



MINING UNDERWAY AND FIRST TRIAL MINED ORE DELIVERED TO GERMANY

Talga Resources Ltd

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Corporate Information

ASX Code TLG/TLGO

Shares on issue 138.57m

Options (unlisted) 11.68m

Options (listed) 7.72m

Company Directors

Keith Coughlan

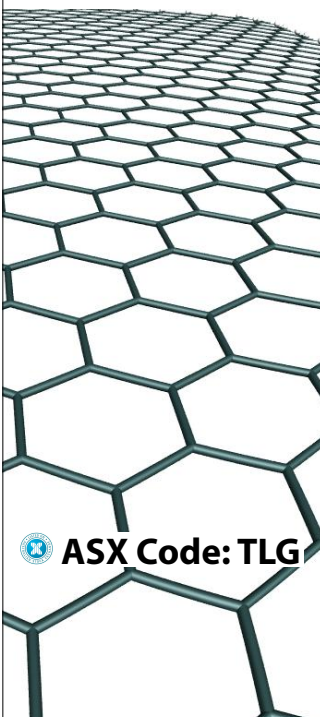
Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director



Highlights:

- Excavation of ore blocks from Vittangi graphite project in Sweden underway
- First graphite ore blocks delivered to Rudolstadt processing and storage facility in Germany
- Novel mining method a success with Vittangi ore readily amenable to the extraction process
- Trial mining processes based on intellectual property recently covered by patent application
- Phase 1 of the modular pilot plant currently being designed and fabricated for August commissioning
- Talga remains on track to deliver industrial scale graphene samples and become one of the largest graphene producers in Europe

Perth-based technology materials company, **Talga Resources Ltd** ("Talga") (ASX: TLG), is pleased to confirm that its trial mining program at the Company's wholly-owned Vittangi graphite project in Sweden ("Vittangi") has officially commenced. All site preparatory work has been concluded and the first graphite ore blocks have been successfully extracted and delivered to the Rudolstadt processing and storage facility in Germany.

Figure 1 - Trial mining underway at Talga's Vittangi project using a rotary saw to cut graphite ore into block forms for extraction. Note the homogeneity of the mineralised zone.



Trial Mining

The trial mining program is making good progress. Despite being, to Talga's knowledge, the first adaptation of quarrying saw and wire mining techniques to graphite ore extraction, all indications confirm that the Vittangi ore is readily amenable to Talga's mining method (Fig 1-4). The ore body is consistent with Talga's understanding and the Company takes comfort knowing that the mining method has been significantly de-risked and is proceeding in line with expectations.

Ore is being extracted in manageable sized blocks for transport (Fig 5-6) and once in Germany the majority of these blocks will be trimmed into slabs to accommodate the scale-up phases of pilot plant feed sizing. The slabs will be liberated into graphene and graphite rich streams straight from the raw ore.

Talga's unique mining and processing methods dispense with the need for drill/blast mining and crush/grind comminution. This results in fewer steps than traditional graphite processing, thereby significantly lowering total operating/capital costs and minimising the environmental footprint. Additionally, the Talga processing methodology liberates graphene in a way that also retains larger particle sizes and preserves unmilled particle morphology compared to competing methods, maximising the number of market applications.

As previously announced, the trial mine permit is valid until 30th September 2018 however local authority requirements dictate that the 2015 trial mining program must conclude by 30th September 2015. Talga has learnt a great deal regarding the novel mining methods at Vittangi and best approach for future mining programs. With this new knowledge borne in mind, Talga believes that the most economically efficient and technically practical outcome will be to complete 2015 trial mining in August when approximately 625 tonnes (~250 cubic metres) of graphite ore blocks has been extracted and transported. This quantity of graphite ore is sufficient to feed the ramp-up of trial processing until mid 2016 and for design development at the German processing facility. It also affords Talga the opportunity to conduct a further trial mining program in 2016 (pursuant to the existing permit) using an optimised approach for contractor/equipment selection and mine planning.

Figure 2 - Talga's Project Manager Kane Freeman and Managing Director Mark Thompson reviewing first ore cuts.



Figure 3 - Closer view of graphite ore showing amenability of mining method in precisely preparing the ore blocks and the homogenous nature of Vittangi graphite mineralisation.



Figure 4 - Early stage of graphite ore bench development using horizontally cutting diamond wire.



Patent Pending

Trial mining by definition is an exercise to confirm procedures and methodologies. Talga's trial mining is no exception to this and the novelty associated with this approach defines and constitutes an important component of Talga's intellectual property. The mining method has been designed so that natural graphite feed material has optimal form to suit Talga's simple graphene and graphite processing pathways. To this end, Talga has taken measures to protect its proprietary technology (mining and processing) via a patent application lodged recently.

Pilot Plant Scale Up

First raw graphite ore has now arrived for storage at Talga's Rudolstadt facility (Fig 7) and blocks will continue to be delivered as the trial mining operation progresses. It was initially envisaged that rail transport might be utilised however road freight has emerged as the most flexible alternative for the relative tonnage that will be delivered in 2015.

Blocks will be stored while the fabrication of the phase one pilot plant ("Phase 1") is completed. Talga is presently building its German team with the recruitment process for suitably qualified personnel well underway. Talga's Metallurgy Manager will take day to day residence at the Rudolstadt facility in August at which point Phase 1 commissioning will commence (design and engineering work is already complete).

Phase 1

Talga will be following an iterative development path to optimise processing steps as the pilot plant phases scale-up. Batch scale flow-sheet testing has been underway with Talga's research partners at the University of Dresden for some time and this technology will be transferred to Rudolstadt. Phase 1 will represent, to Talga's knowledge, the first direct-from-ore exfoliation flow-sheet that targets kilogram quantities of graphene and micro to nano graphite. The design is based on a single processing cell, which is modular and can be replicated to increase production volumes.

