



QUARTERLY ACTIVITIES REVIEW For the period ending 31 March 2015

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

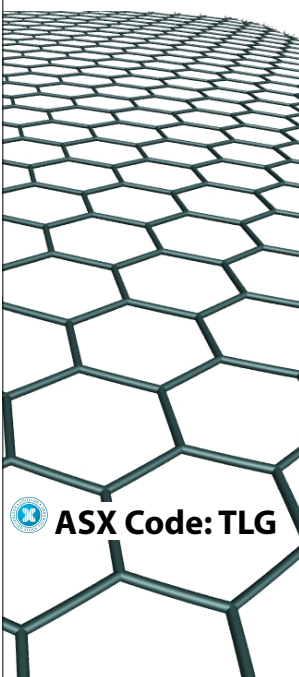
Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director



SUMMARY

Australian advanced materials company, Talga Resources Ltd (**ASX: TLG**) (“**Talga**” or “**the Company**”) is pleased to report its activities for the quarter ending 31 March 2015.

The period proved one of the most robust and successful in the Company’s history. Several material positive developments were made as Talga advances towards the development of its flagship Vittangi graphite/graphene project in Sweden. Highlights included:

Project Development

World class partners secured in Germany

- Commencement of joint graphene and battery material development program with Germany’s Dresden University of Technology and the Max Planck Institute for Polymer Research in Germany;
- Committed to build a substantial graphene demonstration plant in central Germany to fast-track production of large samples for industry analysis;
- Ongoing metallurgical optimisation work and graphene sample production; and
- Subsequent to the quarter end, Talga received approval for its test mining operation at the Vittangi graphite/graphene project.

Exploration / Geology

Stepped up expansion of high grade Swedish targets

- Definition of new exploration target estimates for the Vittangi and Jalkunen graphite/graphene projects in northern Sweden totaling 150-275Mt at 18-25% Cg; and
- Commencement of diamond drilling program at large Jalkunen target, which also holds graphene production potential.

Commercial

Graphene strategy attracts new financial and professional support

- Finalisation of a placement of 13.75 million ordinary fully paid shares at \$0.40 per share to institutions and targeted sophisticated investors to raise \$AUD5.5 million;
- Australian gold asset divestment. Talga granted an option to Caledonian Capital Ltd to purchase all of the Company’s Australian gold assets with a \$50,000 non refundable deposit;
- Establishment of 100% owned German subsidiary company;



- Appointment of Dean Scarparolo as Financial Controller and Company Secretary;
- Presentations and shareholder engagements delivered in mainland China and Hong Kong and Sydney. Post period presentations in Manchester (UK) and Berlin; and
- Initiation research notes released on Talga by Canaccord Genuity (Australia) Limited and Far East Capital Limited.

PROJECT DEVELOPMENT

World-class partners secured in Germany

During the quarter Talga substantially advanced its graphite-graphene project development activities.

Research and Metallurgy

Talga's research and development programs were expanded in Germany while the Company's Australian metallurgical program continued towards demonstration plant design and works preparations.

The first of two German research collaborations was made with the Friedrich Schiller University Jena the previous quarter. The program is focused on using Talga's graphene to develop better, high efficiency conductive inks suitable for printable, flexible electronics and other applications including batteries. This work is ongoing and the ability of graphene to improve conductivity, flexibility, strength and transparency over silver and copper currently used in printable electronic products creates what Talga considers a real volume supply opportunity.

The second program announced in January 2015 involves joint testwork between Germany's Dresden University of Technology and the Max Planck Institute for Polymer Research (Fig 1). The 12 month program will optimise and upscale Talga's low cost bulk graphene product (Fig 2) and test results in supercapacitor, batteries and other energy related applications.

These are world-class parties with extensive experience in graphene liberation technology complementary to Talga's processing pathway. Talga envisages some of the outcomes will provide additional benefits in product development relationships with end users.

Graphene Demonstration Plant

During the quarter, Talga outlined its intention to build a graphene demonstration plant in central Germany (see ASX:TLG 4 March 2015). The purpose of the plant is to fast track production of large samples for industry in a location proximal to end-users, world-class analytics and existing research programs (Fig 3). Costings and engineering are subject to final design work, however it is anticipated the plant will cost less than A\$1 million and post commissioning can scale-up to generate an approximate annual graphene output of between 100-200 tpa and approximately 1,000 tpa graphite.

Talga previously intended building a pilot plant in Sweden, however, the German linkages with industry and the centralised location in the heart of the European Union made for a compelling opportunity with minimal permitting hurdles. The commercial imperatives to deliver larger samples to potential clients within a shorter time frame therefore made Germany the most appropriate location to conduct the next stage of Talga's graphite/graphene processing test work.

Fig 1. Talga's Mark Thompson with Professor Xinliang Feng and team at Dresden University of Technology.

