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**TALGA RESOURCES LTD**  
**ACN 138 405 419**  
**NOTICE OF GENERAL MEETING**

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**TIME:** 10.00 am (WST)  
**DATE:** Wednesday, 27 July 2016  
**PLACE:** QV1 Conference Centre  
Level 2, 250 St Georges Tce  
Perth, Western Australia 6000

*The Notice of General Meeting 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.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9481 6667.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# TALGA RESOURCES LTD

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## NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Talga Resources Ltd (**Company**) will be held at QV1 Conference Centre, Level 2, 250 St Georges Tce, Perth, Western Australia on Wednesday, 27 July 2016 at 10:00 am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 25 July 2016 at 10:00 am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 - Ratification of prior issue of Placement Shares under Listing Rule 7.1

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,942,609 Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associate or nominee of such a person) who participated in the issue of the Shares.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

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## 2. Resolution 2 - Ratification of prior issue of Placement Shares under Listing Rule 7.1A

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 14,628,406 Shares under Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associate or nominee of such a person) who participated in the issue of the Shares.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

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## 3. Resolution 3 - Approval to issue Placement Options

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

*"That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 8,892,754 Options on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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.

**BY ORDER OF THE BOARD**



Dean Scarparolo  
Company Secretary  
Dated: 28 June 2016

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# TALGA RESOURCES LTD

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at QV1 Conference Centre, Level 2, 250 St Georges Tce, Perth, Western Australia on Wednesday, 27 July 2016 at 10:00 am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolutions 1 & 2 - Ratification of prior issue of Placement Shares
Section 4:	Resolution 3 - Approval to issue Placement Options
Schedule 1:	Definitions
Schedule 2:	Terms and conditions of Placement Options

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and

- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

The Chair intends to exercise all available proxies in favour of all Resolutions.

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### **3. Resolutions 1 & 2 - Ratification of prior issue of Placement Shares**

#### **3.1 Background**

In April 2016, the Company entered into an agreement with Majesky Finance Corporation (**Majesky**) to provide certain assistance to the Company by introducing the Company to its sophisticated investor network.

On 20 June 2016, the Company announced that it had agreed to issue 35,571,015 Shares at \$0.28 per Share (**Placement Shares**) to a small group of European strategic institutional and sophisticated investors introduced by Majesky, including the Scandinavian-based Smedvig Family Office (**Placement Participants**), (**Placement**). The issue of the Placement Shares raised approximately \$10 million (before costs).

The Placement Participants are entitled to be issued 1 free attaching Option for every 4 Placement Shares (**Placement Options**).

Resolutions 1 and 2 seek the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of the 35,571,015 Placement Shares.

Resolutions 1 and 2 are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 1 and 2.

#### **3.2 Listing Rules 7.1 and 7.1A**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 27 November 2015.

#### **3.3 Listing Rule 7.4**

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of Resolutions 1 and 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

### **3.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 35,571,015 Placement Shares were issued on 22 June 2016 as follows:
  - (i) 20,942,609 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
  - (ii) 14,628,406 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (b) the Placement Shares were issued at \$0.28 per Share, with an entitlement to be issued one free attaching Option for every four Placement Shares subscribed for;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to the Placement Participants, none of whom is a related party of the Company;
- (e) the proceeds from the issue of the Placement Shares will be used to progress the Company's technical, commercial and mineral development programs in Germany and Sweden, as well as for general working capital; and
- (f) a voting exclusion statement is included in the Notice.

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## **4. Resolution 3 - Approval to issue Placement Options**

### **4.1 General**

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 8,892,754 Placement Options to the Placement Participants on the basis of one free Placement Option for every four Placement Shares subscribed for.

Resolution 3 is an ordinary resolution.

### **4.2 Background**

The Company has for some time been searching for suitable long term strategic investor/s on the share register. In order to reach its potential, the Board believes a European finance partner with a deep understanding of the micrographite and graphene sectors is required to provide avenues for future funding, to provide support in the Nordic region and to assist with the migration of the company's investor base as it becomes better recognised as an institutional proposition. The announcement made

on the ASX platform on 20<sup>th</sup> June 2016 outlines a group of Placement Participants that meet that objective.

The Norwegian based Smedvig Family Office was the cornerstone investor to the Placement. The relationship with a well regarded and connected Scandinavian institution provides the Company with additional comfort regarding the acceleration of its business plans at an operational inflection point as development scale increases markedly.

The Placement Options form part of the Placement and the Board strongly recommends that Shareholders vote in favour of Resolution 3. Shareholders should note that the members of the Board intend to vote their shareholdings in favour of Resolution 3.

#### **4.3 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 3.2.

The effect of Resolution 3 will be to allow the Company to issue the Placement Options during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **4.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Options:

- (a) a maximum of 8,892,754 Options are to be issued as Placement Options;
- (b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Placement Options are free-attaching to the Placement Shares issued and therefore will be issued at an issue price of nil;
- (d) the Placement Options will be issued to the Placement Participants, who are not related parties of the Company;
- (e) the Placement Options are to be issued on the terms and conditions set out in Schedule 2;
- (f) it is intended that the Placement Options will be issued on or about the date of the Meeting; and
- (g) a voting exclusion statement is included in the Notice.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors of the Company.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Company** means Talga Resources Ltd ACN 138 405 419.

