



**TALGA RESOURCES LTD
AND CONTROLLED ENTITIES
ABN 32 138 405 419**

**INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

TALGA RESOURCES LIMITED
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FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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DIRECTORS

Keith Coughlan (Chairman)
Mark Thompson (Managing Director)
Grant Mooney (Non-Executive Director)

COMPANY SECRETARY

Dean Scarparolo

**REGISTERED OFFICE &
PRINCIPAL PLACE OF BUSINESS**

Suite 3, First Floor
2 Richardson Street
WEST PERTH WA 6005
Phone: +618 9481 6667
Facsimile: +618 9322 1935

EMAIL & WEBSITE

Email: admin@talgaresources.com
Website: www.talgaresources.com

ABN

32 138 405 419

SECURITIES EXCHANGE LISTING

The Company is listed on Australian Securities
Exchange Limited

Home Exchange: Perth
ASX Codes: TLG (Shares)
TLGO (Options)

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

AUDITORS

Stantons International
Level 2
1 Walker Avenue
WEST PERTH WA 6005

**TALGA RESOURCES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The Directors present their report on Talga Resources Ltd for the half-year ended 31 December 2014.

1. BOARD OF DIRECTORS

The names and details of the Talga Resources Ltd ("Company") directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Directors	Position
Keith Coughlan	Non-Executive Chairman
Mark Thompson	Managing Director
Grant Mooney	Non-Executive Director

2. COMPANY SECRETARY

On 5 February 2015 the Company appointed Mr Dean Scarparolo as Company Secretary and Financial Controller, following the resignation of Ms Lisa Wynne as Company Secretary.

3. REVIEW OF OPERATIONS

During the period the Company focused on advancing its 100% owned projects in Sweden. Highlights include:

Project Development

- Vittangi project scoping study released targeting dual production of ~47,000tpa of combined graphite and graphene. Robust financial metrics demonstrated using conservative inputs;
- Test mining bulk sample permit application process completed;
- Talga appointed Independent Metallurgical Operations and Curtin University to expand the unique processing route for Vittangi graphite project mineralisation. Intensive metallurgical was conducted throughout the period; and
- Strong focus on opportunities in Germany. Commencement of graphene for conductive inks research program with Friedrich Schiller University Jena.

Exploration / Geology

- Major extensions of high grade Vittangi project graphite intersected in drilling north and south from resource area. New and parallel zones indicate potential for future resource growth. New ground secured at the Vittangi project to expand project strike length to 32km;
- Graphene produced from Jalkunen graphite project using Talga's one step process. Findings suggest Jalkunen originally part of the same geological unit hosting the Vittangi project - scale implications for graphene footprint in Sweden. New tenements secured to expand project strike length to 28km; and
- Promising cobalt-rich gold/copper drilling results from Kiskama 'IOCG' project.

Commercial

- Employment of full time commercial manager to reflect evolving status as emerging technology materials supplier;
- First sale of graphene to German Nano-to-3D printing technology company;
- Appointment of New York based EAS Advisors to broaden North American investor awareness;
- Formal broking relationship forged with Canaccord Genuity, a leading international mid market financial services firm; and
- Extensive international marketing and relationship building with graphite and graphene industry stakeholders.

POST THE PERIOD

Post the Christmas break management have been busy continuing end user dialogue as well as advancing research programs to effectively 'feed' end users with graphene data and application samples. The end of January 2015 saw Talga announce its commencement of a collaborative graphene and battery material research program with Dresden University of Technology and Max Planck Institute of Technology. Given Germany's proximity to Talga's Swedish assets, it's industrial appetite for graphite and graphene (which is predominantly imported from China) and its significant analytical and graphene research capabilities, Talga has made a concerted effort to focus its efforts in this jurisdiction. The aim is to develop a complete ore-to-product pathway to demonstrate Talga's graphene potential to the economic heart of Europe.

4. CORPORATE

General Meeting of Shareholders

The Company hosted its 2014 Annual General Meeting on the 27th of November 2014, all resolutions were passed without amendment on a show of hands.

Issue of securities

During the period the Company received \$10,162 from the exercise of 29,034 listed options at an exercise price of \$0.35.

5. FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The financial results of the Company for the half-year ended 31 December 2014 are:

	31 December 2014	30 June 2014
Cash and cash equivalents (\$)	2,700,765	4,301,349
Net assets (\$)	3,873,480	5,766,900

	31 December 2014	31 December 2013
Revenue (\$)	309,307	72,688
Net loss after tax (\$)	(2,532,737)	(684,495)
Loss per share (cents per share)	(2.0)	(0.95)
Dividend (\$)	-	-

6. DIVIDENDS

No dividend has been paid during or is recommended for the half-year ended 31 December 2014.

7. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 31 December 2014 has been received and immediately follows the Directors' Report.

This report has been made in accordance with a resolution of the Board of Directors.



Mark Thompson
Managing Director
Perth, Western Australia
11 March 2015

11 March 2015

Board of Directors
Talga Resources Limited
Suite 3, 2 Richardson Street
WEST PERTH WA 6005

Dear Sirs

RE: TALGA RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Talga Resources Limited.

As Audit Director for the review of the financial statements of Talga Resources Limited for the period ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

TALGA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014	31 December 2013
Note	\$	\$
Revenues from ordinary activities	46,268	662
Other Income	263,039	72,026
Expenses		
Administration expenses	(107,407)	(121,797)
Compliance and regulatory expenses	(302,327)	(202,913)
Depreciation expense – office equipment	(9,209)	(7,864)
Director fees and employee benefits expenses	(204,606)	(95,664)
Exploration and evaluation expenditure	(1,529,006)	(328,945)
Foreign exchange loss	(425)	-
Share based payments	6 (689,064)	-
(Loss) before income tax expense	(2,532,737)	(684,495)
Income tax expense	-	-
Net (loss) attributable to members of the parent entity	(2,532,737)	(684,495)
Other comprehensive income / (loss):		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	6 (45,442)	(60,202)
Total other comprehensive (loss) for the period	(45,442)	(60,202)
Total comprehensive (loss) for the period	(2,578,179)	(744,697)
Total comprehensive (loss) attributable to members of the parent entity	(2,578,179)	(744,697)
Basic loss per share (cents per share)	3 (2.0)	(0.95)
Diluted loss per share (cents per share)	3 (2.0)	(0.95)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

TALGA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
Current Assets			
Cash and cash equivalents		2,700,765	4,301,349
Trade and other receivables		118,000	21,818
Assets held for sale	4	1,049,990	-
Total Current Assets		3,868,755	4,323,167
Non-Current Assets			
Other receivables		20,900	20,900
Plant and equipment		50,471	57,257
Exploration and evaluation expenditure		517,596	1,568,987
Total Non-Current Assets		588,967	1,647,144
TOTAL ASSETS		4,457,722	5,970,311
Current Liabilities			
Trade and other payables		561,608	199,521
Provisions		22,634	3,890
TOTAL LIABILITIES		584,242	203,411
NET ASSETS		3,873,480	5,766,900
Equity			
Issued capital	5	15,719,993	15,724,298
Reserves	6	2,385,600	1,741,978
Accumulated losses		(14,232,113)	(11,699,376)
TOTAL EQUITY		3,873,480	5,766,900

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

TALGA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
At 1 July 2013	9,702,467	(8,642,106)	261,238	1,321,599
Comprehensive income:				
Loss after income tax for the period	-	(684,495)	-	(684,495)
Other comprehensive (loss) for the period	-	-	(60,202)	(60,202)
Total comprehensive (loss) for the period	-	(684,495)	(60,202)	(744,697)
Transactions with owners in their capacity as owners:				
Issue of share capital	1,490,385	-	-	1,490,385
Capital raising costs	(134,987)	-	-	(134,987)
At 31 December 2013	11,057,865	(9,326,601)	201,036	1,932,300

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
At 1 July 2014	15,724,298	(11,699,376)	1,741,978	5,766,900
Comprehensive income:				
Loss after income tax for the period	-	(2,532,737)	-	(2,532,737)
Other comprehensive (loss) for the period	-	-	(45,442)	(45,442)
Total comprehensive (loss) for the period	-	(2,532,737)	(45,442)	(2,578,179)
Transactions with owners in their capacity as owners:				
Issue of share capital	10,162	-	-	10,162
Capital raising costs	(14,467)	-	-	(14,467)
Share based compensation	-	-	689,064	689,064
At 31 December 2014	15,719,993	(14,232,113)	2,385,600	3,873,480

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

TALGA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014 \$	31 December 2013 \$
Cash Flows from Operating Activities		
Payments for exploration and evaluation	(1,220,666)	(931,998)
Payments to suppliers, contractors and employees	(645,799)	(514,072)
Interest received	31,466	663
Research and development refund	258,668	-
Other income	4,371	-
Net cash (outflows) used in operating activities	(1,571,960)	(1,445,407)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(7,340)	-
Proceeds from sale of plant and equipment	-	1,530
Net cash (outflows) / inflows from investing activities	(7,340)	1,530
Cash Flows from Financing Activities		
Proceeds from issue of securities	30,162	1,474,784
Payment for costs of issue of securities	(51,446)	(134,987)
Net cash (outflows) / inflows from financing activities	(21,284)	1,339,797
Net decrease in cash and cash equivalents	(1,600,584)	(104,080)
Cash and cash equivalents at the beginning of the financial period	4,301,349	551,142
Cash and cash equivalents at the end of the financial period	2,700,765	447,062

