



ASX Code: TLG

Talga Gold Ltd

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Issued Capital:

40.35m Shares

1.1m Options (unlisted)

Market Cap (diluted) **\$17.4m**

@ last TLG share price: **\$0.42**

Cash: **\$3.1m**

Projects:

Pilbara, Western Australia

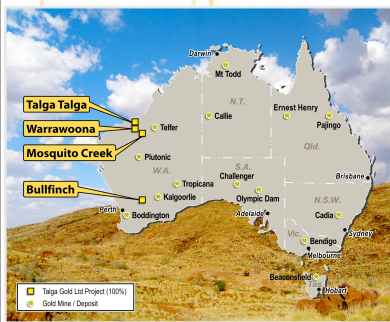
Talga Talga (100%)

Warrawoona (100%)

Mosquito Creek (100%)

Yilgarn, Western Australia

Bullfinch (100%)



QUARTERLY ACTIVITIES REVIEW

For the period ending 31 March 2011

HIGHLIGHTS

- Diamond core drilling completed at Talga Talga in the Pilbara - results pending.
- Soil geochemical results from Talga Talga and Warrawoona show high grades and new zones.
- Further drilling at Talga Talga and Warrawoona to commence in Q2 2011.

Summary

During the period Talga Gold Limited (ASX: TLG) successfully conducted its first round of diamond drilling exploration at the Company's 100% owned Talga Talga gold project in the Pilbara region of Western Australia. Additional fieldwork advanced preparations for drill testing of priority targets across the other Pilbara projects and the Bullfinch project in WA's Yilgarn.

Talga Talga Project (TLG 100%)

The Talga Talga Project is located 150km southeast of Port Hedland in Western Australia's Pilbara region. The project covers more than 10km² of prospective gold targets and historic workings with high grades of recorded gold production. The three key activities during the quarter were diamond core drilling, soil sampling and the granting of additional prospecting licenses.

During the period the Company completed diamond core drilling to provide detailed geological and metallurgical information of the significant gold mineralisation discovered by the Company in 2010. Eight diamond drillholes were completed over a 300 metre strike of the McPhees prospect to downhole depths of between 40 and 115 metres (for details see ASX:TLG 28/3/11). The HQ diameter drillcore has been processed for geotechnical studies and been submitted to the assay laboratory. Geochemical assay results are expected in mid-May.

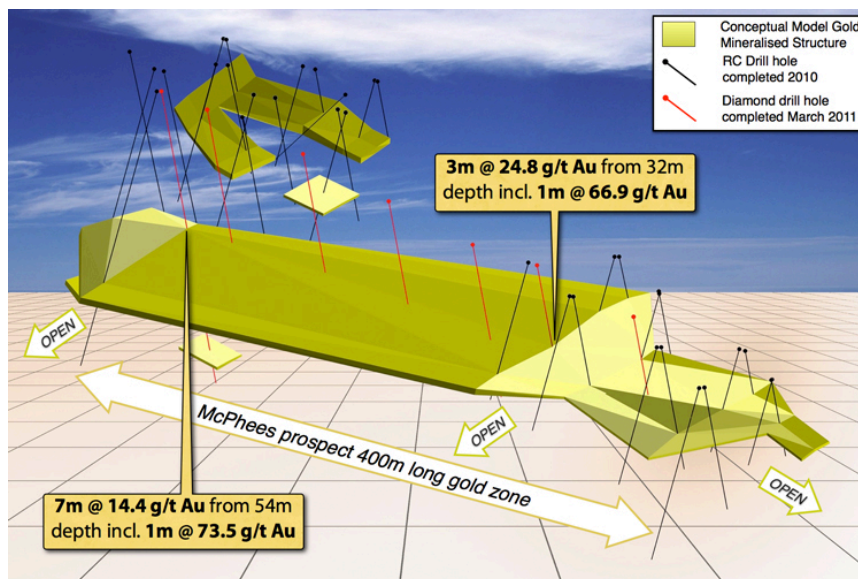


Fig 1. Model of gold mineralised structures drill tested at McPhees with 2010 RC drilling highlights.