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

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

**Equity Security** has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of general meeting.

**Option** means the right to acquire one Share in the capital of the Company.

**Placement** has the meaning given in Section 3.1.

**Placement Participants** has the meaning given in Section 3.1.

**Placement Options** has the meaning given in Section 3.1.

**Placement Shares** has the meaning given in Section 3.1.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time, being the time in Perth, Western Australia.



## Schedule 2 - Terms and Conditions of Placement Options

### 1. Entitlement

Each Placement Option entitles the Optionholder to subscribe for one Share upon exercise of the Placement Option.

### 2. Exercise Price

Subject to Section 13, the amount payable upon exercise of each Placement Option will be \$0.45 (**Exercise Price**).

### 3. Expiry Date

Each Placement Option will expire at 5:00pm WST on 31 December 2018 (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

The Placement Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 5. Exercise of Placement Options

Placement Options may be exercised by:

- (a) delivering to the Company the exercise notice duly executed by the Optionholder (together with the Option certificate) specifying the number of Placement Options being exercised (**Relevant Number**); and
- (b) payment to the Company by bank cheque or other immediately available and freely transferable funds of an amount equal to the Exercise Price multiplied by the number of Placement Options being exercised (**Settlement Price**).

The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Timing of issue of Shares on exercise

The Company must within 5 Business Days of the receipt by it of the exercise notice and subject to receipt by the Company of the Settlement Price:

- (a) issue to the Optionholder (or its nominee) the Relevant Number of Shares;
- (b) issue, or cause to be issued, to the Optionholder a holding statement for the Relevant Number of Shares; and
- (c) if applicable, issue a replacement Option certificate to the Optionholder for the balance of any unexercised Placement Options.

### 7. Form and ranking of Shares

Shares issued pursuant to the exercise of the Placement Options will be issued as fully paid. Any Shares issued to the Optionholder by the Company as a result of the exercise

of a Placement Option will rank pari passu in all respects with all other Shares then on issue from the date of the applicable exercise notice.

#### **8. Quotation of Shares issued on exercise**

The Company must (within 3 Business Days of the Optionholder having exercised any Placement Options or earlier if required by the Listing Rules) apply for official quotation on ASX of the Shares allotted as a result of the exercise.

#### **9. Tradability of Shares**

To ensure the Shares may be freely traded, the Company will:

- (a) issue the Placement Options under a disclosure document under the Corporations Act;
- (b) within 5 Business Days after the day on which the Shares were issued upon the exercise of a Placement Option, lodge a notice to the ASX under section 708A(5)(e) of the Corporations Act (**Cleansing Notice**), and provide a copy of that Cleansing Notice to the Optionholder; or
- (c) obtain ASIC relief.

#### **10. Reorganisation of capital**

If, before exercise or expiry of the Placement Options, the Company implements a reorganisation of its capital, the Placement Options must be treated in the manner required by the Listing Rules. The Company must notify the Optionholder of any proposed variation to the terms and conditions of the Placement Options no less than 15 Business Days prior to the date of variation and any variation to the terms and conditions of the Placement Options immediately after the date of variation.

#### **11. Participation in new issues**

A Placement Option does not confer any right on the Optionholder to participate in a new issue without exercising the Placement Option.

#### **12. Right to participate after exercise**

The Optionholder will be entitled to participate in any Bonus Issue or Pro Rata Issue of Securities (as those terms are defined in the Listing Rules), or other rights to subscribe for Securities issued or to be issued to Shareholders by the Company (**Additional Rights**) on the same terms and conditions as are applicable to the other Shareholders of the Company, provided that the Optionholder has exercised any Placement Option prior to the Record Date (as that term is defined in the Listing Rules) for the relevant offer.

#### **13. Variation of Placement Option terms**

Subject to the Listing Rules, the terms and conditions of Placement Options applicable to a particular Optionholder may be varied at any time by written agreement between the Company and the relevant Optionholder.

In the event of any of the circumstances listed in Listing Rule 6.22, a Placement Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Placement Option can be exercised.

**14. Quotation of Placement Options**

The Company will not apply for quotation of the Placement Options on ASX.

**15. Transferability**

The Placement Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws, and shall survive death of the recipient.

**16. Governing law**

These terms and conditions and the Placement Options are governed by the laws of Western Australia.

«EFT\_REFERENCE\_NUMBER»

# TALGA RESOURCES LTD

ACN: 138 405 419

REGISTERED OFFICE:  
FIRST FLOOR  
2 RICHARDSON STREET  
WEST PERTH WA 6005

SHARE REGISTRY:  
Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
PO BOX 535, APPLECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPLECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

TLG

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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 of the Company to be held at 10:00 am WST on Wednesday 27 July 2016 at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, Western Australia 6000 and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### RESOLUTION

1. Ratification of prior issue of Placement Shares under Listing Rule 7.1
2. Ratification of prior issue of Placement Shares under Listing Rule 7.1A
3. Approval to issue Placement Options

For Against Abstain\*

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If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00 am WST on Monday 25 July 2016.

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TLGPX3270716

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

#### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

#### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

#### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

#### 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

#### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Registrars Pty Ltd

Online	<a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	<a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a>

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.