

Drilling intersects exceedingly wide zones of graphite at Niska

- Drill program underway at Niska intercepts graphite units up to 60-75m true width from near surface, the widest to date from the Vittangi project and 3 x average width of current Nunasvaara resource
- Drilling program expanded to focus on initial resource definition

Australian advanced materials technology company Talga Resources Ltd (“Talga”)(ASX:TLG) is pleased to provide an update on the diamond core drilling program underway at the Niska prospect, part of the Company’s flagship Vittangi graphite project in north Sweden (Fig 4).

The drill program targeted a series of prominent electromagnetic (“EM”) anomalies under shallow cover located 1-2km northeast along strike of the Nunasvaara JORC (2012) resource of 12.3Mt @ 25.5% Cg (ASX:TLG 27 Apr 2017), with the aim of resource potential growth and tenement maintenance purposes (Fig 3).

The first drill holes at Niska North successfully intersected Nunasvaara-type graphite starting from near surface (Fig 1), in two separate units with an unexpected easterly dip. Subsequently several ‘scissor’ holes have confirmed true widths of 60-75m from the western unit and 15-20m from the eastern unit (Fig 2).

The width of the western unit exceeds the widest drilled on the whole Vittangi project to date and is more than three times the average width of the Nunasvaara resource currently the subject of a pre-feasibility study.

At Niska South, 1km south from Niska North, nine drill holes also successfully intersected Nunasvaara-type graphite units up to 25m in true width over approximately 100m strike.

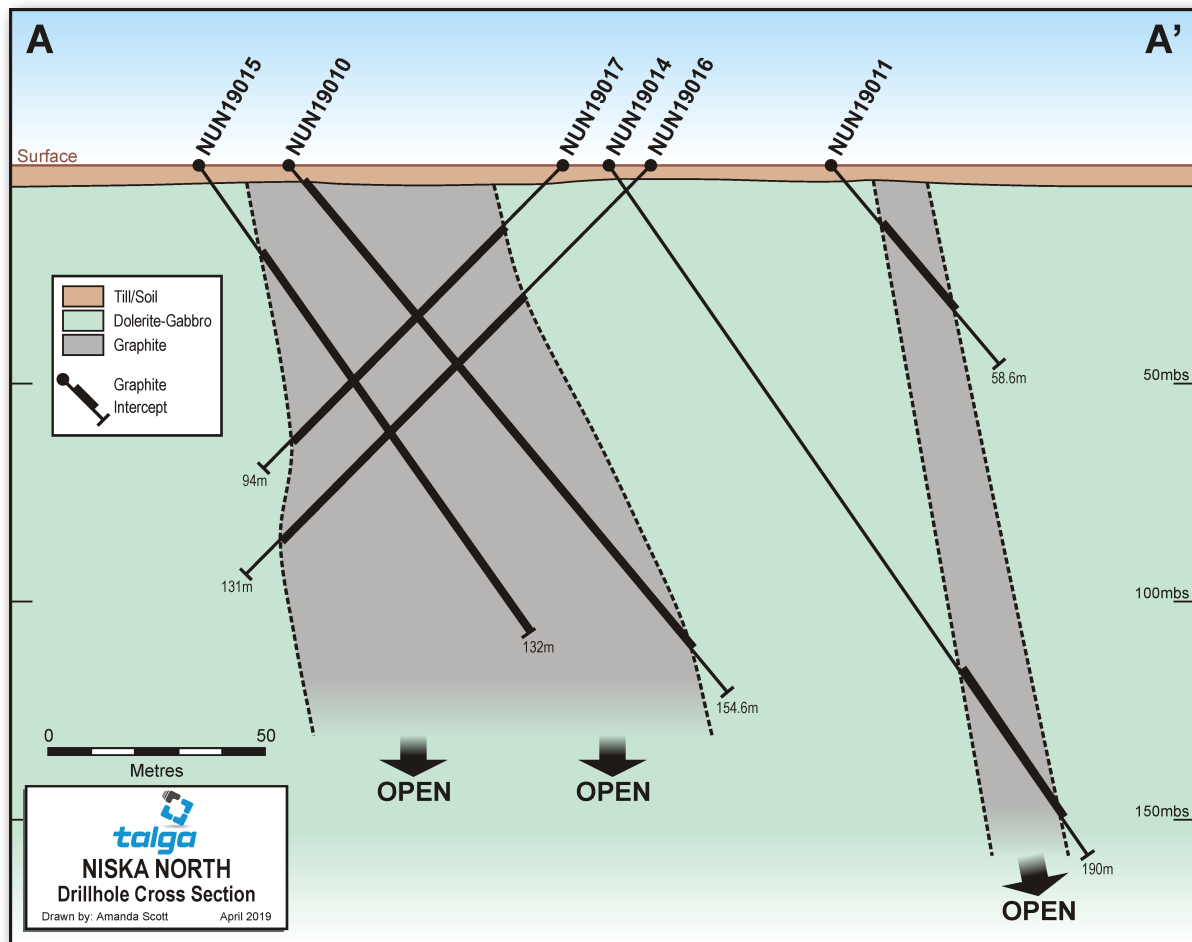
The graphite mineralisation intercepted to date at both Niska North and South remains open at depth and along strike (for details see Table 1). Drilling is ongoing at Niska North and is now focused on defining the western unit on 25-50m sections over 200-300m strike.

