

ASX: TLG

TALGA RESOURCES

Annual General Meeting
24th of November 2017 | Perth, Australia




talga
unearthing tomorrow

FORWARD LOOKING STATEMENTS & DISCLAIMER

This presentation has been prepared by Talga Resources Limited (ACN 138 405 419) (“Issuer”) for the sole purpose of providing an overview of its current prospects and proposed exploration and development strategy to recipients (“Recipient”). This presentation and its contents are provided to the Recipient in confidence and may not be reproduced or disclosed in whole or in part to any other person, without the written consent of the Issuer.

The presentation is based on information available to the Issuer as at the date of the presentation. The information contained in this presentation has not been verified by the Issuer nor has the Issuer conducted any due diligence in relation to that information. The presentation contains selected information and does not purport to be all inclusive or to contain all information that may be relevant to the Recipient. The Recipient acknowledges that circumstances may change and this presentation may become outdated as a result. The Issuer accepts no obligation to update or correct this presentation.

This document includes forward-looking statements. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although the Issuer believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of the Issuer, its directors, employees or agents, advisers, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of the Issuer or its directors, employees or agents. Nothing in this Presentation is a promise or representation as to the future. Statements or assumptions in this presentation as to future matters may prove to be incorrect and differences may be material. The Issuer does not make any representation or warranty as to the accuracy of such statements or assumptions.

The information in this presentation does not take into account the investment objectives, financial situation and particular needs of any Recipient. The Recipient should not make an investment decision on the basis of this presentation alone and the Recipient should conduct its own independent investigation and assessment of the content of this presentation. Nothing in this presentation constitute financial product, investment, legal, tax or other advice. Nothing in this presentation should be construed as a solicitation to buy or sell any security or to engage or refrain from engaging in any dealing in any security.

Photographs, maps, charts, diagrams and schematic drawings appearing in this presentation are owned by and have been prepared by or commissioned by the Issuer, unless otherwise stated. Maps and diagrams used in the presentation are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this presentation. By accepting this presentation the Recipient agrees to be bound by the foregoing statements.

ANNUAL GENERAL MEETING



2016-17 A Transformative Year

- ▶ Graphene product business strategy implemented
- ▶ Creation of Cambridge product development team & facilities
- ▶ Industry partnerships include global leaders in product sectors
- ▶ German processing plant continues successfully scaling up
- ▶ Graphene and graphite products successfully developed across target sectors Energy (Batteries), Construction (Concrete), Coatings and Polymer Composites (Epoxy)
- ▶ Graphite resources in Sweden increased in size, grade, status
- ▶ Cobalt projects activated and expanded to take advantage of growth opportunities in EU battery sector
- ▶ Board and management strengthened
- ▶ Capital requirements met for planned activities through successful equity issues and gold asset sales
- ▶ Share price doubled over year and company market value exceeds \$120m



CORPORATE SNAPSHOT



FINANCIAL INFORMATION

Share price (ASX code TLG) (23-November-17)	A\$0.575
52 week low / high	A\$0.26 / A\$0.915
Shares outstanding ^{1,2}	202.4m
Market Capitalisation	A\$116.4m
Cash (30-Sep-17)	A\$16.2m
Debt (30-Sep-17)	Nil
Enterprise value	A\$100.2m

Source: IRESS, company filings. As at 23 November 2017.

¹ Excludes 44.9m listed options (TLGOA) with exercise price A\$0.45 and expiring 31 Dec 2018

² Excludes 33.5m unlisted options (mostly employees and directors) with exercise price range up to A\$1.02 and expiry date range 4 Oct 2018 to 17 Dec 2020

SHARE PRICE PERFORMANCE

Share price (A\$) 12 months

Volume (m)



MAJOR SHAREHOLDERS

Smedvig - <i>Scandinavian based family office</i>	12.6%
Mark Thompson - <i>Managing Director</i>	7.1%
HSBC Custody Nominees (Australia)	3.9%
Pelmer Securities	3.8%
Citicorp Nominees	3.7%
J P Morgan Nominees (Australia) Ltd	3.6%
Kamberg Investments	3.1%

BOARD AND MANAGEMENT

Substantial commercialisation experience with some of Australia’s best known innovation and development projects



Terry Stinson
Non-Executive Chairman



Mark Thompson
Managing Director



Grant Mooney
Non-Executive Director



Steve Lowe
Non-Executive Director



Ola Mørkved Rinnan
Non-Executive Director



Managed the manufacturing division of the outboard marine propulsion products for a privately held US\$1bn multinational.



Oversaw the evolution of Carnegie Wave Energy from 2008 as it developed innovative renewable energy solutions in Australia.



Oversaw the company during the discovery and development of one of the largest Cu/Ni discoveries in Australia in the last 30 years.



Managed the company from 2000 to 2002 including the introduction of several new sales products.

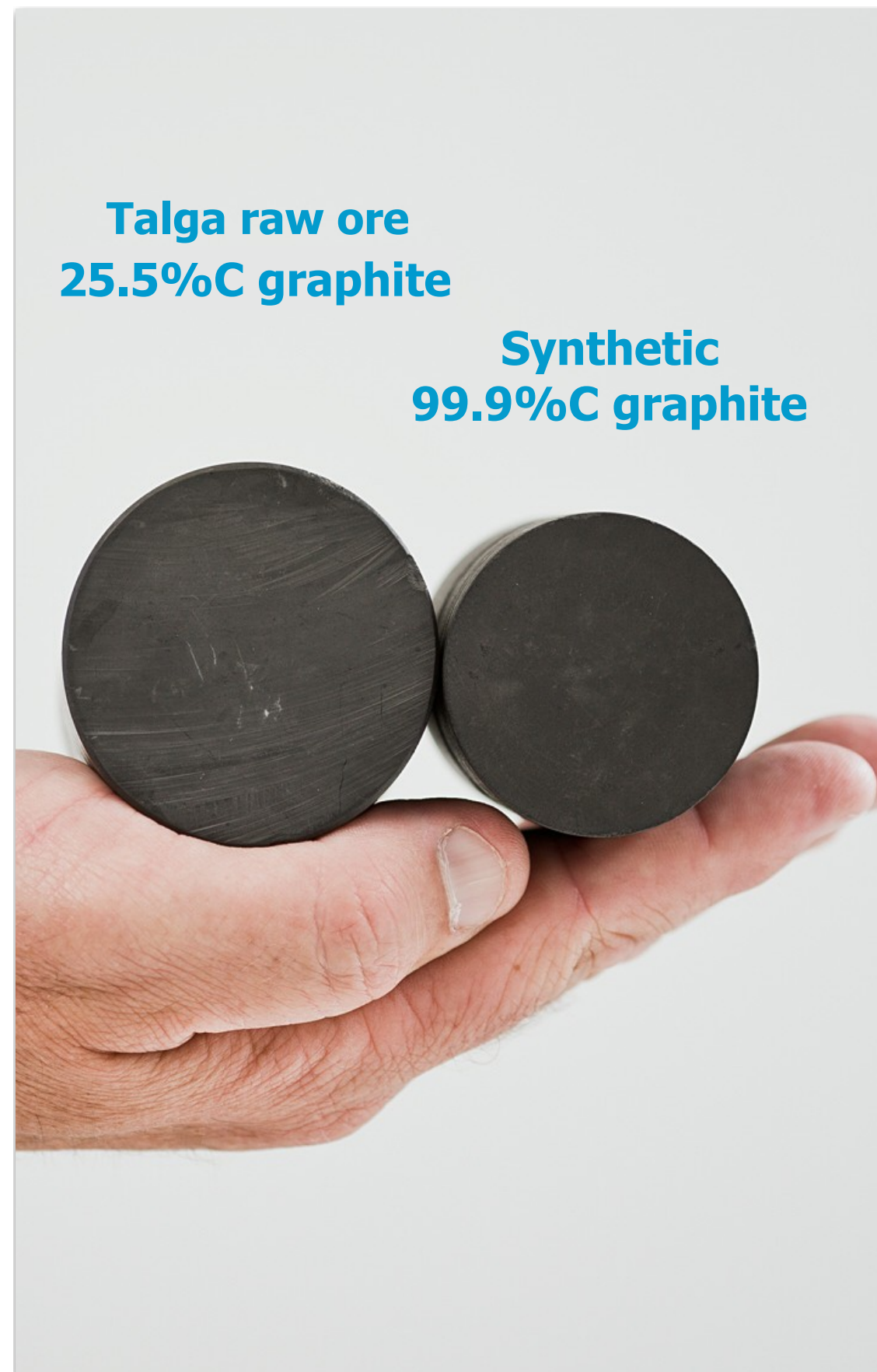


Has led Orbital since 2008 and successfully secured a breakthrough deal with Insitu Inc. (Boeing) for the supply of global unmanned aerial vehicle propulsion systems worth up to A\$120m over a 3 year period.

TALGA OPPORTUNITY



Technology minerals company commercialising the worlds highest grade natural graphite project to mass produce graphene and related products



- ▶ Own 100% of a unique and large graphite source in tier 1 mining and technology materials destination - Sweden
- ▶ Mining doesn't require drilling or blasting of ore – 100% owned processing technology
- ▶ Not constrained to one market - big value proposition to remove a supply and pricing bottleneck across multiple large markets
- ▶ Business model revolves around making real world products perform better and with new functionality today
- ▶ End users currently validating the products and strategy to deliver business case
- ▶ Talga's markets totally different to flake graphite players with exception of batteries
- ▶ Talga is doing it now, not just talking about it

TALGA OPERATIONS



Vertically integrated operations provide economic advantages

1. Upstream

Source

- ▶ 100%-owned graphite project near Kiruna in Northern Sweden
- ▶ World's highest grade graphite resource (JORC/NI43-101)
- ▶ Unique ore able to be used directly as anode in electrochemical exfoliation process

2. Midstream

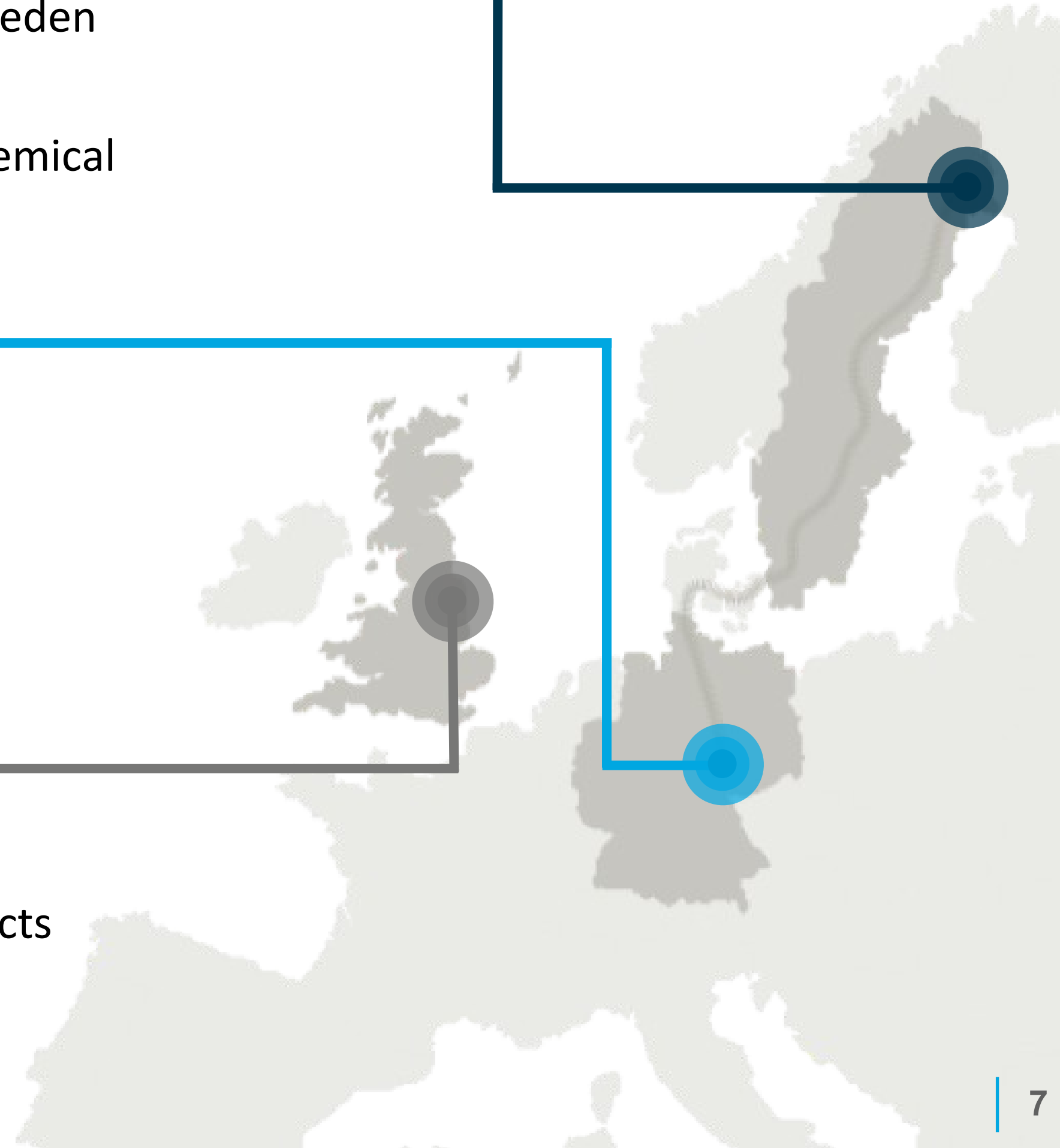
Processing

- ▶ 100%-owned test facility in Rudolstadt, Germany
- ▶ Expanding proprietary scalable process
- ▶ Current ore treatment capacity of ~30tpa

