

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Talga Resources Ltd

### ABN

32 138 405 419

### Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(226)	(226)
(b) development <sup>(1)</sup>	(458)	(458)
(c) production	-	-
(d) staff costs	(363)	(363)
(e) administration and corporate costs	(371)	(371)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	61	61
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	11	11
Other – Trial Mining <sup>(2)</sup>	(707)	(707)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,053)</b>	<b>(2,053)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(210)	(210)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
Other – Security Bond payments	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(210)</b>	<b>(210)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	898	898
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – security issue costs	(99)	(99)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>799</b>	<b>799</b>

<b>4. Net (decrease) in cash and cash equivalents for the period</b>	<b>(1,464)</b>	<b>(1,464)</b>
4.1 Cash and cash equivalents at beginning of period	11,764	11,764
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-	-
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.6 Cash and cash equivalents at end of period</b>	10,300	10,300

Note:

(1) Development includes costs towards the pilot plant and processing facility operations and R&D in Germany.

(2) Trial Mining in Sweden.

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,112	1,191
5.2 Call deposits	9,188	10,573
5.3 Bank overdrafts	-	-
5.4 Other security deposit	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,300</b>	<b>11,764</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

163

-

Amounts under 6.1 include director's remuneration.

**7. Payments to related entities of the entity and their associates**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	830
9.2 Development <sup>(1)</sup>	550
9.3 Production	-
9.4 Staff costs	360
9.5 Administration and corporate costs	250
9.6 Other –Trial mining <sup>(2)</sup>	750
<b>9.7 Total estimated cash outflows</b>	<b>2,740</b>

**Note:**

<sup>(1)</sup> Development includes costs towards the pilot plant and processing facility operations and R&D in Germany.

<sup>(2)</sup> Trial Mining in Sweden.

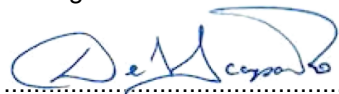
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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced  Note: These tenements were sold to Beatons Creek Gold Pty Ltd, an Australian subsidiary of the TSX Venture-listed Novo Resources Corp (see ASX:TLG 16 Sep 2016).	WA - Pilbara M45/618 P45/2689 P45/2690 P45/2691 P45/2746 P45/2747 P45/2774 P46/1634 P46/1636 P46/1638 P46/1666 P46/1667 P46/1668 P46/1800 E46/1035 E45/3381 P45/2661 P45/2662 P45/2781	Tenement holder Tenement holder	100% 100%	Nil Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



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(Company secretary)

Date: ...31 October 2016.....

Print name: ..Dean Scarparolo.....

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.