Talga Managing Director, Mr Mark Thompson:
“The proximity to the current Nunasvaara resources, visual similarity of the core and substantial widths far exceeding anything else drilled at the Vittangi project to date suggests that Niska is potentially a significant discovery in the making. We look forward to assay results and further testwork to confirm Niska’s potential to offer development and growth options in line with the Company’s business strategy.”

Figure 1 Graphite in drill core from Niska North (NUN19010); refer cross-section Fig 2 and Table 1 below for details.



Figure 2 Drillhole cross-section from Niska North showing graphite intercepts from both the western and eastern graphite units. See figure 3 for location of section A-A'.



Discussion & Next Steps

The wide intersections, together with results obtained through a previous rock chip sampling program (35.8% C_g at Niska North and 37.3% C_g at Niska South, see ASX:TLG 1 Sep 2014) and several previous Talga drillholes near Niska South (NUN14007 18m @ 26.9% C_g , NUN14008 16m @ 26.6% C_g , see ASX:TLG 30 May 2016), suggest excellent potential to convert to mineral resources similar to Nunasvaara (see ASX:TLG 27 Apr 2017 and Table 2).

On-going drilling will focus on defining maiden mineral resources for both Niska North and South. Core from the completed drill holes are being transported to Scott Geological in Malå for analysis once the remaining drill program is completed. First assay results are expected to be received in May. An initial resource estimate for both Niska North and South is expected before the end of the June quarter. Additional core samples will be fast-tracked to Talga's processing and product technology teams to test its suitability for the production of lithium-ion battery anodes and graphene products. Results of these tests will be announced as soon as they are available.

For further information please contact:

Mark Thompson
 Managing Director
 Talga Resources Ltd
 T: +61 (0) 8 9481 6667

Nikki Löf
 Marketing and Investor Relations Coordinator
 Talga Resources Ltd
 T: +61 (0) 8 9481 6667



Figure 3 Vittangi Project map showing the location of current drilling at Niska North and South with current graphite resources at Nunasvaara North and South. Background imagery is reprocessed historic airborne electromagnetic (EM) imagery showing conductor anomalies (yellow to red).

