Updated - Significant process and product results positively impact Vittangi PFS options

- **Pilot metallurgical testing of Vittangi graphite ore produces high concentrate recoveries, purities and anode material yields using 'off the shelf' processing equipment**
- **Opens up lower cost development options including early stage toll processing**
- **Incorporation of new and economically improved process pathways into Vittangi PFS push completion date to end of April 2019**
- **Latest tests in Japan support commercialisation of Talnode-C as a fully engineered coated anode material to maximise product value**
- **Metallurgical testing confirms Talga's two other graphite projects produce high performance Li-ion anode material, offering future growth potential**

Australian advanced materials technology company, Talga Resources Ltd ("Talga" or "the Company") (ASX:TLG), is pleased to announce highly positive metallurgical processing and Li-ion anode test results, along with an update on the Company's pre-feasibility study ("PFS").

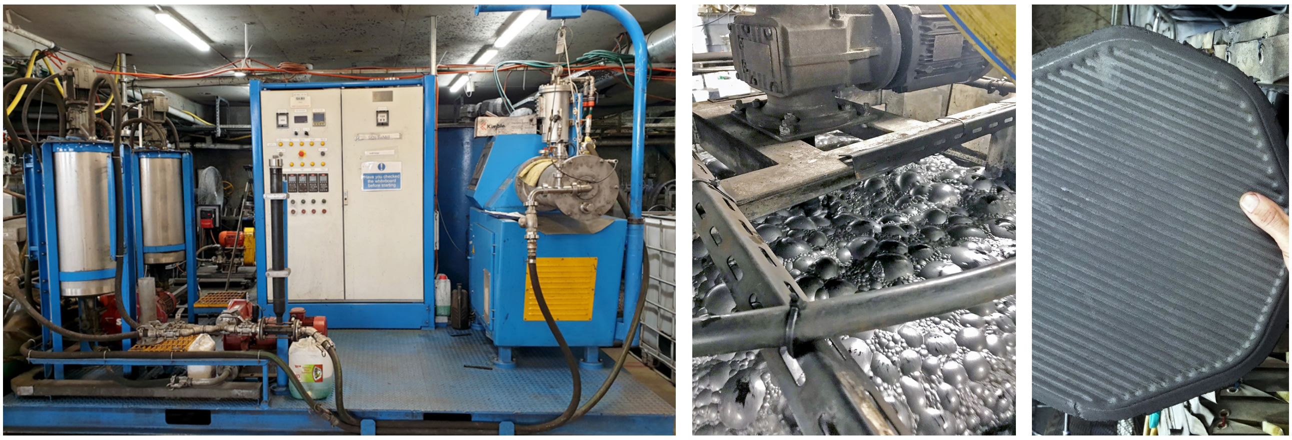
Recently completed work included a large range of pilot and laboratory metallurgical testing of ore from Vittangi, the Company's flagship graphite project, as part of the PFS, along with testing of the Company's other graphite resources at Jalkunen and Raitajärvi, to asses future development options (see ASX:TLG 31 Jan 2019).

The metallurgical programs reveal Vittangi ore produces high recoveries, purities and anode material yields using industry standard crush-grind-flotation equipment (see Technical Summary below). This new processing pathway potentially offers enhanced project economics, including lower capital and operational costs, and the option of toll processing at nearby concentrator facilities in early stages.

Processing of ore samples from Talga's Jalkunen and Raitajärvi graphite resources, using the same industry standard method, resulted in similar high recovery and purity graphite concentrates that were successfully refined into high capacity Li-ion battery anodes. This discovery opens up additional development and growth options to Talga in future, in addition to the Vittangi project.

Further, testing conducted by technical partners in Asia has confirmed the potential to produce a coated version of Talnode-C that is suitable for sale as a fully engineered final anode material to maximise end-product value.

Figure 1 *Vittangi project graphite undergoing pilot scale metallurgical testing*



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After assessing the above new information, the Company has decided that these highly positive developments will be incorporated into the Vittangi project PFS, resulting in a delay to its completion to the end of this month (April 2019).

Technical Summary

Talga has been advancing metallurgical testing across its 100% owned projects in northern Sweden, with a primary focus on the Vittangi project, but including the other JORC resources of Jalkunen and Raitajärvi.

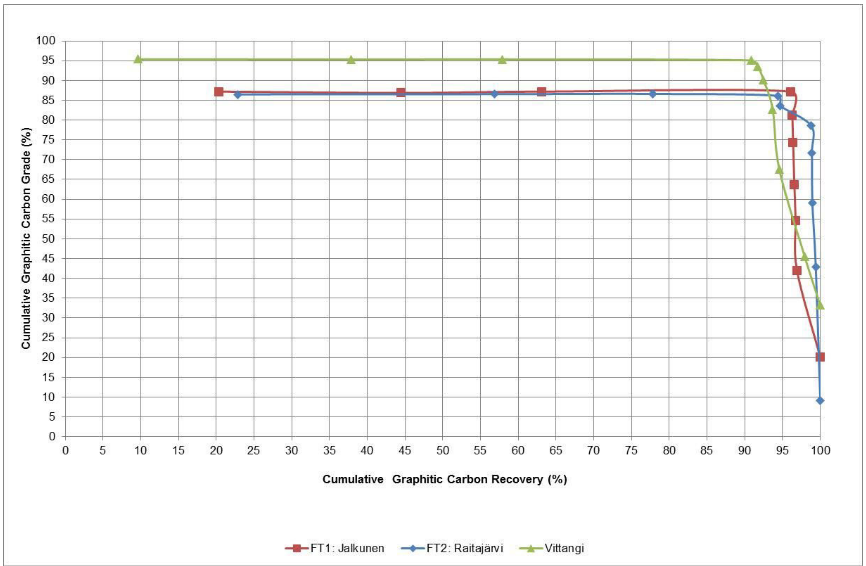
In a series of metallurgical tests with Talga's consultants in Australia and Europe, representative samples of the three graphite resources were compiled (Vittangi 600kg, Jalkunen 66kg, Raitajärvi 30kg. See Table 1-3 and Fig 4-6 for sample details) and underwent homogenising and sub-sampling before processing with industry standard equipment to form a concentrate. The samples were crushed and ground to a P80 of 75 microns followed by rougher flotation and regrind of the concentrate to a P80 of less than 10 microns.

