KEY SWEDISH COPPER-GOLD SYSTEM CONFIRMED IN NEW WORK BY TALGA

Talga Resources Limited (ASX:TLG) ("Talga" or "the Company") is pleased to announce that a review of historic drill data from one of its Swedish mineral projects has confirmed a significant new copper-gold play in close proximity to Europe's largest operating copper-gold mine, **Aitik** (2,760 Mt @ 0.17% Cu, 0.1g/t Au[(1)]).

The key findings of the new work – which digitised then analysed historic drill records and assay data that was previously only in hard copy – revealed significant copper-gold grades over substantial widths at Talga's **Kiskama** project in northern Sweden. This program represents the first substantial review of its 100%-owned copper-gold assets in the Kiruna mining district since acquiring the Swedish assets of Teck Resources ("Teck") 18 months ago.

Highlights include:

- Confirmation of potentially large Iron Oxide Copper-Gold ("IOCG") mineralisation system.
- Currently producing mines in the vicinity are profitable at very low grades.
- Historic diamond drilling focused on only 1km of strike; mineralisation is open in all directions.
- A further 7km of strike remains largely untested and forms a high priority target zone.
- Of the 13,836m drilled (101 holes) only 27% was assayed for copper and less than 2% for gold.
- Significant shallow, wide intercepts of copper-gold revealed including:
  - Hole 80004: from 20m depth **42m** at **0.49% Cu, 0.07g/t Au** incl **10m** at **1.23% Cu**, **0.16g/t Au** from 45m
  - Hole 77001: from 16m depth **21m** at **1.02% Cu**, **0.25g/t Au** incl **6m** at **1.98% Cu**, **0.54g/t Au** from 16m
  - Hole 77007: from 34m depth **66m** at **0.41% Cu** incl **7m** at **1.24% Cu** from 92m
  - Hole 72004: from 66m depth **40m** at **0.68% Cu** incl **5m** at **1.07% Cu** from 70m & **11m** at **1.51% Cu** from 94m
  - Hole 78016: from 8m depth **16m** at **0.36% Cu**, **0.45g/t Au** incl **6m** at **0.75% Cu**, **1.14g/t Au** from 16m
  - Hole 77006: from 31m depth **39m** at **0.62% Cu**, **0.22g/t Au**

Talga Managing Director, Mr Mark Thompson:

"As a Company our primary development focus is our Swedish graphite deposits, however we were aware of the district's high IOCG prospectivity and are pleased that these new findings confirm a substantial copper-gold system at our wholly owned Kiskama project.

Additionally, Talga's work has revealed high potential for a much larger copper-gold deposit than previously recognised. The proximity of the deposit to road and rail links to nearby mines offers potential synergies for development and we note recent moves by other companies to take land positions adjacent to Talga's Kiskama tenement. We believe these results will open up myriad potential opportunities to commercialise value from this IOCG deposit and Talga's entire north Sweden portfolio. Talga is now better informed to accurately pursue divestment or joint venture opportunities for the Kiskama project."

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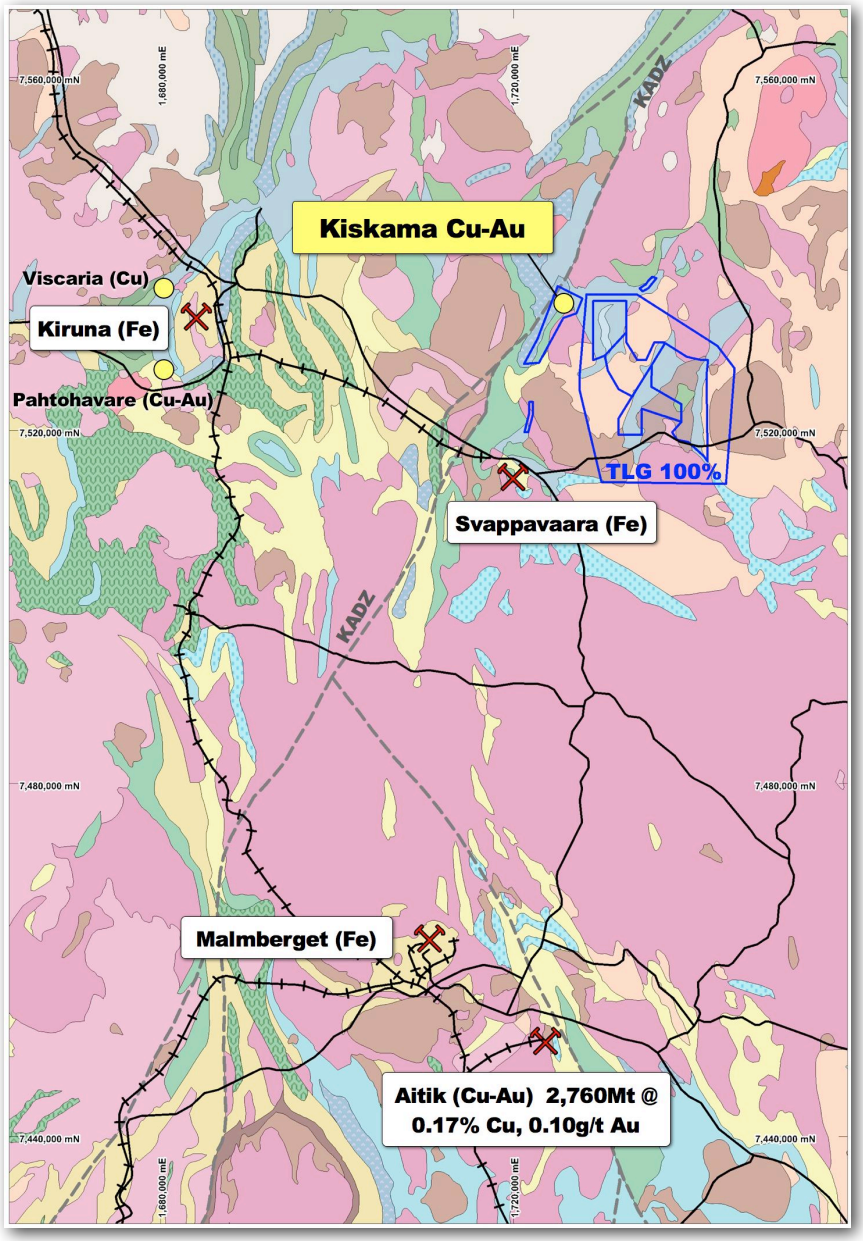
Introduction and Background