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The financial report for the parent Talga Resources Ltd and its Controlled Entities, (The “Group”) for the half-year ended 31 December 2014 was authorized for issue in accordance with a resolution of the directors on 11 March 2015. Talga Resources Ltd is a limited company incorporated in Australia and its shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described on page 4 of this report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The half-year financial report is a general-purpose financial statement, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except where applicable for financial assets that have been measured at fair value. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of Talga Resources Ltd as at 30 June 2014.

It is also recommended that the half year financial report be considered together with any public announcements made by Talga Resources Ltd during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. The application of the new and revised Accounting Standards and Interpretations does not have a material impact on the Group.

3. LOSS PER SHARE

	31 December 2014	31 December 2013
	\$	\$
Net loss after income tax attributable to members of the Group	(2,532,737)	(684,495)
	Number	Number
Weighted average number of shares on issue during the financial period used in the calculation of basic loss per share	124,574,475	72,232,136

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the Group has incurred a loss for the period.

TALGA RESOURCES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

4. ASSETS CLASSIFIED AS HELD FOR SALE

	31 December 2014	30 June 2014
	\$	\$
Exploration and evaluation acquisition costs	1,049,990	-

On 6 February 2015 the Company entered into an agreement to grant Caledonian Capital Ltd an option to purchase all of its Australian gold assets. The amount above represents the carrying amount of acquisition costs relating to these gold assets and has been transferred from non-current asset exploration and evaluation expenditure. Further details of the sale can be found under Note 8 Subsequent Events.

5. ISSUED CAPITAL

(a) Issued and Fully Paid

	31 December 2014	31 December 2014	30 June 2014	30 June 2014
	Number	\$	Number	\$
Ordinary shares	124,595,131	15,719,993	124,566,097	15,724,298
	124,595,131	15,719,993	124,566,097	15,724,298

(b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue Price \$	\$
Balance 30 June 2014		124,566,097		15,724,298
Issue of shares on exercise of options	25/07/2014	312	0.35	109
Issue of shares on exercise of options	15/08/2014	15,000	0.35	5,250
Issue of shares on exercise of options	22/09/2014	670	0.35	235
Issue of shares on exercise of options	15/10/2014	10,000	0.35	3,500
Issue of shares on exercise of options	13/11/2014	3,052	0.35	1,068
Less transaction costs	-	-	-	(14,467)
Balance 31 December 2014		124,595,131		15,719,993

6. RESERVES

	31 December 2014	30 June 2014
	\$	\$
OPTION RESERVE		
Balance at the beginning of the period	1,938,186	296,704
Options issued during the period	689,064	1,641,482
Balance at the end of the period	2,627,250	1,938,186

The option reserve records funds received for options issued and items recognised as expenses on valuation of share options issued. The option reserve is also used to recognise the fair value of Management Incentive Plan Shares issued with an attaching limited recourse employee loan which for accounting purposes are treated as options.

6. RESERVES (Continued)

	31 December 2014 \$	30 June 2014 \$
FOREIGN CURRENCY RESERVE		
Balance at the beginning of the period	(196,208)	(35,466)
Movement during the period	(45,442)	(160,742)
Balance at the end of the period	(241,650)	(196,208)
Total Reserves	2,385,600	1,741,978

7. SEGMENT INFORMATION

The Group adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in two operating segments in two geographical segments, being graphite exploration in Sweden and gold exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

(i) SEGMENT PERFORMANCE

	Sweden \$	Australia \$	Total \$
Half Year ended 31 December 2014			
Revenues from ordinary activities	-	46,268	46,268
Other income	-	263,039	263,039
Total segment revenue	-	309,307	309,307
Segment loss before tax	(554,826)	(664,873)	(1,219,699)

Add: Reconciliation of segment result to net loss before tax

Unallocated items:

- Administration expenses	(107,407)
- Compliance and regulatory expenses	(302,327)
- Depreciation expense	(9,209)
- Director fees and employee benefits expenses	(204,606)
- Foreign exchange loss	(425)
- Share based payments	(689,064)
Net loss before tax from continuing operations	(2,532,737)