Following further cleaner stages, the reground rougher concentrate was refined into Li-ion anode material in Europe via a Talga-proprietary chemical purification process, and tested at leading independent battery research centres in Europe and Japan.

Key results of the tests include:

- Vittangi graphite produced a high concentrate grade of 95.1%Cg at a high recovery of 91%, at premium sub-10 micron graphite flake size.
- Graphite concentrates made from Jalkunen and Raitajärvi ore returned 87.2%Cg grade at a carbon recovery of 96% and 86.1%Cg grade at a carbon recovery of 94% respectively, before optimisation of grind size and flotation conditions specific for these samples.
- All concentrates were successfully refined to >99.5%C purity with low carbon losses, and this material was then utilised to form the anodes of coin and pouch Li-ion battery cells
- The cells demonstrated high specific capacity up to 370mAh/g, which exceeds commercial levels (see ASX:TLG 9 Oct 2017, 15 May 2018, 16 Oct 2018, 24 Oct 2018 and 19 Feb 2019 for performance comparisons to current commercial products).
- Vittangi graphite has extraordinary physical properties that enable high yields of purified graphite for use in anode material production with graphite recovery of 88% from concentrate to final anode product (Talnode-C).

Figure 2 *Graphite grade vs recovery curves for the Vittangi, Jalkunen and Raitajärvi concentrate samples.*



The product goal is to achieve premium performance battery anode material using graphite flake sizes of <10 micron, a premium priced anode product (Benchmark Minerals Graphite Price Assessment Mar 2019) commonly requiring energy intensive size-reduction and shaping process steps resulting in higher costs. Significantly it is common for flake graphite concentrates to lose approximately 50% mass during these size-reduction steps.

Talga's Vittangi graphite flakes are naturally close to the premium <10 micron flake size for high performance anodes, and does not require the same size-reduction process steps. The metallurgical test results and exceptional anode material recoveries suggest globally competitive anode production costs. Talga considers that this new processing pathway is a more economic process to making Talnode-C, in contrast to the electrochemical exfoliation route currently being used by the Company in its other Talnode and graphene products.

As part of the testing, Vittangi Talnode-C product also underwent extensive anode material development, including surface treatment and coating with Talga's technology partners in Japan. Production of a final coated version is in progress to support Talnode-C as a fully engineered anode material suitable for sale directly to battery manufacturers.

Conclusion and Next Steps

Talga's metallurgical consultants have provided an alternative processing flowsheet, based on the metallurgical results, identifying a number of additional benefits including potential reduction in capital requirements, operating costs and plant footprint.

The PFS will therefore be based on a staged development strategy that includes options for lower cost primary toll processing during the early stages of project development, the inclusion of an onsite concentrator at Vittangi as a primary stage and the construction of a Li-ion battery anode refinery at a nearby port facility.

To incorporate these development options, the proposed Vittangi project PFS is now scheduled for completion by end of April 2019.

The Jalkunen and Raitajärvi graphite resources will not be considered for inclusion in the Vittangi PFS. However, the test results support their future development potential for Li-ion battery anode production and, over time, these resources can be re-assessed as global energy storage markets continue to expand rapidly.

Parallel to the current PFS work, Talga continues to develop the Company's vertically integrated graphene and graphite supply chain to deliver advanced materials critical to developing sustainable and clean energy markets

