10 JUNE, 2014 ASX: TLG



Talga Resources Ltd ABN 32 138 405 419

1st Floor, 2 Richardson St, West Perth, WA 6005 T: +61 8 9481 6667 F: +61 8 9322 1935 www.talgaresources.com

Corporate Information

ASX Code **TLG**Shares on issue **105.1m**Options (unlisted) **3.75m**

Company Directors Keith Coughlan

Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney
Non-Executive Director

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TALGA SWEDISH GRAPHITE-GRAPHENE PROJECT UPDATE

HIGHLIGHTS

- Talga rapidly accelerating its dual graphite-graphene development program
- Metallurgical work commenced to upscale unique processing route for wholly-owned high grade Nunasvaara deposit
- Scoping study and test mining preparations also commenced, including key staffing and consultancy appointments
- Talga to present this month at University of Manchester 2nd Graphene Applications and Commercialisation Conference

Talga Resources Limited (ASX:TLG) ("**Talga**" or "**the Company**") is pleased to provide an update on the Company's activities relating to its flagship and wholly owned high grade Nunasvaara graphite-graphene deposit in northern Sweden.

Graphite/Graphene Processing

Work has commenced with several highly regarded metallurgical consultants in Perth to further evolve the dual graphite-graphene metallurgical pathway

for Nunasvaara. This new work is focussed on expanding the scale of the previously demonstrated processing route which is unique to the Nunasvaara deposit's particular characteristics of grade, structure and mineralogy.

The process route reported on 19th February 2014 has thus far been successfully applied to larger samples of Nunasvaara ore and initial tests of the graphene samples are underway at facilities of the Resources and Energy Precinct of Curtin University (see Fig 1). Talga will integrate the results from this ongoing metallurgical testwork into the current Nunasvaara scoping study and a full summary will be provided to the market once completed.

Fig 1. Managing Director Mark Thompson reviewing initial batch of graphene samples (below) being tested at Curtin University.



Economic Studies

The scoping study that commenced in 2013 has been expanded to include the new dual graphite–graphene focus. Globally renowned mining industry consultants Snowden's have recently been engaged to complete the expanded study and associated financial modelling. Entech mining engineering and management has been appointed to evaluate Nunsasvaara's planned mining component, while the largest metallurgical group in Australia, Independent

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Metallurgical Operations P/L, has been tasked with finalising the study's processing and engineering routes.

Test Mining

Concurrently, Talga has commenced permitting for a test mining program to extract a bulk ore sample from Nunasvaara in the site of historic test pits (see Fig 2) and test dual graphite/graphene production through a nearby pilot plant to be constructed and commissioned by Talga. The focus of the test program will be to assess larger scale novel extraction techniques, processing methodology and provide significant size samples of graphite and graphene for economic evaluations. **Subject to permitting approvals**, Talga aims to commence this test work onsite in Q3 2015. The Company has recruited a new Permitting and Development Manager, and Group Geologist and has appointed the Swedish arm of global consultancy, Golder Associates, to complete key components of the sample program.

Fig 2. Panorama view of historic graphite pits at site of proposed test mining program, Nunasvaara graphite deposit.



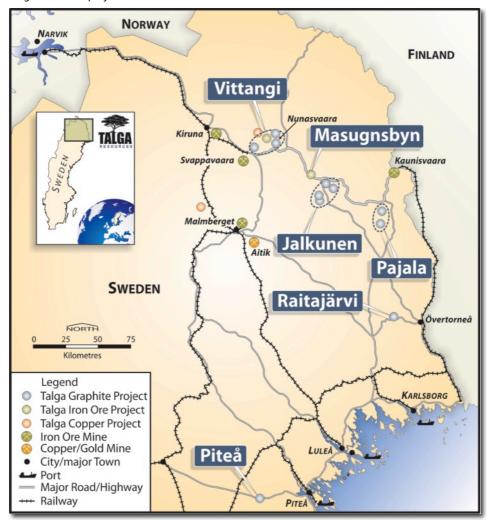
2nd Graphene Conference at University of Manchester

The Company is co-sponsoring the 2nd Graphene Applications and Commercialisation Conference at the 'home of graphene', the University of Manchester in the United Kingdom. Talga considers this conference to be the pre-eminent event in focussing market attention on the production, regulation and commercialisation aspects of graphene rather than its direct downstream applications. Managing Director Mark Thompson will present at 10.20 a.m. on 13th June. A copy of the program is available at http://talgaresources.com/IRM/Company/ShowPage.aspx/PDFs/1369-66702635/ManchesterGrapheneConferenceProgramJune2014

For further information, contact:

Mark ThompsonManaging Director
Talga Resources Ltd

Tel +61 (08) 9481 6667 Email admin@talgaresources.com 10 JUNE, 2014 ASX: TLG



Talga Resources project locations in north Sweden.

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 a member of the Australian Institute of Geoscientists. Mr Thompson is an employee of the Company and 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.

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.