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www.talgaresources.com**Corporate Information**ASX Code **TLG/TLGO**Shares on issue **124.59m**Options (unlisted) **10.90m**Options (listed) **7.72m****Company Directors****Keith Coughlan**

Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director

TALGA DRILLING TO EXPLORE NEWLY DEFINED GRAPHITE TARGETS

Highlights:

- 1,500m diamond drilling planned to test newly defined targets in March 2015
- New targets follow tenement acquisitions, data analysis and the successful completion and review of the 2014 Vittangi diamond drilling program
- Targets focus on graphene production potential
- Vittangi and Jalkunen project graphite exploration targets total 150-275Mt (JORC compliant) to a maximum vertical depth of 100m

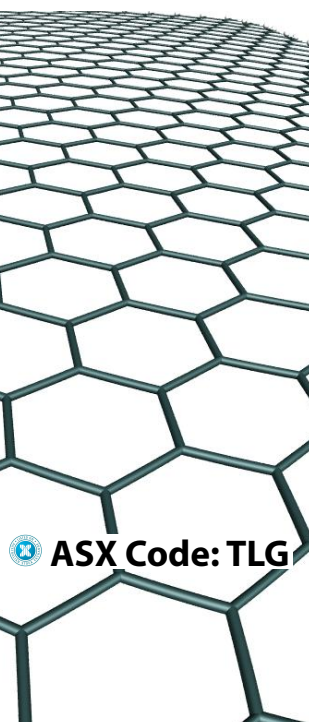
Talga Resources Limited ("Talga") is pleased to advise the definition of new Exploration Targets and forthcoming drilling at Talga's graphite projects in northern Sweden (Fig 1). The Exploration Targets include new estimates for the Vittangi and Jalkunen projects where graphite mineralisation is thought to have been formed under near identical conditions (Fig 2). The flagship Nunasvaara graphite deposit ("Nunasvaara"), within the Vittangi project ("Vittangi"), already has total Indicated and Inferred resources (JORC 2004) of 7.6 million tonnes (Mt) @ 24.4% graphite ("Cg") (see ASX release 8 November 2012) while the Jalkunen project ("Jalkunen") has no resource as yet.

Note: The Exploration Target is based on a number of assumptions and limitations with the potential grade and quantity being conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource Estimate in accordance with the JORC Code and it is uncertain if future exploration will result in the estimation of a Mineral Resource.

Within Vittangi three prospects underpin a new combined exploration target ranging from 100–175 Mt with average grades between 20-28% Cg. At Jalkunen, 50 kilometres southeast of Vittangi, a new combined exploration target ranging from 50-100 Mt with average grades between 19-27% Cg has been estimated from five prospects (Table 1).

Table 1 Talga's Swedish Graphite Exploration Targets.

Project	Exploration Target	Length (m)		Width	Tonnage (100m VD)		Grade (Cg)	
		Min.	Max.		Min.	Max.	Min.	Max.
Vittangi	Nunasvaara	12,000	18,000	20	62,400,000	93,600,000	20	30
Vittangi	Kotajärvi	3,200	5,800	20	16,640,000	30,160,000	20	25
Vittangi	Maltosrova	4,000	10,000	20	20,800,000	52,000,000	20	25
Jalkunen	Jalkunen	1,000	2,000	50	13,000,000	26,000,000	20	25
Jalkunen	Tiankijokki	500	1,000	20	2,600,000	5,200,000	15	25
Jalkunen	Nybrännan	1,000	2,000	20	5,200,000	10,400,000	20	30
Jalkunen	Suinavaara	500	1,100	20	2,600,000	5,720,000	15	25
Jalkunen	Lautakoski	5,000	10,000	20	26,000,000	52,000,000	15	25
TOTAL:					149,240,000	275,080,000	19	27
ROUNDED:					150,000,000	275,000,000	18	25



The Exploration Target estimates were based on the acquisition and processing of airborne and ground based EM data, combined with historic and recent drilling, rock chip sampling and mapping into new areas. This data clearly shows the continuity of many of Talga's known graphite occurrences in context of current resources and prospects. The data has allowed extrapolations to confidently enable estimates of Exploration Targets (to a maximum vertical depth of 100 metres) across both the Vittangi and Jalkunen project areas, to total in the range 150-275 Mt at an average grade between 18-25% Cg. The graphite occurrences in both project areas have demonstrated ability to produce graphene using Talga's unique processing methods.