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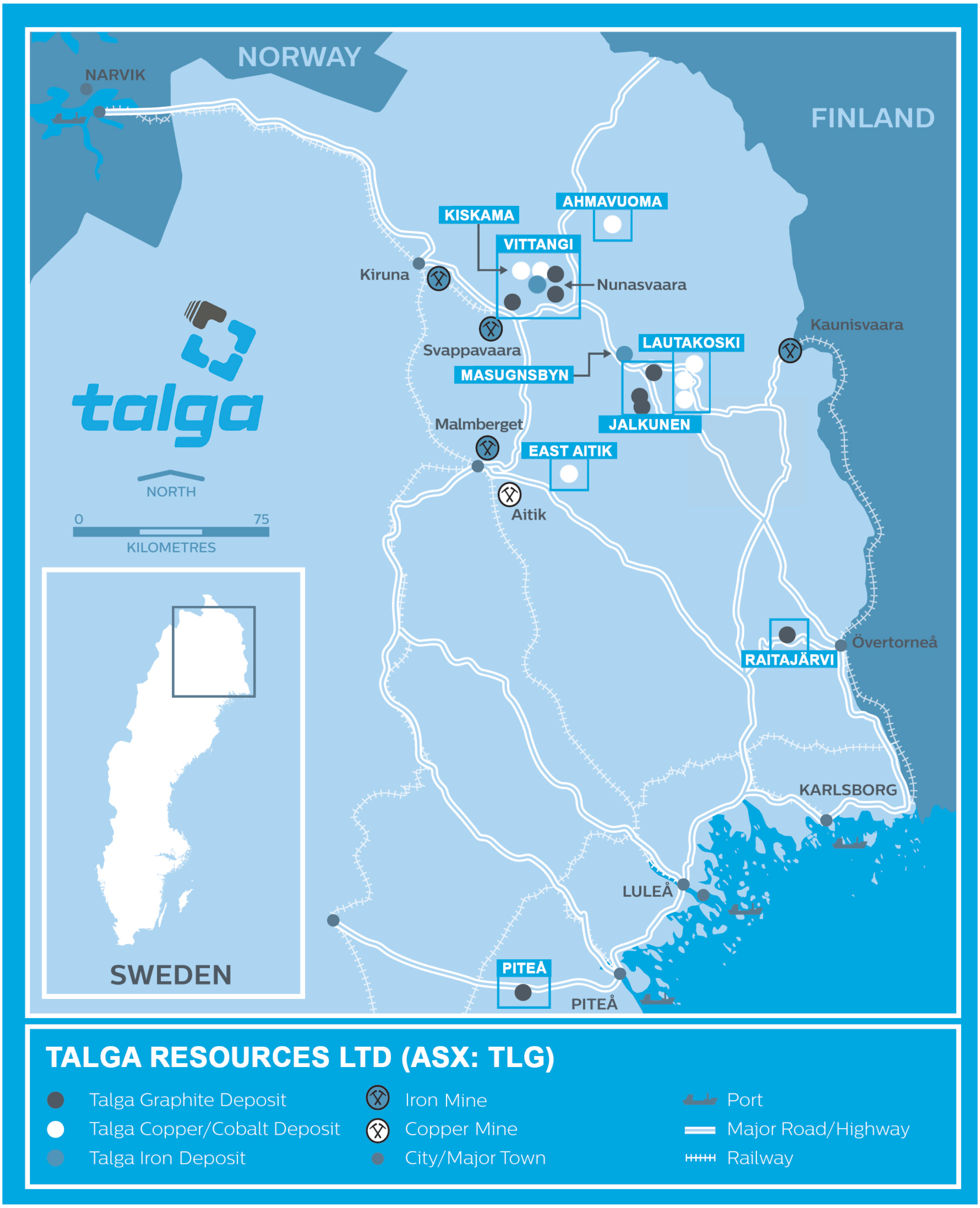
Figure 3 *Location map showing Talga graphite projects in northern Sweden.*



Competent Persons 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 document that relates to metallurgy results is based on information compiled by Martin Phillips, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.108230). Martin Phillips is a full-time employee of Talga Resources Ltd. Martin Phillips 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). Martin Phillips consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

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About Talga

Talga Resources Ltd is an advanced materials technology company enabling stronger, lighter and more functional graphene and graphite enhanced products for the multi-billion dollar global battery, coatings, construction and composites markets. Talga has significant commercial advantages owing to its vertically integrated high grade Swedish graphite deposits and in-house process to product technology. Company website: **www.talgaresources.com**

Table 1 *Collar summary table for all drillholes used in the metallurgical testwork reported in this announcement.*

Project	Hole ID	Drill Year	Northing (TM99)	Easting (TM99)	Azimuth	Dip	Hole Length	RL
Jalkunen	JALK02	2015	7484268.00	804970.00	85	-50.0	86.40	400.00
Jalkunen	JALK04	2015	7485075.00	804960.00	80	-47.0	99.40	400.00
Raitajärvi	RAI13007	2013	7395322.54	861712.42	90	-49.7	131.20	120.85
Raitajärvi	RAI13010	2013	7395261.55	861647.51	90	-50.1	157.30	112.23
Raitajärvi	RAI13014	2013	7395376.51	861688.21	90	-44.6	192.70	119.10

Figure 4 *Drillhole location plan for 2015 diamond drilling at the Jalkunen Project. Graphite material from JALK02 and JALK04 was used in the metallurgical testwork reported in this announcement. Map Projection: SWEREF99 (TM99).*