3. Downstream

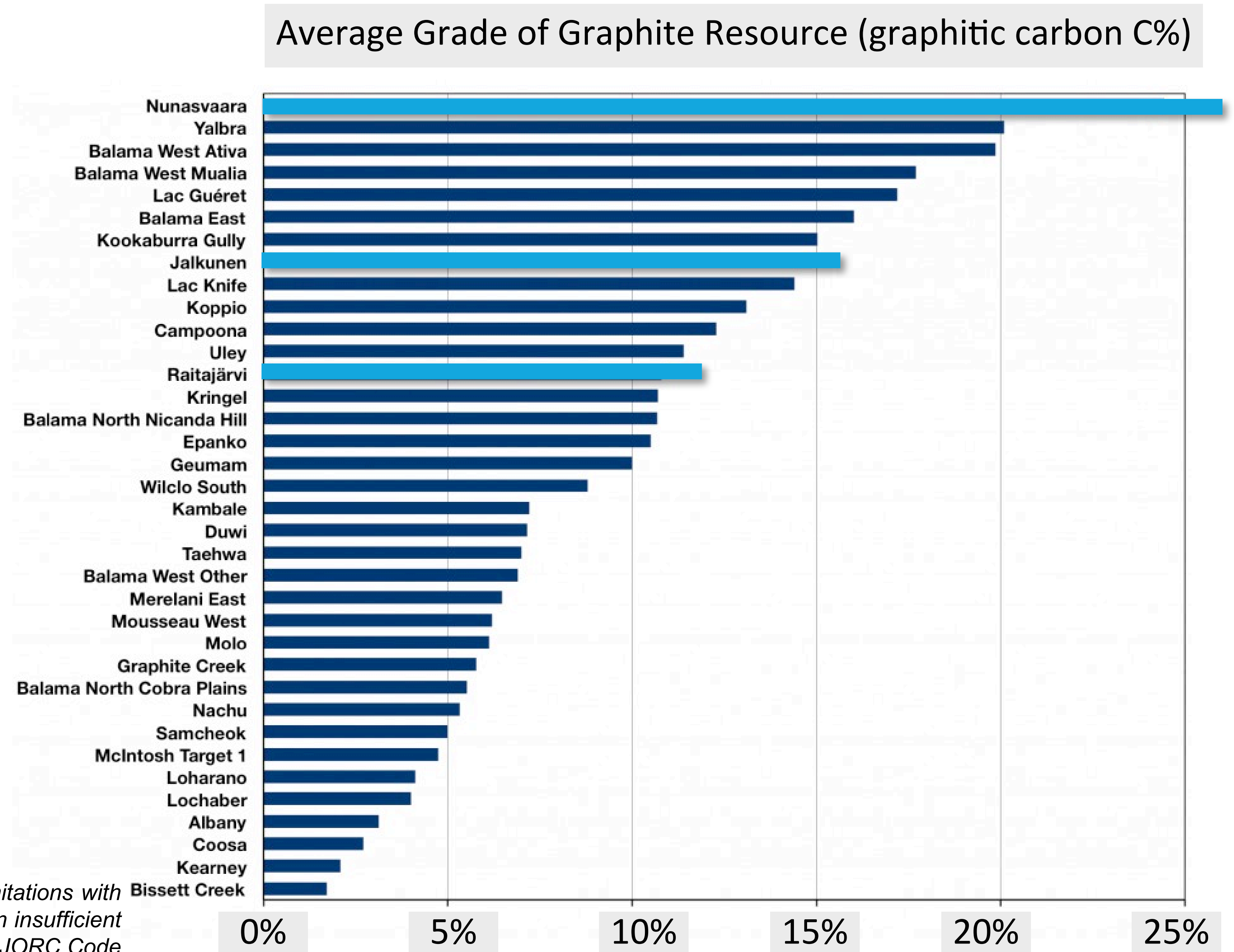
Product Development

- ▶ Product development team based in Cambridge
- ▶ In-house technology and skills to create 'value-add' products
- ▶ Accelerates commercialisation process



TALGA OWNS 3 OF THE WORLD'S TOP 10 GRAPHITE RESOURCES*

- ▶ Talga has pipeline of high grade graphite deposits where nature has paid for the crystallising of the carbon
- ▶ Largest graphite resources in Europe
- ▶ Lower eco-footprint than standard deposits and close to existing infrastructure in safe Tier 1 investment destination - Sweden
- ▶ Focus is on margins and massive natural or technical advantage, not resource tonnes for tonnes sake



Note: The Exploration Target is based on a number of assumptions and limitations with the potential grade and quantity being conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource Estimate in accordance with the JORC Code and it is uncertain if future exploration will result in the estimation of a Mineral Resource.

UPSTREAM SOURCE: UNIQUE GRAPHITE ORES



100%-owned upstream asset which is the world's highest grade JORC/NI43-101 graphite mineral resource

- ▶ Talga flagship Vittangi graphite project located 20km east of LKAB's iron ore mine and railhead at Svappavaara, Sweden
- ▶ World's highest grade JORC/NI43-101 compliant graphite resource, Nunasvaara
- ▶ Wide, uniform mineralisation starts at surface – can support >20 year mine life and more for industrial scale production

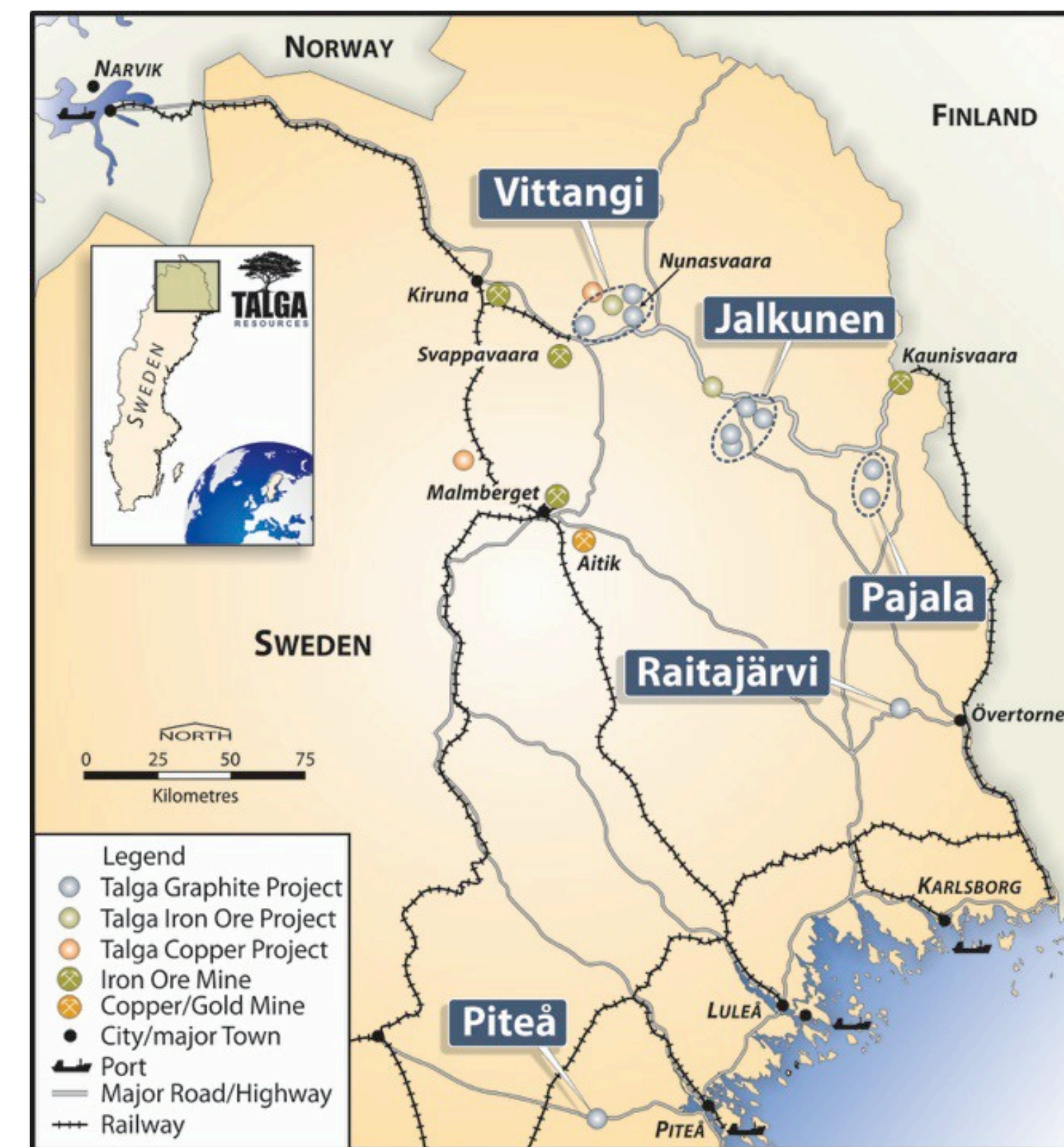
JORC compliant Mineral Resources

Project	Tonnes	Graphite Grade
Vittangi	12,300,000	25.5 %Cg
Jalkunen	31,500,000	14.9 %Cg
Raitajärvi	4,300,000	7.1 %Cg

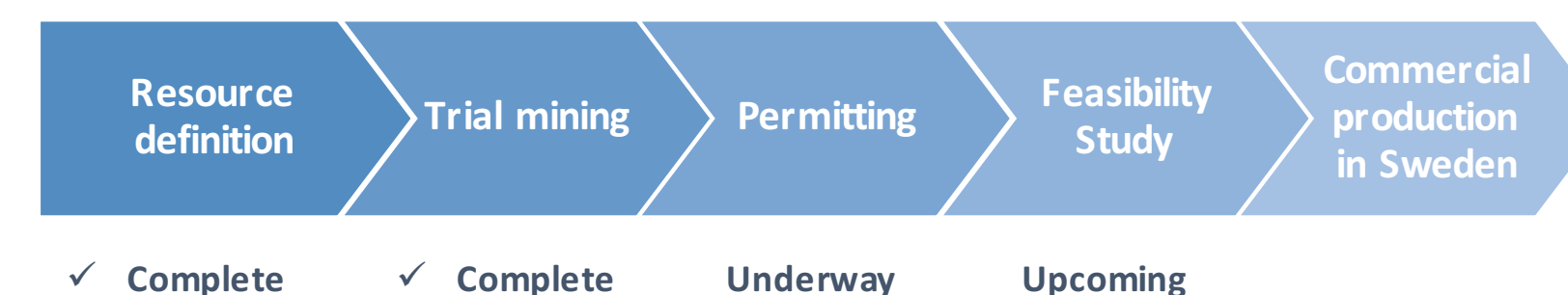
JORC compliant Exploration Targets

0-100m Depth	Tonnes	Graphite (%Cg)
Total	136-250,000,000	18-25

Note: The Exploration Target is based on a number of assumptions and limitations with the potential grade and quantity being conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource Estimate in accordance with the JORC Code and it is uncertain if future exploration will result in the estimation of a Mineral Resource.



Operational progress

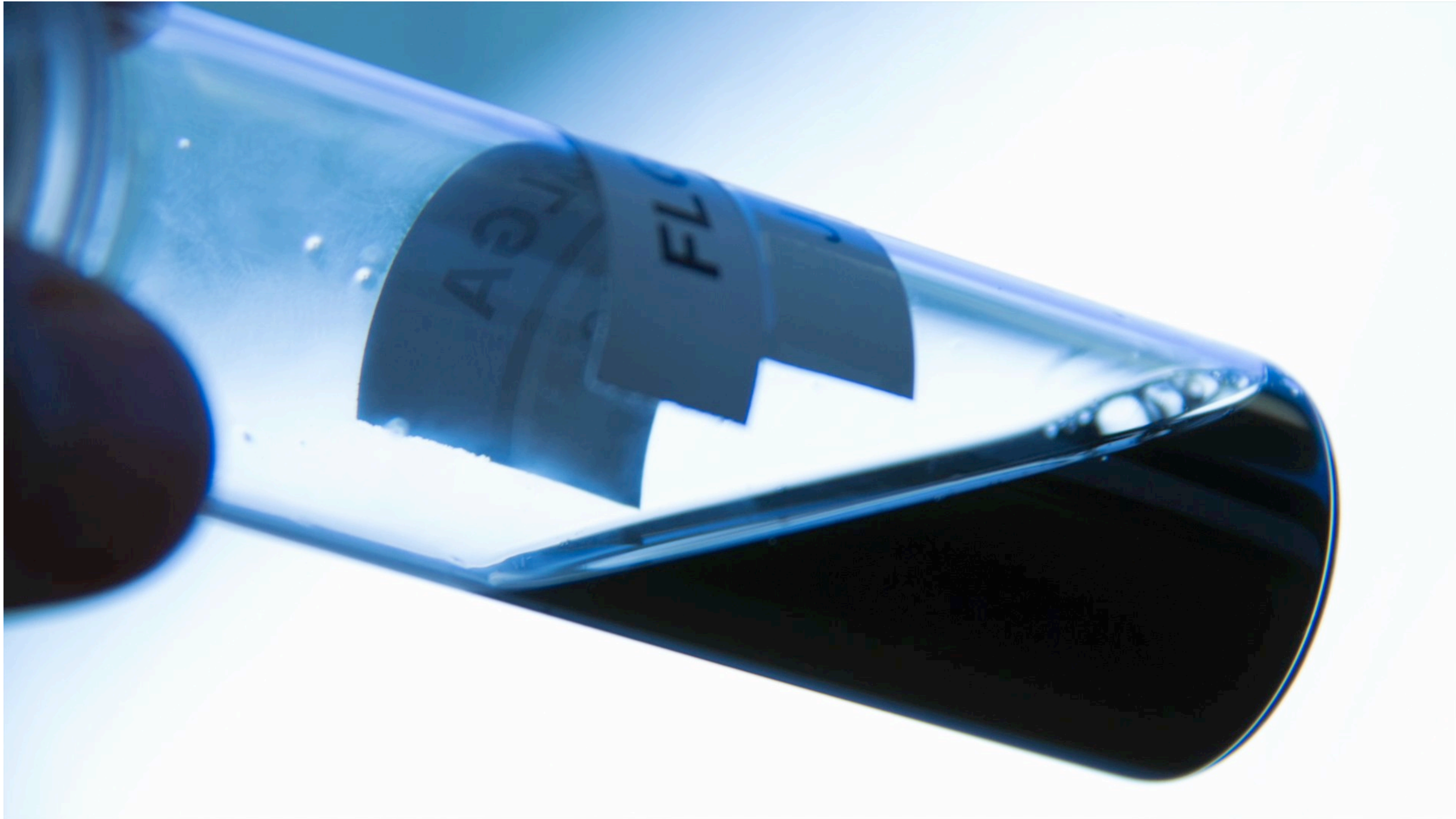


GEOLOGY ADVANTAGE

Ore blocks are conductive enough to use as electrodes without processing



TALGA OPERATIONS SUMMARY ON VIDEO



WHAT IS GRAPHENE?