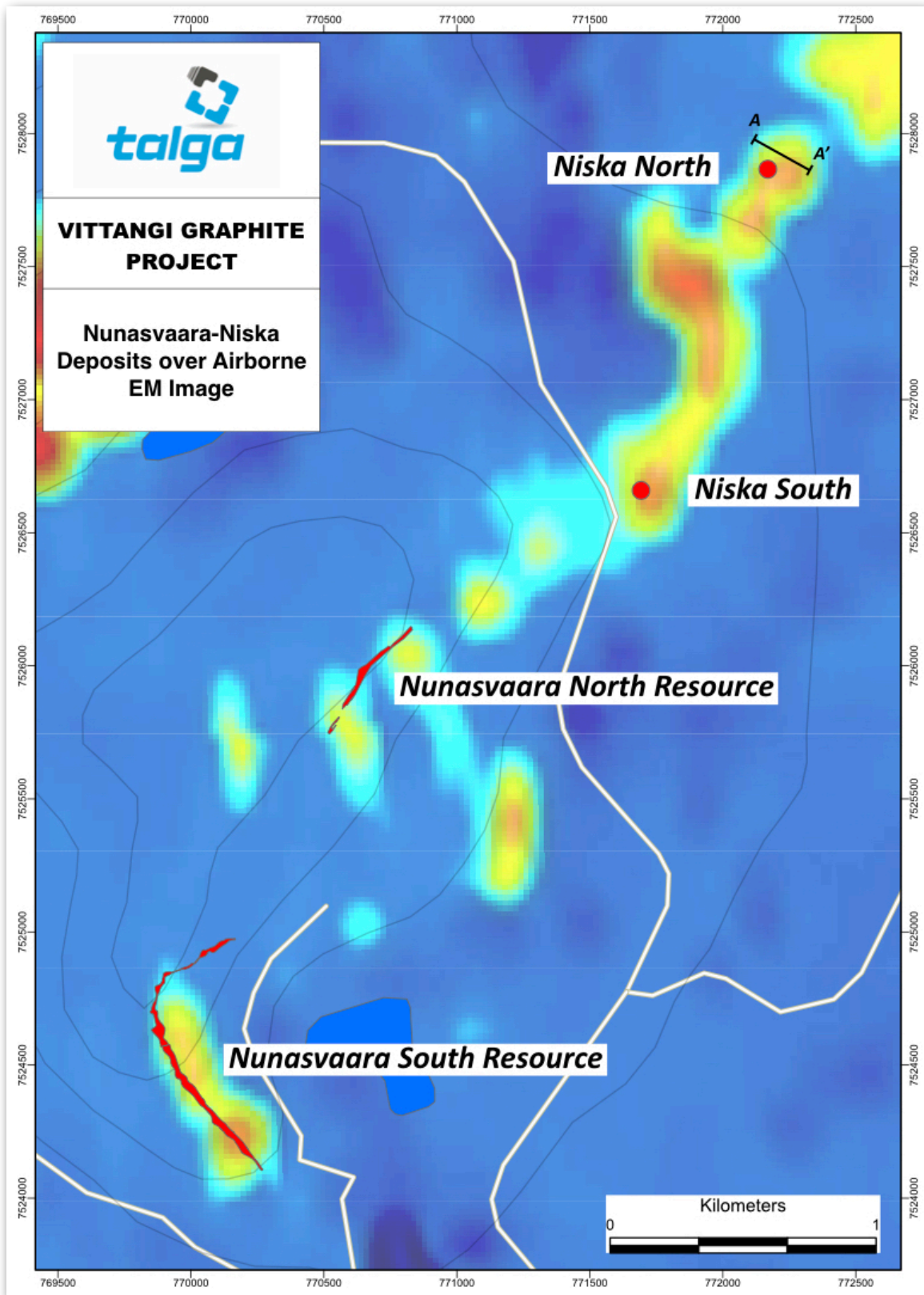


Table 1 *Drill hole details.*

SWEREF 99TM							
Hole ID	Project	Prospect	Easting	Northing	Dip	Azi	EOH Depth
NUN19001	Vittangi	Niska South	771653.1893	7526943.508	-50	90	100.4
NUN19002	Vittangi	Niska South	771652	7526645	-45	120	103.2
NUN19003	Vittangi	Niska South	771627	7526615	-45	120	70.0
NUN19004	Vittangi	Niska South	771627	7526615	-65	120	76.4
NUN19005	Vittangi	Niska South	771638	7526634	-45	120	69.7
NUN19006	Vittangi	Niska South	771645	7526648	-55	120	73.7
NUN19007	Vittangi	Niska South	771658	7526667	-45	120	54.8
NUN19008	Vittangi	Niska South	771678	7526673	-45	120	42.8
NUN19009	Vittangi	Niska South	771553	7526744	-50	300	98.8
NUN19010	Vittangi	Niska North	772117	7528001	-50	120	154.6
NUN19011	Vittangi	Niska North	772223	7527937	-50	120	58.6
NUN19012	Vittangi	Niska East	772972	7527662	-50	270	31.5
NUN19013	Vittangi	Niska East	772972	7527662	-50	270	100.7
NUN19014	Vittangi	Niska North	772183	7527961	-55	120	190.6
