



## ASX Code: TLG

### Talga Gold Ltd

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### Share Capital

as of Jun 22, 2011

Shares 46.35 million

Options (unlisted) 1.1 million

Market Capitalisation \$12.3m

Cash Position: \$4.52m

### Projects:

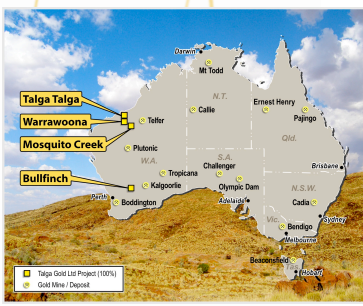
#### Western Australia

Talga Talga (100%)

Warrawoona (100%)

Mosquito Creek (100%)

Bullfinch (100%)



## Talga Talga Gold Exploration Update - Expanded RC drilling to Commence.

- Diamond drill core intercepts up to 14 grams/tonne gold at McPhees zone.
- Geological continuity demonstrated over 350 metres strike and 100m depth - mineralisation open.
- Expanded step-out RC program scheduled to commence first week of July.

Talga Gold Limited (TLG) has received results from the eight hole diamond drilling program on the McPhees prospect within the Company's 100% owned Talga Talga gold project in the Pilbara region of Western Australia.

The results of the diamond drilling program are encouraging in that near surface, potentially high-grade gold mineralised structures of significant volume can be delineated at Talga Talga.

A step-out larger diameter RC drilling program will now commence at the project's McPhees prospect in the first week of July.

The latest diamond drilling is part of the first technical exploration program for gold at the McPhees site, which to date has included RC drilling, geochemical sampling and geostructural analysis.

Previous RC drilling by Talga Gold had concentrated on the McPhees and Quartzite prospects, which confirmed mineralisation over a strike length of 200m at McPhees in two separate zones. This diamond core program was focussed primarily on geotechnical and mineralogical data but infilled the two separate zones.

A key result for further drilling and future volume estimation is that the gold mineralised vein structures can be correlated between 40-50m spaced sections over 350m strike and are open along strike and at depth. Note that the soil sampling results released on March 8, 2011 show gold mineralisation extends from McPhees further along strike and historic workings mark the mineralised vein system along the entire 5 kilometre length of the Talga Talga project tenements.

All eight holes intercepted shallow low-dipping gold mineralised veins at the targeted down hole depths between 30-60m with some of the deeper drill holes intercepting additional footwall gold mineralisation in veins and cherts to 110m downhole depth. Core quality and recovery was generally satisfactory

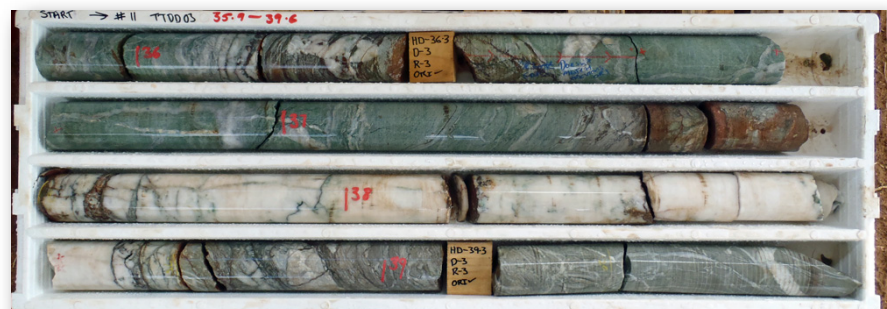


Fig 1. Photograph of part TTDD03 (35.9-39.6m downhole depth) showing well developed gold-bearing quartz vein (white) in sheared altered ultramafic host rock (green-grey), McPhees.

in the more massive quartz vein host to the gold mineralisation as apparent in drill hole TTDD03 (See Fig1) but some of the more brecciated target zones such as hole TTDD01 suffered significant core loss and lack reliable comparisons to previous RC drill holes. Details of the drill holes and assay results are included below in Table 1 and locations on Fig 3.

Results of testing the drill core for structural controls on gold mineralisation suggests that ongoing exploration/drilling focus on the geometry of early (primary) structures in priority over later (secondary) features. Results of examining the mineralogical and metallurgical aspects of the gold mineralisation has confirmed the coarse and free nature of gold mineralisation, a significant silver credit and no deleterious levels of trace elements or sulphides.

Sampling of selected drill core returned gold grades from 0.1-14.0 grams/tonne gold (g/t Au) over widths from 0.2-2.09m. The distribution of gold grades is erratic and typical of coarse gold deposits, with gold particles over 200 micron size observed distributed in both quartz (see Fig 2) and iron mineralised carbonate matrices.

The cut-core sample size precludes reliable estimates of grade in this program but recorded production grades for the historic gold mining centre averaged between 34-36 g/t Au indicating that the grade, though erratic in a local sense, tends to be gradational over a bulk mining scenario. Previous Talga Gold RC drill intercepts of 1m at 66.9 g/t Au and 1m at 73.5 g/t Au also demonstrate high gold grades are present in the system plus the gold-bearing veins at McPhees are near surface so accessible to further drill test or bulk sample at relatively low cost.