The 160m strike zone **between** the zones of previous RC drilling (see Fig 1) was tested by a row of single diamond core drillholes at approximately 50 metre spacing. This was to test for geological continuity and structural components rather than grade at this stage, although several holes were drilled as twins to previous high grade RC holes for metallurgy work. A detailed infill of this zone with RC drilling is planned, to investigate the grade component of the structure as compared to its volume.

During the quarter the Company received and published results from the first detailed grid of soil geochemistry completed within the granted Mining Lease area (for details see ASX:TLG 8/3/11). This defined a high tenor anomaly peaking at 14.6 g/t Au at the McPhees prospect and discovered a 700m+ long gold zone along the extensive BIF/Chert horizon that strikes for over 5km through the project. The McPhees prospect gold anomaly was drill tested as part of the diamond core drilling program.

Two prospecting licences were granted during the quarter, opening up an additional 1500 metres of strike for testing at Talga Talga. Geochemical surveying will be extended along this central zone in the June quarter and permitting for future drill testing is underway.

Further Drilling Planned

The geological information gained from the core drilling is encouraging and an expanded RC drill test at Talga Talga is being planned to start in the June quarter of 2011. The volume potential of the McPhees and Chert/BIF prospects will be tested by broad spaced drillholes targeting zones to 200m down dip of the gold workings and outcrop over a 2000m strike. Additional close spaced drilling will take place to investigate what grade potential is present in coherent zones demonstrated to date at McPhees.

Warrawoona Project

(TLG 100%)

During the quarter the larger Warrawoona exploration licence E45/3381 was granted allowing the start of fieldwork. Drill program planning, permitting and access work is underway with a view to drilling priority targets at the Klondyke Extended and Horigans prospects in Q3 of 2011. Additional fieldwork took place on the Kiwi Ridge and Cutty Sark prospects that are permitted for drill testing in the upcoming quarter. Drilling of gold anomalies outlined by soil geochemical surveys is scheduled to commence in conjunction with the Talga Talga drill program.

