



ASX Code: TLG

Talga Gold Ltd

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Issued Capital

46.35m Shares

4.35m Options (unlisted)



Talga Commences Drilling Graphite Deposits

- Commencement of Initial diamond drilling programme in Sweden
- Programme designed to comprise up to 5,000m of drilling aimed at upgrading the current resource classifications and sizes of selected 100% owned graphite and iron deposits
- Drill results also expected to allow preliminary economic studies to commence on several projects

Talga Gold Limited (ASX: TLG; "Talga" or "the Company") is pleased to announce that drilling has commenced at its 100% owned Nunasvaara graphite project in northern Sweden.

The initial program at Nunasvaara will comprise a total of 20 diamond drill holes for approximately 1650m and form the first part of Talga's Swedish summer drilling program which is expected to drill test up to five separate high priority graphite and iron targets. The first drill hole at Nunasvaara, which was completed on the 30th of June, successfully intersected an approximately **25m downhole interval of graphite mineralisation visually interpreted as containing grades greater than 20%C from 17.55m depth.**

The Nunasvaara deposit was previously explored by the Swedish Geological Survey ("SGU") and the state owned mining company Luossavaara-Kiirunavaara AB ("LKAB") who defined a 700m long graphite deposit up to 50m wide following completion of 21 diamond drill holes, 12 trenches and bulk sampling during 1970-1982. Based on the results of 17 drill holes for 1,677.2m Talga's consultant estimated a JORC-code Inferred Mineral Resource of **3.60Mt @ 23% C** was present, open at depth and along strike.

Managing Director, Mark Thompson said "drilling has commenced only weeks after our action to acquire ahead of time the Swedish portfolio of Teck Resources Limited, highlighting our satisfaction with the mineralised potential and



Figure 1. Drilling underway, Nunasvaara.



Figure 2. Talga's maiden drillhole NUS12001 showing part of high grade graphite unit.

project development upside from these projects.”

“The objective of the drilling programme is two-fold; firstly the expansion and upgrading of the existing resources, and secondly, the commencement of preliminary economic studies on several deposits. Our immediate focus is advancing multiple graphite projects towards fast-track development.”

“We are extremely excited about being in the unique position to potentially develop both amorphous and flake style graphite deposits that share infrastructure and supply both markets. Nunasvaara’s 23%C graphite JORC-code compliant Inferred Resource is renowned as the highest grade graphite resource in the world and is also one of the most advanced graphite projects globally. The deposit is but the first in our agenda to develop multiple new graphite mines in northern Europe.”

For further information, please contact:

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ABOUT TALGA GOLD

Talga Gold (**Talga**) (ASX: “TLG”) is a diversified mineral explorer with a portfolio of graphite, iron, copper and gold projects in Sweden and Western Australia.

Since listing in July 2010, Talga has been actively exploring its portfolio of gold projects in the Yilgarn and Pilbara regions of Western Australia. In 2011, Talga identified and subsequently acquired a number of graphite, iron and IOCG projects in Sweden.

GRAPHITE

Talga wholly owns a portfolio of advanced and high grade graphite projects in the Kiruna Mineral District of northern Sweden, all within a 110km radius of the central Jalkunen project.

The immediate focus is to advance multiple graphite projects towards development, with fast-tracking available due to the advantage of established quality infrastructure including power, road, rail and ports. Initially this will entail the expansion in size and upgrading of the categorisation of the existing high grade graphite resources published for Nunasvaara and Raitajärvi.

Additionally, it is also the Company’s objective to complete drilling on a number of other projects, including the multiple JORC-code compliant exploration targets associated with the Jalkunen project.

IRON

Talga owns 100% of six exploration permits in the Kiruna mineral district recognised as containing significant iron ore deposits with considerable growth upside based on historic drilling and JORC compliant resources and exploration targets.

Talga’s strategy is to advance the iron ore projects within the area and at an appropriate stage consider options to commercialise these assets either in their own right or in conjunction with other parties.

GOLD

Talga is actively exploring high grade gold projects in the Yilgarn and Pilbara regions of Western Australia. Additionally the Company owns several copper-gold projects within its Sweden portfolio.

References

1 The JORC Code compliant Exploration Targets are based on historic diamond drill testing, airborne and ground geophysics, trench and bulk sampling conducted by the Geological Survey of Sweden and associated state companies that pre-date the creation of the JORC Code and so the potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to define a JORC Code Mineral Resource and it is uncertain if further exploration, metallurgy and interpretation will result in the determination of a JORC Code Mineral Resource.