The Exploration Target is based on numerous assumptions and limitations with the potential grade and quantity being conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource Estimate in accordance with the JORC Code and it is uncertain if future exploration will result in the estimation of a Mineral Resource.

Exploration Target to be Tested by Diamond Drilling in March

As a result of the recent work (which culminated in the Exploration Targets), Talga is now planning for a diamond drilling program to test and confirm a number of the known high grade graphite occurrences.

The program of approximately 1,500 metres of diamond drilling is scheduled to commence in March 2015 to focus on the Jalkunen and Tiankijokki prospect areas. Previous historic diamond drilling at these locations returned intersections of up to **51m @ 15.8% Cg** and **26m @ 27.7% Cg** within a graphitic unit having similar metallurgical properties to Nunasvaara (see ASX release 16th September, 2014).

Should the upcoming drill program results align with previous test work confirming Jalkunen's graphene production potential, Talga will have identified a large graphite province uniquely suitable for bulk scale graphene production.

VITTANGI PROJECT

Vittangi, specifically the Nunasvaara deposit, has Indicated and Inferred resources (JORC 2004) of **7.6Mt @ 24.4% Cg** and occurs in a continuous stratigraphic unit which averages at least 20 metres wide and dips moderately to the west-south west. The resource has been estimated based on a total of 39 diamond holes for 3,646 metres covering approximately 1,200 metres of strike.

Fig 1 Talga's 100% owned graphite projects in Sweden.

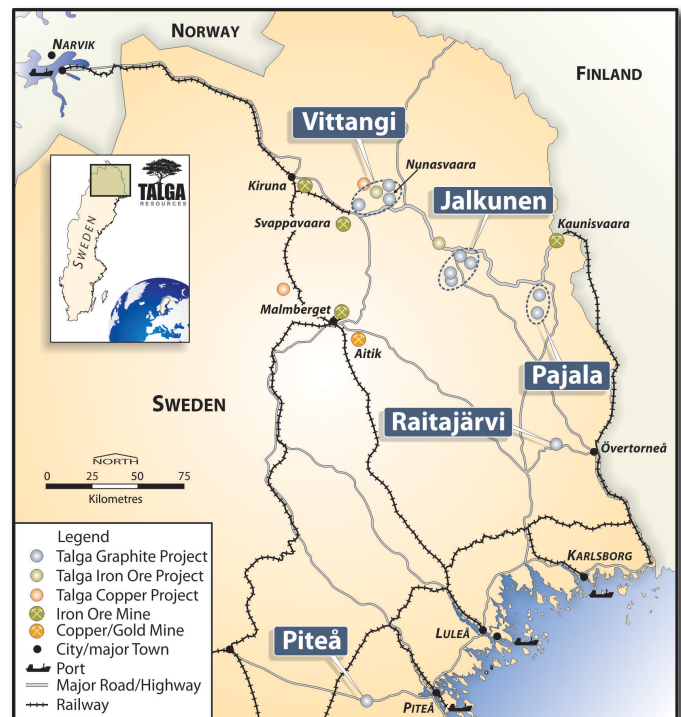
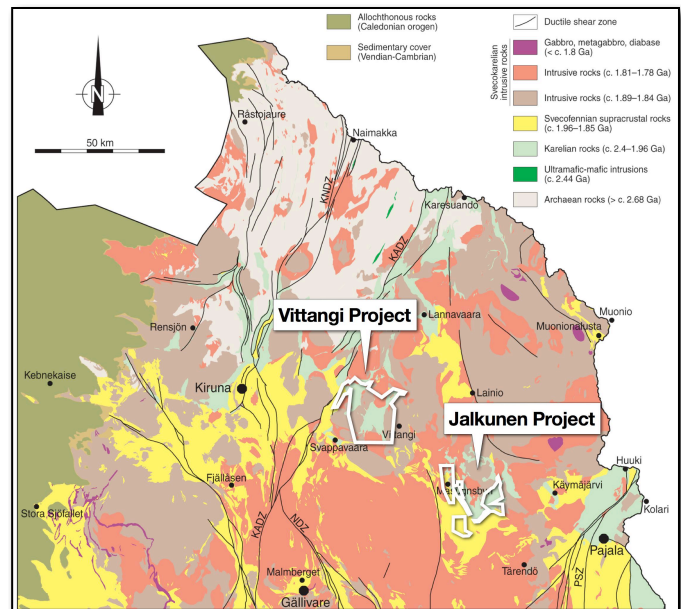