NUN19015	Vittangi	Niska North	772102	7528003	-55	120	132.0
NUN19016	Vittangi	Niska North	772191	7527960	-45	300	131.0
NUN19017	Vittangi	Niska North	772174	7527971	-45	300	97.0
NUN19018	Vittangi	Niska North	772190	7528078	-55	120	176.1

Competent Persons Statement

The information in this document that relates to exploration results is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895).

Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been 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). Amanda Scott consents to the inclusion in the report of the matters based on her 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 by Oliver Mapeto and reviewed by Albert Thamm. Both Mr Mapeto and Mr Thamm are consultants to the Company. Mr Mapeto is a Member of both the Australian Institute of Mining and Metallurgy (Membership No.306582) and Australian Institute of Geoscientists (Member No 5057) and Mr Thamm (Member No 203217) is a Fellow Member of the AusIMM.

Both Mr Mapeto and Mr Thamm have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which both are 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 Mapeto and Mr Thamm consent to the inclusion in this report of the Matters based on this information in the form and context in which it appears.



Forward-Looking Statements

This ASX release has been prepared by Talga Resources Ltd. This document contains background information about Talga Resources Ltd and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular investments to particular persons.

About Talga

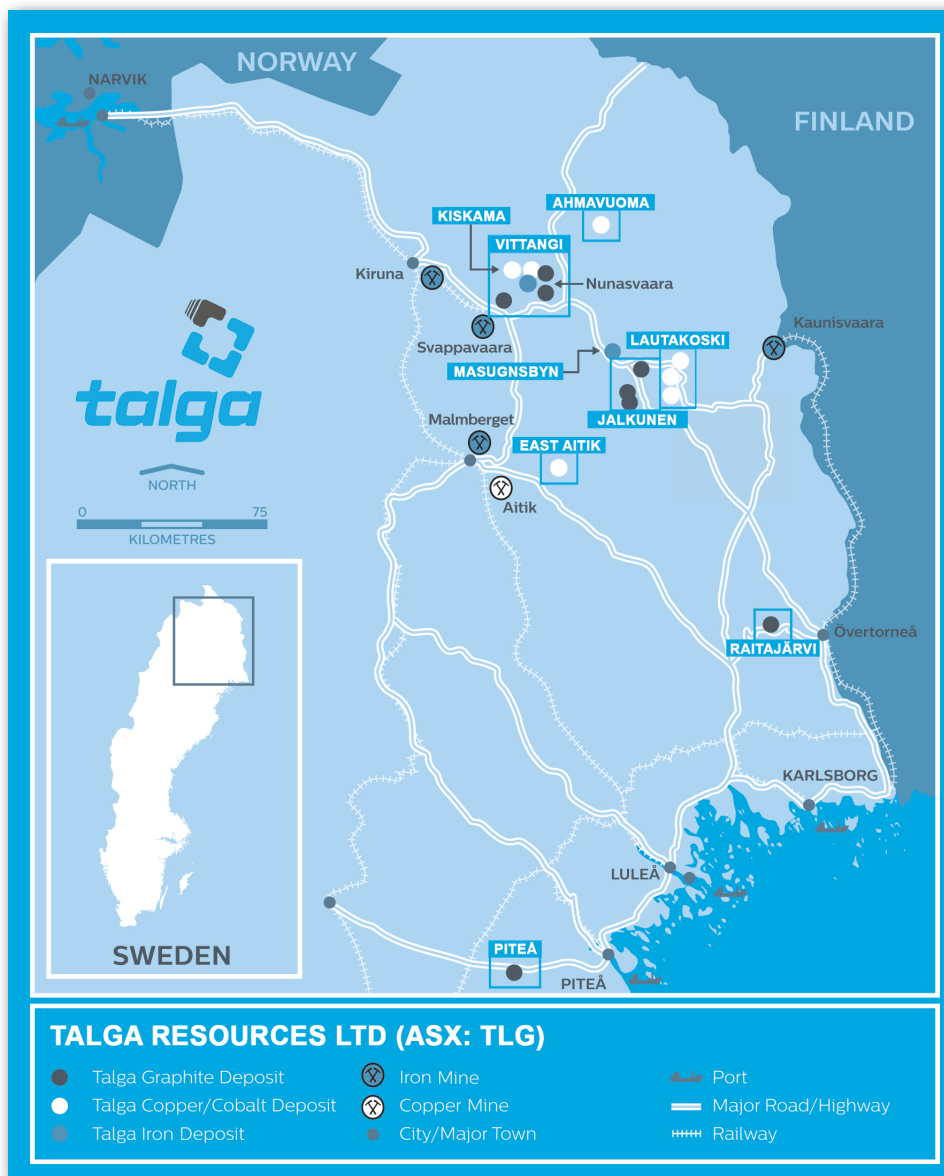
Talga Resources Ltd is an advanced materials technology company enabling stronger, lighter and more functional graphene and graphite enhanced products for the multi-billion dollar global battery, coatings, construction and composites markets. Talga has significant commercial advantages owing to its vertically integrated high grade Swedish graphite deposits and in-house process to product technology. Company website: www.talgaresources.com



