



ASX Code: TLG

Talga Gold Ltd

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Issued Capital

as of Mar 31, 2012

46.35m Shares

4.35m Options (unlisted)

Cash Position: \$2.71m

as of Mar 31, 2012

TALGA EXERCISES OPTION EARLY TO ACQUIRE TCL SWEDEN LTD.

- Exercised option to purchase 100% of Teck Resources Limited's subsidiary, TCL Sweden Ltd., ahead of deadline
- Includes one of the world's highest grade graphite deposits containing JORC Code compliant Inferred Mineral Resource of 3.60Mt @ 23%C
- Multiple iron ore deposits including JORC Code compliant Inferred Mineral Resource of 44.1Mt @ 30.9% Fe with further exploration targets¹ totalling 90-140Mt @ 25-50% Fe to 50m

Talga Gold Limited ("Talga" or "the Company") is pleased to advise that it has completed the acquisition of TCL Sweden Ltd. ("TCL"), a 100% subsidiary of Teck Resources Limited ("Teck").

On 28 February 2012 the Company announced it had paid US\$45,000 for the option to, expiring 30 June 2012, to purchase 100% of TCL for US\$433,500 and a 1% Net Smelter Royalty ("NSR"). An underlying 2% NSR is due to prior owner Phelps Dodge upon production.

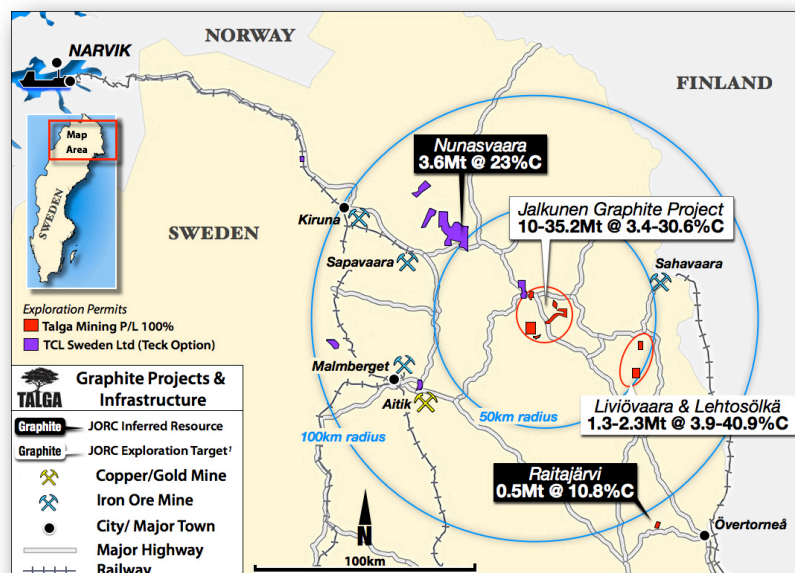
Details of the acquisition were originally released to the ASX on 28 February 2012, with further project details contained in investor presentations released to the ASX on 21 March and 16 May 2012.

TCL is a Canadian resident company that owns 100% of 9 exploration licences in northern Sweden. Talga considers the acquisition highly complementary to its portfolio of 100% owned graphite projects in the Kiruna mining district. Drilling is being planned to upgrade the JORC status and size of selected graphite and iron ore deposits including those within the TCL acquisition.

For further information, please contact:

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APPENDIX 1**Resource Estimation Methodology****Junosuando Iron Deposit: Inferred JORC Code compliant Resource**

Drill hole data used in the Junosuando Iron Resource estimate comprised a total of 18 diamond holes for 3,284.25 metres drilled along the entire strike length of the deposit (2,800 metres). Drill hole spacing was at nominal 200 metre centres with holes approximately 50 metres apart on each section.

Analysis was completed on all mineralised intervals at generally one metre or in some cases two metre sections of core by the Geological Survey of Sweden at the Kemiska laboratory in Stockholm or the LKV laboratory in Kiruna.

A local grid was established for drilling using Geological Survey of Sweden surveyors assisted by theodolite surveying equipment giving an estimated location error of approximately 1m. A bulk density of 3.60g/cm³ and lower cut off 15% Fe was applied to all historical measurements while maximum vertical depth of 210 metres from surface was used.

Interpretation of sections was completed with the outlines wireframed together to form coherent validated shapes. The grade estimation method was Inverse Distance ("ID2") of values lying within validated wireframes (solids) with only the numbers from the individual wireframes/solids used for the interpolation. Parent block sizes were set at 5m (x), 20m (y) and 5m (z), with the sub-cell size down to half of the parent cell size. The resource estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the estimation.

Nunasvaara Graphite Deposit: Inferred JORC Code compliant Resource

Drill hole data used in the Nunasvaara Graphite Resource estimate comprised a total of 17 diamond holes for 1,677.2 metres drilled along the entire strike length of the deposit (700 metres). Drill hole sections were at 50-100m spacing with single hole or variably inclined fans completed on each section. A number of costeans were excavated along surface expression of the graphite outcrop and systematically sampled at 1m intervals.

Analysis was completed on all mineralised drill intervals at standard two metre or in some cases <2 metre sections of core by the LKAB laboratory in Malmberget (sulphur and multi-elements) or SSAB laboratory in Luleå (Carbon Leco/IR detector).

A local grid was established for drilling using government surveyors assisted by theodolite surveying equipment giving an estimated location error of approximately 1m. A bulk density of 2.40g/cm³ and lower cut off 5% C was applied to all historical measurements while maximum vertical depth of 110 metres from surface was used.

Interpretation on section was completed with the outlines wireframed together to form coherent validated shapes. The grade estimation method was ID2 of values lying within validated wireframes (solids) with only the numbers from the individual wireframes/solids used for the interpolation. Parent block sizes were set at 5m (x), 20m (y) and 5m (z), with the sub-cell size down to half of the parent cell size. The resource estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the estimation.

References

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 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.