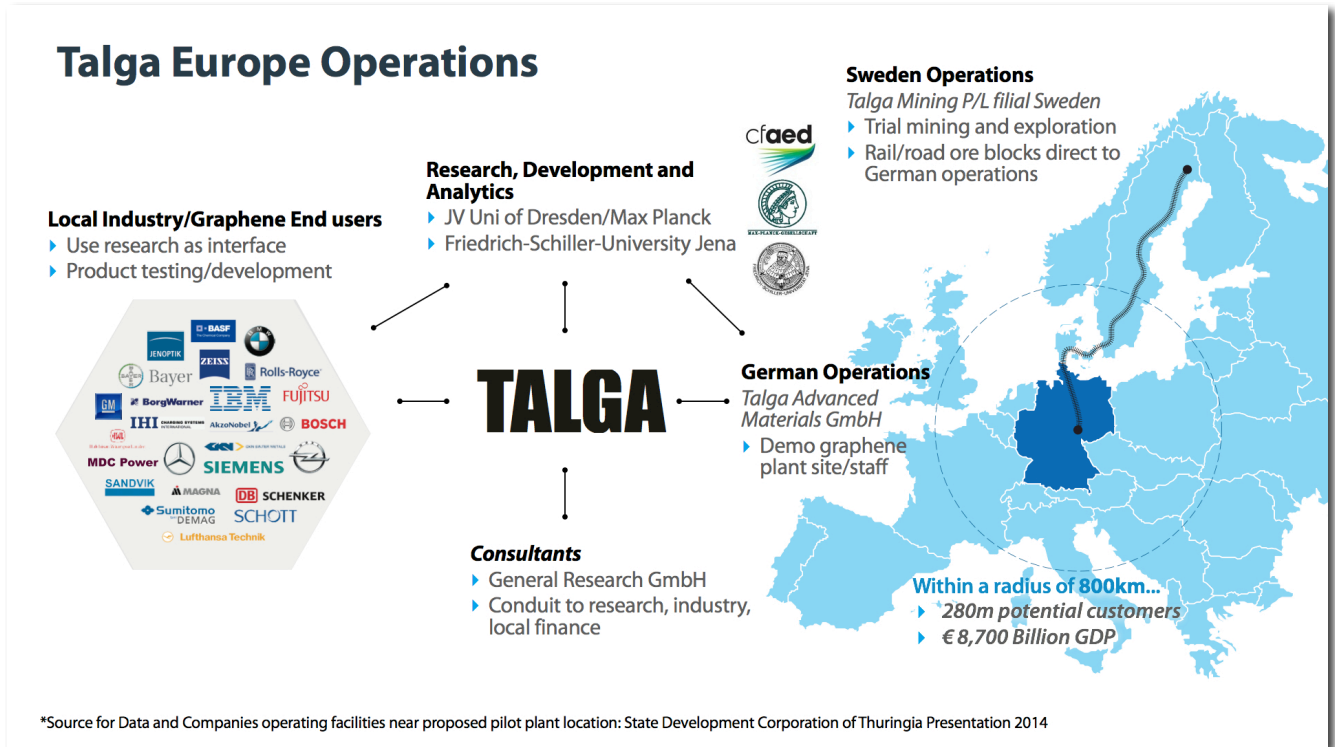


Fig 2. Graphene powder produced by Dresden University of Technology from Vittangi drill core.



Sites were shortlisted during the quarter and a decision is imminent. The ultimate location will ensure that state-of-the-art equipment is available for process optimisation, characterisation and product formulation, in an area home to many potential end users of Talga's graphene products. Talga plans to transport its graphite ore from Sweden directly by rail/road to the demonstration plant for maiden processing late in 2015. The demonstration plant has the potential to be one of the largest graphene production facilities in Europe prior to future full scale production in Sweden.

Fig 3. Talga European operations showing proximity to end-users, analytics and product development/research programs.



IMO Metallurgical Program

Talga's iterative metallurgical work continued at pace during the period, with the processing technology program preparing samples for potential customers amid the main focus of full scale process development. Talga continues towards processing progressively larger samples from drill core. Next stage source material however will come from the test mine in Sweden and be processed predominantly in Germany.

Test Mining Approval

Subsequent to the quarter end, Talga received confirmation regarding the environmental approval of its test mining/bulk sampling operation at the Vittangi project. Up to approximately 2,000m³ graphite ore is intended to be transported by rail to central Germany for processing tests at the soon to be constructed graphene demonstration plant. This is a significant milestone for Talga as the Company can now begin preparations for site works, contractor selection, equipment mobilisation/access and all other ancillary works to enable the test mining program. The Company aims to commence site works in June 2015 and it anticipates the program will be complete before the end of September 2015.

EXPLORATION / GEOLOGY

Stepped up expansion of high grade Swedish targets

Talga wholly owns five graphite projects located in the Fennoscandian Shield of northern Sweden, a historic graphite producing area and major mining province of Europe. Work by Talga has defined two JORC-compliant graphite mineral resources¹ at the Vittangi and Raitajärvi graphite projects (see Fig 4 for location and Appendix 1 for Resource details).