Talga's **Kiskama** copper-gold project is located in **Sweden** within the Fennoscandian Shield, a geological province that covers much of northern Scandinavia and western Russia. Kiskama is situated in the **Kiruna** mining district which hosts multiple large mining operations, including Boliden's giant **Aitik** copper-gold mine (currently milling **36Mt ore per annum**[2]) located approximately 80km south from Kiskama (Fig 1).

Mineral deposits in this region can be highly profitable at what are considered very low grades elsewhere in the world. This is due to low power costs (hydro and nuclear) and favourable fiscal regimes combined with high quality established infrastructure. For example, the nearby **Aitik** open cut copper-gold mine, the largest in Europe, hosts resources of **2,760 Mt @ 0.17% Cu, 0.1g/t Au**[1]**.** First Quantum's **Kevitsa** mine (Finland) is another large open cut operation in the Fennoscandian Shield which currently mines a resource of **238Mt @ 0.41% Cu, 0.30% Ni and 0.12g/t Au**[3].

Despite this, Sweden remains relatively immature in terms of modern mineral exploration, in part due to private mineral ownership only being permitted since 1992. Exploration post-1992 was generally restricted to targeting and minor ground work, with little follow up drilling, due to the changing circumstances of the major companies involved (e.g. Phelps Dodge was taken over by Freeport, Teck scaled back exploration in Europe due to the global financial crisis and Equinox changed focus to Africa). An exception was Anglo American whose persistence led to discovery of the giant Sakatti copper-nickel deposit over the border in Finland in 2011.

Fig 1 Kiskama project geology map showing Talga tenements (blue), transport infrastructure and selected mines, mills and deposits.



Talga took 100% ownership of the Kiskama project in June 2012 as a result of the acquisition of a Teck subsidiary, leaving a sole 1% net smelter royalty due on future production.

While Talga has since focussed its efforts on drilling and developing the nearby ***graphite*** deposits, the Company has always considered the high potential of commercialising the ***copper-gold*** assets. This prompted the decision to digitise then fully analyse the copper-gold data.

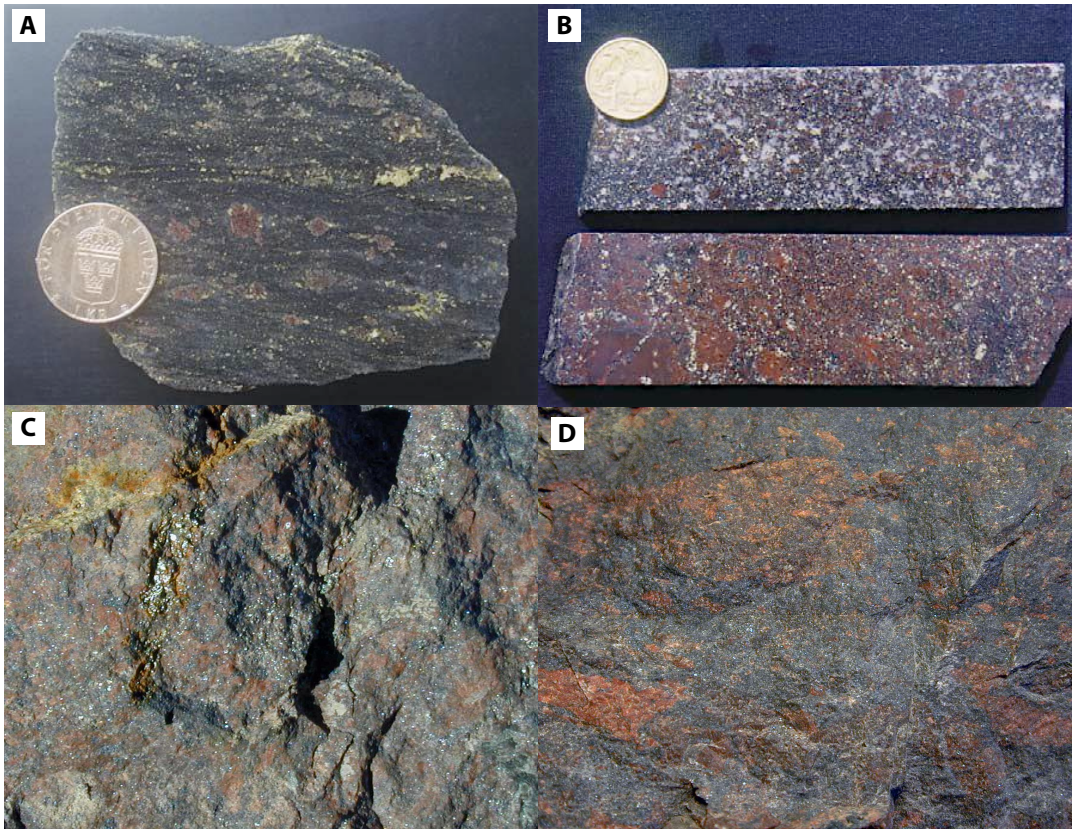
Geology and Mineralisation

The Kiskama project is located in the Karesuando-Arjeplog deformation zone ("KADZ"), a giant structural feature that strikes through the Kiruna mining district and forms a major terrane and metamorphic gradient boundary which hosts several significant mineral occurrences.

