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## ANNOUNCEMENT BY NEW TALISMAN GOLD MINES LIMITED [ASX, NZSX: NTL] FOR PUBLIC RELEASE

### Quarterly Activities Report to 30 September 2012

New Talisman Gold Mines Limited is pleased to present its quarterly report for the period ended 30 September 2012.

#### HIGHLIGHTS

- Internal review of the independent scoping study for the Talisman mine completed and pre-feasibility study under way
- Announcement of a rights issue to shareholders on a 1 for 3 basis at Australian 1 cent (NZ 1.3 cents) with an attaching 5 year option exercisable at Australian 2 cents (or NZ\$ equivalent), which has been fully underwritten by Canaccord Genuity (Australia) Limited to raise \$A1.2M
- Rahu Exploration Permit appraisal extension granted for 3 years
- Northland base and precious metals Exploration Permit granted for 5 years

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

The company completed a review of the scoping study undertaken by Mining One Pty Ltd and has commenced the pre-feasibility study.

The concept for the Talisman mine is that of a small-scale, high grade underground operation, using innovative technology where possible, with mining rates to be established at completion of the pre-feasibility study.

Recovery of existing stope-fill of moderate grade from the old workings appears likely, which will provide for early mine production.

The company aims to have the pre-feasibility study completed by 31 March 2013. Approaches have been received from a number of potential investor groups from China and Australia and a recent site visit conducted. Discussions are progressing with these parties.

A search for a mining engineer with specialist underground experience was initiated and the company expects to appoint a suitable candidate in the coming weeks.

#### Rahu Exploration Permit - Minimum Work Program Agreed (after 30 June)

The Company has been granted a 3 year appraisal extension for the Rahu Exploration Permit (EP 40117).

Rahu has an extensive mineralised zone and the geological model indicates higher grades are likely at depth. Exploration over the next two years will involve deeper drilling of favourable targets to locate gold resources which could supplement those at the Talisman mine in the longer term.

## **SUBSIDIARY COMPANY - COROMANDEL GOLD LIMITED (100%) [NOT LISTED]**

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

New Zealand Petroleum & Minerals granted of EP 53706 to Northland Minerals Limited, a subsidiary of Coromandel Gold Limited, for a term of 5 years.

Initial literature research is under way, to provide a basis for the exploration work being planned. The main focus of exploration work will initially be on gold and copper.

The permit covers 1188 hectares of private and conservation land about 30 km west of Whangarei in Northland.

### **Broken Hill Prospecting Ltd (21.7%) – NSW, Australia [ASX/NZSX: BPL]**

Since listing on the New Zealand and Australian stock exchange in early 2011 Broken Hill Prospecting has greatly increased its cobalt resource at Thackaringa. At the beginning of the quarter a Mineral Resource Estimate for the Railway Cobalt Deposit near Broken Hill, substantially increased the combined Inferred Mineral Resource (Pyrite Hill, Big Hill and Railway) from 20.8 million tonnes (Mt) at 1.87 pounds per tonne (lb/t) of cobalt to an Inferred Mineral Resource total of 35.7Mt at 1.85 lb/t of cobalt (66 million lb of contained cobalt).

There is a \*Potential 35 to 39 million tonnes of cobalt mineralisation of similar grade (63 to 101 million lb of contained cobalt) peripheral to the existing resources at Pyrite Hill and Railway deposits.

The cobalt mineralisation is near-surface and accessible to open cut mining.

GHD Pty Ltd, an international consulting group, is completing a scoping study of future development options for the cobalt project. The study will also indicate likely capital and operating costs.

The scoping study is expected to be available in early November.

*\*This potential lies outside of the Inferred Resource because of the absence of nearby drilling. This target is conceptual in nature and more drilling is required to further define it. There is no certainty that this will result in a Mineral Resource.*

## **FUNDING**

### **Rights Issue**

During the quarter the Company announced a fully underwritten Rights issue to raise \$A1.2M. The Rights Issue entitles each shareholder resident in New Zealand or Australia to subscribe for one new share for every three shares held at an issue price of Australian 1 cent (NZ 1.3 cents). Under the entitlement every share subscribed will carry an attaching option with an exercise price of Australian 2 cents (or NZ\$ equivalent) for a 5 year term from date of allotment.

Rights trading commences on 30 October 2012 on the ASX and 1 November on the NZSX. Opening date for the Rights Issue is 7 November.

The funds raised will be used to:

- advance the Talisman project through pre-feasibility, including a project development study to include mining and processing options, safety and environmental requirements; and
- fund general working capital.

## **CORPORATE**

During the quarter, Robert Pearce, Douglas Buerger and Paul Griffin resigned as directors.

Matthew Hill was appointed Executive Director.

The company is considering candidates with the necessary skills to assist with the next stage of the company's development for appointment to the board.

The restructured board and its revised strategy have been well received by investor groups and major shareholders.

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**Competent Person Statement**

*The cobalt exploration drilling and results contained in 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 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.*

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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 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](http://www.newtalismangold.co.nz)