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**Talga Gold Ltd**

**ABN 32 138 405 419**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11.00am WST

**DATE:** Tuesday, 7 June 2011

**PLACE:** Level 1,  
2 Richardson Street  
WEST PERTH WA 6005

*This Notice of General Meeting and Explanatory Memorandum is an important document and should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*If you are unable to attend the Meeting, please complete and return the proxy form enclosed with this Notice of General Meeting in accordance with the instructions set out on that form.*

*Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on (08) 9481 6667.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The General Meeting of the Shareholders of Talga Gold Ltd to which this Notice of Meeting relates will be held at 11.00am (WST) on Tuesday, 7 June 2011 at:

Level 1  
2 Richardson Street  
WEST PERTH WA 6005

### YOUR VOTE IS IMPORTANT

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The business of the General Meeting affects your shareholding and your vote is important.

### HOW TO VOTE

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You may vote by attending the General Meeting in person, by proxy or by authorised representative.

#### ***Voting in Person***

To vote in person, please attend the General Meeting on the date and at the time and place set out above.

#### ***Voting by proxy***

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- (a) send the proxy form by post to Talga Gold Ltd, PO Box 720, West Perth, Western Australia 6872;
- (b) send the proxy form by facsimile to the Company on facsimile number (08) 9322 1935; or
- (c) deliver the proxy form in person to Level 1, 2 Richardson Street, West Perth, Western Australia 6005, during business hours;

so that it is received not later than 11.00am (WST) on 5 June 2011.

**Proxy forms received later than this time will be invalid.**

Shareholders should be aware that the Chairman intends to vote all undirected proxies in favour of the resolutions proposed at the General Meeting.

#### ***Voting by authorised representative***

A body corporate (**the Appointor**) that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act 2001 such person or persons as it may determine to act as its representative (**Representative**) at any meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder. When a Representative is present at a meeting of the Company, the Appointor shall be deemed to be personally present at the meeting unless the Representative is otherwise entitled to be present at the meeting.

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## NOTICE OF GENERAL MEETING

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Notice is given that a General Meeting of Shareholders of Talga Gold Ltd will be held at Level 1, 2 Richardson Street, West Perth, Western Australia at 11.00am (WST) on Tuesday, 7 June 2011.

The purpose of this meeting is to transact the business referred to in this Notice of General Meeting.

The Explanatory Memorandum that accompanies this Notice of General Meeting provides additional information on each of the matters to be considered at the General Meeting. The Explanatory Memorandum and the proxy form are part of this Notice of General Meeting.

Terms and abbreviations used in this Notice of General Meeting and Explanatory Memorandum are defined in the Glossary on page 8.

This Notice of General Meeting and the accompanying Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

### AGENDA

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The business of the General Meeting is as follows:

#### 1. Resolution 1 - Ratification of Share Issue - Issue of Tranche 1 Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 1,854,702 Shares by way of private placement at an issue price of \$0.35 per Share to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum be approved."***

#### Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any person who participated in the Placement and any Associate of such persons).

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### 2. Resolution 2 – Approval of Share issue - Issue of Tranche 2 Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That for the purposes of Listing Rule 7.1 and for all other purposes, the allotment and issue of up to 4,147,205 Shares by way of private placement at an issue price of \$0.35 per Share on the terms and conditions and in the manner set out in the Explanatory Memorandum be approved."***

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#### *Voting Exclusion Statement*

*The Company will disregard any votes cast on this Resolution by:*

- (a) any person who participated in the Placement and any person who may obtain a benefit if Resolution 2 is passed (other than a benefit solely in the capacity as holder of Shares); and*
- (b) an Associate of the persons noted in paragraph (a).*

*However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

## **PROXIES**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on behalf of the Shareholder. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the Shareholder's votes. If two proxies are appointed, and a Shareholder does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

A proxy need not be a Shareholder of the Company.

A Shareholder may revoke his or her proxy by (1) filing with the Company, at least 24 hours prior to the commencement of the Meeting, a written notice of revocation or a duly executed proxy form appointing a new proxy, in either case dated later than the prior proxy form relating to the same Shares, or (2) attending the Meeting and voting in person.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at Level 1, 2 Richardson Street, West Perth WA 6005, or by facsimile (61 8) 9322 1935 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
  - b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
  - c) shall be deemed to confer authority to demand or join in demanding a poll;
  - d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act;
  - e) proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions.
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**ATTENDANCE AND VOTING ELIGIBILITY**

The Directors have determined that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 11.00am on 5 June 2011.