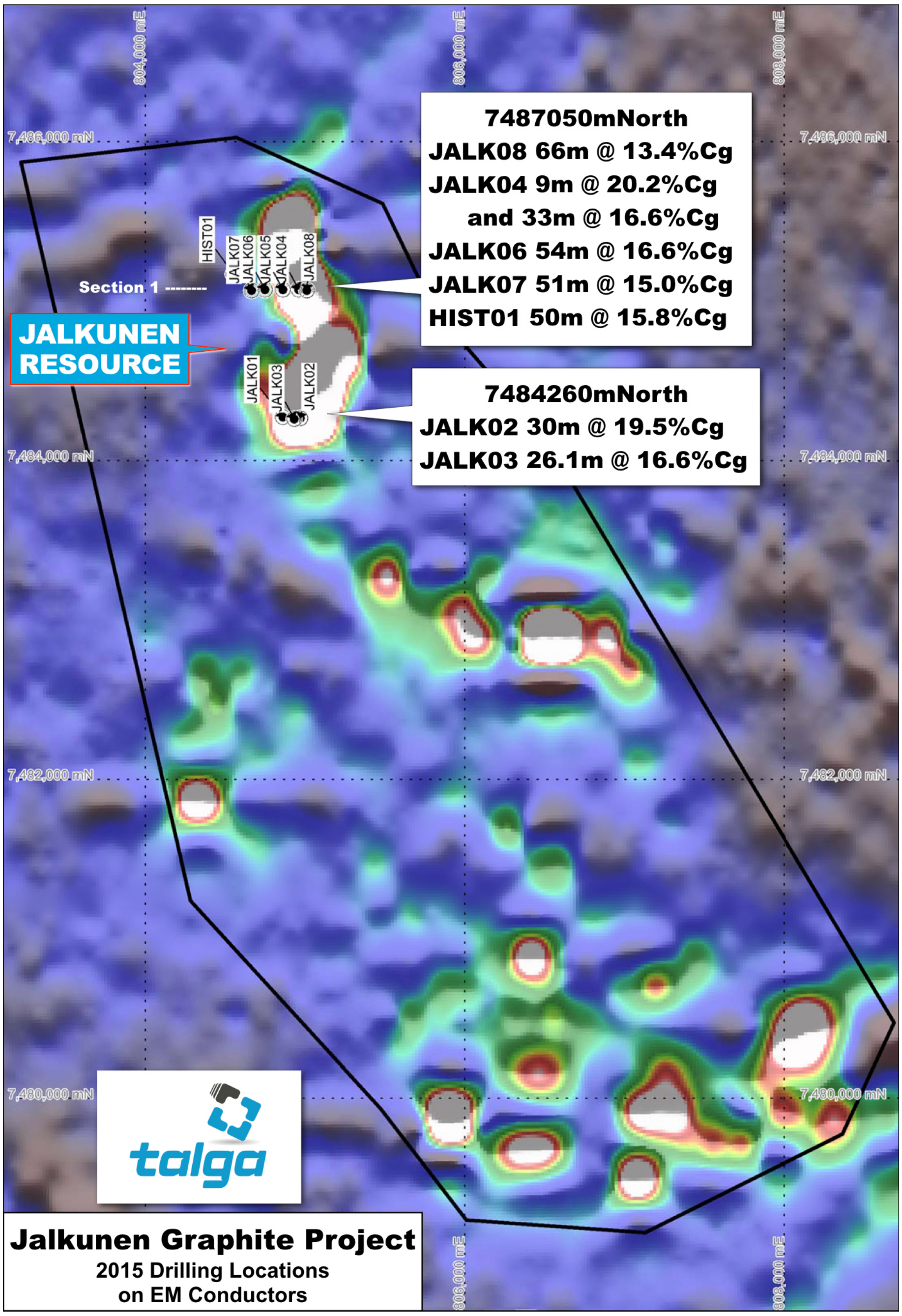

Figure 5 *Drillhole location plan for 2013 diamond drilling at the Raitajärvi Project. Graphite material from RAI13007, RAI13010 and RAI13014 was used in the metallurgical testwork reported in this announcement. Map Projection: Swedish Grid (RT90).*