Vittangi Graphite Project - Nunasvaara Deposit (Talga 100%)

Background

The Nunasvaara deposit (“Nunasvaara”) within the Vittangi project (“Vittangi”) contains the highest grade graphite resource in the world defined under JORC or NI43-101 codes (Ref: Technology Metals Research Graphite Projects Index, updated 15 January 2014) and is favourably located 3km from transport links to major European graphite and graphene markets. The project’s current JORC resource¹ estimate totals 7.6 million tonnes at 24.4% graphitic carbon (“Cg”) (see Appendix 1 and ASX:TLG 8 November 2012) and less than 2% of the mapped outcropping graphite unit has been resource drilled to date (see ASX:TLG 15 November 2012).

Characteristically, the Nunasvaara/Vittangi graphite unit has extremely high grades, commonly in excess of 25% Cg and attaining more than 50% Cg in parts, with exceptionally homogenous grade and crystallinity of the carbon. These features combined with other aspects such as flake morphology contribute to enable ability to readily liberate graphene using Talga’s process.

A program of drilling completed late in 2014 (see ASX:TLG 13 Nov 2014) totalling 10 holes in five separate locations over 6 kilometres of strike length around Nunasvaara intersected high grade graphite in every hole, including intersections such as 47m @ 30.8% Cg and 46m @ 31.4% Cg. These results open up the potential to significantly improve the resource base at Vittangi if required.

Talga’s work has demonstrated that high quality graphene can be produced directly from Nunasvaara raw ore in a single step process that avoids crushing, grinding and many of the multiple processing steps common to the ‘top-down’ graphene production industry. Talga’s natural graphene therefore retains a state of high quality/low defects but can potentially be produced in bulk scale at much lower cost. Graphene is renowned as the world’s strongest material, a million times thinner than paper but 200 times stronger than steel. Discovered only 10 years ago, it is a material with an extremely wide range of applications that are in the early stages of commercialisation.

A Scoping Study (see ASX:TLG 9 October 2014) has been completed for Vittangi and the results demonstrated a circa 20 year mine life operation with a pre-tax net present value (“NPV”) in excess of \$490 million (using 12% discount rate) against a capital expenditure outlay of \$29 million.

Fig 4. Location of Talga graphite projects in northern Sweden.

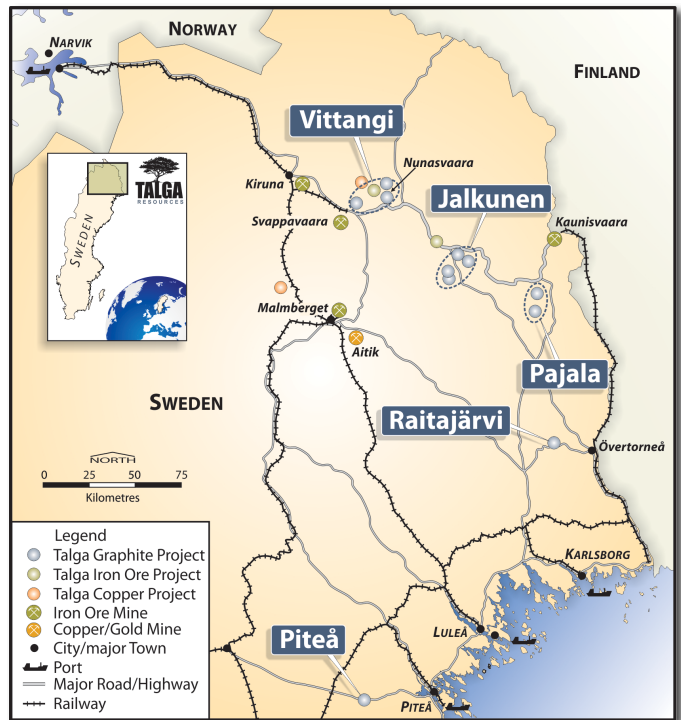
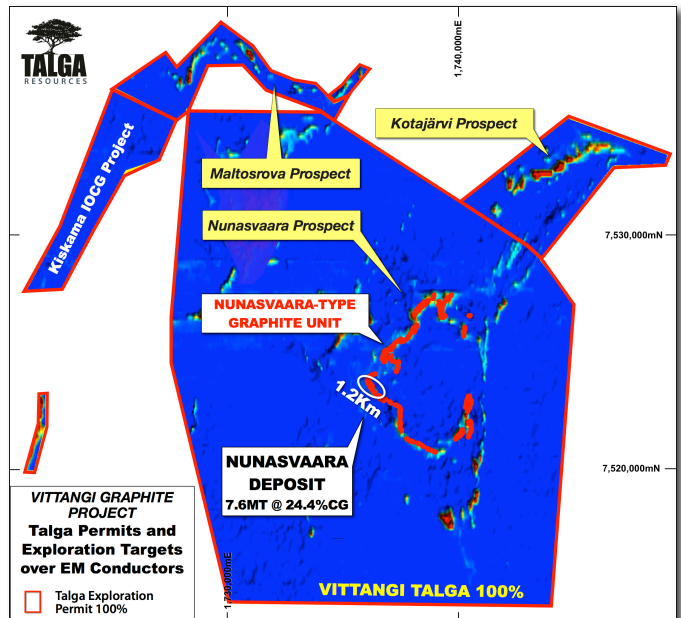


Fig 5 Plan of Vittangi project showing Exploration Targets and Tenure over EM Conductors.



