



ASX Code: TLG

Talga Gold Ltd

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Issued Capital:

46.35m Shares

4.35m Options (unlisted)

Market Capitalisation **\$15.2m**

@ last TLG share price: **\$0.30**

Cash Position: \$3.23m

as of Dec 31, 2011

Sweden diamond core sampling program commenced

Talga Gold Limited (ASX: TLG or "Talga") is pleased to report that it has commenced a program of geological logging and sampling on archived historic diamond drill cores from its wholly owned* graphite projects in north Sweden.

The diamond core was drilled previously by the Swedish Geological Survey ("SGU") and associated state mining organisations in the period 1958 to 1991 and are stored at the SGU core archive facility in Malå, Sweden.

The program of logging and resampling is being carried out by Talga staff on selected intervals of 10 drill holes displaying significant historic graphite grades across 6 projects; Jalkunen, Tiankijoki, Siunavaar, Nunasvaara, Lehtosölkä and Liviövaara (see Fig 2). Once completed, samples will be submitted to accredited metallurgical and assay laboratories to assist in addressing a range of objectives including: quantitative control of historical assay results, graphite particle size characterisation and preliminary sighter flotation testing of selected mineralisation. Additional samples will be despatched to potential end users to commence marketing investigations. Assay and metallurgical results are expected within 8-10 weeks, while applications for drilling permits have been submitted to the relevant Swedish regulatory authorities.

For further information, please contact:

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Figure 1. Processing of historic drill core underway at Swedish Geological Survey core archive facility, Malå, Sweden. Inset of graphite mineralised drill core being logged.

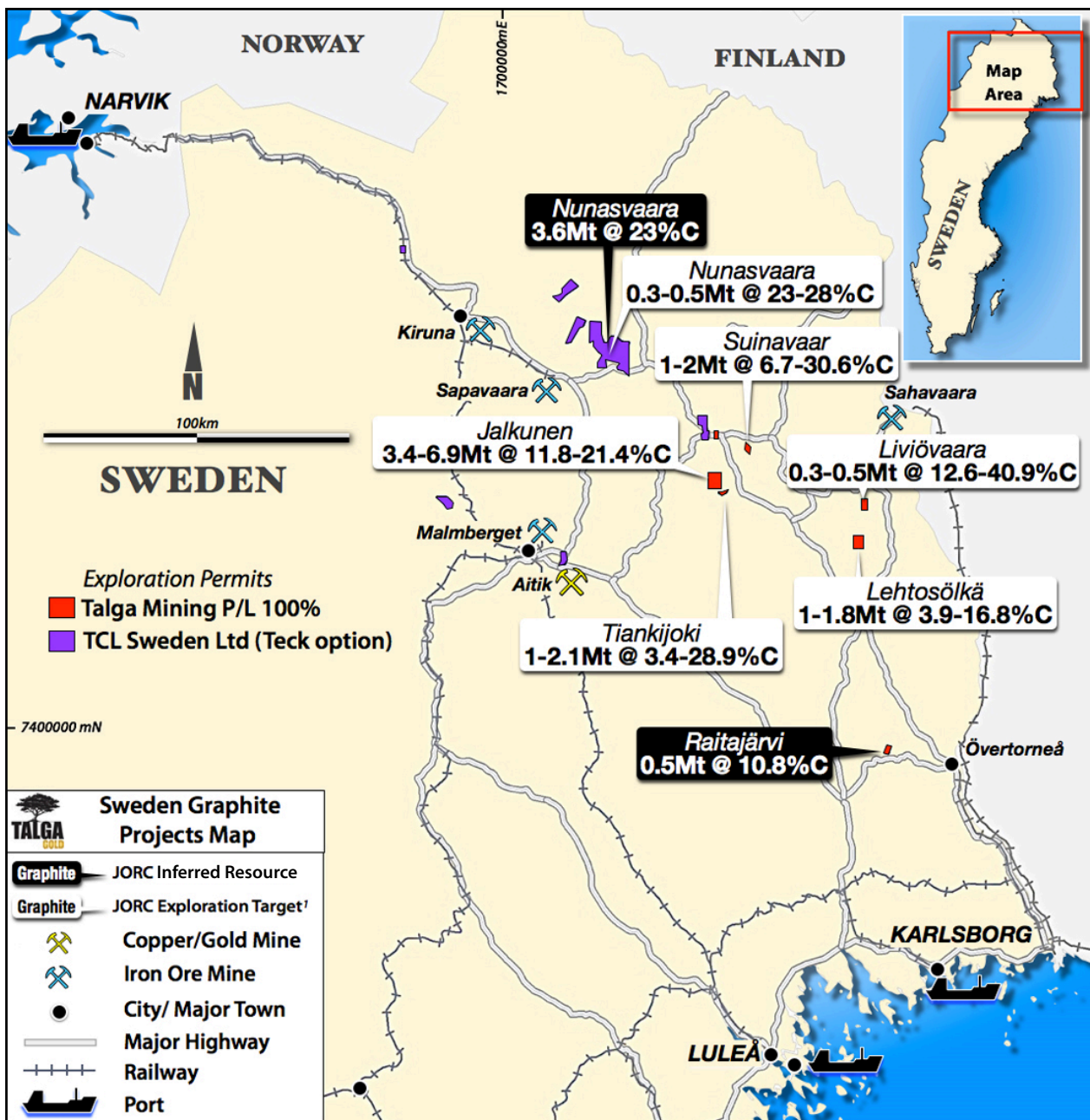


Figure 2. Talga north Sweden graphite project location, ownership and established transport infrastructure.

References

* All projects listed in this release are 100% Talga, except the Nunasvaara project which is under option to purchase 100% from Teck Resources Limited ("Teck") and subject to 1% NSR to Teck and 2% NSR to Phelps-Dodge (see ASX release TLG 28 Feb, 2012).

¹ The JORC Code compliant Exploration Targets are not to be construed as JORC Code compliant Mineral Resources. 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 must be 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.