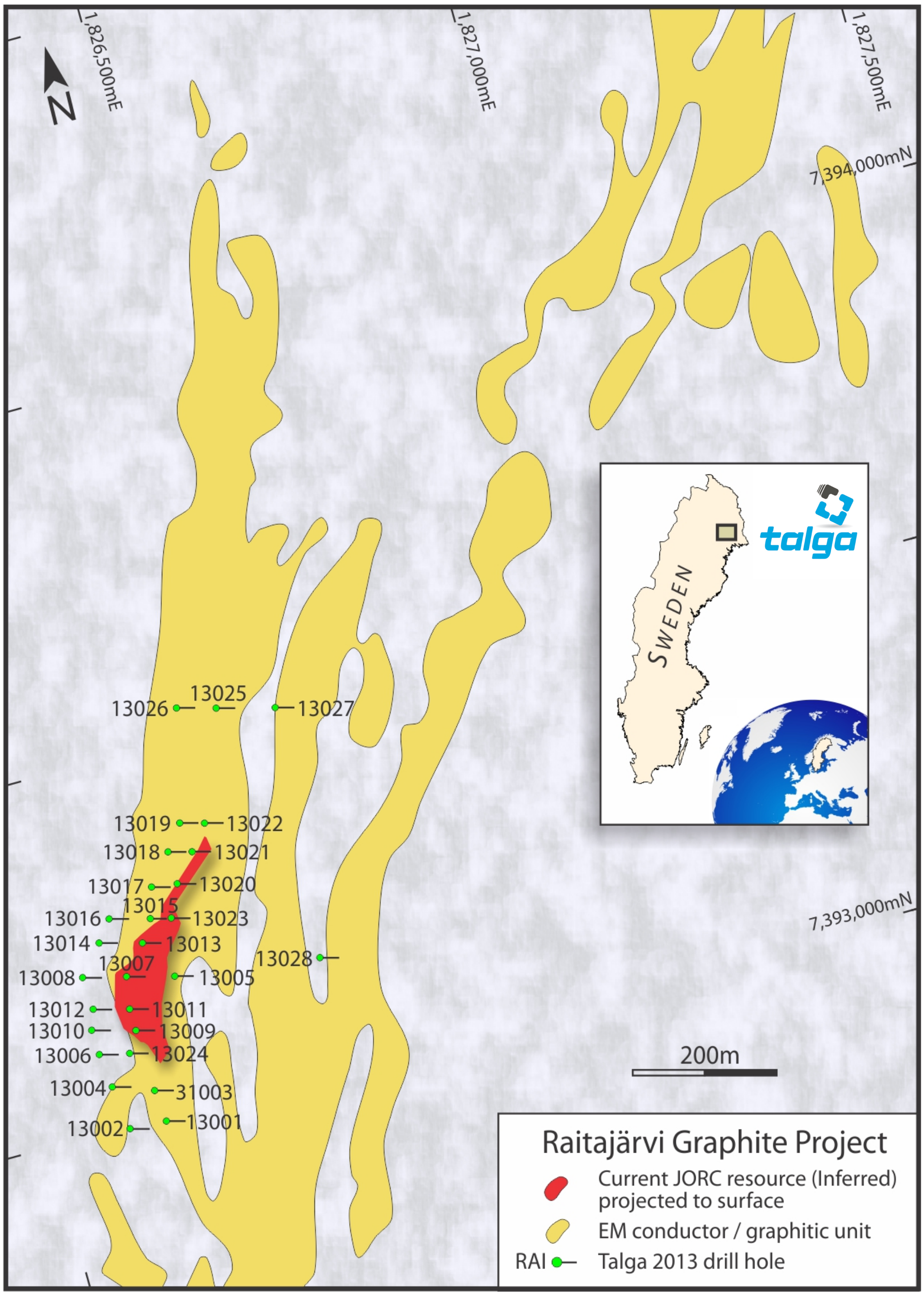

Table 2 *Sample location data for the 2015 trial mine at Vittangi, material of which was used in the metallurgical testwork reported in this announcement.*

Project	ID	Year	Northing (TM99)	Easting (TM99)	RL
Vittangi	Trial Mine	2015	7524285.10	770092.50	320

Figure 6 *Sample location plan for 2015 trial mine at Vittangi, material of which was used in the metallurgical testwork reported in this announcement.*

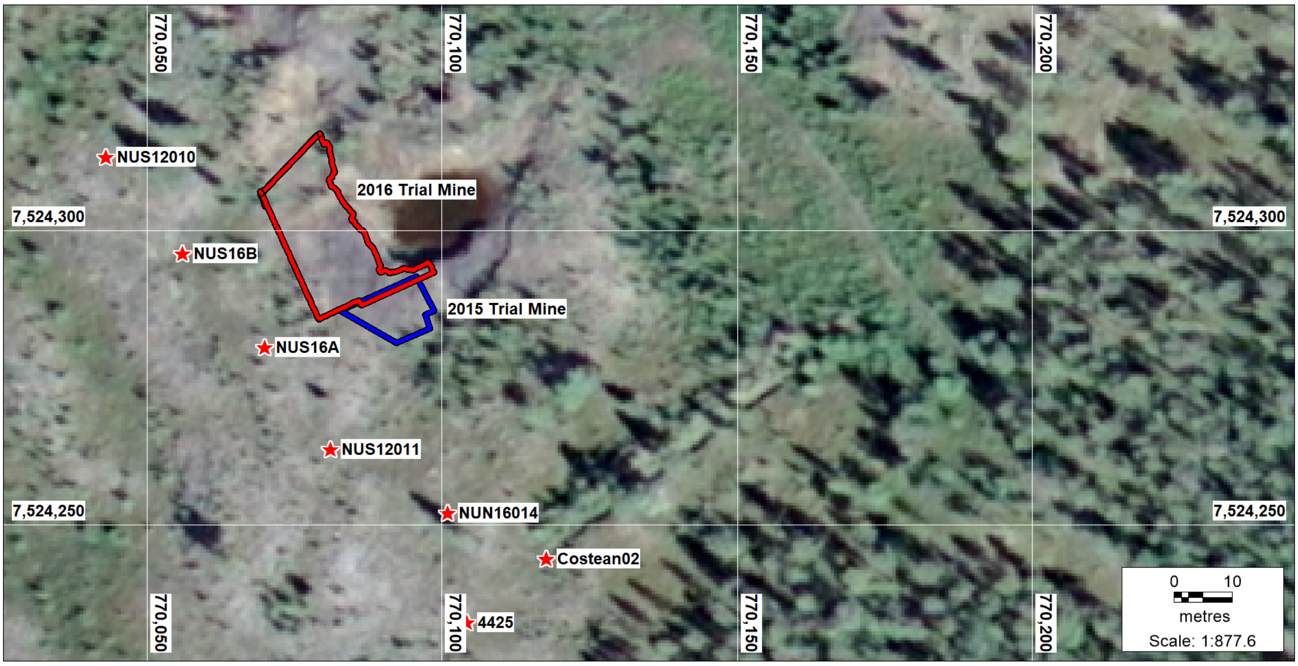

Table 3 *Drillhole sample data for the metallurgical testwork completed at the Jalkunen and Raitajärvi Projects and reported in this announcement.*