Exploration

During the period Talga announced the definition of new JORC compliant exploration targets at its 100% owned Vittangi and Jalkunen graphite projects in northern Sweden totalling 150-275Mt at 18-25% Cg.

Within this new work three targets were estimated for Vittangi with a combined exploration target ranging from 100–175 Mt with average grades between 20-28% Cg (see ASX 22 February 2015, Table 1 and Fig 5). *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.*

Table 1 Talga's Swedish Graphite Exploration Targets.

Project	Exploration Target	Length (m)		Width	Tonnage (100m VD)		Grade (Cg)	
		Min.	Max.		Min.	Max.	Min.	Max.
Vittangi	Nunasvaara	12,000	18,000	20	62,400,000	93,600,000	20	30
Vittangi	Kotajärvi	3,200	5,800	20	16,640,000	30,160,000	20	25
Vittangi	Maltosrova	4,000	10,000	20	20,800,000	52,000,000	20	25
Jalkunen	Jalkunen	1,000	2,000	50	13,000,000	26,000,000	20	25
Jalkunen	Tiankijokki	500	1,000	20	2,600,000	5,200,000	15	25
Jalkunen	Nybrännan	1,000	2,000	20	5,200,000	10,400,000	20	30
Jalkunen	Suinavaara	500	1,100	20	2,600,000	5,720,000	15	25
Jalkunen	Lautakoski	5,000	10,000	20	26,000,000	52,000,000	15	25
TOTAL:					149,240,000	275,080,000	19	27
ROUNDED:					150,000,000	275,000,000	18	25

Jalkunen Graphite Project (Talga 100%)

Background

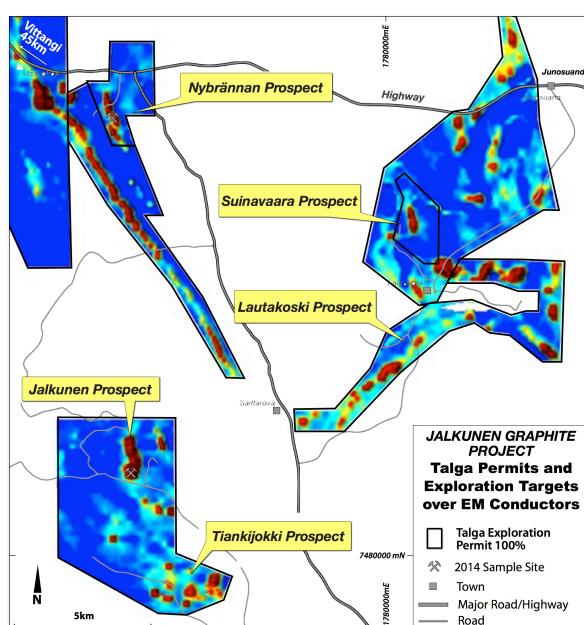
The Jalkunen project is situated 50km southeast from Vittangi and comprises a number of exploration licences covering ~88km² and five graphite exploration targets; Jalkunen, Tiankijokki, Nybrännan, Suinavaara and Lautakoski (Fig 6). The area was previously explored for graphite by the Swedish Geological Survey ("SGU") in the early 1990s. Multiple conductors were identified from airborne and ground based EM surveys and subject to rock chip sampling, trenching and diamond drilling.

At the Nybrännan target, historical trenching results include 14m @ 33.3% Cg and 8m @ 32.1% Cg. Exploration by Talga has returned high grade rock chip results of 31.7% Cg and 41.3% Cg further confirming the high grades in this area. Preliminary metallurgical tests have demonstrated the Nybrännan graphite behaves identically to Nunasvaara graphite in its ability to liberate graphene in Talga's processing methodology (see ASX release 12 September 2014).

Exploration

Two airborne EM surveys in the area coupled to a recent ground EM survey by Talga at the Jalkunen project has confirmed the strike extent of the conductors and supports the strike extent and continuity of the graphite

Fig 6 Plan of Jalkunen project showing Exploration Targets and Tenure over EM Conductors.



units. Within this period five Exploration Targets were estimated for Jalkunen with a combined exploration target ranging 50-100Mt with average grades between 19-27% Cg (see ASX 22 February 2015, Table 1 and Fig 6). *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.*

The Lautakoski and Suinavaara targets comprise historic exploration projects initially explored by the SGU. At Lautakoski a prominent EM conductor extending over 10 kilometres was located and drill testing intercepted up to 45m @ 19.4% Cg and 9m @ 35.0% Cg. During the period Talga completed a ground based EM survey over Suinavaara which has confirmed the airborne EM survey results and outlined a cohesive conductor of approximately 900 metres in strike length. Drill testing is being planned to test the target as part of a combined expansion potential review and work commitment later this year.

At the Jalkunen prospect rock chip sampling by Talga in 2014 returned rock chip values of 29.8% Cg (<0.2% Sulphur) at the surface expression of an EM conductor, confirming the tenor of historic drill intercept. During this period a further ground EM survey by Talga enabled more accurate modelling of the conductor prior to drill testing.