Table 2 Vittangi project's Nunasvaara MRE by Deposit (17% Cg lower cut-off, April 2017).

Deposit	Resource Category	Tonnes	Cg (%)	Contained Graphite (Tonnes)
Nunasvaara South	Indicated	8,900,000	25.0	2,225,000
	Inferred	1,500,000	23.5	345,000
Total		10,400,000	24.8	2,579,200
Nunasvaara North	Indicated	1,800,000	29.4	529,200
	Inferred	100,000	27.4	27,400
Total		1,900,000	29.2	554,800
TOTAL		12,300,000	25.5	3,136,500

Figure 4 Talga Resources project locations in Sweden including the location of the Vittangi project containing the Niska prospects being drilled at present.



JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Diamond drilling is ongoing; no sampling or assaying has been completed to date.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc.). 	<ul style="list-style-type: none"> Diamond drilling is being completed by Northdrill Oy from Finland. WL66 conventional diamond drilling with core diameter of 50.5mm. Selected drillholes have been orientated. Downhole surveying is being completed using a Devico Deviflex downhole survey instrument.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core recoveries are measured by the drillers for every drill run. The core length recovered is physically measured for each run, recorded and used to calculate the core recovery as a percentage of core recovered. Any core loss is recorded on a core block by the drillers. Careful drilling techniques in areas of broken ground are employed with communication between the geologist and drillers to maximise core recovery. Drillcore processing and logging is currently ongoing but given the nature of the competent diamond core, no sample bias expected.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drillcore is being transported from the drill sites to Scott Geological AB located in Malå for cleaning, reconnection of core lengths and measurement of metre marks where required, over the entire hole. Geological logging is being completed on the entire length of all holes by Amanda Scott (Scott Geological AB), Talga's Exploration Manager, who has significant experience in this style of exploration and mineralisation. The lithological, mineralogical, alteration and structural characteristic of the core are being logged in digital format and following established procedures. All drillholes are being photographed in both wet and dry states.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Drillhole locations are being planned using a combination of GIS software packages. • Drillhole locations are being determined using a Garmin handheld GPS unit with an accuracy of +/- 1m. Drill azimuths are being determined with a handheld Suunto compass that has a precision of +/- 0.5 degrees. • Downhole surveys are being completed using a Devico Deviflex downhole survey instrument at regular intervals. • Grid system is Swedish Coordinate system SWEREF99. • Topographic control has been established by handheld GPS and cross-correlation with digital laser topographic imagery and is considered and is adequate for the greenfields exploration completed.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Drill hole profile spacing is varied but is typically at 50m or 25m. See attached plans, cross sections and tables. • Previous drilling (Talga and historical) combined with trial mining, trenching, rock chip sampling of outcropping ore and detailed electromagnetic (EM) geophysical data show and confirm excellent continuity of the stratigraphic graphite unit. The current drillhole spacing at Niska North and South is considered appropriate to allow for an eventual JORC-compliant Mineral Resource Estimate (MRE) to be completed. • Diamond drilling is ongoing; no sampling or assaying has been completed to date.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The drillhole orientation is considered appropriate with the drill holes being drilled perpendicular to the interpreted strike of the geological units and graphite mineralisation. The graphite units across the Vittangi Project dip very steeply (80-90°) to the west and drilling to date has been completed drilling across-dip. The most recently drilled profile has revealed that the graphite units at Niska North are dipping very steeply (80-90°) to the east and the drilling azimuth has been amended accordingly. • Diamond drilling is ongoing; no sampling or assaying has been completed to date.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • All drill core is being transported by courier transport from the project to Scott Geological AB's secure logging facility in Malå.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Vittangi Project is located on licences Nunasvaara nr 2, Vittangi nr 2 and Vittangi nr 3 owned 100% by the Company's Swedish subsidiary, Talga Graphene AB. The current diamond drilling at Niska North and South is located entirely on licence Vittangi nr 2. • The licences are wholly owned by the Company and are located in forested areas. The area is used for seasonal grazing by local indigenous Sami reindeer herders. The Natura 2000 registered Vittangi River is located approximately 2km to the east of Niska. • The licence is in good standing with no known impediments.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Graphite was first identified at Nunasvaara in the early 1900's and has been extensively explored since that time. In the early 1980's LKAB completed diamond drilling and test mining at Nunasvaara. More recently the area has been explored by Anglo American and Teck Cominco for copper and base metals prospectivity.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The graphite mineralisation at the Vittangi Project is a sub-vertical, ~20-70m wide lithologically continuous unit of very fine grained, dark-grey to black graphite containing 10-40% graphitic carbon. The hangingwall is comprised of volcanoclastics and tuffaceous units and the footwall to the mineralisation is a mafic intrusive (gabbros and dolerites). The graphite units are regionally extensive over many kilometres and are interpreted to have developed in a shallow fresh water basin in the early Proterozoic (Circa 1.8 billion years). Subsequent deformation, possibly related to domal intrusive bodies have metamorphosed and tilted the units to the sub-vertical orientations present today. • The graphite at the Vittangi Project is very fine grained and very high grade. Metallurgical testwork completed by the Company shows battery-grade graphite and graphene products can be produced.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Drillhole information pertaining to the current drilling at Niska is summarised in figures 2-3 and table 1 in this announcement.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date.

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date however the current drilling is being completed perpendicular to the strike of the known mineralisation.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Appropriate maps and cross-sections have been included in the text of this announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Diamond drilling is ongoing; no sampling or assaying has been completed to date.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • A substantial amount of work has been completed at the Vittangi Project by both historic explorers and more recently by Talga. Work has included geophysical surveys, rock chip sampling, MMI soil sampling, trenching, diamond drilling, metallurgical testwork and trial mining. A PFS for the Nunasvaara deposits is currently being prepared by the Company.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • A JORC-compliant MRE has been scheduled to be completed at the conclusion of the current diamond drilling programme at Niska. Metallurgical and process testwork on drillcore from Niska will be completed at the Company's German test facility at the conclusion of the current diamond drilling programme at Niska.