**BY ORDER OF THE BOARD**

**PIERS LEWIS**  
**DIRECTOR & COMPANY SECRETARY**  
**TALGA GOLD LTD**  
**DATED: 6 MAY 2011**

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## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum has been prepared for the information of Shareholders of Talga in connection with the business specified to be conducted in the Notice of General Meeting of Shareholders to be held at Level 1, 2 Richardson Street, West Perth, Western Australia at 11.00am (WST) on Tuesday, 7 June 2011.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions proposed in the Notice of General Meeting. The Directors recommend that Shareholders read in full this Explanatory Memorandum in conjunction with the accompanying Notice of General Meeting of which this Explanatory Memorandum forms a part.

### 1. BACKGROUND

On 2 May 2011 the Company announced it had successfully finalised a private placement of 6,001,907 Shares (**Placement Shares**) at an issue price of \$0.35 per Share to institutional and sophisticated investors in Australia and certain other jurisdictions to raise \$2,100,667.45 (before costs) (**Placement**). E.L. & C. Baillieu Stockbroking Ltd acted as Lead Manager to the Placement.

The Placement comprised two tranches:

- (a) 1,854,702 Shares which were issued to investors on 6 May 2011 under the Company's 15% placement capacity under ASX Listing Rule 7.1 (**Tranche 1 Shares**); and
- (b) an additional 4,147,205 Shares to be issued subject to Shareholder approval being obtained at the General Meeting (**Tranche 2 Shares**).

As set out in the Notice of General Meeting and further described below, the Company is now seeking certain approvals from Shareholders in connection with the Placement.

### 2. RESOLUTIONS

#### RESOLUTION 1- RATIFICATION OF SHARE ISSUE - ISSUE OF TRANCHE 1 SHARES

##### **ASX Listing Rule 7.4**

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which include shares) if such issue, when aggregated with the equity securities issued by the company during the previous 12 months, would exceed 15% of the total number of ordinary securities on issue at the commencement of that 12 month period, unless approval is obtained from the holders of the company's ordinary securities or an exception applies.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and provides that where a company in general meeting ratifies a previous issue of securities (made without shareholder approval under ASX Listing Rule 7.1), those securities will be excluded from the calculation of the number of securities that can be issued by the company in any 12 month period within the 15% limit set out in ASX Listing Rule 7.1.

Accordingly, Resolution 1 seeks approval from Shareholders under ASX Listing Rule 7.4 to ratify the issue of the Tranche 1 Shares under the Placement which were issued on 6 May 2011. If Resolution 1 is passed it will have the effect of refreshing the Company's 15% capacity to issue equity securities in the 12 months following the Meeting thereby

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providing the Company with the flexibility to issue further equity securities, including for the purposes of raising further capital, should the Company consider this necessary or desirable.

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## **EXPLANATORY MEMORANDUM**

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### **ASX Listing Rule disclosure requirements**

The following information is provided in accordance with ASX Listing Rule 7.5:

(a) *Number of securities allotted*

1,854,702 Tranche 1 Shares were issued to investors on 6 May 2011.

(b) *Price at which the securities were issued*

The issue price for the Tranche 1 Shares was \$0.35 per Share.

(c) *Terms of the securities*

The 1,854,702 Tranche 1 Shares are fully paid ordinary shares ranking equally in all respects with all other Shares on issue and are listed on ASX.

(d) *Names of the allottees or the basis on which allottees were determined*

The Tranche 1 Shares were issued to institutional and sophisticated investors in Australia and certain other jurisdictions.

(e) *Use (or intended use) of the funds raised*

The Company intends to use the net funds raised to accelerate exploration across the Company's Western Australian gold projects and to fund working capital.

If Resolution 1 is not approved, this will not impact on the validity of the issue of the Tranche 1 Shares under the Placement but will limit the Company's ability to issue Shares in the next 12 months.

### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1, as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities during the next 12 months without Shareholder approval.

## **RESOLUTION 2 - APPROVAL OF SHARE ISSUE - ISSUE OF TRANCHE 2 SHARES**

### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that when calculating the number of securities which a listed entity is permitted to issue without shareholder approval under ASX Listing Rule 7.1 those securities which were issued with approval of the entity's shareholders under Listing Rule 7.1 are to be excluded from the calculation.

Accordingly, Resolution 2 seeks approval from Shareholders under ASX Listing Rule 7.1 for the issue of the Tranche 2 Shares under the Placement.

The following information is provided in accordance with ASX Listing Rule 7.3:

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- a) *The maximum number of equity securities the entity is to issue (if known) or the formula for calculating the number of Shares the entity is to issue*

The total number of Tranche 2 Shares to be granted under the Placement is 4,147,205 Shares.