Competent Person’s Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Dylan Jeffriess who is a member of the Australian Institute of Geoscientists. Mr Jeffriess is a consultant to the Company and has sufficient experience which is relevant to the activity to which he is undertaking 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” (“JORC Code”). Mr Jeffriess consents 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 2004 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.

Figure 3. Drillhole and trench location plan on topographic image, Nunasvaara graphite deposit.

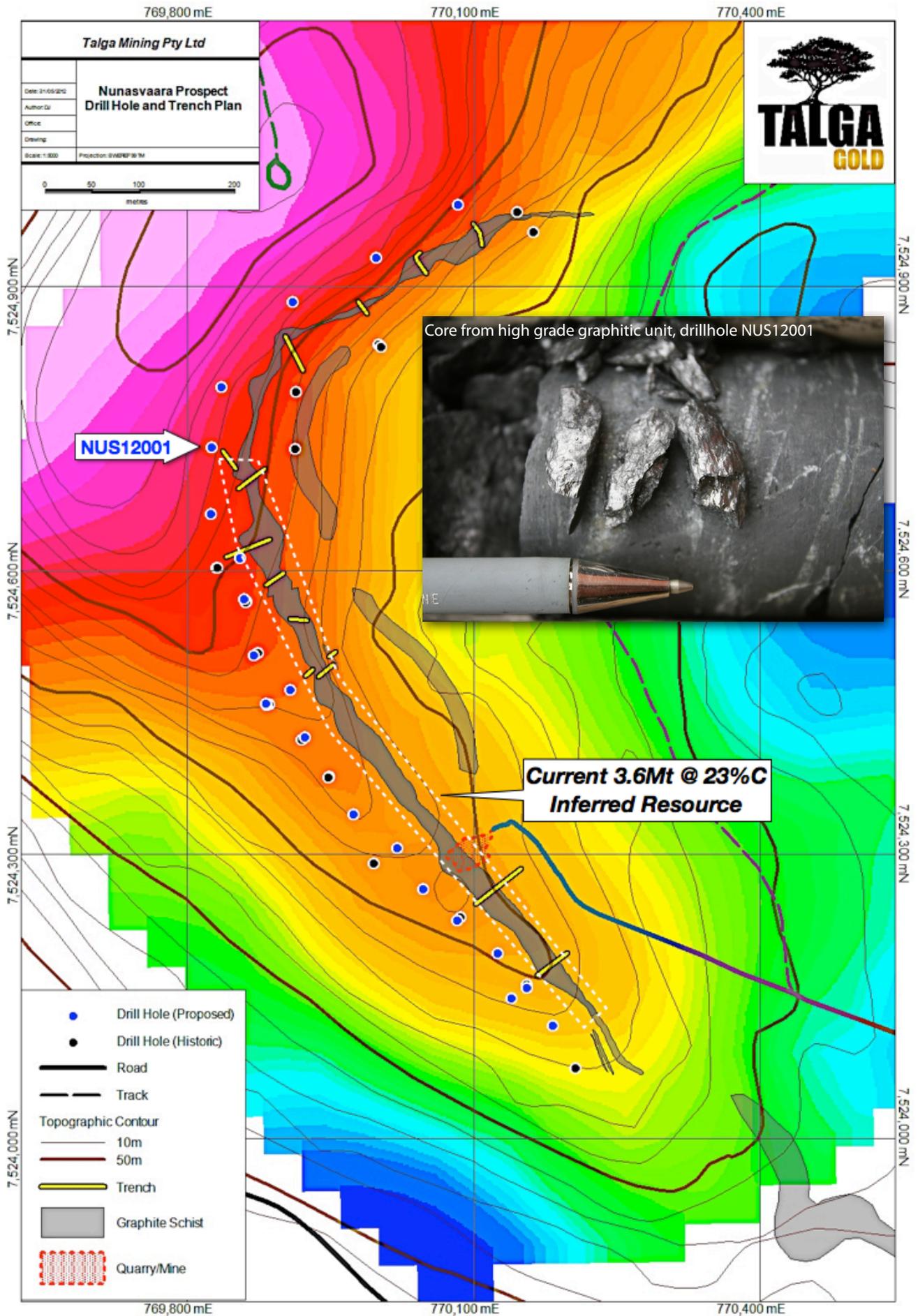


Figure 4. Graphite projects location and transport infrastructure, north Sweden.