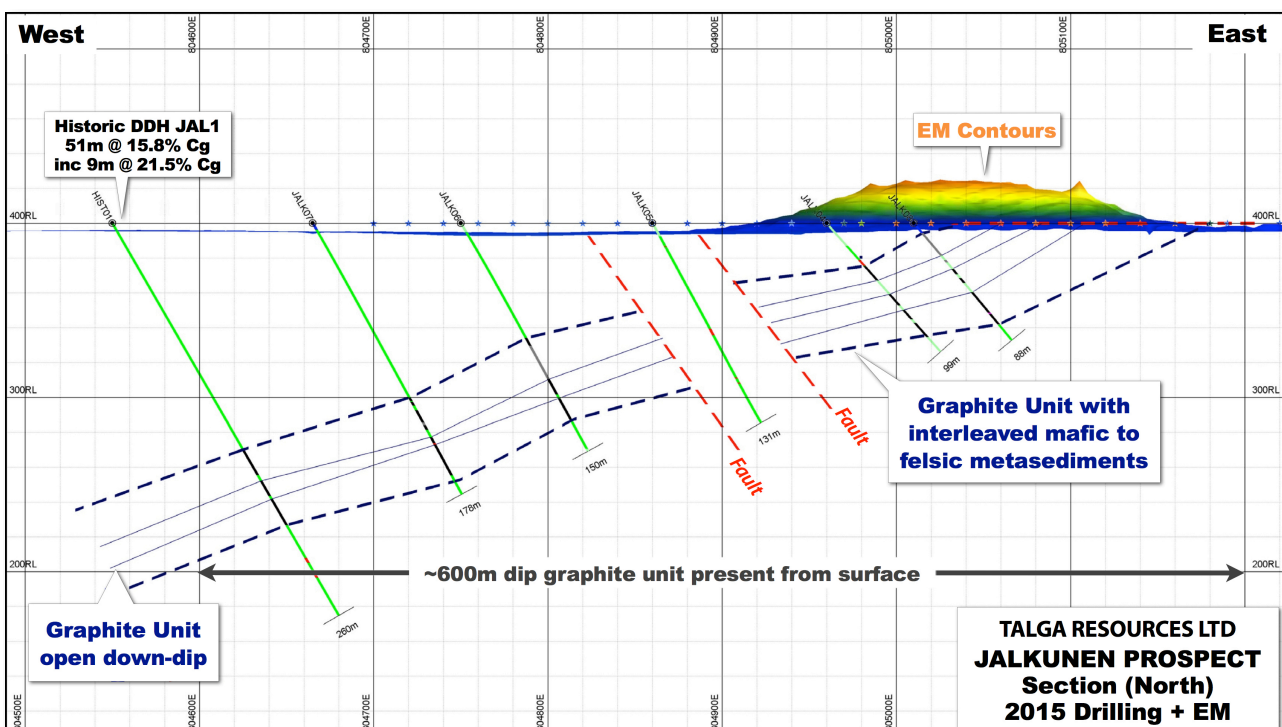
Drilling Program

Using the newly defined Exploration Targets, Talga commenced a diamond drilling program to test the major shallow-dipping graphite target at Jalkunen and confirm its graphene potential. The drilling was situated on a prominent electromagnetic ("EM") anomaly central to the Jalkunen exploration target and consisted of eight diamond holes totalling 1,082 metres. The drilling program was successfully completed after the quarter in mid April.

Post Period Activities

Successful conclusion of the diamond drilling at Jalkunen was announced 13th April 2015. Six holes successfully intersected the targeted graphite unit which averaged 50-60 metres true thickness and contained intermittent zones of lower grade mafic to felsic metasediments. The graphite unit is interpreted to be shallowly dipping at approximately 25° and visibly similar to Vittangi mineralisation. Drillhole depths ranged from 80 to 270m depth and the graphite unit is present from sub-crop to approximately 600m down dip and open.

Fig 7 Jalkunen drill section (see ASX:TLG 13 April 2015 for details.)



The wide intersections coupled to the shallow dip of the intersected graphite units suggests that a large tonnage target is present. Additionally the geometry combined with previous grades in the range 15-30% Cg suggest potential for a high volume of contained graphite per vertical metre. Assay results are expected to be received in May 2015 and will be reviewed and analysed for a new resource estimation by June 2015.

Other Swedish Graphite Projects

Minimal work was undertaken during the period on the Company's other graphite projects in Sweden.

Kiskama Cobalt-Copper-Gold Project (Talga 100%)

Talga wholly owns the Kiskama cobalt-copper-gold project ("Kiskama") located west and nearby the Vittangi graphite project (see TLG ASX 10th February 2014). At Kiskama mineralisation comprises cobalt, copper, gold and iron sulphide-magnetite-hematite as breccia infill and has been described as a shear-hosted iron oxide copper-gold ("IOCG") style deposit.