- b) *The date by which the entity will issue the equity securities (which must be no later than 3 months after the date of the meeting)*

The Tranche 2 Shares will be issued and allotted within three business days after the date of the Meeting (but in any event will be issued no later than 3 months after the date of the Meeting).

- c) *The issue price of the equity securities, which must be either a fixed price or a minimum price*

The issue price for the Tranche 2 Shares is \$0.35 per Share.

- d) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*

The Tranche 2 Shares will be issued to institutional and sophisticated investors in Australia and certain other jurisdictions.

- e) *The terms of the equity securities*

The 4,147,205 Tranche 2 Shares to be issued are fully paid ordinary shares ranking equally in all respects with all other Shares on issue and are listed on ASX.

- f) *The intended use of the funds raised*

The Company intends to use the net funds raised to accelerate exploration across the Company's Western Australian gold projects and to fund working capital.

### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 as it allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in the next 12 months without Shareholder approval.

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## GLOSSARY

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**\$** means Australian dollars.

**Associate** has the meaning ascribed to that term in section 12 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or the market it operates as the context requires.

**ASX Listing Rules** or **Listing Rules** means the listing rules of ASX.

**Board** means the Board of Directors.

**Company** or **Talga** means Talga Gold Ltd (ABN 32 138 405 419).

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of this Notice of Meeting.

**Meeting or General Meeting** means the general meeting of the Shareholders of the Company convened by this Notice of General Meeting.

**Notice of Meeting or Notice** means the Notice of General Meeting which accompanies this Explanatory Memorandum and which this Explanatory Memorandum forms part of.

**Placement** means the private placement of 6,001,907 Shares to institutional and sophisticated investors to raise \$2,100,677.45.

**Placement Shares** means the Shares issued pursuant to the Placement.

**Resolutions** means the resolutions proposed in the Notice of General Meeting

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a person who is registered in the Share Register as the holder of Shares.

**Share Register** means the register of Shareholders maintained by the Company in accordance with the Corporations Act.

**Tranche 1 Shares** means the initial allocation of Placement Shares which were issued without Shareholder approval under the Company's 15% issue capacity under ASX Listing Rule 7.1.

**Tranche 2 Shares** means the second tranche of Placement Shares which will be issued to investors subject to approval of the Company's Shareholders.

**WST** means Western Standard Time.

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**TALGA GOLD LTD**  
**ACN 138 405 419**  
**GENERAL MEETING**  
**PROXY FORM**

**Appointment of Proxy**

I/We

Of

being a member of Talga Gold Ltd entitled to attend and vote at the General Meeting, hereby appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting to be held at Level 1, 2 Richardson Street, WEST PERTH Western Australia on **7 June 2011 at 11.00am** (WST) and at any adjournment thereof. If no directions are given, the Chairman of the Meeting will vote in favour of each resolution.

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**Voting on Business of the General Meeting**

	FOR	AGAINST	ABSTAIN
<b>1. RATIFICATION OF ISSUE OF TRANCHE 1 SHARES</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. APPROVAL OF ISSUE OF TRANCHE 2 SHARES</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signed this                      day of    2011**

**By:**

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

## INSTRUCTIONS FOR COMPLETING PROXY FORM

### PROXY VOTES

A vote given in accordance with the terms of an instrument or proxy is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed), or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at its Registered Office at least 24 hours before the commencement of the Meeting or adjourned Meeting at which the instrument is used or the power is exercised.

A Shareholder may revoke his or her proxy by (1) filing with the Company, at least 24 hours prior to the commencement of the Meeting, a written notice of revocation or a duly executed proxy form appointing a new proxy, in either case dated later than the prior proxy form relating to the same Shares, or (2) attending the Meeting and voting in person.

A proxy form must be signed by a Shareholder (or its attorney) and does not need to be witnessed. If the Shareholder is a corporation, the proxy form must be executed in accordance with that corporation's constitution or by a duly authorised attorney. If a Share is held jointly, the proxy form should be signed by all of the joint holders.

### REPRESENTATIVES OF CORPORATE SHAREHOLDERS

A body corporate (**the Appointor**) that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act 2001 such person or persons as it may determine to act as its representative (**Representative**) at any meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder. When a Representative is present at a meeting of the Company, the Appointor shall be deemed to be personally present at the meeting unless the Representative is otherwise entitled to be present at the meeting. The completed Proxy Form and the Power of Attorney (if any) under which it is signed may be:

- Mailed to Talga Gold Ltd, PO Box 720, West Perth Western Australia 6872; or
- Delivered to, First Floor, 2 Richardson Street, West Perth, Western Australia; or
- Faxed to the Company on +61 8 9322 1935,

so that it is received no later than 48 hours prior to the commencement of the Meeting.

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