Exploration at the project to date has elicited a range of encouraging gold results. For example, some of the outstanding results include:

- Soil geochemical zones up to of 14.6 grams gold per tonne (g/t Au).
- Rock chip samples up to 87.2 g/t Au at McPhees and 21.9 g/t Au at Quartzite.
- RC drilling grades of 1m at 66.9 g/t Au in drill hole TTRC003 and 1m at 73.5 g/t Au in drill hole TTRC029.

The step-out larger diameter RC drilling program scheduled to start in July will include: (1) Deeper RC holes in the 350m strike Mcphees zone to test for grade and extent of the gold mineralised structures to 250m down-dip (approximately 130m vertical depth); and (2) drill testing below vein outcrops and gold in soil anomalies along strike from McPhees to extend the zone over a continuous 650m strike.

Additional recent work to advance the project includes extended detailed geochemical sampling over a further 3 kilometres of strike to the NE, airborne digital elevation modelling and cultural heritage surveys. The results of this work will aid the definition of gold targets along the balance of the 5km length project area and accelerate permitting for drill testing in the September quarter.

For further enquiries:

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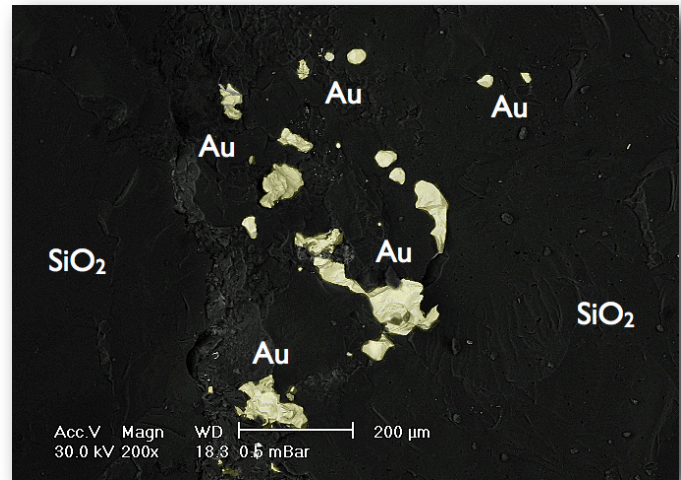


Fig 2. Scanning electron microscope microphotograph of vein at McPhees showing coarse gold particles in quartz matrix. Note scale bar is 200 microns.

Fig 3. 2011 Diamond drilling location plan over historical gold exploration and 2010 RC drill hole locations, McPhees Prospect, Talga Talga.