Kiskama represents one of the largest known deposits of cobalt in Sweden ("The cobalt content of pyrite in copper mineralization at Kiskamavaara", Göte Persson, SGU 1977) and it is reported that the consistently high cobalt-sulphide ratio has geochemical similarities to the renowned Outokumpu mine of Finland, which was an important cobalt producer for the EU zone for many years ("A comparison of cobalt-bearing pyrite from Outokumpu and Kiskamavaara" Ekström, SGU 1978-79).

Additionally the width and nature of host rock lithology is highly prospective for further mineralisation to be defined across strike and down dip, with the 7km long magnetic signature of the deposit prospective for strike extensions and structurally controlled higher grade zones. Talga drilling has confirmed Cobalt grades up to 0.27% Co (see TLG ASX 7th November 2014).

Metallurgical tests are now required to scope out potential processing options. These will assist developing quality joint venture and divestment opportunities for the Talga Board to consider, and ensure the best commercial outcomes for Talga shareholders, while retaining the Company's focus on graphite-graphene developments.

Vittangi and Masugnsbyn Iron Projects (Talga 100%)

The Vittangi and Masugnsbyn iron projects in Sweden host combined total (JORC 2004) Indicated and Inferred resources¹ of **235.6 Mt @ 30.7% Fe** (iron) in skarn-style near surface magnetite deposits (see Fig 4 for location and Appendix 2 for resource details). These deposits are located near established transport infrastructure and iron ore processing facilities. Work during the quarter was restricted in order to minimise expenditure. Talga continues to seek local and international partners or buyers for the iron projects.

Divestment of Talga's Australian Gold Assets

Minimal work was undertaken during the period by Talga on the Australian gold assets (Talga Talga, Warrawoona, Mosquito Creek (Pilbara) and Bullfinch (Yilgarn) Gold Projects). During the quarter an option agreement was executed for the sale of these assets to Caledonian Capital Ltd (see the Commercial section below).

COMMERCIAL

Graphene strategy attracts new financial and professional support

Equity Capital Markets

During March 2015 Talga confirmed receipt of placement subscriptions for 13.75 million ordinary shares at \$0.40 per share for total proceeds of \$AUD5.5 million. The Placement was made pursuant to the Company's 15% share issue capacity. Subscribers included domestic and international institutions as well as targeted sophisticated investors. Placement proceeds are to be applied to trial mining in Sweden, construction of the demonstration graphene production plant in Germany, continued exploration and development and general working capital.

Gold Asset Asset Divestment

Talga announced its grant to Caledonian Capital Ltd ("Caledonian") of an option to purchase all of Talga's Australian gold exploration assets (the "Option") comprising Bullfinch, Mosquito Creek, Talga Talga and Warrawoona (collectively "the Projects")(see ASX 6th February 2015). The binding Heads of Agreement was executed by both parties and a non-refundable \$50,000 deposit was received.

Caledonian is a public unlisted Company with management based in the UK and South Africa. The Option to purchase the Projects is subject to Caledonian being satisfied with a maximum three month due diligence and payment of a further non refundable \$250,000. The acquisition must be completed within 4 years at which point full ownership of the Projects would transfer to Caledonian upon settlement of the remaining \$1,000,000 in cash. If Caledonian exercises the Option, it must purchase all the Projects unless written agreement is provided by Talga for the purchase of each Project as a separate asset (in which case the purchase price for each Project will be \$250,000). Talga retains 100% equity in the Projects until full acquisition and is due a 2.25% gross royalty payable on the net smelter return of gold, diamonds and all other minerals extracted from the Projects during the Option period, and 1.5% in perpetuity thereafter.

Management

During the period Talga announced the appointment of Mr Dean Scarparolo as Company Secretary and Financial Controller. Dean is a member of CPA Australia and has a wealth of experience developing and managing the finance departments of ASX-listed companies within the resources sector. Dean replaced Ms Lisa Wynne who resigned as Company Secretary due to other work commitments (see ASX Talga 5th February 2015).

Post the period end and following several months of Board investigation, Talga also announced the renewal of employment terms for Managing Director, Mark Thompson. The employment contract has been amended to reflect a salary increase, change of control provisions to protect the employee in the event of role diminution under a takeover and short and long term performance based bonus incentives. In order to ensure the appropriateness of the terms, the Board of Talga received independent feedback and undertook a market review to benchmark management remuneration of comparable peer companies.

The bonus scheme is 100% performance based and recognises Mr Thompson's high multi-disciplinary skills across an unusually broad range of exploration and mining, material science and marketing requirements as essential to drive the success of the Company. The performance based rights are tied to key targets over the next 12-24 months and the Company's success in transforming from explorer to miner and high technology material producer. Key material amendments to the terms of the existing contract are provided below and those requiring shareholder approval will be detailed further in meeting documentation at a forthcoming general meeting of shareholders.