Fig 2 Geology map (Bergman 2001) and location of Talga's Vittangi and Jalkunen graphite-graphene projects in Sweden



Characteristically, the Nunasvaara/Vittangi graphite unit has extremely high grades, commonly in excess of **25% Cg** and attaining **more than 50% Cg** in parts, with a distinctive low sulphur/carbon ratio and exceptionally homogenous crystallinity. This diagnostic feature of the material enables ready identification in exploration and contributes to its ability to readily liberate graphene using Talga's unique process.

Detailed rock chip sampling by Talga over approximately 15 kilometres of the graphite unit has returned consistently high graphite (**15.5 - 46.7% Cg**) and low sulphur grades. In many places, thin transported till/moraine cover rocks mask the graphite outcrop and no surface sampling is possible in these areas. A review of airborne EM data in these covered areas has highlighted the presence of a consistent geophysical anomaly, which in conjunction with historic trenching and drilling, highlights graphite unit continuity over 19 kilometres of strike (Fig 3) and enables estimation of the Exploration Target (Table 1).

A program of diamond drilling completed late in 2014 (see ASX release 13 Nov 2014) and totalling 10 holes in five separate locations over 6 kilometres of strike length intersected high grade graphite in every hole at shallow depths, including intersections such as **47m @ 30.8% Cg** and **46m @ 31.4% Cg** located along strike from the current Vittangi resource. These results confirmed the significance of the high grade rock chips and demonstrated the clear relationship between the airborne EM anomalies and the high grade graphite unit extending over many kilometres (Fig 4). In addition, the discovery of a new graphite unit in the footwall position of the main graphite zone during the late 2014 drilling opens up the potential to significantly improve the resource base at Vittangi.

The other areas at Vittangi incorporating the Kotajärvi and Maltosrova Exploration Targets comprise prominent EM conductors with trenching and rock chip data that highlights graphite unit continuity and enabled the Exploration Target estimations (Table 1). Recent ground based EM work by Talga and reprocessing of historic airborne EM data at Maltosrova has defined the conductor over 8 kilometres of strike. Historic work over approximately 1 kilometre of this unit reports grades exceeding **40% Cg** and rock chip sampling by Talga has returned values of up to **23.5% Cg** (see ASX release 1 Sept 2014).

Fig 3 Plan of Vittangi project showing Exploration Targets and Tenure over EM Conductors.