Graphene is an extraordinary material whose commercialisation pathway has been constrained only by volume and cost of production, not applications.



- ▶ **Graphene** is the thinnest substance ever made - atomic layers of crystalline carbon which constitute **graphite**
- ▶ When small particles of graphene are used as an **additive** (mixed into a material) it can impart superior **strength, lightness, conductivity** or enhance **functionality**
- ▶ But technical specification is less relevant than **how it works in a product**
- ▶ Once standards or performance demonstrated, industry wants production volume reality, repeatability and a sustainable long term source with a 'clean' supply chain

MARKET OPPORTUNITY FOR GRAPHENE



In addition to raw materials, Talga is focused on the manufacture and commercialisation of targeted products across 4 key industry sectors



Construction additives

Advantages

- Improves strength, durability and impermeability
- Imparts electric and thermally conductive properties
- Reduces concrete used and decreases industry CO2 emissions
- Enables underground power transmission cables, underfloor heating, road and bridge snow melting and de-icing

Immediate market opportunity
US\$17bn specialty concrete



Energy storage (batteries)

Advantages

- Enables higher performance and lower cost Li-ion, flow and alkaline batteries.
- Flexible, printable batteries for 'Internet of Things' and 'Wearable' devices
- Lower toxic footprint by enabling water-based battery chemistry
- Lower cost fuel cells

Immediate market opportunity
US\$24bn battery market



Talphene™ enhanced coatings

Advantages

- Eco-friendly alternative to toxic chromium based coatings
- Lower cost and superior performance with reduction in zinc, copper, phosphate, zirconia
- Corrosion protection increased by up to 74% for mild steel
- Eco-friendly marine anti-fouling

Immediate market opportunity
US\$22bn corrosion protection sector within global US\$120bn



Carbon fibre composites/resins

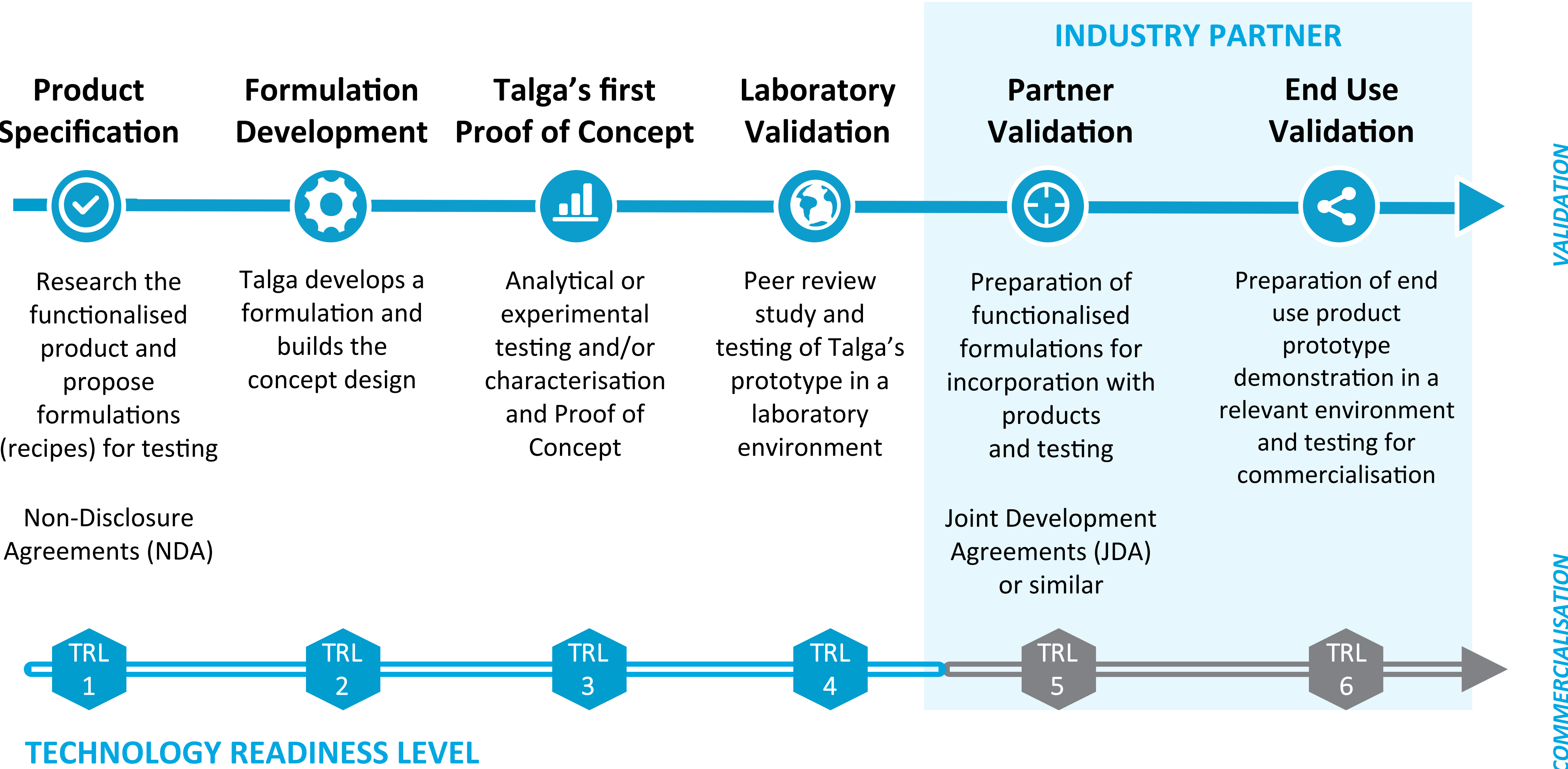
Advantages

- Stronger and lighter epoxy resin systems for carbon fibre and polymer composites
- Enables lightning strike protection and EM shielding in carbon fibre planes and EV's
- Replaces copper heating elements/wires to reduce weight of EV's

Immediate market opportunity
US\$18bn composites sector

PRODUCT DEVELOPMENT ROADMAP

“Technology Readiness Level” reflects where the product is in the process towards validation



PRODUCT DEVELOPMENT



Talga has in-house 'value added' product development capabilities – starts with internal prototype testing followed by external validation with end users

Product Development

- ▶ Talga's UK team, based in Cambridge, focuses on developing value-added graphene and micrographite products for key end-user markets
- ▶ Products developed by Talga are important to unlock value-add margins (as distinct from 'raw' graphite and graphene revenue)
- ▶ Talphene™, is the brand of Talga graphene enhanced products



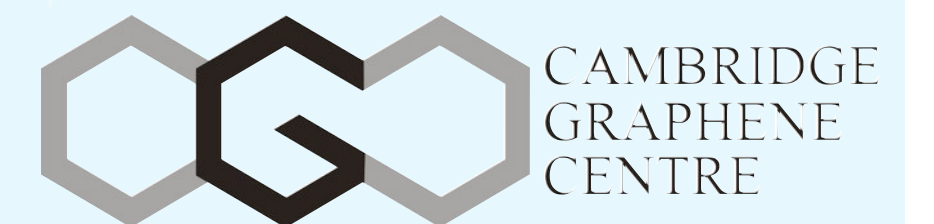
Talphene™ enabled liquid dispersion products

Partners

- ▶ Talga's product development team collaborates with industry leading partners to accelerate the commercialisation of its graphene and micrographite products
- ▶ Resources are shared and various intellectual property agreements are in place to ensure commercial protection of Talga's developments