Project	Hole ID	Start (m)	End (m)	Section Length (m)	Graphite Grade (%)	Sample ID
Jalkunen	JALK02	3.00	4.00	1.00	19.7	M004294
Jalkunen	JALK02	4.00	5.00	1.00	18.5	M004294
Jalkunen	JALK02	5.00	6.00	1.00	24.6	M004294
Jalkunen	JALK02	6.00	7.00	1.00	26.1	M004294
Jalkunen	JALK02	7.00	8.00	1.00	23.9	M004294
Jalkunen	JALK02	9.00	10.00	1.00	25.6	M004295
Jalkunen	JALK02	10.00	11.00	1.00	21.2	M004295
Jalkunen	JALK02	11.00	12.00	1.00	21.9	M004295
Jalkunen	JALK02	12.00	13.00	1.00	19.9	M004295
Jalkunen	JALK02	13.00	14.00	1.00	12.7	M004295
Jalkunen	JALK02	14.00	15.00	1.00	15.0	M004295
Jalkunen	JALK02	15.00	16.00	1.00	19.3	M004295
Jalkunen	JALK02	16.00	17.00	1.00	21.7	M004295
Jalkunen	JALK02	17.00	18.00	1.00	21.2	M004295
Jalkunen	JALK02	18.00	19.00	1.00	19.6	M004295
Jalkunen	JALK02	19.00	20.00	1.00	22.2	M004295
Jalkunen	JALK02	20.00	21.00	1.00	25.8	M004295
Jalkunen	JALK02	21.00	22.00	1.00	19.7	M004295
Jalkunen	JALK02	22.00	23.00	1.00	16.7	M004295
Jalkunen	JALK02	23.00	24.00	1.00	17.0	M004295
Jalkunen	JALK02	24.00	25.00	1.00	21.5	M004295
Jalkunen	JALK02	25.00	26.00	1.00	17.7	M004295
Jalkunen	JALK02	26.00	27.00	1.00	19.8	M004295
Jalkunen	JALK02	27.00	28.00	1.00	10.5	M004295
Jalkunen	JALK02	28.00	29.00	1.00	16.7	M004295
Jalkunen	JALK02	29.00	30.00	1.00	12.1	M004295

Project	Hole ID	Start (m)	End (m)	Section Length (m)	Graphite Grade (%)	Sample ID
Jalkunen	JALK04	34.00	35.00	1.00	22.0	M004296
Jalkunen	JALK04	35.00	36.00	1.00	16.5	M004296
Jalkunen	JALK04	36.00	37.00	1.00	19.5	M004296
Jalkunen	JALK04	37.00	38.00	1.00	20.9	M004296
Jalkunen	JALK04	38.00	39.00	1.00	20.0	M004296
Jalkunen	JALK04	39.00	40.00	1.00	19.7	M004296
Jalkunen	JALK04	40.00	41.00	1.00	22.5	M004296
Jalkunen	JALK04	41.00	42.25	1.25	26.2	M004296
Jalkunen	JALK04	78.00	79.00	1.00	23.9	M004297
Jalkunen	JALK04	79.00	80.00	1.00	18.5	M004297
Jalkunen	JALK04	80.00	81.00	1.00	19.0	M004297
Jalkunen	JALK04	81.00	82.0	1.00	15.20	M004297
Jalkunen	JALK04	82.00	83.0	1.00	15.90	M004297
Jalkunen	JALK04	83.00	84.0	1.00	17.80	M004297
Jalkunen	JALK04	84.00	85.0	1.00	17.60	M004297
Jalkunen	JALK04	85.00	86.0	1.00	17.40	M004297
Jalkunen	JALK04	86.00	87.0	1.00	15.00	M004297
Jalkunen	JALK04	87.00	88.0	1.00	12.10	M004297
Raitajärvi	RAI13007	26.21	28.0	1.79	19.90	M004289
Raitajärvi	RAI13007	29.98	32.0	2.02	10.60	M004290
Raitajärvi	RAI13007	32.00	34.0	2.00	5.64	M004290
Raitajärvi	RAI13007	34.00	36.0	2.00	5.28	M004290
Raitajärvi	RAI13007	36.00	36.9	0.92	9.36	M004290
Raitajärvi	RAI13010	72.70	75.0	2.30	9.24	M004291
Raitajärvi	RAI13010	75.00	77.0	2.00	5.71	M004291
Raitajärvi	RAI13010	77.00	79.2	2.18	10.50	M004291
Raitajärvi	RAI13010	88.43	90.0	1.57	6.16	M004292
Raitajärvi	RAI13010	90.00	92.0	2.00	5.66	M004292
Raitajärvi	RAI13010	92.00	94.1	2.10	5.47	M004292
Raitajärvi	RAI13014	101.40	103.1	1.70	0.18	M004293
Raitajärvi	RAI13014	103.10	105.1	2.00	8.42	M004293
Raitajärvi	RAI13014	105.10	107.2	2.10	9.72	M004293
Raitajärvi	RAI13014	107.20	108.6	1.40	6.04	M004293
Raitajärvi	RAI13014	108.60	109.9	1.31	3.71	M004293
Raitajärvi	RAI13014	109.91	112.0	2.09	6.24	M004293
Raitajärvi	RAI13014	112.00	114.2	2.20	11.70	M004293
Raitajärvi	RAI13014	114.20	116.4	2.20	11.40	M004293
Raitajärvi	RAI13014	116.40	118.6	2.20	9.00	M004293

JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

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 downhole 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.*	• Sampling method is half-core sampling of WL66 diamond drill core. Quarter-core sampling utilised where a duplicate sample has been taken. • Sampling was carried out under Talga's sampling protocols and QAQC procedures as per industry best practice. • Diamond drilling completed using WL66 coring equipment. Drillholes have been sampled on geological intervals or nominal 1m or 2m intervals where appropriate (approx. 3kg/sample). All samples have been crushed, dried and pulverised (total prep) to produce a sub sample for multi-element analysis by four acid digest with ICPMS, total graphitic carbon and sulphur by Leco and fire assay and AAS for gold.
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.).*	• Diamond drilling was completed by Northdrill Oy from Finland using WL66 conventional diamond drilling with core diameter of 50.5mm. • Selected drillholes were orientated and downhole surveying completed using a Devico Deviflex downhole survey instrument.
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.*	• Core recoveries are measured by the drillers for every drill run. The core length recovered is physically measured for each run, recorded and used to calculate the core recovery as a percentage of core recovered. Any core loss is recorded on a core block by the drillers. • Careful drilling techniques in areas of broken ground are employed with communication between the geologist and drillers to maximise core recovery. • A sampling bias has not been determined.
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.*	• Geological logging was completed on the entire length of all holes by Talga's geological staff. • The lithological, mineralogical, alteration and structural characteristic of the core was logged in digital format following established procedures. • All drillholes were photographed in both wet and dry states.
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.*	• All samples delivered to ALS Global in Piteå where the core was cut and sampled. • All samples were half-core except for duplicate samples in which case quarter-core samples were taken. • The sample preparation followed industry best practice sample preparation; the samples were finely crushed with 70% passing <2mm then reduced in a splitter whereby a reject sample and a 250g sample was produced. The 250g sample was then pulverised with 85% passing <75 microns which completely homogenised the sample. A sub-sample of pulp was taken for digestion in a four acid digest (multi-element), total graphitic carbon and sulphur (Leco) and fire assay for gold. Samples with high carbon content were pre-roasted to 700°C prior to analysis for gold. • Certified reference material standards and blanks were inserted at a rate of 1:20 where practicable; standard and blank results for all holes were within accepted limits. • The sample sizes were considered appropriate for the type of mineralisation (graphite) under consideration.

Criteria	JORC Code Explanation	Commentary
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. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples were assayed using a four acid digest multi-element suite (48 elements) with ICPMS finish. The acids used are hydrofluoric, nitric, hydrochloric and perchloric with the method approaching near total digest for most elements. • Selected samples were assayed for total graphitic carbon and sulphur via Leco furnace. Graphitic carbon is determined by digesting the sample in 50% HCl to evolve carbonate as CO2. Residue is filtered, washed, dried and then roasted at 425ºC. The roasted residue is analysed for C and S by high temperature Leco furnace with infrared detection. • All samples were assayed for gold by firing a 25g sample with an AAS finish. Samples with a high carbon content are pre-roasted to 700°C prior to analysis for gold. • The analytical methods are considered appropriate for this style of mineralisation. • No geophysical tools or handheld instruments were utilised in the preparation of this announcement. • Certified reference material standards and blanks were inserted at a rate of 1:20; standard and blank results for all holes were within accepted limits. • Laboratory QAQC methods included the insertion of certified reference material standards, blanks, and duplicates.
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.*	• Determination of the reported downhole intercepts of mineralisation were verified by alternative company personnel both in person and via electronic photographic data. • No twin hole drilling has been completed at the Jalkunen Project. Twin hole drilling has been completed at the Raitajärvi project; the twin holes showed good repeatability. • All geological and location data is stored in Talga's drillhole database. Data entry was by manual input and validation of the data has been done by checking input on screen prior to saving. • No adjustments or calibrations have been made to any assay data used in this report.
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.*	• Drillhole locations were planned using a combination of GIS software packages. • Drillhole locations were determined using a Garmin handheld GPS unit with an accuracy of +/- 1m. Drill azimuths were laid-out with a hand-held Suunto compass that has a precision of +/- 0.5 degrees. • Downhole surveying is being completed using a Devico Deviflex downhole survey instrument. • Grid system used was Swedish Coordinate system SWEREF99 (TM99). • Topographic control was established by handheld GPS and cross-correlation with digital topographic imagery.
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 Jalkunen Project the drill hole profile spacing is 800m and varies between 25-100m at the Raitajärvi Project; refer to location plans and tables in this announcement. At the Vittangi Project graphite material sourced from the 2015 trial mine has been used for the most recent metallurgical testwork. During the trial mining 5-8 tonne graphite blocks were sawn with a wire saw and are considered to be representative of the Nunasvaara ore deposit. • The data spacing and distribution is considered sufficient to establish a degree of geological and grade continuity. • JORC-compliant MREs for both the Jalkunen and Raitajärvi Projects have been completed and previously reported by Talga. • No sample compositing was applied when reporting the original drillhole assay results. The drillhole samples used for the metallurgical testwork reported in this announcement have been composited.