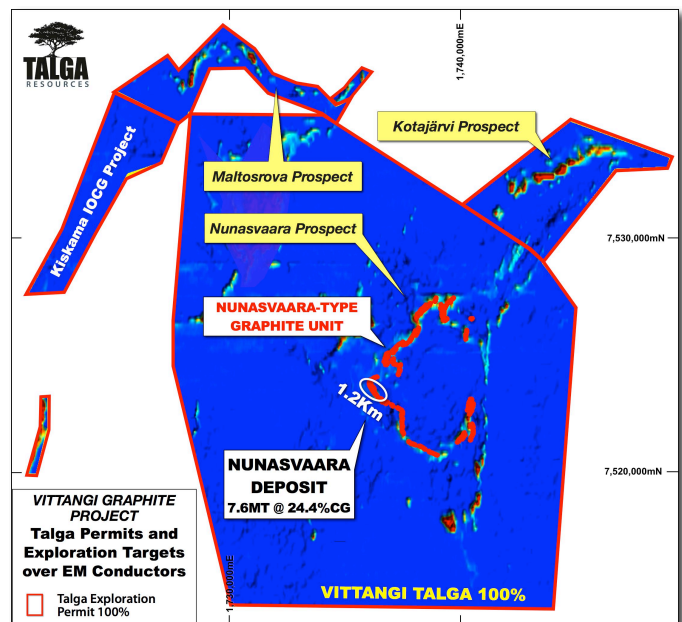
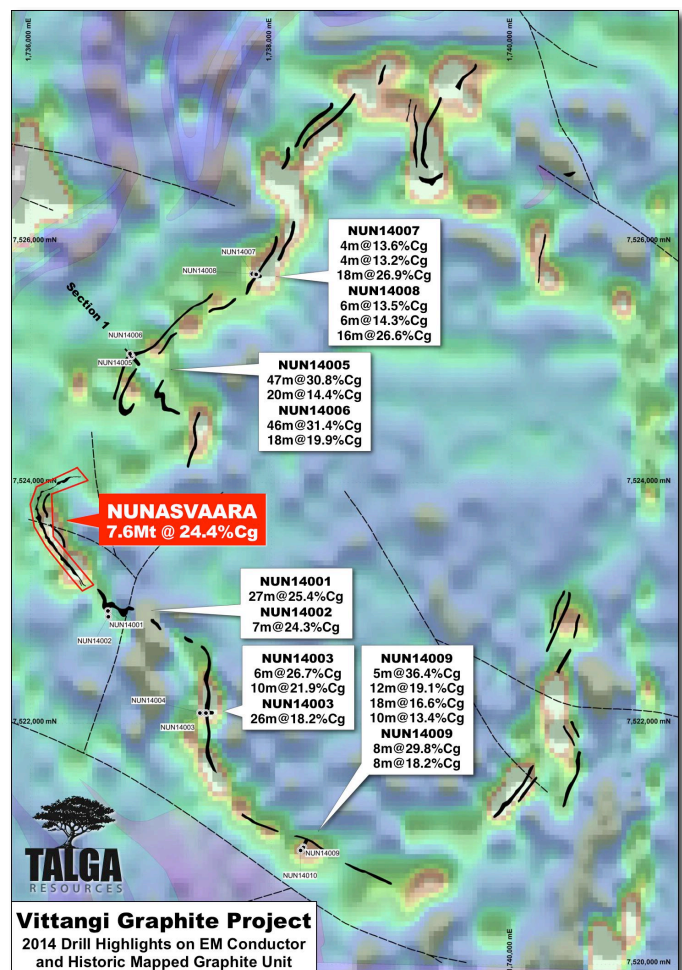


Fig 4 Plan of Nunasvaara Resource and Exploration Target over EM Conductors.



JALKUNEN PROJECT

The Jalkunen project comprises a number of exploration licences covering some 88 square kilometres. The area was previously explored by the Swedish Geological Survey ("SGU") in the early 1990s for graphite. Multiple conductors were identified from airborne and ground based EM surveys and subject to rock chip sampling, trenching and diamond drilling (Fig 5). Highlights from the drilling included **45m @ 19.4% Cg, 9m @ 35.0% Cg, 51m @ 15.8% Cg and 26m @ 27.7% Cg**.

