

# Talga edges closer to realising its Swedish graphite ambition

Australia's Talga Resources Ltd is on the verge of taking its Swedish graphite venture to the next level after strong assay results in recent drilling

**A**ustralian miner Talga Resources Ltd expects to move into the next stage of its Swedish graphite mining development before the end of the current calendar year. Assay results from a recent drilling programme on Talga's blue-ribbon Nunasvaara graphite project in the Kiruna Mineral district of northern Sweden will enable the company to advance its scoping and feasibility studies during the final quarter of the current year.

Already the miner has been encouraged by rock sampling north from the Nunasvaara deposit. This has confirmed graphite over 9km of strike, increasing the potential for additional resources to be defined.

Resource modelling has begun to allow for a new JORC-compliant estimate to be made soon after the receipt of all assay results.

Managing Director Mark Thompson recently expressed confidence in the drilling programme and subsequent assay results. "These assay results are expected to enable us to deliver a substantial upgrade to the current inferred level resource at Nunasvaara, both in size and JORC code classification," he said. "A higher-status resource in combination with metallurgical test work will be integrated into our



scoping and feasibility studies, which are expected to commence soon."

Mr Thompson said he was pleased with the progress Talga had made in taking its high-grade graphite deposit at Nunasvaara from resource definition to being in a position to begin production.

The Perth-based miner entered the graphite sector in 2011 after Mr Thompson saw the significant potential for the commodity, given the industry had under-invested in the past, yet consumers were crying out for reliable, timely and high-quality supply outside China.

## Attractive sector

The attraction of graphite assets in northern Sweden was the advantage of infrastructure already in place to allow them to move quickly towards production and deliver immediate cash-flow benefits to shareholders.

Meanwhile, the recent acquisition of a tenement surrounding the Nunasvaara area has solidified Talga's land position and covers extensions of graphite, iron ore and copper prospects. With this acquisition, the total area 100% owned by the company in northern Sweden has grown from 260sq km to 488sq km.

As a result of this increase in land area, Talga is targeting to become a low-cost graphite miner with an

## Some assay results from recent drilling at Nunasvaara:

- Hole NUS12001: 24.8m at 24.9% Cg
- Hole NUS12008: 24.3m at 22.5% Cg
- Hole NUS12009: 9.8m at 32.9% Cg
- Hole NUS12012: 59.8m at 26.4% Cg incl 29.1m at 31.0% Cg
- Hole NUS12014: 38.7m at 17.5% Cg
- Hole NUS12018: 85.1m at 22.1% Cg incl 33.8m at 30.5% Cg
- Hole NUS12019: 14.0m at 23.5% Cg



estimated mine-life of more than 20 years.

Mr Thompson said China currently dominated the market, with more than 80% of the world's supply, although exports had been cut as a result of new tariffs and other regulations.

"This puts Talga in an excellent position to take advantage of the European market where buyers are looking for alternative sources to Asia and South America," he said. "Because of the likely operating cash cost structure of our high-grade deposits, we should be able to ride out price fluctuations and be well placed to supply the demand in Europe for many years to come."

"Our resource includes grades over 30% graphite carbon from surface, which we believe can be processed through low-cost production as a replacement for amorphous-type graphite imported from China."

Analysis of historic mapping and recent trenching has also yielded promising results for the company. Graphitic schists occur over around 15km of strike in the Nunasvaara area. Less than 8% of this unit has been drilled to date, which has produced Talga's maiden JORC inferred-level resource of 3.6Mt at 23% graphitic carbon (Cg) for 828,000t contained total graphite.

A reconnaissance rock geochemistry programme recently completed by Talga confirms the Nunasvaara graphite unit extends north over more than 9km of strike. The graphite-bearing schists have a typical true thickness of 10-50m with moderate to sub-vertical dips.

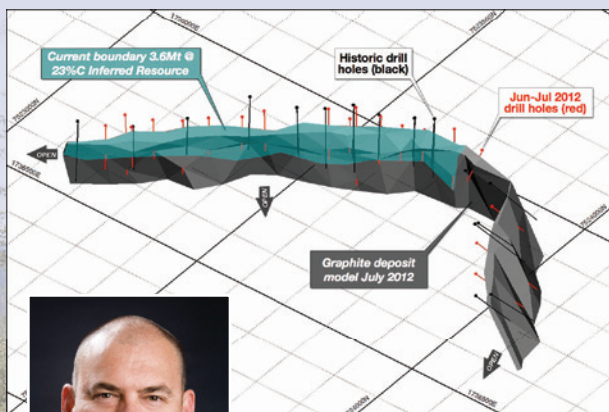
## Next targets at Nunasvaara

The company expects to calculate a JORC-compliant exploration target after the rock sample assays have been received and a review of extensive geophysical datasets obtained in the acquisition of Teck Resources Ltd's former subsidiary, TCL Sweden Ltd.

The results will assist in developing targets to expand graphite resources at the project for drill testing during the winter period.

Mr Thompson said: "It is clear that an extensive amount of graphite is present in the project outside the current resource area. Additionally, we consider the potential for increasing the Nunasvaara deposit along strike to be high."

"We intend to conduct fieldwork on the 6km southern extent in the December quarter to complete our review of the projects' graphite endowment and potential to be a major graphite resource for Europe."



Above: resource modelling of the Nunasvaara graphite project, July 31, 2012. Inset: Mark Thompson, managing director. Below: drilling at Nunasvaara



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