7 SEGMENT INFORMATION (Continued)

	Sweden	Australia	Total
	\$	\$	\$
Half Year ended 31 December 2013			
Revenues from ordinary activities	10	652	662
Other income	1,901	70,125	72,026
Total segment revenue	1,911	70,777	72,688
Segment loss before tax	(87,159)	(169,099)	(256,257)

Add: Reconciliation of segment result to net loss before tax

Unallocated items:

- Administration expenses			(121,797)
- Compliance and regulatory expenses			(202,913)
- Depreciation expense			(7,864)
- Director fees and employee benefits expenses			(95,664)
Net loss before tax from continuing operations			(684,495)

(ii) SEGMENT ASSETS

	Sweden	Australia	Total
	\$	\$	\$
As At 31 December 2014			
Segment assets as at 1 July 2014	63,516	5,906,795	5,970,311
Segment asset increases/(decreases) for the period:			
- Cash and cash equivalents	35,140	(1,635,724)	(1,600,584)
- Exploration and evaluation expenditure	(1,402)	(1,049,990)	(1,051,392)
- Assets held available for sale	-	1,049,990	1,049,990
- Other	61,173	28,224	89,397
	158,427	4,299,295	4,457,722

Reconciliation of segment assets to total assets

Other assets			-
Total assets from continuing operations			4,457,722

SEGMENT ASSETS

	Sweden	Australia	Total
	\$	\$	\$
As At 30 June 2014			
Segment assets as at 1 July 2013	140,559	2,210,186	2,350,745
Segment asset increases/(decreases) for the period:			
- Cash and cash equivalents	27,424	3,722,783	3,750,207
- Exploration and evaluation expenditure	(104,467)	-	(104,467)
- Other	-	(26,174)	(26,174)
	63,516	5,906,795	5,970,311

Reconciliation of segment assets to total assets

Other assets			-
Total assets from continuing operations			5,970,311

TALGA RESOURCES LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

(iii) SEGMENT LIABILITIES	Sweden	Australia	Total
	\$	\$	\$
As At 31 December 2014			
Segment liabilities as at 31 December 2014	154,828	406,780	561,608
Reconciliation of segment liabilities to total liabilities			
Unallocated items:			
- Provision			22,634
Total liabilities from continuing operations			584,242

SEGMENT LIABILITIES	Sweden	Australia	Total
	\$	\$	\$
As At 30 June 2014			
Segment liabilities as at 30 June 2014	22,762	176,759	199,521
Reconciliation of segment liabilities to total liabilities			
Unallocated items:			
- Provision			3,890
Total liabilities from continuing operations			203,411

8 SUBSEQUENT EVENTS

Other than as disclosed below, there has not been any other matter or circumstance occurring subsequent to the end of the period that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

On 29 January 2015 the Company commenced its second advanced research program with German graphene application specialists. The new work comprises a joint graphene test program with Germany's Dresden University of Technology and the Max Planck Institute for Polymer Research. The 12 month program will test and demonstrate the Company's low cost bulk graphene product for supercapacitor and other battery related applications.

On 5 February 2015 the Company appointed Mr Dean Scarparolo as Company Secretary and Financial Controller, following the resignation of Ms Lisa Wynne as Company Secretary.

On 6 February 2015 the Company agreed to grant Caledonian Capital Ltd an option to purchase all of its Australian gold assets comprising Bullfinch, Mosquito Creek, Talga Talga and Warrawoona (collectively "the Projects"). The binding heads of agreement has been executed by both parties and a non-refundable \$50,000 deposit has been received. The option to purchase the Projects is subject to Caledonian being satisfied with its maximum three month due diligence and payment of a further non-refundable \$250,000. The exercise of the option and acquisition must be completed within 4 years at which point ownership of the Projects would transfer to Caledonian upon settlement of the remaining \$1,000,000 in cash. Talga retains 100% equity in the Projects until full acquisition and is due a 2.25% gross royalty payable on net smelter return of gold, diamonds and all other minerals extracted from the Projects during the Option period, and 1.5% in perpetuity thereafter.

9 CONTINGENT LIABILITIES

In the opinion of the directors, there are no contingent liabilities at 31 December 2014 and none were incurred in the interval between the period end and the date of this financial report.

**TALGA RESOURCES LIMITED
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of the directors of Talga Resources Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2014 and of the performance for the half-year ended on that date of the Consolidated entity; and
 - (ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mark Thompson
Managing Director
Perth, Western Australia
11 March 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TALGA RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Talga Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Talga Resources Limited (the consolidated entity). The consolidated entity comprises both Talga Resources Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Talga Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Talga Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Talga Resources Limited on 11 March 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Talga Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
11 March 2015