The vast majority of high grade intersections also returned low sulphur, suggesting similar morphology and characteristics to Vittangi/Nunasvaara graphite material. Test work has also confirmed that the Nybrännan graphite behaves identically to Nunusvaara graphite in its ability to liberate graphene using Talga's processing methodology. This demonstrates that the Jalkunen graphite unit contains similar graphene production potential to that of Vittangi (see ASX release 12 September 2014).

Fig 5 Plan of Jalkunen project showing Exploration Targets and Tenure over EM Conductors.

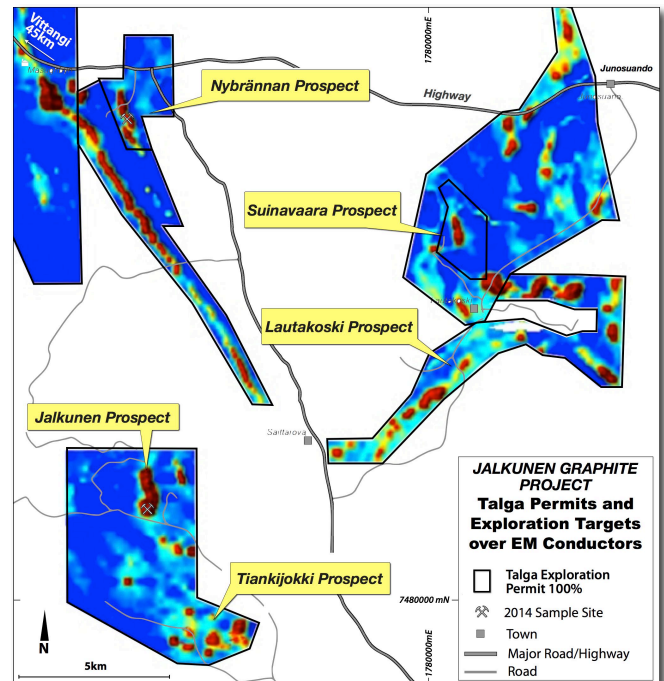


Fig 6 Schematic of Jalkunen prospect with graphite mineralisation model from historic drilling, air/ground EM surveys and rock outcrop sampling. This model 200m VDepth. Note Exploration Target restricted to 100m VDepth.