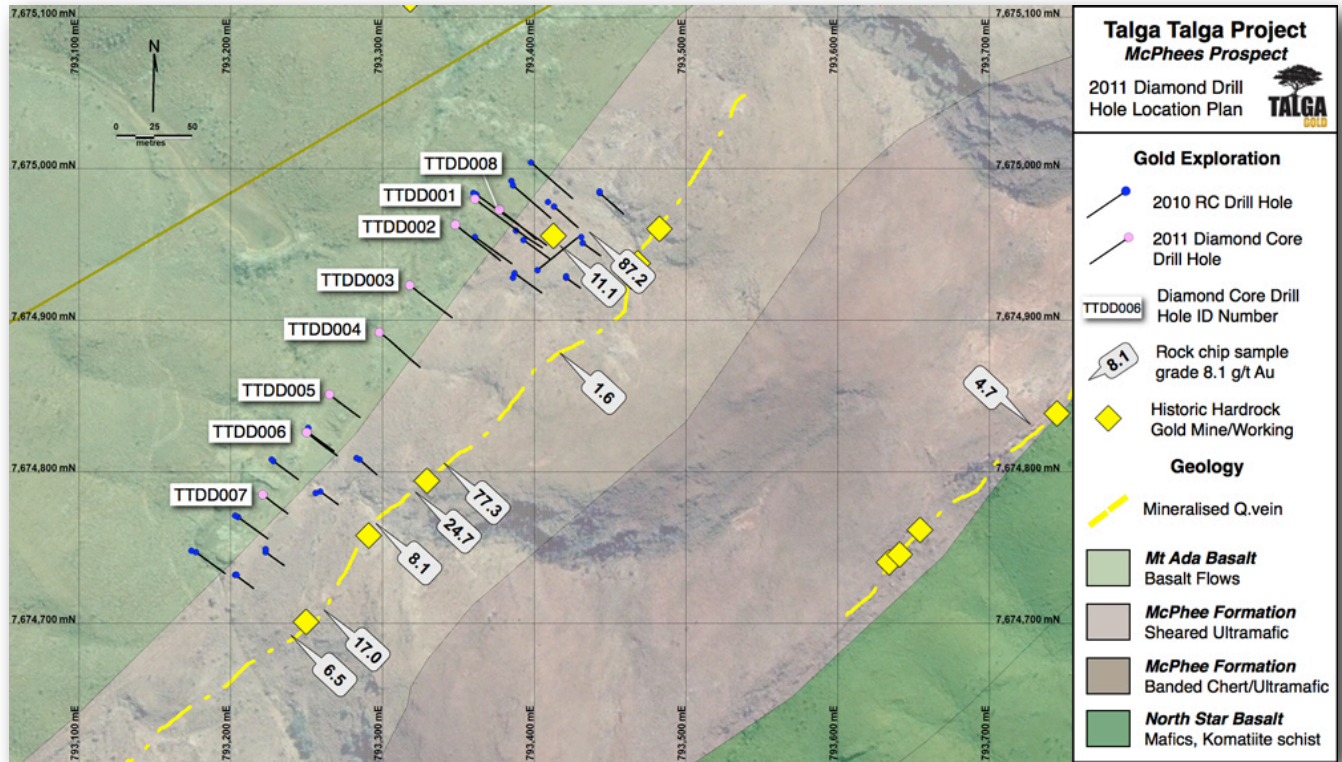


Table 1. Diamond drilling results (length-weighted average, approximately true width) - McPhees Prospect, Talga Talga.

Hole Id	WGS84 East	WGS84 North	Azi (TN)	Incl.	Downhole Depth (m)	To (m)	Downhole Interval	Grade g/t Au	Grade g/t Ag	Comment
TTDD01	793361	7674982	125	-60	55.83	56.27	0.44	0.69	0.71	0.3m core loss in target Qz-Carb veining
					105.39	107.48	2.09	0.24	0.66	Banded chert
					109.51	110.05	0.54	0.15	0.16	Chlorite alteration + abund. Qz-Carb
TTDD02	793347	7674965	125	-60	50.05	51.12	1.07	0.27	0.78	Strongly veined
					69.77	70.15	0.38	1.07	3.90	Qz veining
TTDD03	793319	7674924	125	-60	37.00	37.63	1.75	0.43	0.55	Massive white qz vein, minor FerroCarb
					53.16	54.3	1.14	0.44	1.49	Banded to massive chert
					66.60	68.60	2.00	0.13	1.70	Chert with Qz-Dol vein
TTDD04	793297	7674891	125	-60	55.82	56.29	0.47	2.13	1.72	Zone of strong shearing
					<i>including</i>	56.11	56.29	0.18	4.62	3.73
TTDD05	793266	7674850	125	-60	32.40	33.38	0.98	0.12	0.19	Margin of Qz V, Strongly brecciated.
					36.00	37.00	1.00	0.12	0.18	Altered Ultramafic
TTDD06	793250	7674827	125	-60	31.57	32.74	1.17	5.43	3.24	Targeted Qz Vn
					<i>including</i>	31.57	32.02	0.45	14.00	7.98
TTDD07	793223	7674785	125	-60	29.67	30.15	0.48	0.67	0.27	Targeted Qz vein
TTDD08	793374	7674970	125	-60	36.92	37.18	0.26	0.11	0.28	Strongly sheared/brecciated zone, veining
					45.00	46.02	1.02	0.11	0.13	Strong Carb-Silica alteration and veining

## Notes:

- Samples are HQ sized drillcore logged and cut over selected intervals to half or quarter core for gold (Au) assay by Ore Grade 50gm Fire Assay methods with AA finish.
- Results >1.0 g/t Au trigger five duplicate samples with the average of all six assay results is used in intercept calculations. A series of external standards and field duplicates are used to assess laboratory assay quality control.
- Silver (Ag) is assayed by four-acid digest and ICP-MS finish.
- Mineralised intercepts are calculated where total intersection >0.1g/t Au using length-weighted grade averages. Downhole intercepts are approximately true widths.



**About Talga Gold Ltd**

- ▶ High grade near surface gold targets defined for drill testing
- ▶ Active WA gold projects with TLG equity 100%
- ▶ 46.35 m shares & 1.1 m unlisted options on issue

Talga Gold (ASX: "TLG") is an Australian gold explorer aiming to establish near surface, high margin gold mines by applying modern day exploration techniques to under explored terrains, focusing primarily on the fertile gold-enriched structures of the Pilbara and Yilgarn regions of Western Australia. Listing on the ASX in July 2010 after an over-subscribed IPO, Talga is well funded and proactively assesses new opportunities.

An aggressive 2011 drill program includes campaigns on the high grade Talga Talga project east of Port Hedland in the Pilbara where first pass drilling in 2010 returned high grades at shallow depth. Further drilling is also planned for the nearby Warrawoona gold project, which together with the Mosquito Creek project forms the Pilbara focus of the Company. In the Yilgarn province the Company is planning drilling at the Bullfinch project where outcropping zones of gold/bismuth/tellurium mineralisation have been discovered.

**Competent Person Statement**

*The information in this announcement that relates to Exploration Results has been compiled by Mr Mark Thompson who is a Director of the Company. Mr Thompson is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and 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". Mr Thompson consents to the inclusion of information in this announcement in the form and context in which it appears.*