Mineralisation at Kiskama comprises chalcopyrite-pyrite-magnetite-hematite as breccia infill in association with strong K-feldspar alteration, within an extensive zone of hydrothermally brecciated felsic to intermediate volcanics of the Porphyrite Group (~1.86Ga)[4].

The mineralisation has been described as a shear-hosted iron-oxide copper-gold "IOCG" style deposit[5]. Iron oxide copper-gold deposits are highly prized as mineral deposits due to their often sizeable dimensions and shapes being conducive to large scale bulk mining. Nisbet et al.[6] noted that the extensive alteration systems at Svappavaara near Kiskama are comparable to the Cloncurry district (Australia) which hosts the Ernest Henry Cu-Au deposit (Fig 2). They considered that a major Cu-Au-Ag-U deposit remains to be discovered in the Kiskama-Kiruna region.

*Fig 2 Comparison of **Aitik**, **Ernest Henry** and **Kiskama** mineralisation styles; source Teck internal report and Martinsson[5].*



A. Shear-hosted magnetite-chalcopyrite (pyrite) mineralisation from the **Aitik** deposit.

B. Breccia-hosted magnetite-chalcopyrite-(pyrite) mineralisation from the **Ernest Henry** deposit.

C. Breccia-hosted magnetite-hematite-sulphide mineralisation from the **Kiskama** deposit (view 4cm)[5].

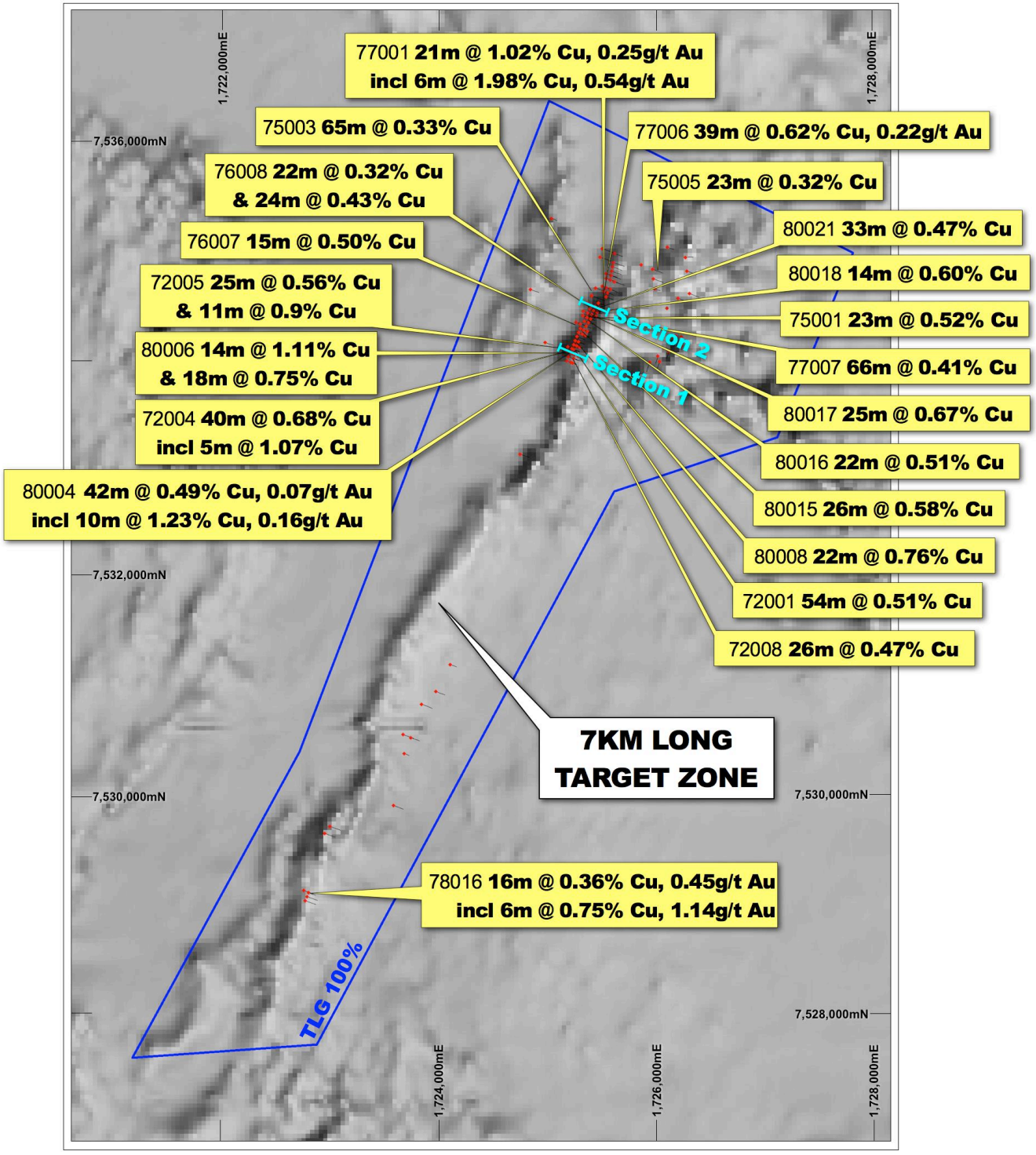
D. Breccia-hosted magnetite-hematite-sulphide mineralisation from the **Kiskama** deposit (view 10cm)[5].