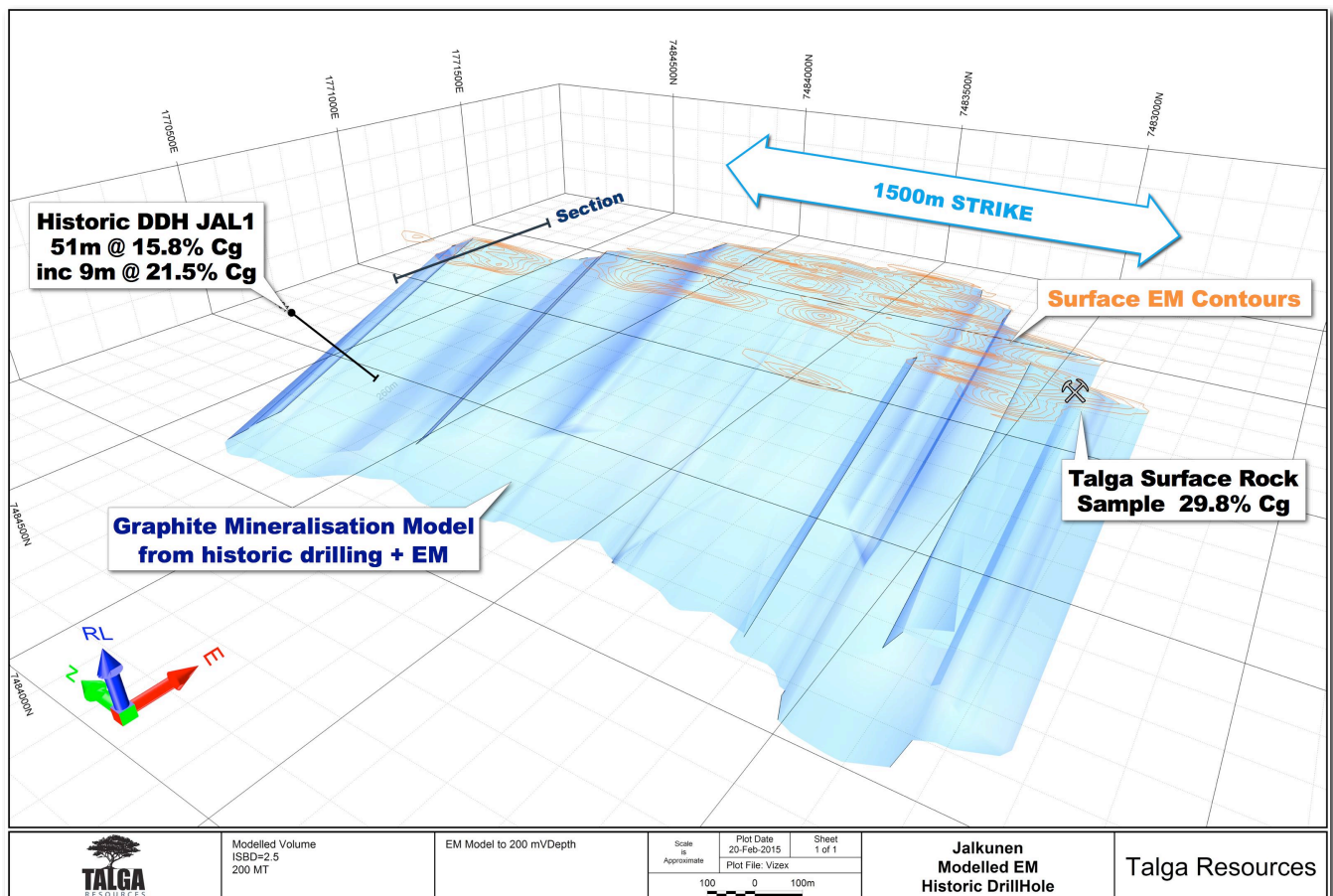
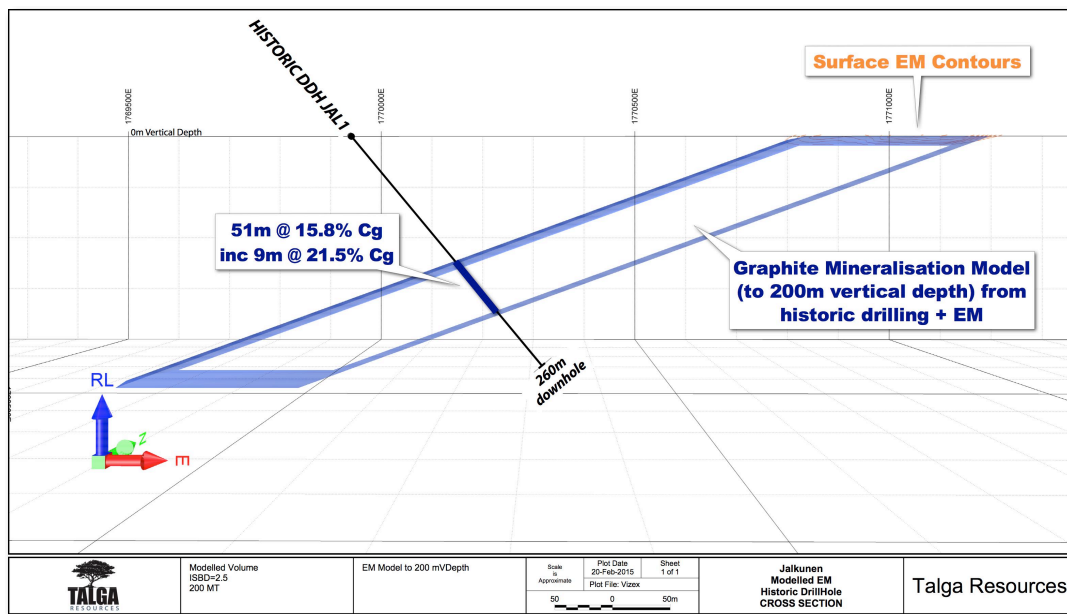