now part of BASF Group



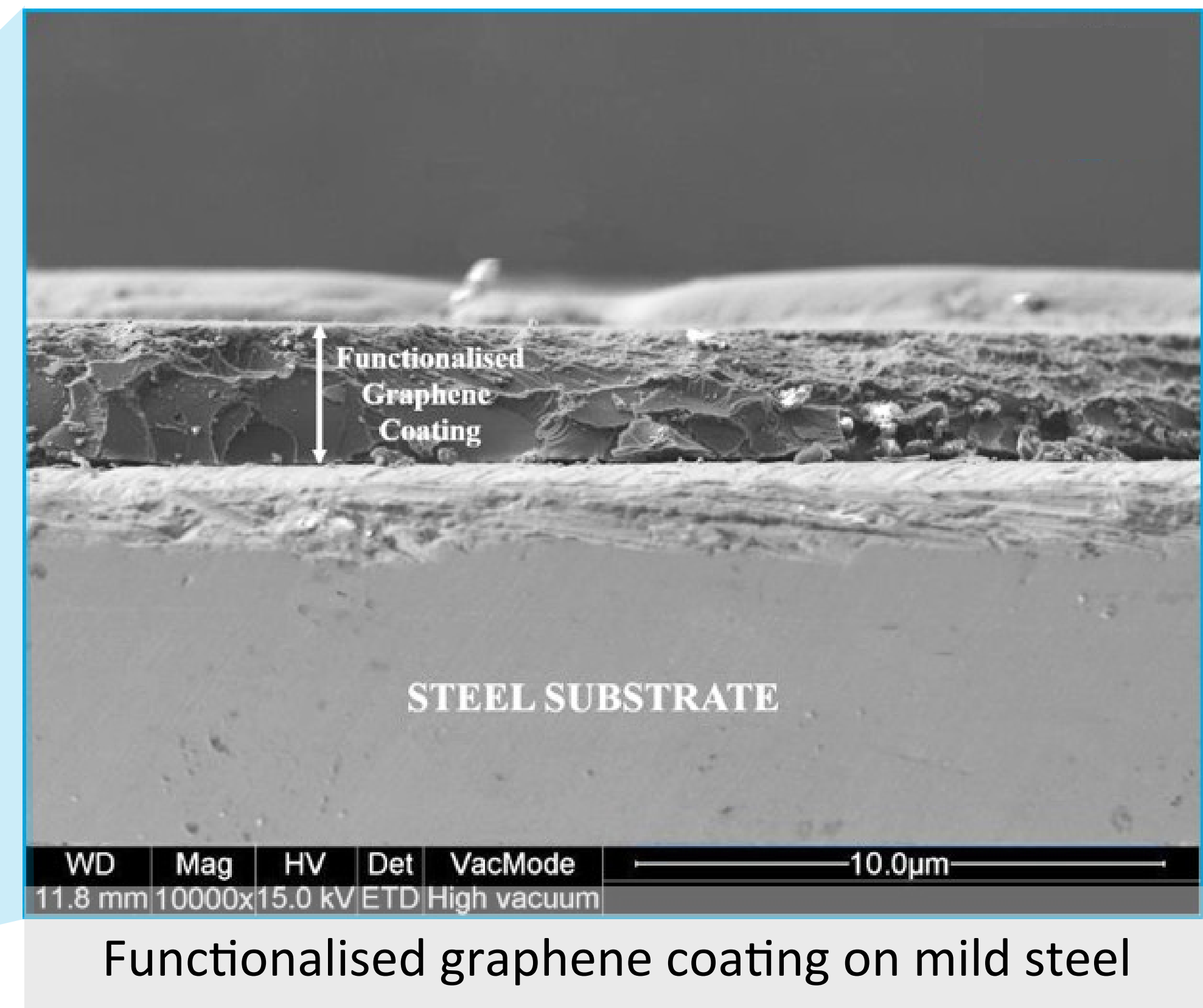
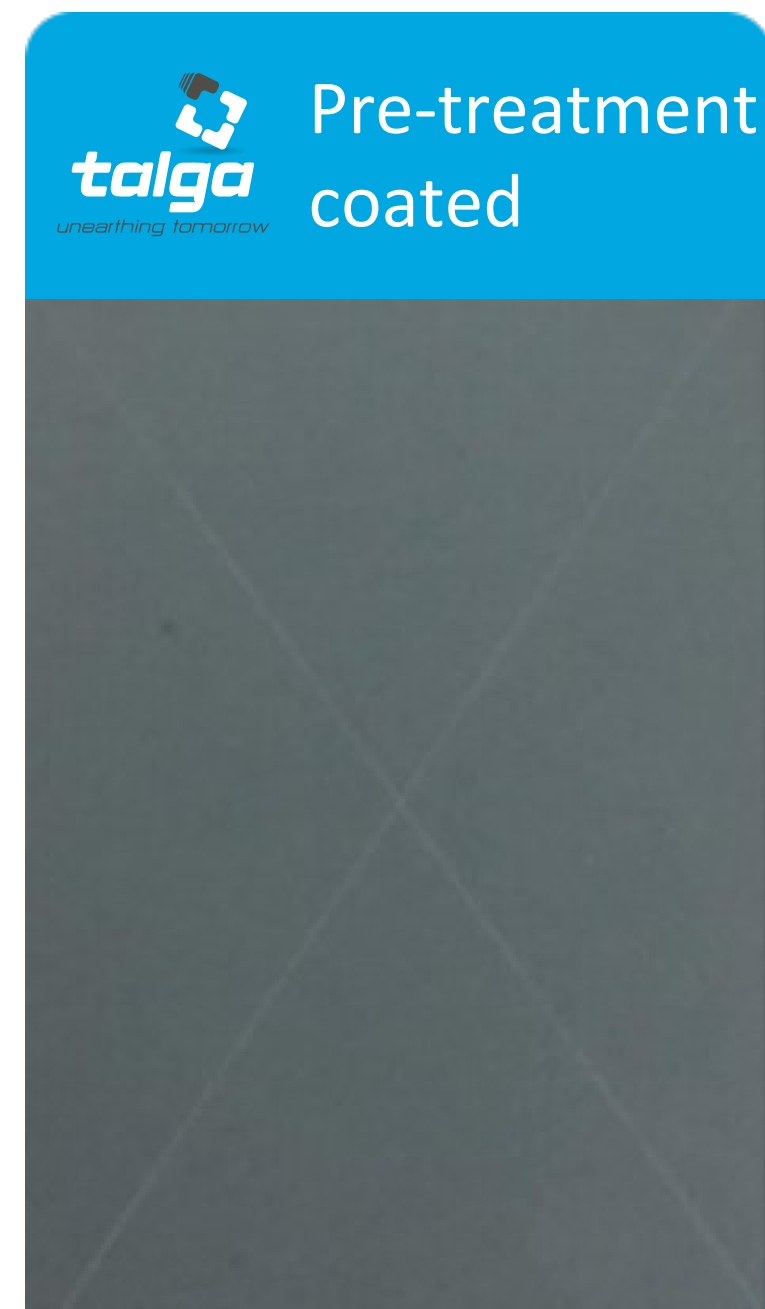
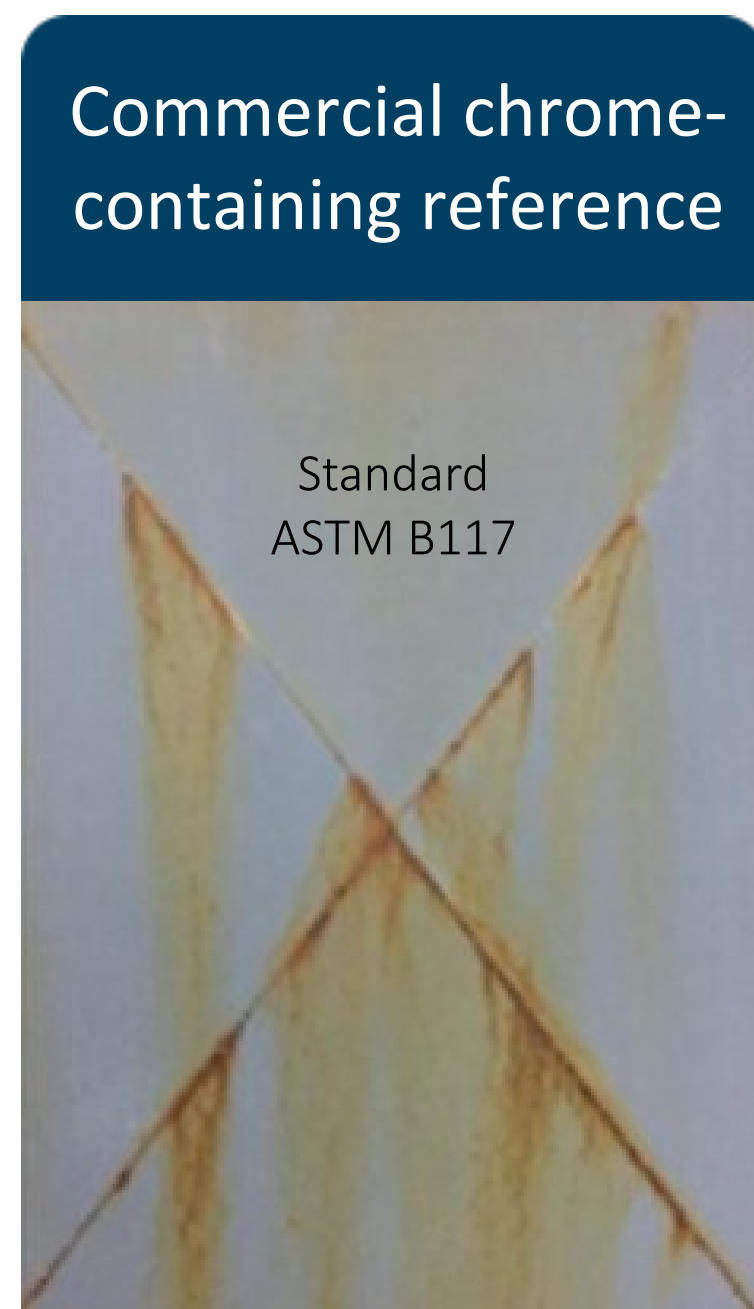
COATING PRODUCT - ANTI CORROSION



In ASTM-standard salt exposure tests Talga graphene formulation improves performance over chrome-containing reference



After 1,500hrs accelerated corrosion (salt spray)



COATINGS PRODUCT DEAL - CHEMETALL



Talga is advancing higher performance coatings with graphene as eco-friendly alternative to chromium, zinc and copper for giant global coatings market

- ▶ Joint Development Agreement (“JDA”) with **Chemetall**, a global business unit of **BASF** Coatings Division, to co-develop and commercialise graphene-enhanced coatings
- ▶ Aim for eco-friendly, high performance, corrosion resistant surface treatments (estimated addressable market size c. USD\$10.4B)



- ▶ Disclosable terms to the Agreement:
 - 2 year product development phase
 - 5 year exclusive graphene supply arrangement
- ▶ Commercial confidence precludes regular updates or performance details, but development is underway and progressing well, with sales of samples under the agreement commenced.

COATING PRODUCTS - EPOXY RESIN-BASED COATINGS

Positive initial test results of epoxy coatings formulated using Talga's graphene and dispersion technology

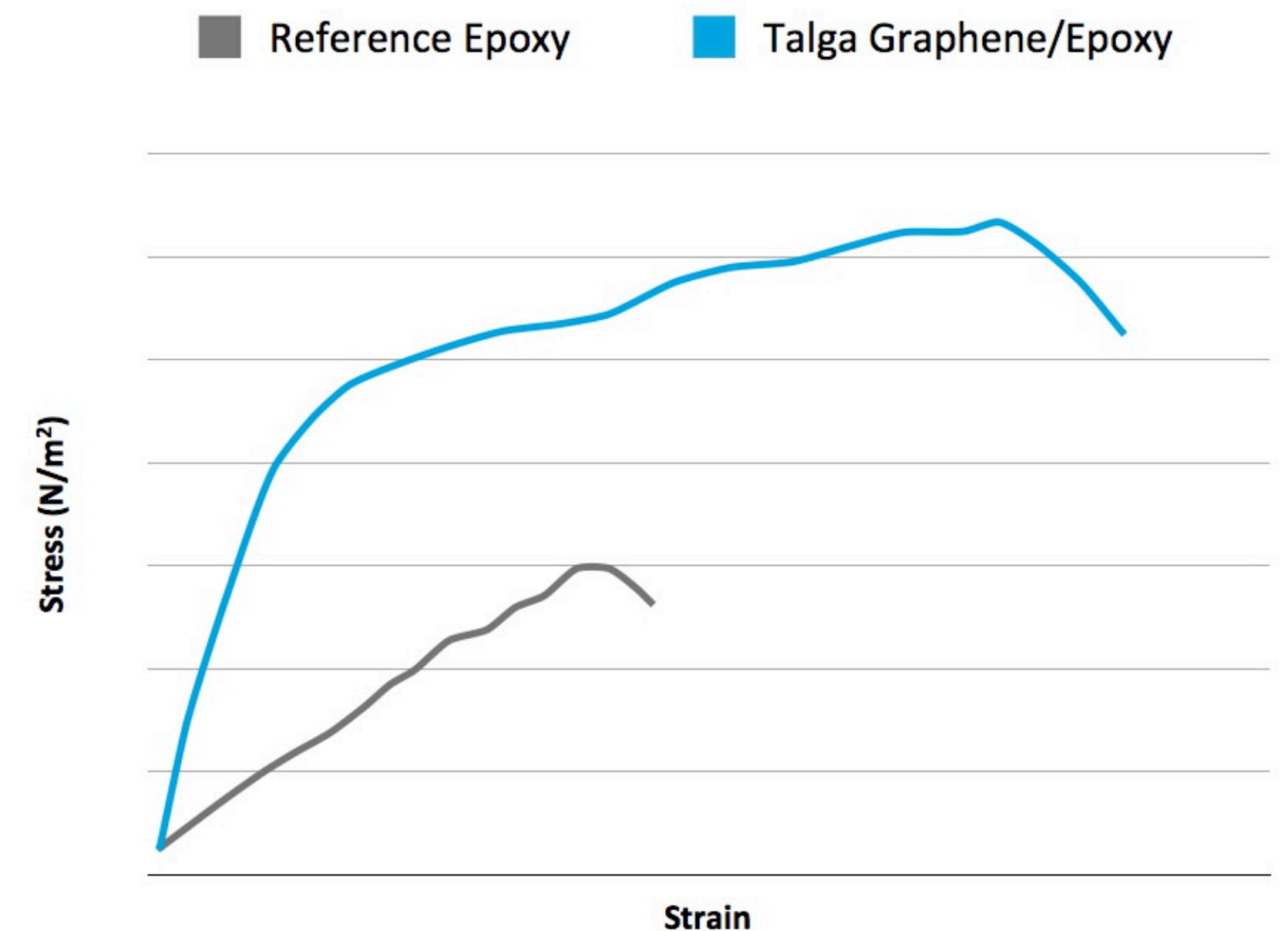
Successful first stage test-work completed on two-pack epoxy polymer resins for the large volume marine coating market.

Improved performance attributes includes higher corrosion resistance, mechanical strength and abrasion resistance compared to control epoxy top-coat and zinc-rich primer epoxy coatings

160% improvement in tensile strength
80% improvement in abrasion resistance
2x orders magnitude improvement in corrosion resistance

Patent lodged over Talga's graphene enhanced epoxy formula and dispersion technology

