



RENEWAL OF MANAGING DIRECTOR'S TERMS OF EMPLOYMENT

Talga Resources Ltd

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Corporate Information

ASX Code **TLG/TLGO**

Shares on issue **138.36m**

Options (unlisted) **11.90m**

Options (listed) **7.71m**

Company Directors

Keith Coughlan

Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director

The Board of technology materials development company, Talga Resources Limited ("Talga")(ASX: TLG) is pleased to announce the renewal of Managing Director, Mark Thompson's terms of employment. Key material amendments to the terms of the existing employment agreement are:

- (a) a base salary of \$348,000 (exclusive of superannuation) (**Base Salary**);
- (b) at the discretion of the Board and upon meeting certain criteria (including share price performance), an annual short term incentive bonus (**STI Bonus**) of not more than 30% of the Base Salary (**STI Bonus**). Mr Thompson may elect to have the STI Bonus paid in shares (which will be subject to shareholder approval);
- (c) a long term incentive (**LTI**) of a total of 4,000,000 performance rights that will be subject to various hurdles and milestone dates and subject to shareholder approval (to be considered at a future general meeting); and
- (d) in the event of a change in control of the Company, Mr Thompson will receive a bonus payment comprising of a lump sum gross payment of 12 months' Base Salary. If within 6 months after the change in control Mr Thompson elects to terminate his employment or his employment is terminated by the Company, Mr Thompson will not be entitled to any notice of termination or payment in lieu of notice.

For further information, please contact:

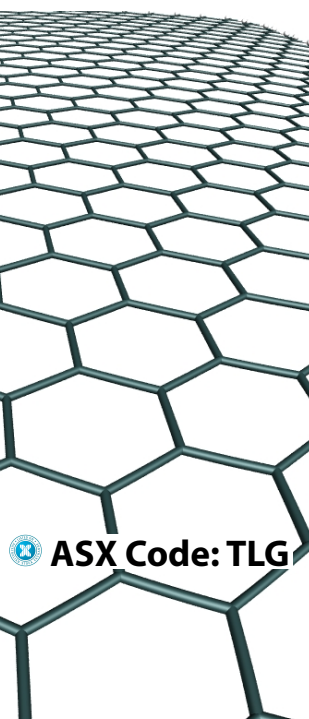
Talga Resources Ltd.

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Company Secretary

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