Key material amendments to the terms of Mr Thompson's employment contract are:

- A base salary of \$348,000 (exclusive of superannuation)(Base Salary);
- At the discretion of the Board and upon meeting certain performance criteria (including share price performance), an annual short term incentive bonus of not more than 30% of the Base Salary ("STI"). Mr Thompson may elect to have the STI paid in shares (subject to shareholder approval);
- A long term incentive ("LTI") of a total of 4 million performance rights separated into 3 tranches that will be subject to various sequential performance hurdles (including significant mining, processing and offtake/ revenue targets) and milestone dates (expected performance over several years) and subject to shareholder approval; and
- In the event of a change of control of the Company, and in effect to preserve Mr Thompson's standard termination structure in the event of a role diminution, Mr Thompson would receive 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 in lieu of notice.

German Subsidiary

During the period Talga established its 100% owned German subsidiary company called Talga Advanced Materials GmbH ("TAM"). Talga has appointed resident German Technical Manager, Dr Georg Hochwimmer to be a Director of the subsidiary along with Managing Director Mr Mark Thompson, who has dual nationality within the European Union ("EU"). TAM will be responsible for all operations in Germany including the proposed construction of the demonstration plant and provides a valuable structure for graphene research and grant funding opportunities within the EU.

Investor and Corporate Relations Activities

During the quarter, Talga's Managing Director attended and presented at both the Kangaroo Mining Club seminar in Chengdu China and the Hong Kong Mines and Money conference (Fig 8), being well received at both events. Immediately post the quarter, Talga representatives attended and presented at graphene specific conferences in Manchester (Fig 9) and Berlin during April 2015.

Also during the period, Talga research initiation notes were published by Far East Capital Limited and Canaccord Genuity (Australia) Limited.

With sufficient capital to build the trial mining and processing operations, Talga will be making a concerted effort in the coming quarters to leverage its asset and technology advantages towards commercial outcomes with end users and industry players. Once built, the demonstration facility will produce significant scale samples to accelerate uptake of graphene into product development. It will also provide an opportunity for industry participants to visit operations which should validate Talga's benefits, and reinforce the Company's ability to remove the graphene volume and price roadblocks currently preventing large-scale commercialisation of graphene based applications.

Talga Positioning

As Talga's continues at pace down its development path, the Company's market positioning is changing. Talga is an advanced materials company which straddles both the resources and high growth potential technology sectors. The Company is strongly differentiated by virtue of the fact that production potential of graphene end products is directly related in quality, scale and cost to the starting materials. Talga uses extremely homogenous high grade ore that has been purified by nature. Thus the graphene end product is not plagued by size limitations or excessive defects, and is available at industrial scale volumes and competitive pricing.

As an investment Talga provides an opportunity to sit amongst technology and resource peers where exploration and mining risk is minimised courtesy of being located in a first class jurisdiction, simplicity of mining and processing, extremely high grades and the minimal environmental footprint. Given the above, the coming quarters for Talga are now sharply focused towards tangible commercial developments and validation of product and processes.

Fig 8. Talga's Mark Thompson presenting in Hong Kong



Fig 9. Andrew Houghton, Deputy Head of Unit Flagships, European Commission, Brussels learning of Talga's EU graphene plans at event in Manchester.



Tenement Interests

As required by ASX listing rule 5.3.3, please refer Table 2 for details of Talga's interests in mining tenements held by the Company. No joint ventures or farm-in/farm-out activity occurred during the quarter.

For further information, please contact:

Talga Resources Ltd.

Mark Thompson

Managing Director

Tel +61 (08) 9481 6667

Email admin@talgaresources.com

About Talga

Talga Resources Limited ("Talga") (ASX: TLG) is a Perth headquartered high tech materials company with its own source of integrated supply from multiple advanced and high grade graphite projects in northern Sweden. The flagship project "Vittangi" is at development stage and like the rest of the projects, it benefits from established high quality infrastructure in Sweden including proximity to grid power, road, rail and ports.

Two of the five graphite projects have unique ore that allows graphite and graphene to be liberated at an atomic level in a ground breaking and extremely cost effective way. The graphene produced is of a high quality and suitable for a range of large volume composite and additive applications as well as high technology applications.

Talga's legacy non graphite assets in Sweden and Australia, including a cobalt-rich IOCG, are all to be commercialised to provide funds for the core graphite projects.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Mark Thompson, who is a member of the Australian Institute of Geoscientists. Mr Thompson is an employee of the Company and has 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 consents 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 Resource Estimation 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.