Drilling

Talga has located and reviewed results from 101 historic drill holes (13,836m) at Kiskama. Diamond drilling was primarily carried out by the Swedish Geological Survey ("SGU") episodically in the period 1972-80. Drilling focussed on a one kilometre long zone in the north of the tenement which defined three sulphidic lenses up to 40m wide and up to 180m vertical depth, that remain open in all directions. **Sampling of the core was selective and only 27% was assayed for copper and less than 2% for gold**. See Table 1 for a summary of significant copper-gold intercepts and see Fig 3-5 for plan map and sections.

Talga has procured and analysed modern geophysical data and identified a 10km long magnetic high associated with mineralisation. It is of note that one hole (78016), located 5.5km to the south of the main drilled area along this trend intercepted **16m @ 0.36% Cu** and **0.45g/t Au** including **6m @ 0.75% Cu**, **1.14g/t Au**, highlighting the prospectivity of this largely untested priority target.

Fig 3 Kiskama drillhole location map with selected significant intercepts over greyscale aeromagnetic (TMI) image.



Review and Next Steps

The intercepts to date are highly encouraging in the context of nearby mines, proximity to established transport solutions and geology/mineralisation styles. There is clear potential for other metals in the system to add economic credits e.g. iron in hematite/magnetite. Additionally the scope for defining new and higher grade copper-gold zones is considered high, both adjacent to the known deposit and within the 7km strike magnetic target zone.

Talga has confirmed drillcores from 95 of the 101 holes drilled are stored at the SGU's facility in Malå. Further work on the historic drillcore should include systematic resampling for gold and copper as a cost effective way of advancing the deposit before considering new drilling to infill and extend mineralisation and test for

resource potential. Considering Talga's graphite focus, joint venture and divestment opportunities will be sought before dedicating further resources and funds towards Kiskama.

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References

[1] *Boliden Annual Report 2012 resource statement as of Dec 31st 2012*

[2] *Boliden corporate website*

[3] *First Quantum corporate website*

[4] *Edfelt, Å., Eilu, P., Martinsson, O., Niiranen, T., Weihed, P., 2004 – The northern Fennoscandia IOCG-province, SGA News*

[5] *Martinsson, O., 2011 – Kiskamavaara a shear hosted IOCG-style of Cu-Co-Au deposit in Northern Norrbotten, Sweden, 11th Biennial SGA meeting, Antofagasta, Chile*

[6] *Nisbet, B., Cooke, J, Richards, M and Williams, C., 2000 – Exploration for Iron Oxide Copper Gold deposits in Zambia and Sweden: Comparison with the Australian Experience; in Porter, T.M. (Ed.), Hydrothermal Iron Oxide Copper-Gold & Related Deposits: A Global Perspective, Volume 1; PGC Publishing, Adelaide.*

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Darren Griggs and Mr Mark Thompson, who are members of the Australian Institute of Geoscientists. Mr Griggs and Mr Thompson are employees of the Company and have 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 Griggs and Mr Thompson consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

ABOUT TALGA RESOURCES LTD

Talga Resources Limited (**Talga**) (ASX: "TLG") is a diversified mineral explorer and developer with a portfolio of 100% owned graphite, iron, copper/gold projects in Sweden and gold projects in Western Australia.

Graphite

Talga wholly owns multiple advanced and high grade graphite projects in northern Sweden. The immediate focus is to advance these projects towards development, utilising the advantages of established quality infrastructure including power, road, rail and ports. Initially this will entail economic studies on the Nunasvaara and Raitajärvi graphite deposits.

Iron

Talga owns multiple magnetite iron deposits located in the Kiruna mineral district of northern Sweden. The iron deposits are of significant scale and strategic importance, with considerable growth upside based on historic drilling. Talga's strategy is to commercialise these assets to provide funds for the graphite projects.

Gold

Talga owns multiple high grade gold projects located in the Yilgarn and Pilbara regions of Western Australia, which the Company is divesting to focus on the Swedish assets. Additionally the Company owns several copper-gold projects within its Sweden portfolio.