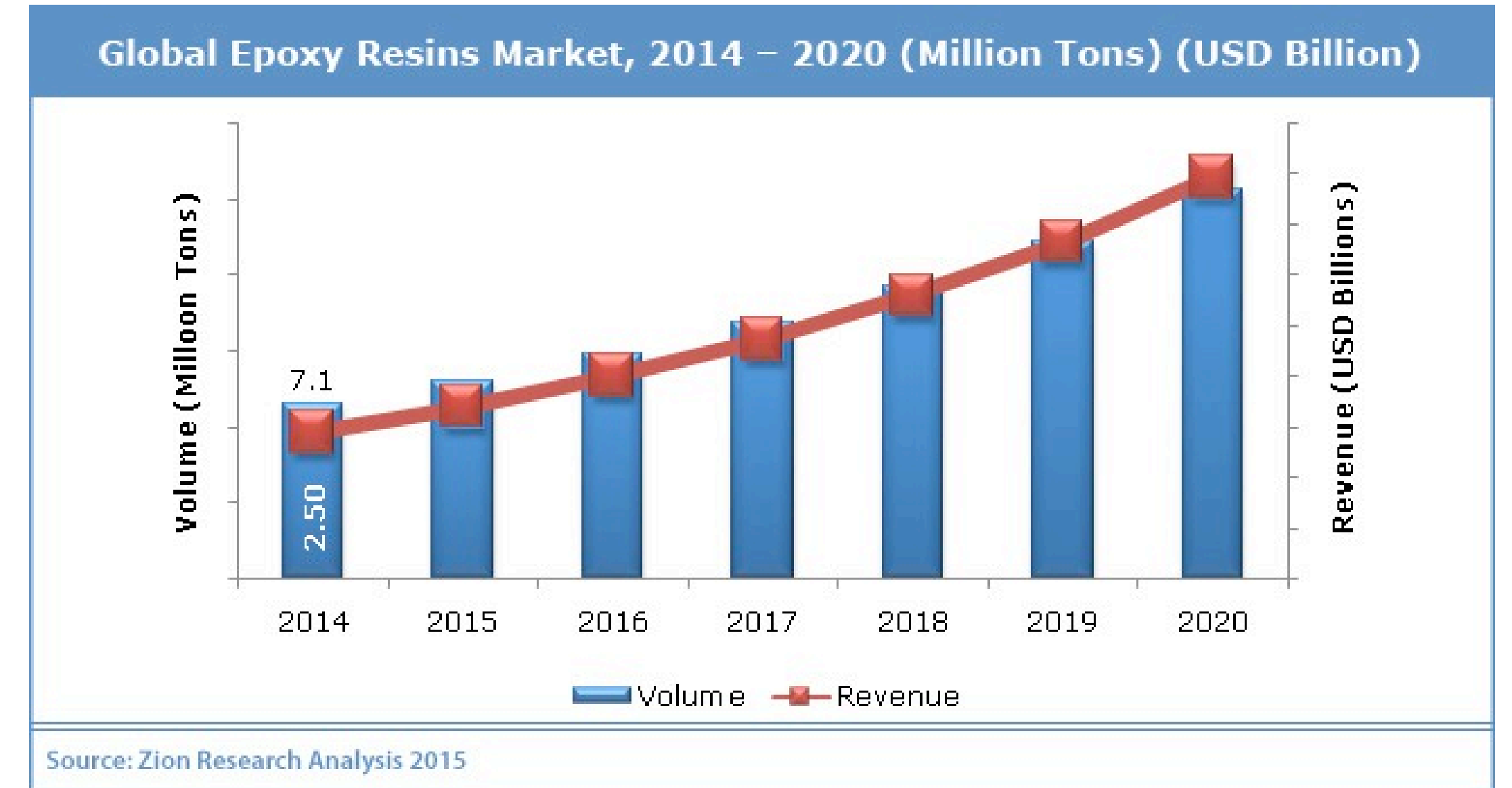
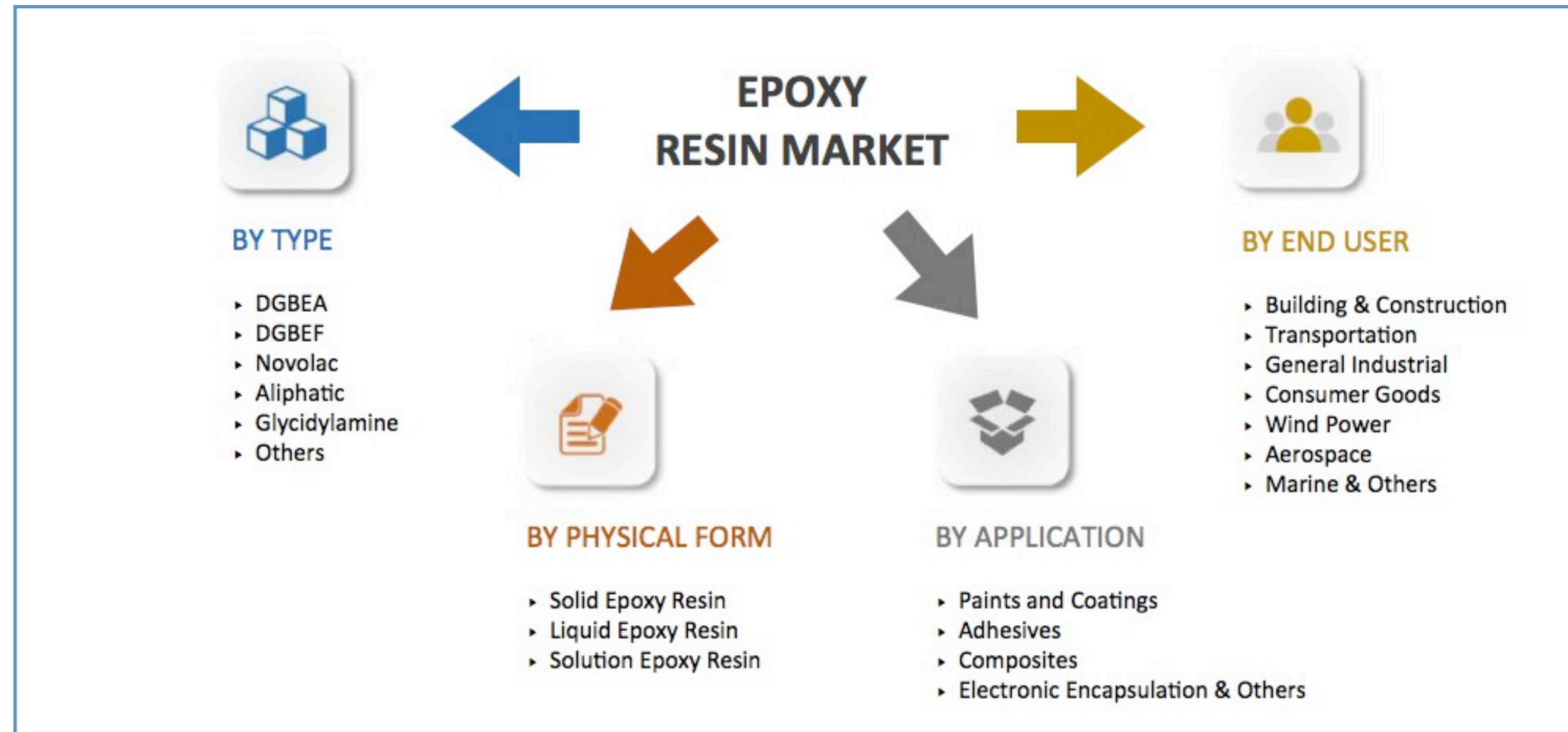
Tensile Testing Graph



COATING PRODUCTS - EPOXY MARKET



More than coatings - Epoxy resins are used widely across industry in many adhesives, electronic insulations and carbon fibre reinforced plastics (composites)



Global market

Epoxy sector consumes approx. 2.5 million tonnes of epoxy resins

Protective Coatings

Sector estimated to be valued at USD\$7.8 billion (2016) and projected to reach USD\$9.9 billion by 2021

Applications

Internal concrete flooring, urban construction products and steel anti-corrosion applications for marine exposed infrastructure etc.

Demand Boost

Increasing industrialization boosting demand for urban infrastructure & automotive materials using epoxy based protective products

Key Players

BASF SE, Mitsubishi Chemical Corp., Sherwin Williams Co., Akzo Nobel Coatings among others

COMPOSITES PRODUCTS

Stronger epoxy resins for carbon fibre composites in aerospace and automotive

- ▶ Graphene additives are demonstrated to make epoxy resin systems stronger, lighter or more functional (conductive)
- ▶ Epoxy resins is used to make **carbon fibre composites**, a lightweight material widely used in aerospace, automotive and wind turbine sectors

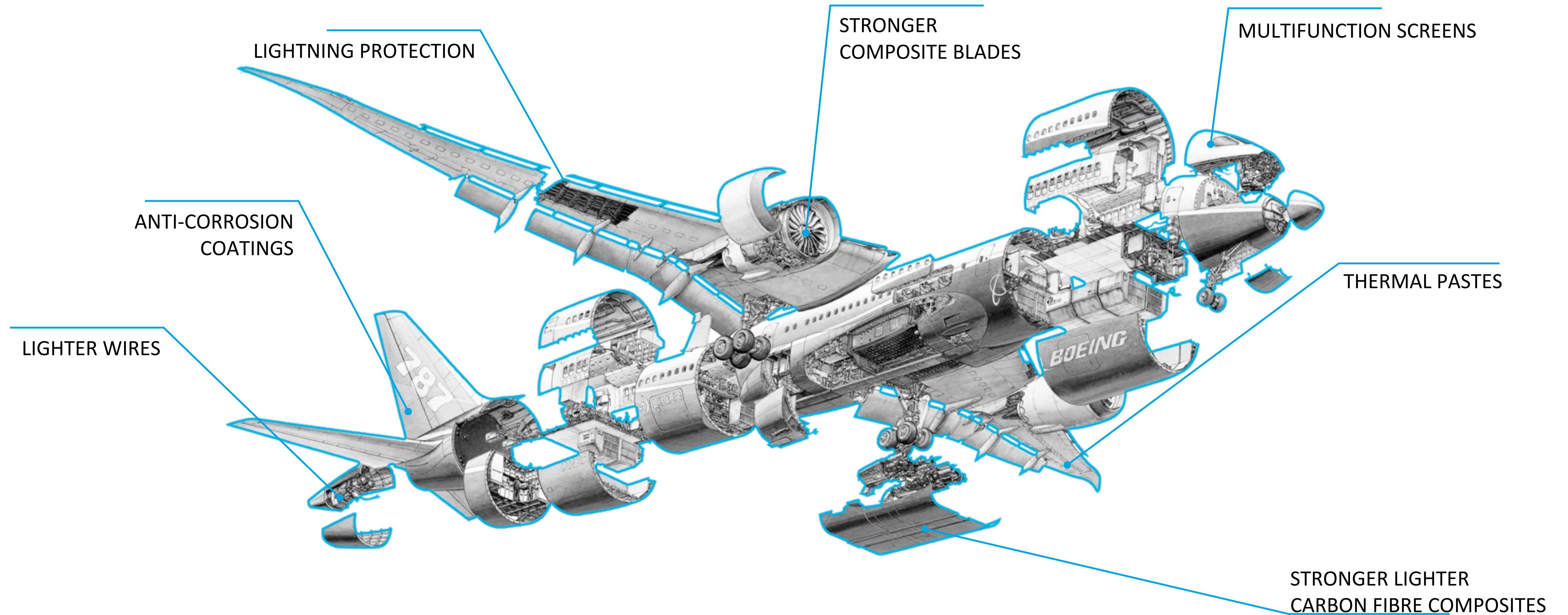


- ▶ Current market looking for less weight (for less fuel use in planes) plus conductivity (for lightning protection, de-icing or EM shielding)
- ▶ Emerging markets in textiles, plastic and fibres for 'wearable' technologies & 3-D printing
- ▶ Talga prototype tests are underway at TWI near Cambridge

GRAPHENE AEROSPACE PRODUCTS



Lighter, stronger, multi-functional components increase range and decrease emissions/km travelled

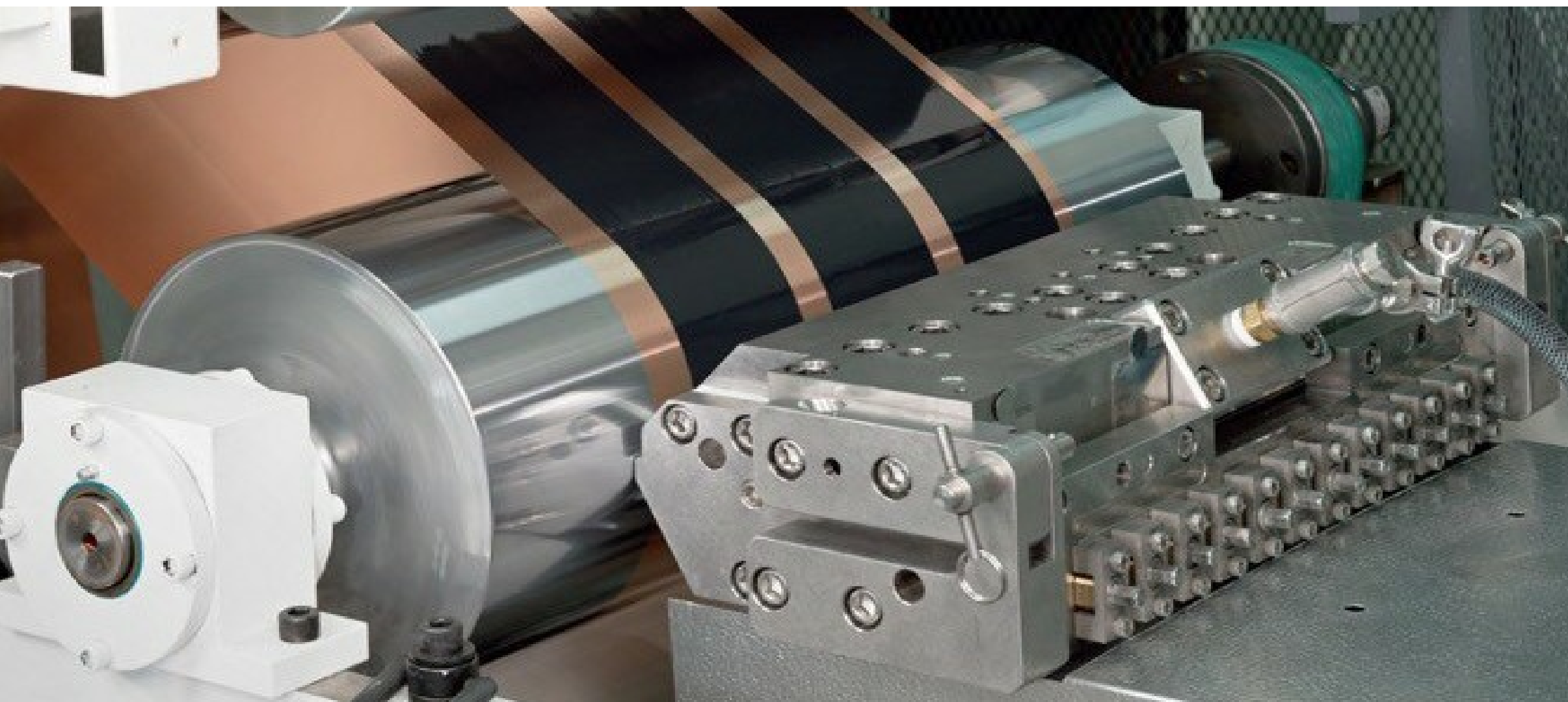


ENERGY PRODUCTS – LITHIUM ION BATTERIES



Talga is positioning to supply higher performance/lower cost conductive additives and materials for Li-ion, flow and alkaline batteries with more eco-friendly manufacturing