Phase 2

Phase 1 will be commissioned and samples prepared for industry while a contemporaneous process is run to design, engineer, fabricate and construct the phase two pilot plant ("Phase 2").

Figure 5 - Contracting Project Manager Mark Wicksteed and Talga Group Geologist Simon Coxhell reviewing graphite ore blocks for loading and transport.



Figure 6 - The Vittangi project enjoys excellent logistics to market. This sealed road bisects the project approximately 3km from the trial mine site and connects directly to Germany.



Figure 7 - Talga's Mark Thompson and Metallurgy Manager Peter Bartsch review graphite ore blocks at the Rudolstadt pilot plant and storage site in Germany.



Phase 2 is targeting first quarter 2016 commissioning and will represent a size scale increase by an approximate factor of 10 times. Production from Phase 2 will be based on a semi-continuous operation capable of producing tonnage quantities running day shifts, and be based on a larger, modular polypropylene cell designed to accept 50kg slabs of feed material. Additional cells can be added to increase production output as the process is optimised.

Phase 3

The phase three pilot plant ("Phase 3") will follow the same path, where it will be designed and constructed using knowledge generated from the prior iterations and will represent the full size 'pilot plant showcase' for commissioning in the 4th quarter 2016 (again, no less than 10 times larger in size scale than the version before it). Phase 1 and 2 will not necessarily be made redundant and could continue to operate throughout and perhaps beyond Phase 3 commissioning.

At this point, Talga continues to anticipate being one of the largest graphene producers in Europe. World first demonstration of industrial scale graphene production from a raw ore feedstock will begin with Phase 1 commissioning this year.

Talga Managing Director Mark Thompson commented:

"We are highly encouraged by developments around the execution of our first mining operation. Trial mining has proven our approach and important commercial and technical information about the deposit. The speed of mining, durability of sawn ore blocks and life of consumables has been confirmed. We had some minor unavoidable time delays before commencement however the outcomes thus far have shown us how best to proceed next year and we will wind up operations as soon as we have sufficient feedstock for our pilot processing test work to run for the next 12 months. At the pilot plant site in Germany we are building a very strong team who will work with our research partners and industry where the advanced level of our graphene processes will be evident to potential customers. As per our stated strategy, all is on track for delivery of industrial scale samples via our simple and unique graphene liberation process. Talga is very optimistic about this next stage of its development."

For further information, please contact:

Talga Resources Ltd.

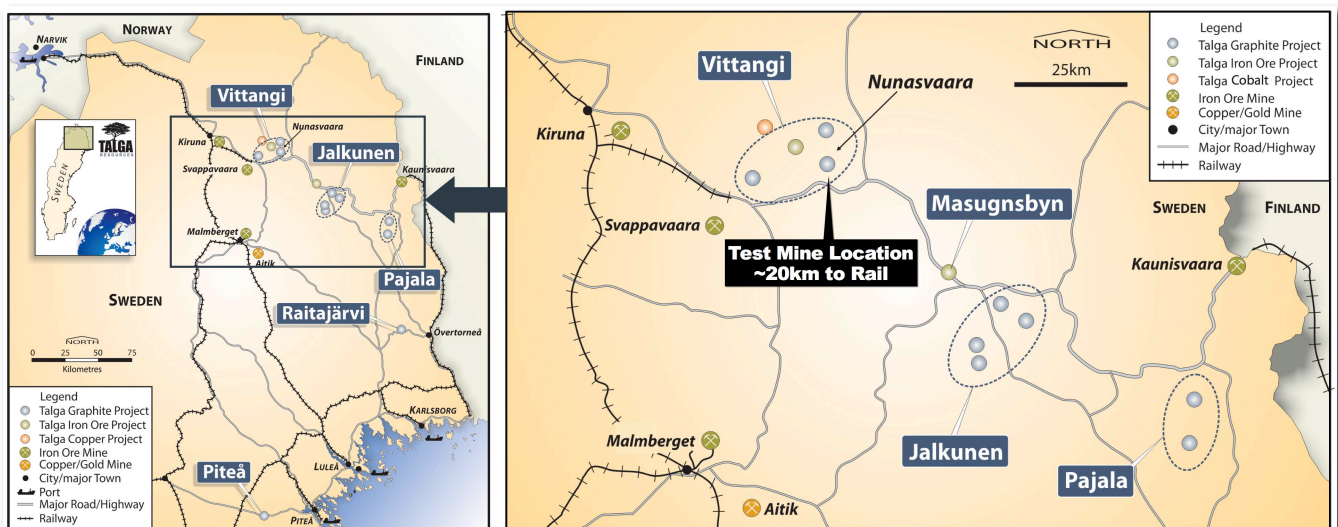
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Map 1 - Location plan of Talga's graphite projects in Sweden, local mining operations and road/rail infrastructure.



About Talga

Talga Resources Ltd ("Talga") (ASX: TLG) is a technology materials company with a simple and cost effective process to liberate graphene and graphite directly from its 100% owned natural graphite ore deposits in Sweden. Talga's unique deposits and proprietary processes provide a nominal cost path to high quality graphene production that overcome cost and volume barriers to graphene supply, thereby unlocking additive applications.

Trial mining is underway and commercial amounts of graphene platelets for industry will be provided at scale from Talga's German pilot plant facility. The end applications may include the production of intermediates such as inks, polymers, master-batches and dispersions based on Talga graphene.

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. Mr Thompson has 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 consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.