Fig 4 Kiskama cross section 1

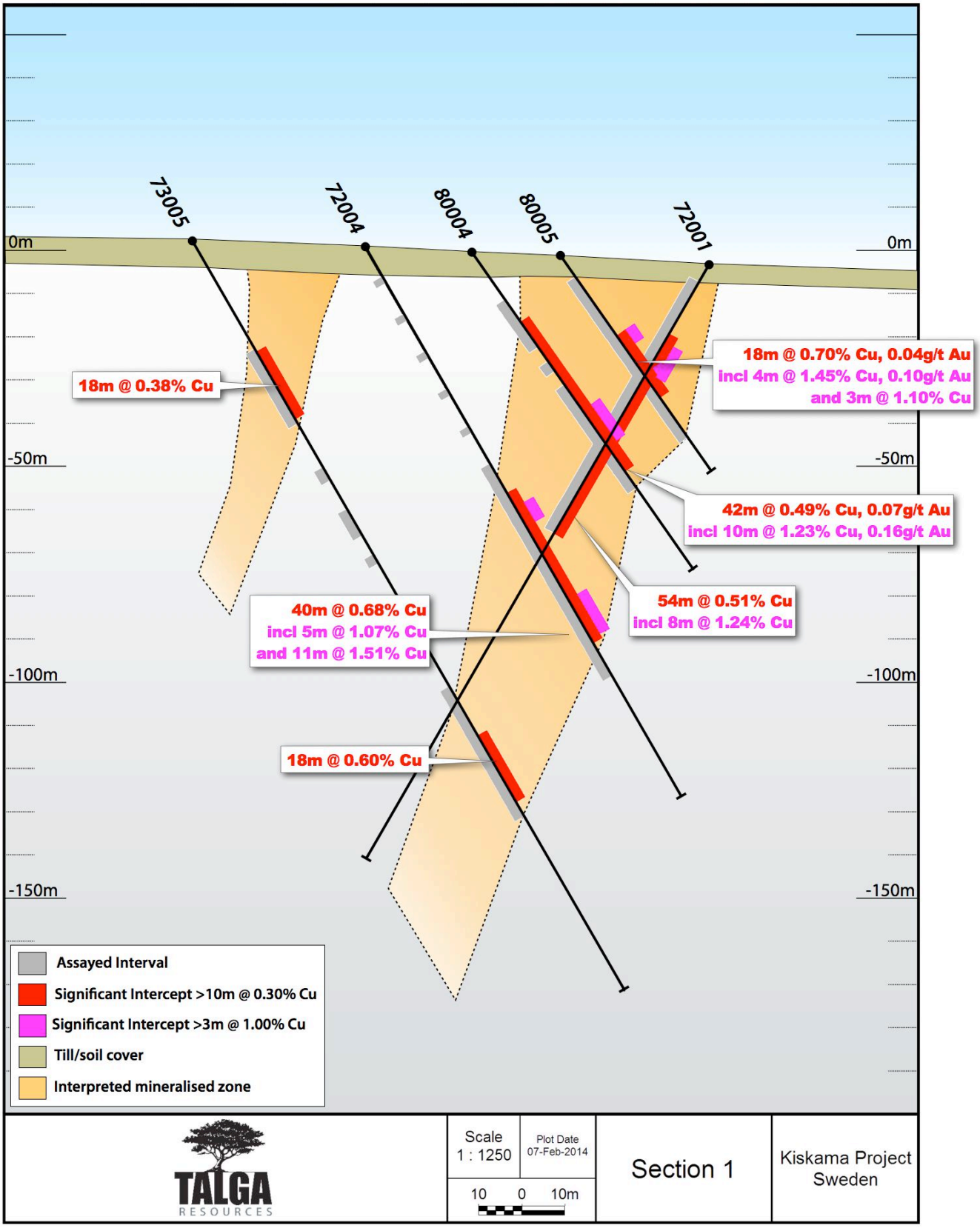

Fig 5 Kiskama cross section 2

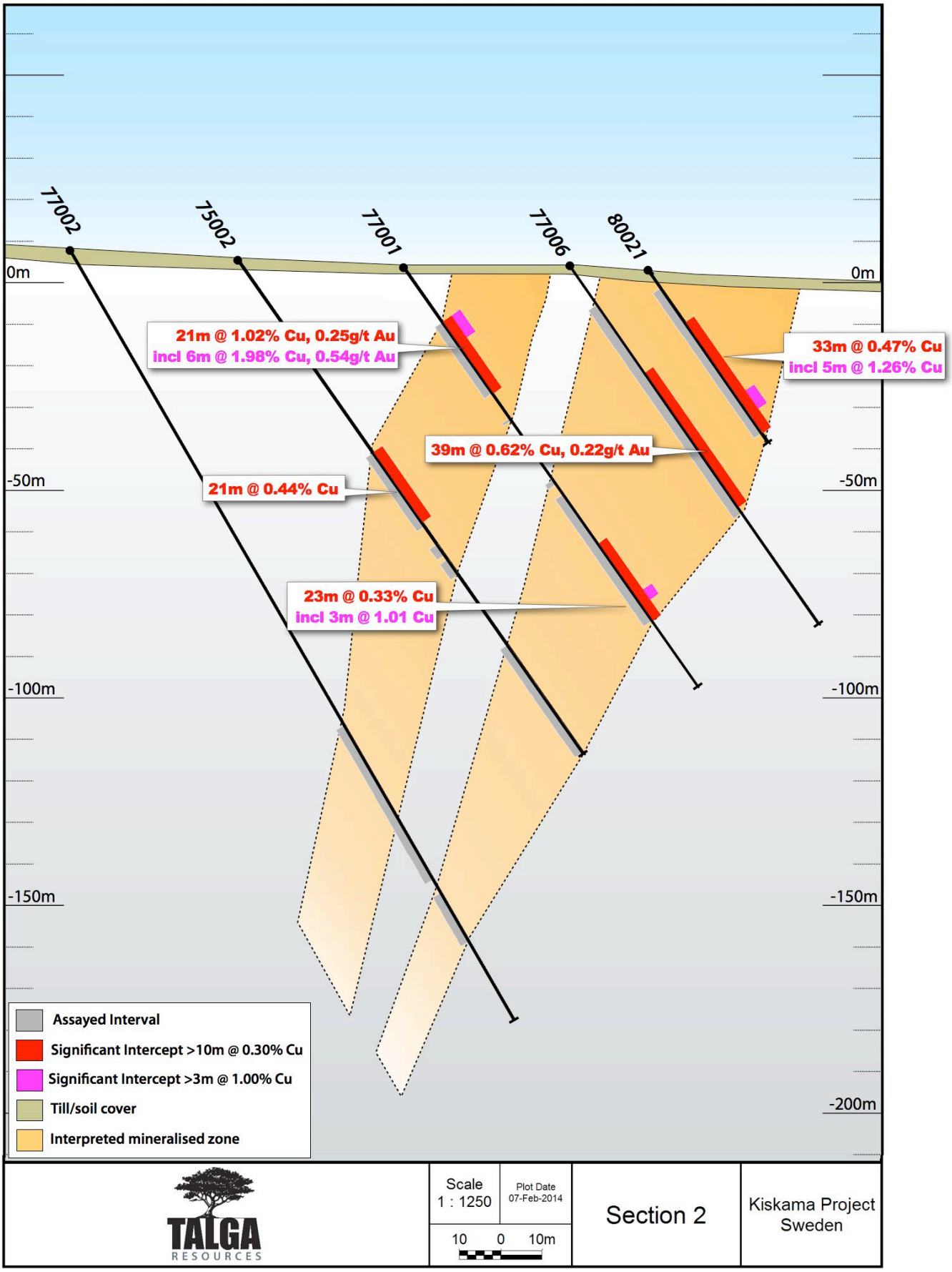

Table 1 *Kiskama historical drilling significant intercepts calculated where downhole length >10m and copper grade >0.3% Cu.*

Hole ID	Easting (RT90)	Northing (RT90)	RL	Azi	Dip	EOH Depth (m)	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Significant Intercept
72001	1725290	7534040	357	292	-60	159.1	18.5	72.0	53.5	0.51	na	54m @ 0.51% Cu
						including	20.6	28.8	8.1	1.24	na	8m @ 1.24% Cu
72004	1725216	7534070	361	112	-60	146.6	66.0	106.2	40.2	0.68	na	40m @ 0.68% Cu
						including	69.8	75.1	5.3	1.07	na	5m @ 1.07% Cu
						including	94.4	105.1	10.7	1.51	na	11m @ 1.51% Cu
72005	1725231	7534107	359	112	-60	146.0	62.5	87.5	25.0	0.56	na	25m @ 0.56% Cu
						including	74.7	83.5	8.8	1.01	na	9m @ 1.01% Cu
72005	1725231	7534107	359	112	-60	146.0	102.3	113.7	11.4	0.90	na	11m @ 0.90% Cu
						including	105.4	109.5	4.1	1.81	na	4m @ 1.81% Cu
72006	1725247	7534144	358	112	-60	157.0	28.7	46.0	17.4	0.33	na	17m @ 0.33% Cu
72006	1725247	7534144	358	112	-60	157.0	87.0	98.9	11.9	0.35	na	12m @ 0.35% Cu
72008	1725201	7534033	363	112	-60	208.0	87.2	113.3	26.1	0.47	na	26m @ 0.47% Cu
72009	1725309	7534335	359	112	-60	146.8	111.0	133.8	22.8	0.35	na	23m @ 0.35% Cu
72010	1725347	7534362	359	112	-60	140.7	86.4	99.1	12.7	0.58	na	13m @ 0.58% Cu
73002	1725292	7534255	358	112	-60	160.0	103.8	119.1	15.4	0.41	na	15m @ 0.41% Cu
73004	1725186	7533996	366	112	-60	156.0	81.6	109.2	27.6	0.31	na	28m @ 0.31% Cu