ROLL-TO-ROLL MANUFACTURE OF LI-ION BATTERY ELECTRODES



Global market

Li-ion market growing rapidly with government legislation and consumer trend to eco-friendly power and transport

Talga micrographite

and GNP's in Li-ion batteries requires less harmful processing steps

Targeting improved

Li-ion with less toxic eco-impacts by enabling water-based chemistry and lower manufacturing inputs

Industrial style

Li-ion 'pouch' cell testwork and commercial-style roll to roll anode formulations underway

Test programs

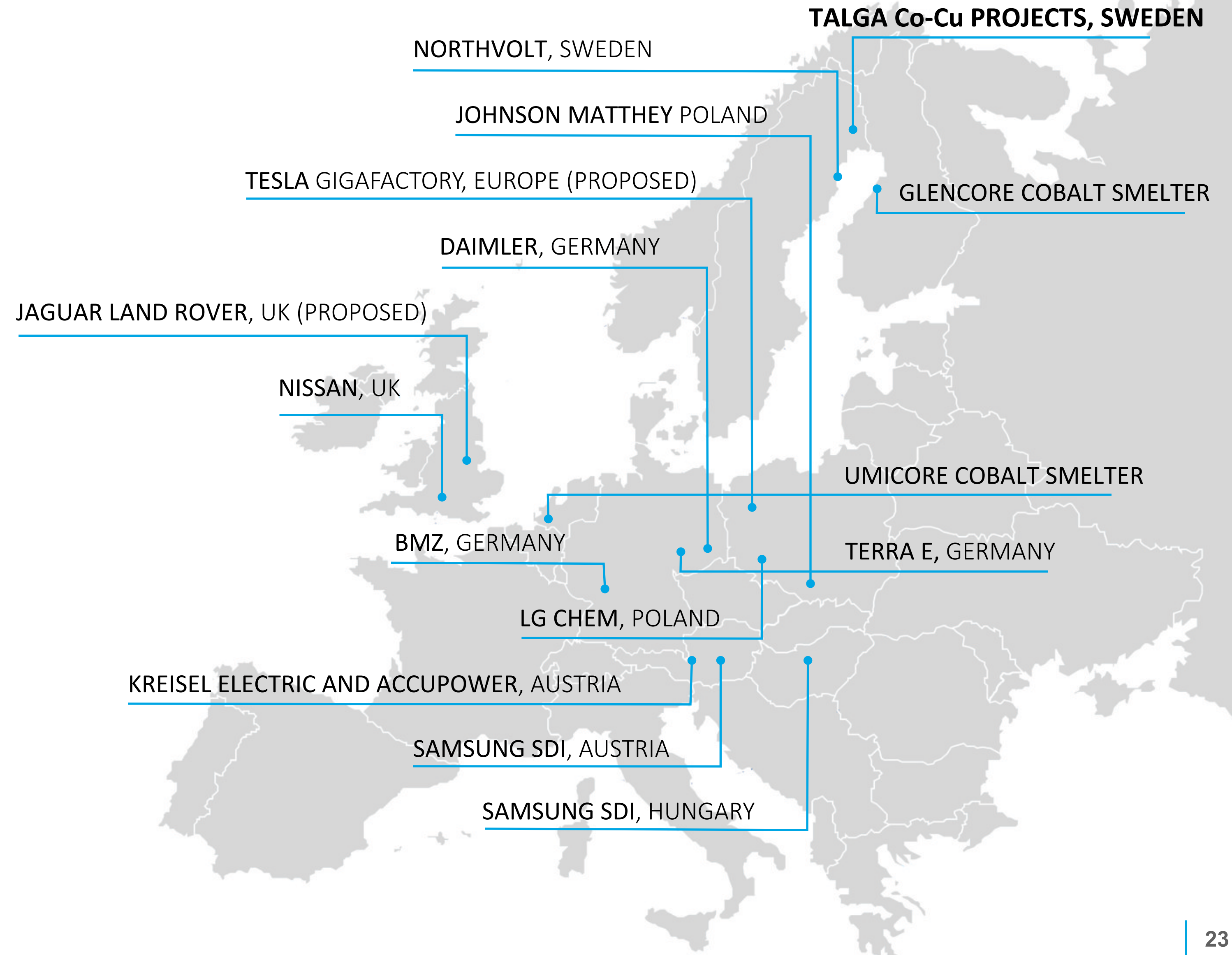
for new-gen Li-ion batteries to be pursued

EUROPEAN BATTERY GIGAFACTORIES



Talga placed to supply fast growing battery supply chain in Europe

- ▶ **Global battery** manufacturing capacity set to double by 2021
- ▶ **Multiple** Li-ion “Gigafactories” underway or planned in EU
- ▶ **Cobalt and Graphite** are on EU critical minerals list, with mandate to develop independent supply
- ▶ **Majority** of battery minerals are currently imported into Europe from Africa (cobalt) or China (graphite)
- ▶ **Talga’s** graphite and cobalt-related deposits in Sweden represent an important potential supply for EU companies



Li-ion Anode Processing Steps

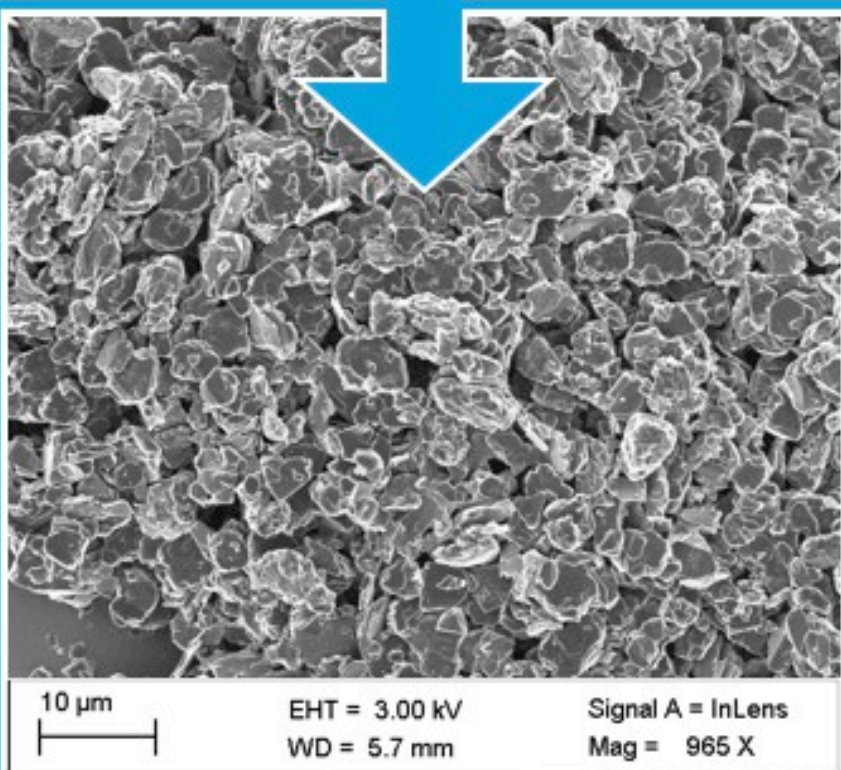
Talga Graphite

Exfoliate

Concentrate

Purify

Binder & Dispersant



Talga anode capacity
420 mAh/g

Flake Graphite

Crush

Grind

Concentrate

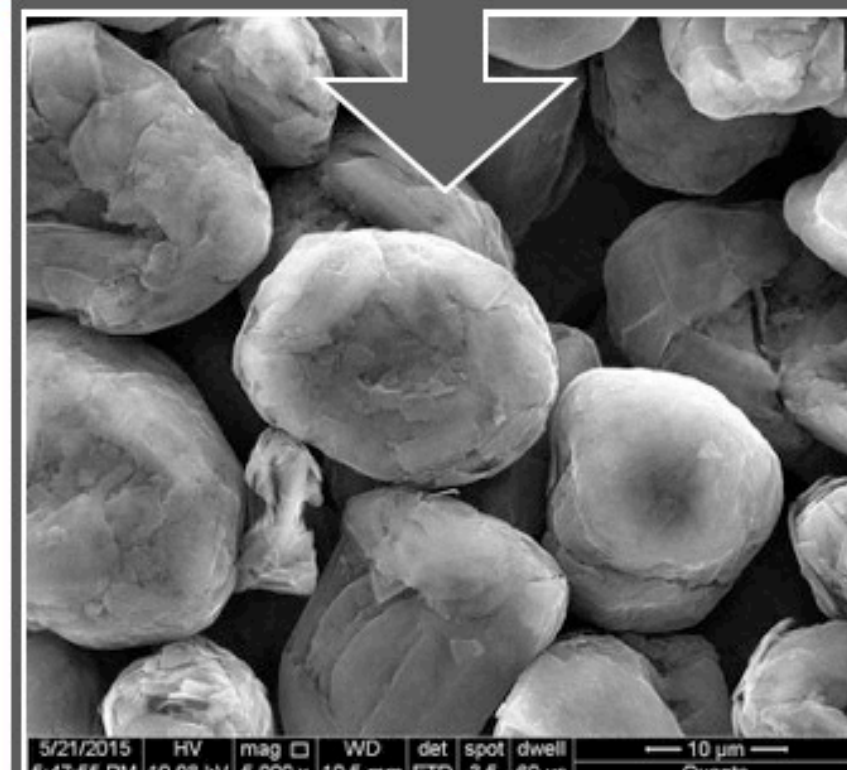
Micronise

Purify

Spheronise

Coating

Binder & Dispersant



Peer anode capacity
360 mAh/g

PROCESS ADVANTAGE - BATTERIES

Talga's patent pending technology liberates conductive material from raw graphite ore, skipping processing steps required by peers

higher performance with less manufacturing steps = lower eco-impact



Unmilled Talga graphite shows promising results of **420mAh/g**, higher capacity than graphite theoretical limit **372mAh/g**

Excellent stability with 99.9% coulombic efficiency and low capacity loss (reversible capacity >99.5%)

Graphene is more conductive than graphite, enabling faster charging and longer life cycle, and will play a large role in batteries going forward.

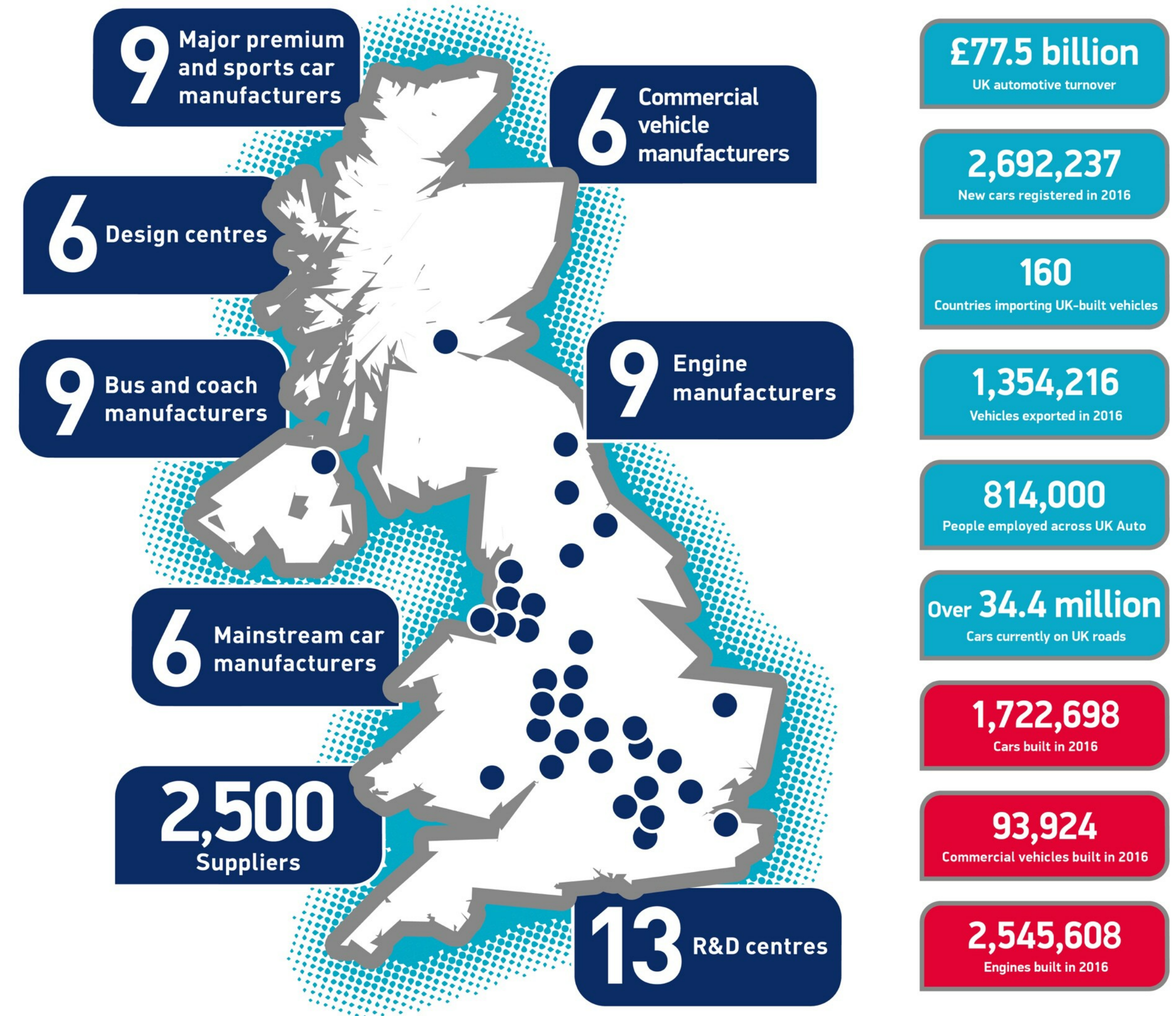
Goldman Sachs estimate an Rmb6.3bn (US\$0.9bn) addressable market by 2025 for graphene in batteries

