

21 June 2016



Dear Shareholder

Notice to Ineligible Shareholders of Non-Renounceable Pro Rata Rights Issue

We write to you as the registered holder of Talga Resources Ltd (ASX: TLG) (**Company**) shares whose registered address is outside of Australia, New Zealand, Hong Kong, the People's Republic of China, the United Kingdom, Ireland, Bermuda, Jersey, the British Virgin Islands and Switzerland as of today's date.

As advised in the Company's ASX announcement dated 20 June 2016, the Company is undertaking a non-renounceable pro rata entitlement offer to eligible shareholders on the basis of 1 new quoted option for every 4 shares held at 5.00pm (WST) on 23 June 2016 (**Record Date**) (**Entitlement Offer**). Pursuant to the Entitlement Offer, the Company will issue up to 45,463,769 quoted options to raise up to \$909,275 before costs (assuming no unquoted options are exercised prior to the Record Date). Each quoted option will have an exercise price of \$0.45 and an expiry date of 31 December 2018.

The Entitlement Offer is available to all Company shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia, New Zealand, Hong Kong, the People's Republic of China, the United Kingdom, Ireland, Bermuda, Jersey, the British Virgin Islands or Switzerland (**Eligible Shareholders**). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions (**Ineligible Shareholders**). The Company has determined that it would be unreasonable on this occasion to extend the Entitlement Offer to you as an Ineligible Shareholder having regard to:

1. the number of shareholders in your jurisdiction;
2. the number and value of shares the shareholders in your jurisdiction would be offered; and
3. the cost of complying with the legal requirements and the requirements of the regulatory authorities in your jurisdiction.

This letter is to inform you that you are not an Eligible Shareholder for the purposes of the Entitlement Offer and consequently you will not be able to subscribe for quoted options under the Entitlement Offer. This letter is not an offer to grant quoted options to you, nor an invitation to apply for quoted options. You are not required to do anything in respect of this letter.

For your information only, details of the Entitlement Offer are contained in the prospectus lodged by the Company with ASIC and ASX on 17 June 2016 which is available on the Company's ASX platform at www.asx.com.au.

If you require clarification on any of the above matters, please contact the Company Secretary on +61 8 9481 6667 or at admin@talgaresources.com.

Yours sincerely

Mark Thompson
Managing Director
Talga Resources Ltd

Talga Resources Ltd
ACN 138 405 419
Level 1, 2 Richardson Street,
West Perth WA 6005
PO Box 720, West Perth WA 6872
T +61 8 9481 6667
F +61 8 9322 1935
admin@talgaresources.com
talgaresources.com