73005	1725179	7534085	362	112	-60	200.8	29.8	47.9	18.0	0.38	na	18m @ 0.38% Cu
73005	1725179	7534085	362	112	-60	200.8	132.4	150.3	17.9	0.60	na	18m @ 0.60% Cu
73006	1725194	7534122	361	112	-60	181.2	104.9	122.3	17.4	0.31	na	17m @ 0.31% Cu
74003	1725334	7534411	361	112	-60	188.2	113.3	126.4	13.1	0.45	na	13m @ 0.45% Cu
75001	1725377	7534436	361	112	-55	172.4	60.4	83.0	22.6	0.52	na	23m @ 0.52% Cu
						including	60.4	63.2	2.8	1.77	na	3m @ 1.77% Cu
75002	1725408	7534510	366	112	-55	145.8	56.7	77.3	20.6	0.44	na	21m @ 0.44% Cu
75003	1725415	7534594	373	112	-55	223.5	98.6	163.3	64.7	0.33	na	65m @ 0.33% Cu
75005	1725975	7534840	426	112	-60	199.8	57.9	81.3	23.4	0.32	na	23m @ 0.32% Cu
						including	67.6	70.5	2.9	1.14	na	3m @ 1.14% Cu
76007	1725272	7534350	361	112	-60	194.7	164.7	179.4	14.8	0.50	na	15m @ 0.50% Cu
						including	170.5	173.9	3.3	1.00	na	3m @ 1.00% Cu
76008	1725336	7534453	363	112	-60	222.1	119.3	141.6	22.3	0.32	na	22m @ 0.32% Cu
76008	1725336	7534453	363	112	-60	222.1	174.6	198.2	23.5	0.43	na	24m @ 0.43% Cu
77001	1725445	7534495	364	112	-55	124.0	16.2	37.3	21.1	1.02	0.25	21m @ 1.02% Cu, 0.25g/t Au
						including	16.2	22.6	6.5	1.98	0.54	6m @ 1.98% Cu, 0.54g/t Au
77001	1725445	7534495	364	112	-55	124.0	81.5	104.3	22.8	0.33	na	23m @ 0.33% Cu
						including	96.8	99.7	2.9	1.01	na	3m @ 1.01% Cu
77006	1725482	7534480	364	112	-55	105.5	31.3	70.7	39.4	0.62	0.22	39m @ 0.62% Cu, 0.22g/t Au
77007	1725414	7534421	360	112	-55	127.1	34.4	100.0	65.7	0.41	na	66m @ 0.41% Cu
						including	92.0	99.0	7.0	1.24	na	7m @ 1.24% Cu