NEW BATTERY PROGRAMS



UK automotive industry, Electrical Vehicle legislation and the 'Faraday Challenge'

- ▶ **814,000 people** are employed by the UK automotive industry
- ▶ UK legislation to ban petrol and diesel cars by **2040**
- ▶ **'Faraday Challenge'** - UK government's £246m commitment, over the next four years, towards funding of design, development and manufacture of battery technologies for vehicle electrification.
- ▶ Aim to shift UK auto manufacturing across to low-CO2 emission products now and capture domestic and export market share, along with next-gen technology and strategic economic advantages

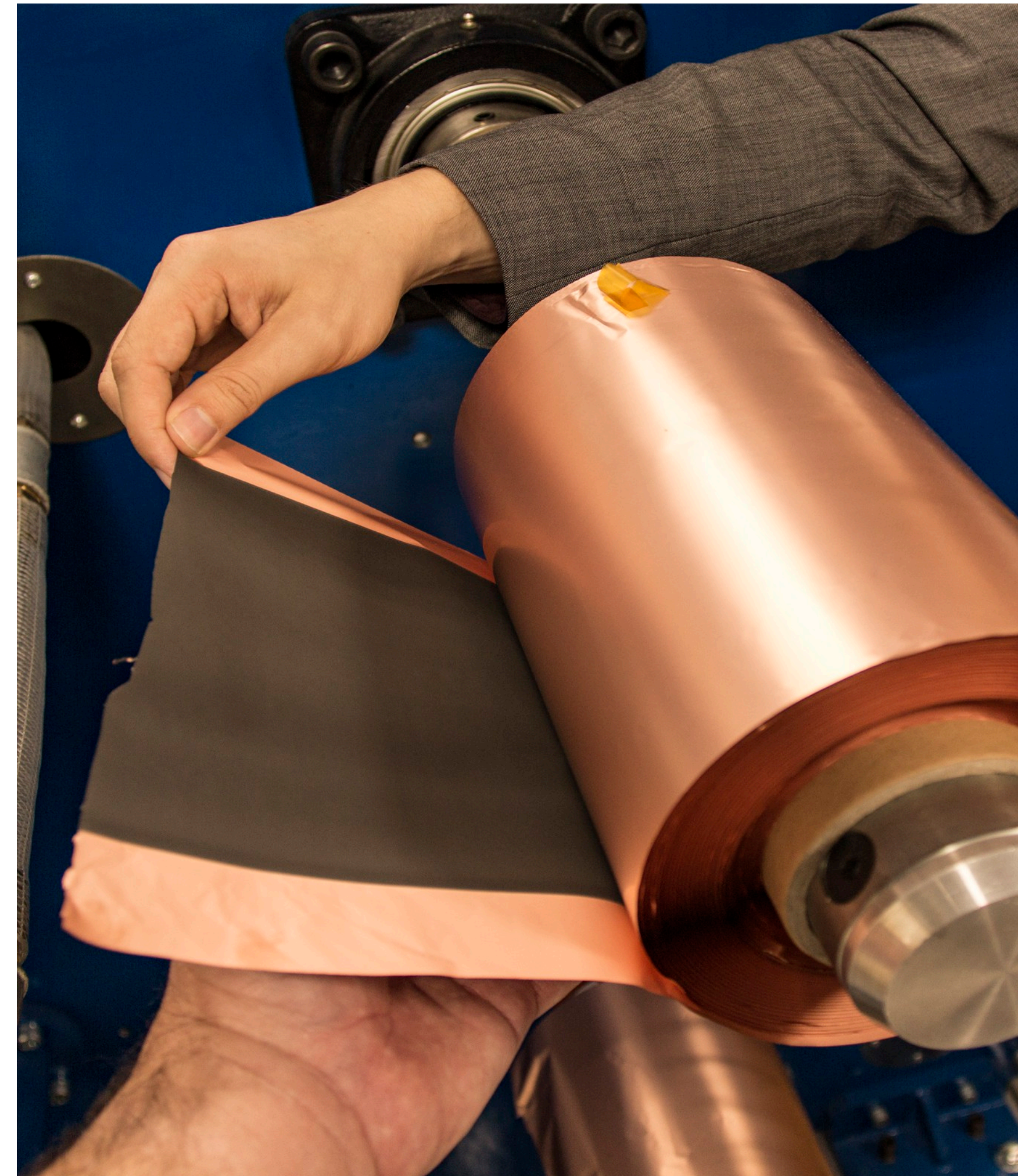


TALGA AND THE 'FARADAY CHALLENGE'



Talga participated in several consortia-led battery research applications under the UK Government's £246 million 'Faraday Challenge' funding program.

- ▶ Applications covering a total of 3 research programs
- ▶ Talga being the lead in two programs and a participant in the other
- ▶ Significance of participation for Talga:
 - Positioning as a stakeholder in the downstream battery sector
 - Big industry partnerships
- ▶ Participants include: prestigious automotive manufacturer, pioneering battery technology company, world leader in technology engineering, international speciality chemicals company, leader in sustainable technology and top UK universities.
- ▶ Results are expected to be announced by the UK government soon



CONSTRUCTION PRODUCTS - CONCRETE

Talga's successful trial of thermally conductive concrete shows promise with a fast growing and potentially bulk volume market



Thermal concrete in underground power line application



Graphene added to concrete enables electrical or thermal conductivity



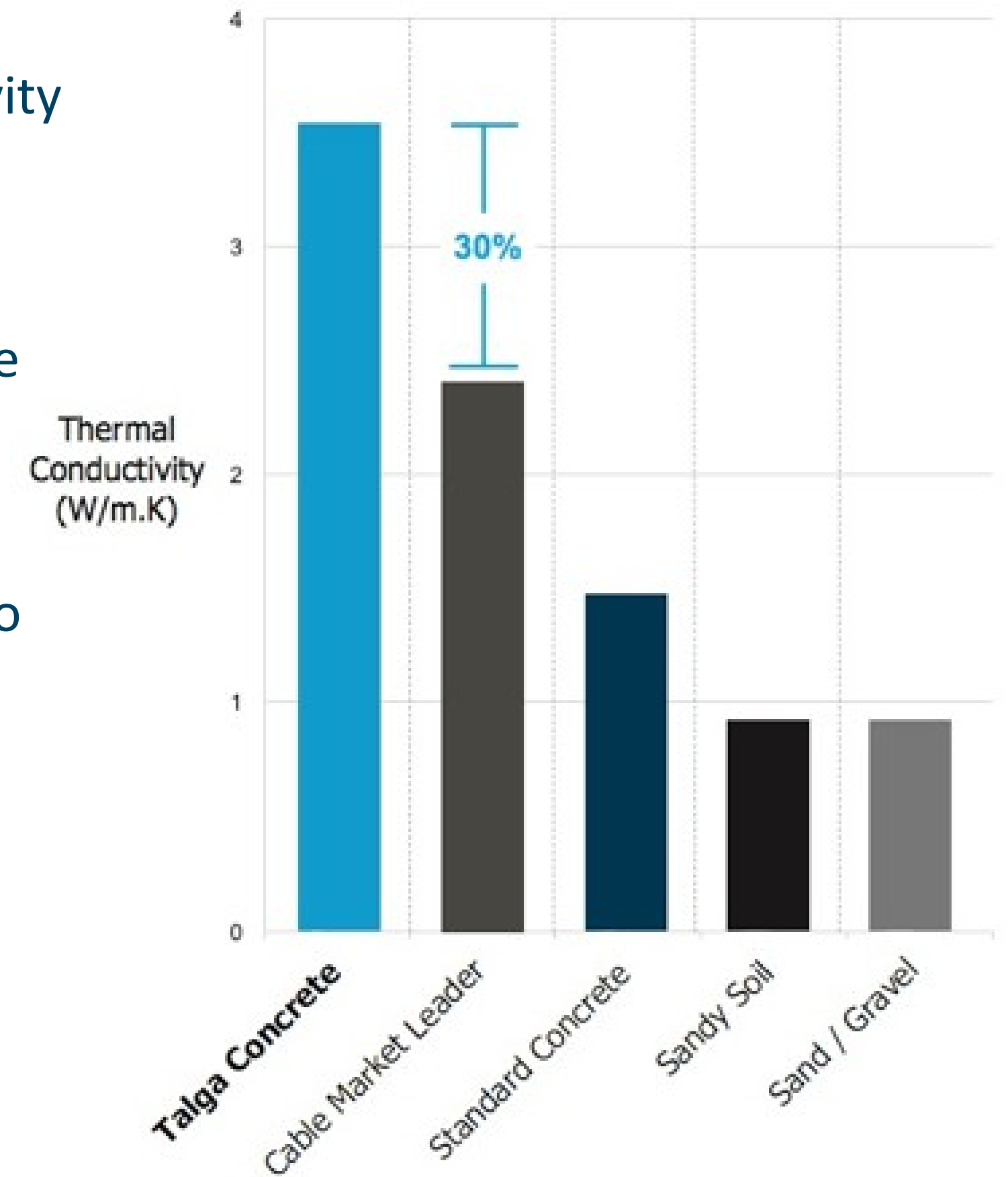
Applications: powerline heat dissipation, underfloor heating, ice-free road-bridge-tarmac areas



German government plans upgrades to >7,500 kilometres of high voltage electric power lines



30% more thermal conductivity than market leader



CONSTRUCTION PRODUCTS - CONCRETE

High strength concrete



High strength concrete bridge, Sweden



Concrete graphene mix



Graphene added to concrete **improves strength**



Applications include high rise buildings, road and rail infrastructure

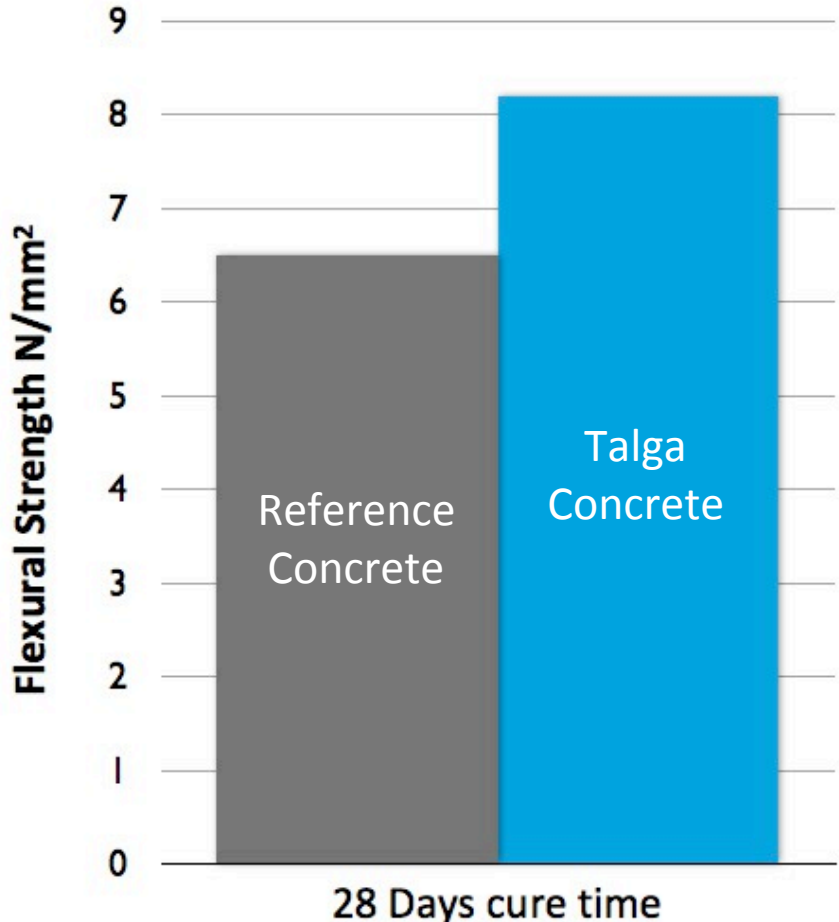


Urbanisation and requirements for lower volume/lower emissions is driving demand

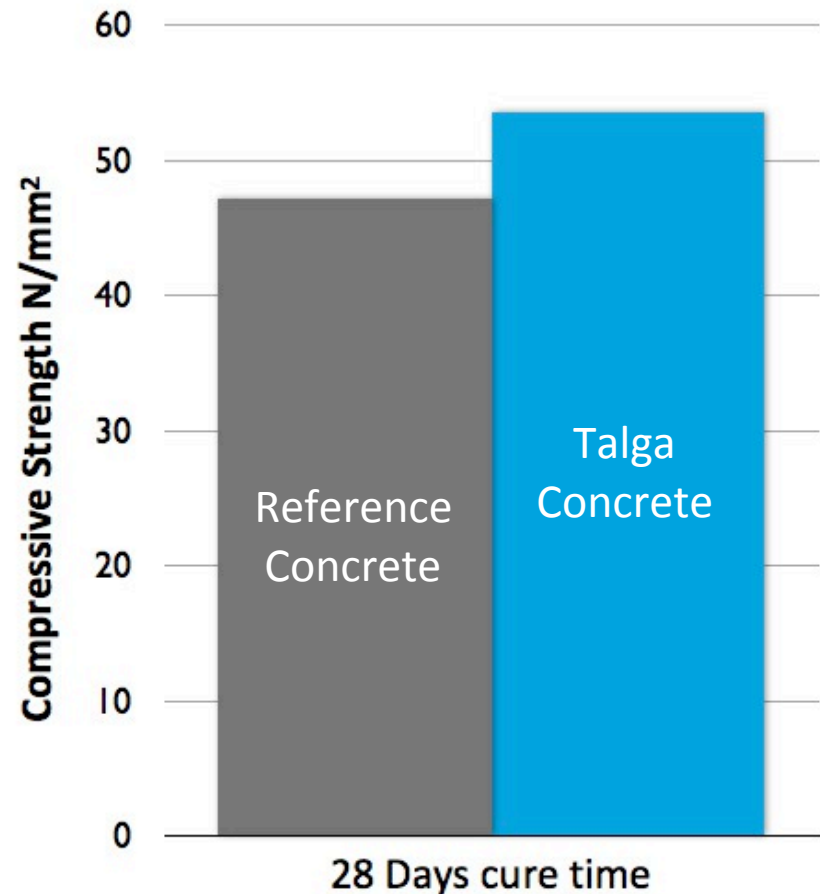


Strengthens concrete at **low loadings** so can be lower cost in some applications