TABLE 2

Tenement Holdings

Project/Location	Tenements	Interest at end of quarter	Acquired during quarter	Disposed during quarter
Jalkunen Project Norrbotten County, Sweden	Jalkunen nr 1	100%		
	Jalkunen nr 2	100%		
	Kursuvaara	100%		
	Lautakoski nr 1	100%		
	Lautakoski nr 2	100%		
	Lautakoski nr 3	100%		
	Nybrännan nr 1	100%		
	Nybrännan nr 2	100%		
	Suinavaara nr 1	100%		
	Suinavaara nr 2	100%		
Tiankijoki nr 1	100%			
Kiskama Project Norrbotten County, Sweden	Kiskama nr 1	100%		
Masugnsbyn Project Norrbotten County, Sweden	Masugnsbyn nr 1	100%		
	Masugnsbyn nr 2	100%		
Pajala Project Norrbotten County, Sweden	Lehtosölkä nr 3	100%		
	Liviövaara nr 2	100%		
Piteå Project Norrbotten County, Sweden	Grålidén nr 2	100%		
	Önusträsket nr 2	100%		
Raitajärvi Project Norrbotten County, Sweden	Raitajärvi nr 5	100%		
	Raitajärvi nr 6	100%		
Vittangi Project Norrbotten County, Sweden	Maltosrova nr 2	100%		
	Maltosrova nr 3	100%		
	Mörttjärn nr 1	100%		
	Nälkävuoma nr 1	100%		
	Nunasvaara nr 2	100%		
	Vathanvaara nr 1	100%		
	Vittangi nr 2	100%		
	Vittangi nr 3	100%		
	Vittangi nr 4	100%		
Bullfinch Project Western Australia	E77/2139	100%		
	E77/2221	100%		
	E77/2222	100%		
	E77/2251	100%		
	P77/4106	100%		
Mosquito Creek Project Western Australia	P46/1632	0%		100%
	P46/1633	0%		100%
	P46/1634	100%		
	P46/1635	0%		100%
	P46/1636	100%		
	P46/1637	0%		100%
	P46/1638	100%		
	P46/1666	100%		
	P46/1667	100%		
	P46/1668	100%		
	P46/1800	100%		
	E46/1035	100%		

TABLE 1 (continued)

Tenement Holdings

Project/Location	Tenements	Interest at end of quarter	Acquired during quarter	Disposed during quarter
Talga Talga Project Western Australia	M45/618	100%		
	P45/2689	100%		
	P45/2690	100%		
	P45/2691	100%		
	P45/2746	100%		
	P45/2747	100%		
	P45/2774	100%		
Warrawoona Project Western Australia	E45/3381	100%		
	P45/2661	100%		
	P45/2662	100%		
	P45/2781	100%		
	P45/2931	0%		100%

APPENDIX 1

Graphite Resources

Nunasvaara Mineral Resource (10% Cg lower cut-off) Nov 2012

JORC 2004 Classification	Tonnes (Mt)	Grade %graphite
Indicated	5,600,000	24.6%Cg
Inferred	2,000,000	24.0%Cg
Total	7,600,000	24.4%Cg

Raitajärvi Mineral Resource (5% Cg lower cut-off) Aug 2013

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

APPENDIX 2

Iron Resources

Deposit	Tonnes (Mt)	Grade %Fe	JORC 2004 Classification
Vathanvaara	51.2	36	Inferred Resource
Kuusi Nunasvaara	46.1	28.7	Inferred Resource
Mänty Vathanvaara	16.3	31	Inferred Resource
Sorvivuoma	5.5	38.3	Inferred Resource
Jänkkä	4.5	33	Inferred Resource
Masugnsbyn	87	28.3	Indicated Resource
Masugnsbyn	25	29.5	Inferred Resource
Total	235.6	30.7	

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Talga Resources Ltd

ABN

32 138 405 419

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Mths) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	1
1.2 Payments for (a) exploration and evaluation	(874)	(2,091)
(b) development	-	-
(c) production	-	-
(d) administration	(319)	(974)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	48
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other:	-	-
R&D Rebate net of costs	-	259
Net Operating Cash Flows	(1,176)	(2,757)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(12)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – option fee on non-core asset divestment	50	50
Other - misc	-	3
Net investing cash flows	45	41
1.13 Total operating and investing cash flows (carried forward)	(1,131)	(2,716)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,131)	(2,716)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares/options	5,504	5,534
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	(156)	(201)
	Net financing cash flows	5,348	5,333
	Net increase (decrease) in cash held	4,217	2,617
1.20	Cash at beginning of quarter/year to date	2,701	4,301
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,918	6,918

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	118
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amount included under 1.23 includes director's remuneration.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation (includes R&D)	900
4.2	Development	-
4.3	Production	-
4.4	Administration	490
Total		1,390

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,518	701
5.2 Deposits at call	1,400	2000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	6,918	2,701

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference⁺securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
7.3 +Ordinary securities	138,356,150	138,356,150		
7.4 Changes during quarter				
(a) Increases through issues	11,019	11,019	35 cents	35 cents
<i>Conversion of options</i>				
<i>Share placement</i>	13,750,000	13,750,000	40 cents	40 cents
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	500,000	-	35 cents	21 July 2015
	500,000	-	45 cents	3 October 2016
	7,712,910	7,712,910	35 cents	30 November 2015
	2,000,000	-	52 cents	31 December 2016
	2,000,000	-	60 cents	31 December 2016
	2,000,000	-	65 cents	31 December 2016
	2,500,000	-	54 cents	23 June 2019
	1,400,000	-	54 cents	20 August 2019
	1,000,000	-	54 cents	18 March 2020
7.8 Issued during quarter	1,000,000	-	54 cents	18 March 2020
7.9 Exercised during quarter	11,019	11,019	35 cents	30 November 2015
7.10 Expired/Lapsed during quarter	200,000	-	54 cents	20 August 2019
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Dean Scarparolo
Company Secretary

Date: 30 April 2015

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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