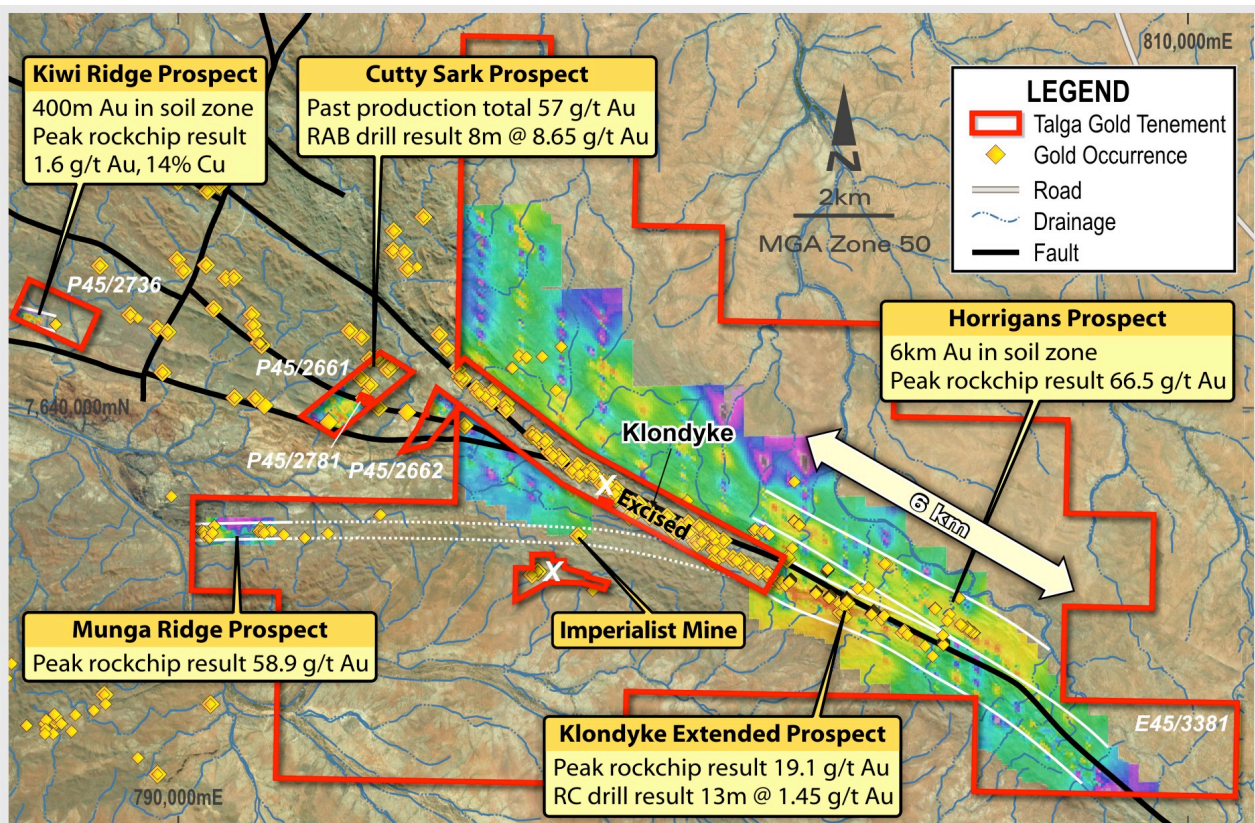


Fig 2. Warrawoona project gold in soil geochemistry image with exploration highlights and prospect locations.

Bullfinch Project**(TLG 100%)**

The Bullfinch Project lies 40km north of Southern Cross and covers more than 160km² of this prolific gold producing district of the Yilgarn Craton. The Company is exploring the area for high metamorphic grade gold deposits similar in style to that of the Edna May (1.5m+ oz Au) gold deposit currently being mined approximately 70km to the west of Bullfinch. The main focus of exploration is where surface sampling results and groups of historic but unmapped gold workings occur along large scale structural trends and favourable host lithologies.

Work during the quarter included geological reconnaissance and permitting/land access work towards drill testing of priority targets. Samples of soil geochemical surveys and follow-up rock chip sampling are undergoing further analysis and final results are pending.

Mosquito Creek Project**(TLG 100%)**

The Mosquito Creek Project is located 40km east of Nullagine and 150km south by road from Talga's Warrawoona Project. The 104km² project tenements cover zones of gold mineralisation hosted by the Mosquito Creek Formation, east along strike from Millennium Minerals which has announced JORC compliant resources of more than 1.24 million ounces of gold at its Nullagine project (see ASX 11/1/2011). Several key prospecting licences were granted during the quarter but fieldwork was hampered by heavy rainfall in the area. Permitting towards future ground disturbing access and drilling is progressing.

For shareholders wanting further information, please contact:

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About Talga Gold Ltd

- ▶ **High grade near surface gold targets defined for drill testing**
- ▶ **Active WA gold projects with TLG equity 100%**
- ▶ **Capital structure of 40.35 m shares & 1.1 m options**

Talga Gold (ASX: "TLG") is an Australian gold explorer aiming to establish near surface, high margin gold mines by applying modern day exploration techniques to under explored terrains, focusing primarily on the fertile gold-enriched structures of the Pilbara and Yilgarn regions of Western Australia.

Listing on the ASX in July 2010 after an over-subscribed IPO, Talga also pursues gold projects elsewhere and proactively assesses new opportunities.

An aggressive 2011 drill program includes campaigns on the high grade Talga Talga project east of Port Hedland in the Pilbara where first pass drilling returned high grades at shallow depth including 7m @ 14.4 g/t Au from 54m depth and 3m @ 24.4 g/t Au from 32m depth. Further drilling is also planned for the nearby Warrawoona gold project, which together with the Mosquito Creek project forms the Pilbara focus of the Company. In the Yilgarn province the Company is planning drilling at the Bullfinch project where outcropping zones of strong gold/bismuth/tellurium mineralisation have been discovered.

Competent Person Statement

The information in this announcement that relates to Exploration Results has been compiled by Mr Mark Thompson who is a Director of the Company. Mr Thompson is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a "Competent Person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Thompson consents to the inclusion of information in this announcement in the form and context in which it appears.