26% INCREASE IN FLEXURAL STRENGTH
DIN 12 390-5



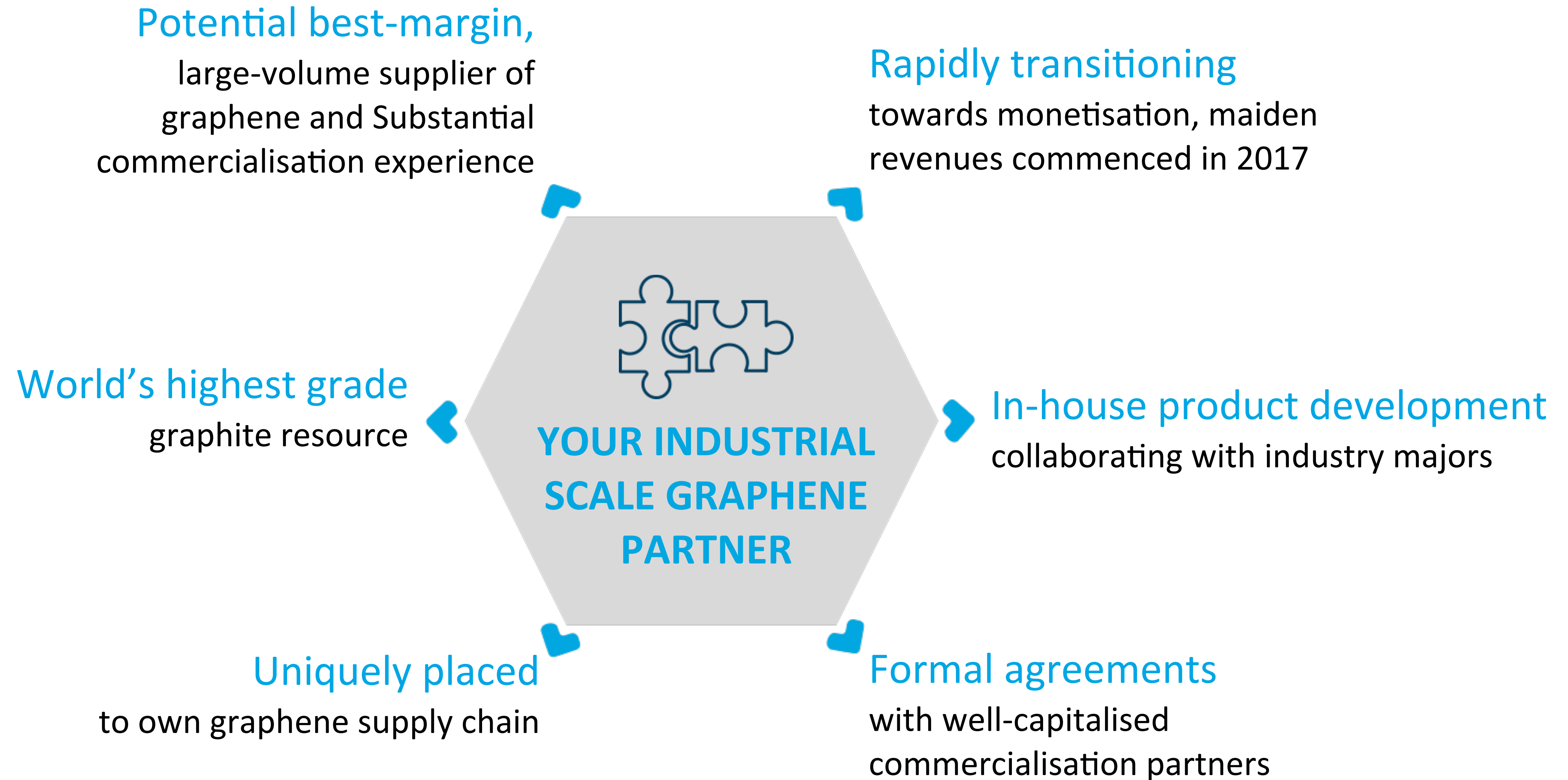
14% INCREASE IN COMPRESSIVE STRENGTH
DIN 12 390-3



SUMMARY - TALGA OPPORTUNITY

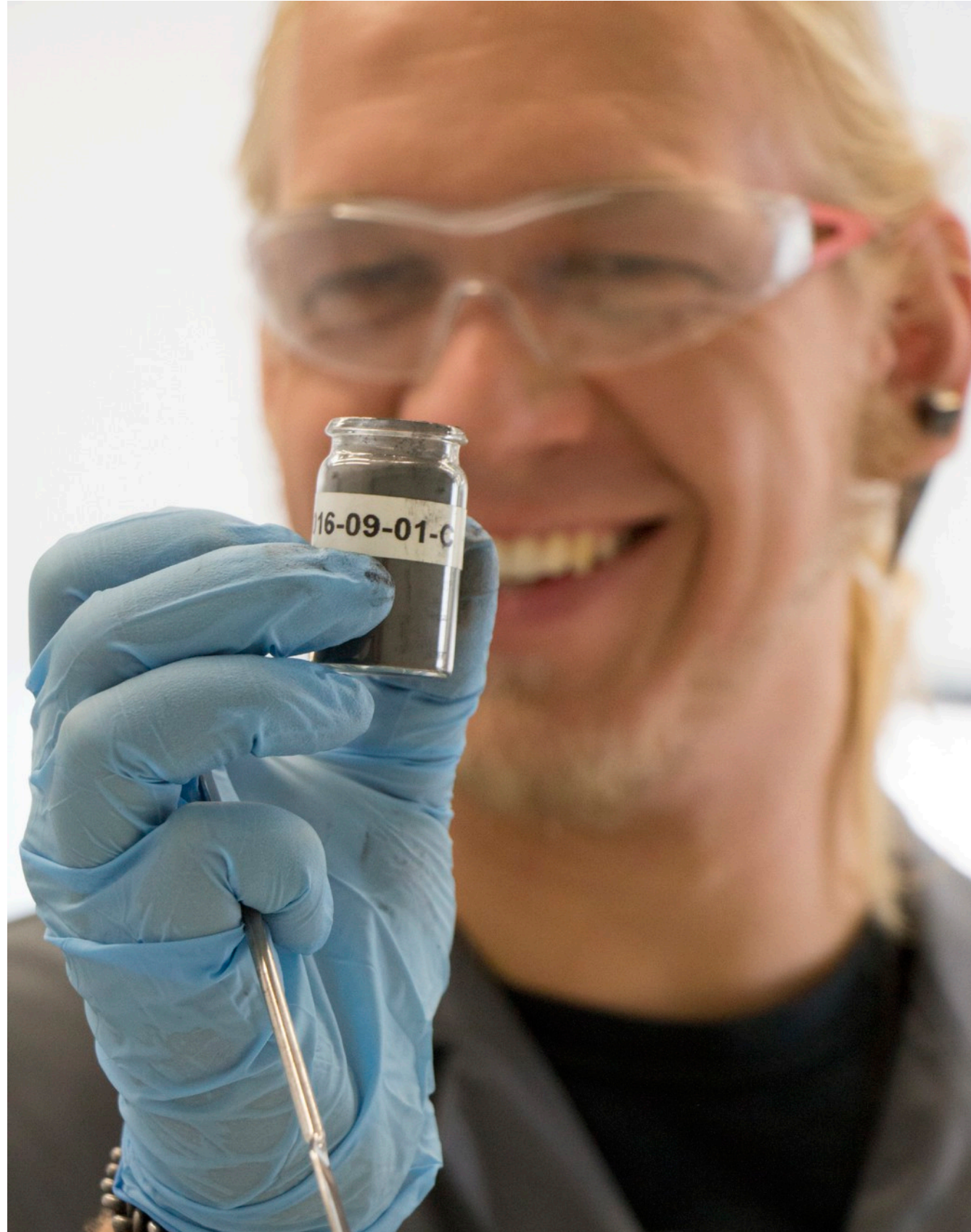


Technology minerals company commercialising mass produced graphene and products



COMPANY DIRECTORY

Talga Resources Ltd has subsidiaries in UK, Sweden and Germany



Talga Resources Ltd | Perth, Australia

First Floor, 2 Richardson Street, West Perth WA 6005, Australia

P| +61 8 9481 6667

E| admin@talgaresources.com

Talga Technologies Limited | Cambridge, UK

Unit 15-17 Cambridge Science Park, Milton Road, Cambridge CB4 0FQ, UK

Talga Mining Pty Ltd Filial | Stockholm, Sweden

Storgatan 7, 972 38 Luleå, Sweden

Talga Advanced Materials GmbH | Rudolstadt, Germany

Prof.-Hermann-Klare-Str. 25, 07407 Rudolstadt, Germany



APPENDIX AND STATEMENTS



Competent Person's Statements

The information in this document that relates to exploration results is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been 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). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to Graphite Resource Estimation for the Vittangi Project is based on information compiled by Oliver Mapeto and reviewed by Albert Thamm. Both Mr Mapeto and Mr Thamm are consultants to the Company. Mr Mapeto is a Member of both the Australian Institute of Mining and Metallurgy (Membership No.306582) and Australian Institute of Geoscientists (Member No 5057) and MR Thamm (Member No 203217) is a Fellow Member of the AusIMM.

Both Mr Mapeto and Mr Thamm have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which both are undertaking 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 Mapeto and Mr Thamm consent to the inclusion in this report of the Matters based on this information in the form and context in which it appears.

The information in this report that relates to Exploration Targets is based on information compiled and reviewed by Mr Simon Coxhell, a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy and Mr Mark Thompson, who is an employee of the Company and a member of the Australian Institute of Geoscientists. Mr Thompson and Mr Coxhell 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 Thompson and Mr Coxhell consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Iron Ore Resource Estimation and Graphite Resource Estimation for the Jalkuen and Raitajärvi Projects is based on information compiled and reviewed by Mr Simon Coxhell. Mr Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is undertaking 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 Coxhell consents to the inclusion in this report of the Matters based on this information in the form and context in which it appears.

Cautionary Statement

Any data on the scoping study referred to in this report is based on low level technical and economic assessments, and is insufficient to support estimation and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusion of the scoping study will be realised. The Company confirms that all material assumptions and technical parameters underpinning the scoping study results and projections in this release continue to apply and have not materially changed. The use of the word "ore" in the context of this report does not support the definition of 'Ore Reserves' as defined by the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The word 'ore' is used in this report to give an indication of quality and quantity of mineralised material that would be fed to the processing plant and is not to assumed that 'ore' will provide assurance of an economic development case at this stage, or to provide certainty that the conclusion of the scoping study will be realised.

GRAPHITE JORC RESOURCES AND EXPLORATION TARGETS



Nunasvaara JORC (2012) Mineral Resource (17% Cg cut-off)

JORC 2012 Classification	Tonnes	Graphite (%Cg)
Indicated	10,700,000	25.7
Inferred	1,600,000	23.9
Total	12,300,000	25.5

Jalkunen JORC (2012) Mineral Resource (5% Cg cut-off)

JORC 2012 Classification	Tonnes	Graphite (%Cg)
Inferred	31,500,000	14.9

Raitajärvi JORC (2004) Mineral Resource¹ (5% Cg cut-off)

JORC 2004 Classification	Tonnes	Graphite (%Cg)
Indicated	3,400,000	7.3
Inferred	900,000	6.4
Total	4,300,000	7.1

Talga Graphite Exploration Targets² 0-100m Depth

Project	Exploration Target	Tonnes (0-100m Vertical Depth)		Graphite (% Cg)	
		Min.	Max.	Min.	Max.
Vittangi	Nunasvaara	62,400,000	93,600,000	20	30
	Kotajärvi	16,640,000	30,160,000	20	25
	Maltosrova	20,800,000	52,000,000	20	25
Jalkunen	Tiankijokki	2,600,000	5,200,000	15	25
	Nybrännan	5,200,000	10,400,000	20	30
	Suinavaara	2,600,000	5,720,000	15	25
	Lautakoski	26,000,000	52,000,000	15	25
	Subtotal	136,240,000	249,080,000	19	27
	Rounded Total	136,000,000	250,000,000	18	25

1 Note: This information was prepared and first disclosed under the JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

2 Note: The Exploration Target is based on a number of assumptions and limitations with the potential grade and quantity being conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource Estimate in accordance with the JORC Code and it is uncertain if future exploration will result in the estimation of a Mineral Resource.