south-west of Broken Hill in Australia and a heavy mineral sands exploration portfolio. BPL is listed on the ASX (Code: BPL).

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

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, and Mineral Resources is based on information compiled by Murray Stevens, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stevens is employed by Stevens and Associates and is an independent consultant engaged by New Talisman Goldmines Limited from time to time on a consulting basis. Mr Stevens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stevens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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. 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The Inferred Mineral Resource was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Potential is reported under JORC Code 2012. It is conceptual in nature and more drilling is required to further define it. However, there is no certainty that additional work will result in an upgrade of potential to Mineral Resource. 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.