Fig 7 Schematic of Jalkunen prospect Section as per Fig 6, showing shallow dip of modelled mineralisation between historic drill intercept and surface EM contours. This model 200m VDepth. Note Exploration Target (Table 1) restricted to 100m VDepth.



Two airborne EM surveys in the area coupled to a recent ground EM survey by Talga at the Jalkunen project has confirmed the strike extent of the conductors and supports the strike extent and continuity of the graphite units.

At the Nybrännan prospect, recent exploration by Talga has returned high grade rock chip results of **31.7% Cg** and **41.3% Cg** with low sulphur values. Historical trenching results at Nybrännan including **14m @ 33.3% Cg** and **8m @ 32.1% Cg** further confirm the high grades in this area. A prominent EM anomaly extending over 2 kilometres of strike length and up to 400 metres of width provides additional support for the Exploration Target in this area (Table 1).

The Lautakoski and Suinavaara prospects comprise historic exploration projects initially explored by the SGU. At Lautakoski a prominent EM conductor extending over 10 kilometres was located and limited drill testing returned results of up to **45m @ 19.4% Cg** and **9m @ 35.0% Cg**. Talga has recently completed a ground based EM survey over Suinavaara which has confirmed the airborne EM survey results and outlined a conductor of approximately 900 metres in strike length (Fig 5 and Table 1). This portion of the overall Exploration Target is covered by shallow till and drill testing is planned mid this year in the summer field season in Sweden.

At the Jalkunen prospect rock chip sampling by Talga in 2014 returned rock chip values of **29.8% Cg** (<0.2% Sulphur) at the surface expression of an EM conductor, confirming the tenor of historic drill intercept. A further ground EM survey by Talga has more closely defined and enabled accurate modelling of the conductor. **The shallow dip of the graphite unit means the true 50m width opens up the possibility of attractive geometry and excellent large scale tonnage potential (Fig 6 and Fig 7).** This is significant in the context of graphene-producing graphite per vertical metre. Drilling will commence in March 2015 to test this target for conversion to a JORC 2012 indicated to inferred resource.

For further information, please contact:

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About Talga

Talga Resources Limited ("Talga") (ASX: TLG) is a Perth headquartered high tech materials company with its own source of integrated supply from multiple advanced and high grade graphite projects in northern Sweden. The flagship project "Vittangi" is at development stage and like the rest of the projects, it benefits from established high quality infrastructure in Sweden including proximity to grid power, road, rail and ports.

Two of the five graphite projects have unique ore that allows graphite and graphene to be liberated at an atomic level in a ground breaking and extremely cost effective way. The graphene produced is of a high quality and suitable for a range of large volume composite and additive applications as well as high technology applications.

Talga's legacy non graphite assets in Sweden and Australia, including a cobalt-rich IOCG, are all to be commercialised to provide funds for the core graphite projects.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Mark Thompson, who is an employee of the Company and a member of the Australian Institute of Geoscientists and Mr Simon Coxhell, a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Thompson and Mr Coxhell have sufficient experience which is relevant to the activity which is 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" ("JORC Code"). Mr Thompson and Mr Coxhell consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Resource Estimation is based on information compiled and reviewed by Mr Simon Coxhell. Mr Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is undertaking 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" ("JORC Code"). Mr Coxhell consents to the inclusion in this report of the Matters based on this information in the form and context in which it appears.