**Incomplete and non-systematic assaying for gold for this interval. Where no gold assay was made a value of zero was assigned for grade compositing purposes. Inconsistencies in interval length may result from rounding. na = not assayed*

Table 1 *(cont.) Kiskama historical drilling significant intercepts calculated where downhole length >10m and copper grade >0.3% Cu.*

Hole ID	Easting (RT90)	Northing (RT90)	RL	Azi	Dip	EOH Depth (m)	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Significant Intercept
77013	1725548	7534799	403	112	-60	208.7	111.3	122.5	11.2	0.48	na	11m @ 0.48% Cu
77013	1725548	7534799	403	112	-60	208.7	142.7	156.8	14.2	0.33	na	14m @ 0.33% Cu
78004	1725548	7534669	386	112	-55	121.6	39.0	52.0	13.0	0.46	na	13m @ 0.46% Cu
78006	1725546	7534584	375	112	-55	121.6	11.5	22.0	10.5	0.37	na	11m @ 0.37% Cu
78016	1722807	7529092	382	112	-55	121.0	8.3	24.2	15.9	0.36	0.45	16m @ 0.36% Cu, 0.45g/t Au
						including	15.8	22.0	6.2	0.75	1.14	6m @ 0.75% Cu, 1.14g/t Au
80004	1725239	7534061	360	112	-55	90.1	20.0	62.3	42.3	0.49	0.07*	42m @ 0.49% Cu, 0.07g/t Au*
						including	45.0	55.3	10.3	1.23	0.16	10m @ 1.23% Cu, 0.16g/t Au
80005	1725258	7534053	359	112	-55	60.8	23.0	40.6	17.6	0.70	0.04*	18m @ 0.70% Cu, 0.04g/t Au*
						including	23.0	27.0	4.0	1.45	0.10	4m @ 1.45% Cu, 0.10g/t Au
						including	34.0	36.6	2.6	1.10	na	3m @ 1.10% Cu
80006	1725246	7534101	358	112	-55	102.5	37.4	51.3	14.0	1.11	na	14m @ 1.11% Cu
80006	1725246	7534101	358	112	-55	102.5	75.5	93.0	17.5	0.75	na	18m @ 0.75% Cu
						including	77.8	84.5	6.7	1.21	na	7m @ 1.21% Cu
80007	1725274	7534133	357	112	-55	93.6	35.1	51.0	16.0	0.35	na	16m @ 0.35% Cu
80008	1725302	7534121	354	112	-55	56.0	9.6	32.0	22.4	0.76	na	22m @ 0.76% Cu
						including	18.8	25.5	6.7	1.43	na	7m @ 1.43% Cu
80012	1725340	7534279	357	112	-55	90.4	54.3	67.0	12.7	0.38	na	13m @ 0.38% Cu
						including	54.3	56.5	2.2	1.33	na	2m @ 1.33% Cu
80015	1725371	7534396	359	112	-55	98.5	60.5	86.5	26.0	0.58	na	26m @ 0.58% Cu
						including	60.5	67.5	7.0	1.22	na	7m @ 1.22% Cu
80016	1725404	7534382	358	112	-55	70.5	29.8	51.5	21.7	0.51	na	22m @ 0.51% Cu
80017	1725451	7534406	358	112	-55	76.5	37.2	62.6	25.5	0.67	na	25m @ 0.67% Cu
						including	55.0	61.0	6.0	1.80	na	6m @ 1.8% Cu
80018	1725466	7534443	361	112	-55	74.1	37.0	50.8	13.8	0.60	na	14m @ 0.60% Cu
80021	1725500	7534472	362	112	-55	50.1	14.2	46.7	32.5	0.47	na	33m @ 0.47% Cu
						including	36.0	41.3	5.3	1.26	na	5m @ 1.26% Cu
80022	1725474	7534527	367	112	-55	120.7	74.0	88.5	14.5	0.33	na	15m @ 0.33% Cu

**Incomplete and non-systematic assaying for gold for this interval. Where no gold assay was made a value of zero was assigned for grade compositing purposes. Inconsistencies in interval length may result from rounding. na = not assayed*

JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole 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.*	• Historic drill core selectively sampled according to observed mineralisation and alteration, with individual half core sample lengths ranging from 0.12m to 5.9m (average 1.5m). • Assaying was conducted by the Swedish Geological Survey's (SGU) laboratories in Luleå and Stockholm, Sweden. Samples were analysed for 21 elements via optical spectral analysis. Samples displaying elevated concentrations of Cu, Co, Ni or Mo were re-analysed using atomic absorption spectroscopy. No systematic analysis for Au was undertaken, with <5% of all samples analysed for Au via fire assay. • Information regarding measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used was not recorded during the drilling period 1972-1980.
Drilling techniques	• *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 oriented and if so, by what method, etc.).*	• Historic holes were drilled using standard tube, wire-line, core drilling techniques, with 47mm diameter drill holes producing 29mm drill core. • Drill core was not oriented.
Drill sample recovery	• *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.*	• No quantitative data on core recovery was recorded during the drilling period 1972-1980 and thus it cannot be determined whether a relationship exists between sample recovery and grade.
Logging	• *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.*	• Qualitative geological logging was undertaken on all drilling, with descriptions of lithology, mineralisation and alteration recorded. • No core photography was undertaken. • No geotechnical logging was undertaken. • All drill holes were logged from start to end of hole.
Sub-sampling techniques and sample preparation	• *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.*	• Core was cut using a core saw, with half core taken for assaying. • No information on sample preparation, quality control procedures or sample representivity was reported for the historic drilling period 1972-1980, although the SGU is reported to have practiced industry standard techniques. • Sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• *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.*	• Historically used methods are considered appropriate to the style of mineralisation. The techniques are considered total. • No information is available regarding geophysical instruments used. • QA/QC procedures employed were not reported for the drilling period 1972-1980, thus no comment can be made on accuracy and precision of historical assays.