Criteria	JORC Code Explanation	Commentary
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.*	• The drillhole orientation is considered appropriate with the drill holes being drilled perpendicular to the interpreted strike of the geological units and graphite mineralisation. • The reported mineralised intercepts are downhole widths and are not true widths. The intercepts reported may not represent the true width and should be taken within the context described in the preceding point.
Sample security	• *The measures taken to ensure sample security.*	• All drill core was transported by courier transport from the project to ALS in Piteå. The drillcore has subsequently been stored in a locked archive facility in Malå.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews of the sampling techniques and data have been completed to date but an internal audit and review of data, sampling, logging and core handing techniques was completed by CoxRocks whilst completing the JORC-compliant MREs at both the Jalkunen and Raitajärvi Projects.

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 obtaining a licence to operate in the area.*	• The Vittangi Project is located on licences Nunasvaara nr 2, Vittangi nr 2 and Vittangi nr 3. The 2015 trial mine is located on the Nunasvaara nr 2 licence. • The Jalkunen Project and drilling are located on the Jalkunen nr 1 licence. • The Raitajärvi Project and drilling are located on the Raitajärvi nr 5 licence. • All licences are owned 100% by the Company's Swedish subsidiary, Talga Graphene AB. • The licences are wholly owned by the Company and are located in forested areas. The areas are used for seasonal grazing by local indigenous Sami reindeer herders. • The licences are in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Graphite was first identified at Nunasvaara in the early 1900's and has been extensively explored since that time. In the early 1980's LKAB completed diamond drilling and test mining at Nunasvaara. More recently the area has been explored by Anglo American and Teck Cominco for copper and base metals prospectivity. • At the Jalkunen Project, Swedish mining company LKAB completed diamond drilling and surface geophysics at the project during the 1980's. • At the Raitajärvi Project graphite was first identified in the late 1800's and the project has been continually explored either by the SGU or the state mining property commission (NSG) since that time. Diamond drilling, trenching and metallurgical testwork were all completed during that time.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The graphite mineralisation at the Vittangi Project is a sub-vertical, ~20-70m wide lithologically continuous unit of very fine grained, dark-grey to black graphite containing 10-40% graphitic carbon. The hangingwall is comprised of volcanoclastics and tuffacous units and the footwall to the mineralisation is a mafic intrusive (gabbros and dolerites). The graphite units are regionally extensive over many kilometres and are interpreted to have developed in a shallow fresh water basin in the early Proterozoic (Circa 1.8 billion years). Subsequent deformation, possibly related to domal intrusive bodies have metamorphosed and tilted the units to the sub-vertical orientations present today. The graphite at the Vittangi Project is very fine grained and very high grade. Metallurgical testwork completed by the Company shows battery-grade graphite and graphene products can be produced. • The graphite mineralisation at the Jalkunen Project is hosted by a flat dipping (15-30°) graphite unit belonging to the Pahakurkio Group sediments and pyrrhotite is common. • The graphite mineralisation at the Raitajärvi Project is hosted by a sequence of metasediments consisting of metasandstones, quartzites and biotite and graphite schists. The metasediments are variably intruded by granites, aplites and pegmatites. The deposit contains a high proportion of coarse graphite flakes with 87% of graphite flakes greater than 100 microns (µm) and 49% greater than 200 µm.

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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.*	• Drillhole information relating to the drillholes used in the metallurgical testwork reported in this announcement is summarised in Table 1 and 3 of this announcement. • Information relating to the bulk sample used in the metallurgical testwork reported in this announcement is summarized in Table 2 of this announcement
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.*	• Length-weighted averaging has been used to calculate all intercepts in this announcement. Length-weighted averaging has been used given that sampling intervals were determined geologically and not always nominally. • No high-grade cut-offs have been used in this announcement. • No metal equivalents have been used in this announcement.
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').*	• The reported mineralised intercepts are downhole widths and not true widths. • The geometry of the graphite mineralisations at Nunasvaara, Jalkunen and Raitajärvi are well understood and all drilling has been completed perpendicular to the strike of the mineralisation.
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 have been included in this announcement.
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.*	• The report provides the total information available to date and is considered to represent a balanced report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): 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.*	• A substantial amount of work has been completed at the Vittangi Project by both historic explorers and more recently by Talga. Work has included geophysical surveys, rock chip sampling, MMI soil sampling, trenching, diamond drilling, metallurgical testwork and trial mining. The most recent metallurgical testwork completed using graphite material from the Vittangi Project is the subject of this announcement. • At the Jalkunen Project diamond drilling is limited to two drill profiles and surface geophysics has been completed; in 2015 Talga completed a JORC-compliant MRE for the deposit. First-pass metallurgical testwork on graphite material from the Jalkunen Project is the subject of this announcement. • At the Raitajärvi Project a significant amount of work has been completed by both previous explorers and Talga. Work has included mapping, trenching, diamond drilling, surface geophysics, petrographical and metallurgical studies and mineral resource estimates, the most recent of which was completed by Talga in 2013. The most recent metallurgical testwork completed using graphite material from the Raitajärvi Project is the subject of this announcement.

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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.*	• A PFS for the Vittangi Project is currently being prepared by Talga. • Infill diamond drilling and surface geophysics at the Jalkunen Project is currently being prepared by Talga.