Criteria	JORC Code explanation	Commentary
	standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
Verification of sampling and assaying	• *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.*	• No verification of significant intersections has been undertaken. • No holes have been twinned. • Historic data provided in comprehensive reports compiled by SGU has been digitised and is stored in a validated Micromine database. Data has been visually checked against historic reports for import errors. • No adjustments to assay data have been made.
Location of data points	• *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.*	• Drill hole collar locations were surveyed on local grids using industry standard techniques available in the 1970s and 80s. The precision of drill hole locations on the local grid are considered good, although further work is required to confirm the accuracy of the grid transformation employed to translate collar locations to real world coordinates. • Three local grids were employed, with transformation to Swedish Grid RT90 (2.5 gon W) using parameters provided by SGU. • Topographic data for all drill hole collar locations was generated manually using industry standard surveying techniques available in the 1970s and 80s and are considered accurate.
Data spacing and distribution	• *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.*	• At the Kiskama prospect (where most of the drilling occurred) holes were drilled on 40m and 80m spaced sections, with 2-5 drill collars, spaced 40m-80m apart, on most sections. Spacing of exploration drilling at other prospects within the Kiskama nr 1 exploration permit area is variable, with spacing between sections typically between 50-300m. • Mineralisation and geology shows good continuity from hole to hole and section to section and it is considered that data spacing and distribution is adequate to support the estimation of a Mineral Resource at the Kiskama prospect. Verification of drill collar locations in the field and relogging/reassaying of holes is considered necessary to confirm historic results before undertaking resource estimation. 95 of the 101 historical drill holes located on the Kiskama tenement are stored at the SGU's core facility at Malå and are available for relogging and resampling. • No sample compositing has occurred.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Drill holes were oriented to intersect mineralisation perpendicular to strike. • No sampling bias is believed to have been introduced.
Sample security	• *The measures taken to ensure sample security.*	• Sample security measures are unknown as they were not recorded when the drilling took place in the period 1972 to 1980.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review or audit of sampling techniques has been undertaken. • Data compilation was completed by external consultants and reviewed by Talga Resources staff.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *The security of the tenure held at the time of reporting along with any known impediments to*	• The Kiskama nr 1 exploration permit is located in Norrbotten County, north Sweden and is 100% owned by Talga Resources. The permit is subject to a 1% net smelter royalty ("NSR") payable to Teck Resources. This permit is valid until 11th February 2015, with the option to apply for a one, two or three year extension. • No impediments to operating on the permit are known

Criteria	JORC Code explanation	Commentary
	obtaining a licence to operate in the area.	to exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The majority of exploration was conducted by the SGU between 1972 and 1980, including comprehensive geophysical ground surveys (magnetics, EM and IP), till geochemical surveys and diamond drilling. • Anglo American drilled five diamond holes in the area in 1998-99. Assay and lithological data for these holes is not available.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Kiskama is a shear hosted Cu-Co-Au IOCG deposit, occurring within the Karesuando-Arjeplog deformation zone (KADZ), a major structural feature which hosts several other epigenetic sulphide occurrences within the northern Fennoscandian Shield. Bedrock geology of the area is dominated by Palaeoproterozoic volcanics of the Porphyrite Group and the Younger Svecofennian quartzite. • Chalcopyrite-pyrite-magnetite-hematite mineralisation occurs as breccia infill in association with strong K-feldspar alteration within an extensive zone of hydrothermally brecciated andesitic host rock.
Drill hole Information	• *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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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.*	• A tabulation of all drill hole locations and assays has not been provided due to the large quantity of historical data. A total of 101 holes for 13836m were drilled historically with 2572 samples (3761m) taken for assay. Material drill hole location data and composited assay information is tabulated for all down hole intervals greater than 10m, with a minimum grade of 0.3% Cu. This is provided in the main body of the report.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Reported best intercepts have been length weighted and represent all intervals greater than 10m down hole width with a grade greater than 0.3% Cu, with maximum consecutive internal waste of 5m. No top cuts have been applied. • "Including" intervals were calculated using a minimum width of 3m, minimum grade of 1% Cu or 1g/t Au with no internal dilution. • No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Drill holes were drilled with a dip of 55^0 or 60^0, and oriented perpendicular to mineralisation strike. Mineralisation dip varies between 45^0 to 85^0, but is typically 60^0-80^0. • Drill hole 72001 (the first hole to be drilled on the project), was drilled sub parallel to mineralisation, i.e. perpendicular to mineralisation strike, but down dip through mineralisation. • All assays are reported as down hole length, true width is not known. Martinsson (2011) reports mineralisation width to range between 15m and 40m.
Diagrams	• *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.*	• Appropriate maps and sections are included in main body of report
Balanced reporting	• *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.*	• All intervals containing +0.3% Cu, with a minimum width of 10m have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to):*	• Historical geophysical and geochemical surveying by the SGU identified a number of prospects within

Criteria	JORC Code explanation	Commentary
	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.	Talga's exploration permit which are defined by IP, EM and geochemical anomalies. Some drill testing of these has occurred.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future drilling is being considered to test potential repetitions and strike extensions of the Kiskama mineralisation. Refer to maps in main body of report for potential target areas.

Remaining sections of Table 1 do not apply.