

## **~\$10M strategic placement to European based investors**

### **Talga Resources Ltd**

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### **Corporate Information**

ASX Code **TLG**

Shares on issue **146.3m**

Options (unlisted) **23.3m**

### **Company Directors**

**Keith Coughlan**

Non-Executive Chairman

**Mark Thompson**

Managing Director

**Grant Mooney**

Non-Executive Director

**Stephen Lowe**

Non-Executive Director

- **Commitments received for ~\$10 million Placement**
- **Placement securities to be issued to European investment groups, including cornerstone support from Scandinavian-based Smedvig Family Office**
- **Placement combined with 1:4 underwritten non-renounceable rights issue of quoted options to Talga shareholders to raise a further ~\$0.9 million**
- **Delivers European finance partners with supportive long term investment horizon and mechanisms for future funding**
- **Provides financial support to enact business plan - including 2016 trial mining, accelerated German processing facility scale-up and commercial development**

Advanced materials company, Talga Resources Ltd (“**Talga**” or “**the Company**”) (ASX: TLG), is pleased to announce a funding initiative to raise gross proceeds of approximately \$10.87 million (“**Transaction**”). Binding commitments have been received for the placement component which is due to settle on Wednesday, 22 June 2016.

### **Transaction Summary**

The proposed transaction comprises:

- A) a placement of 35,571,015 ordinary fully paid shares (“**Placement Shares**”) at an issue price of \$0.28 per share, together with one (1) free attaching unquoted option to acquire one (1) share for every four (4) Placement Shares subscribed (“**Placement Options**”), (“**Placement**”). The Placement Options are exercisable at \$0.45 each on or before 31 December 2018 and are subject to shareholder approval. The Placement will raise approximately \$9.96 million and is being made to a small group of European investors led by Scandinavian group, The Smedvig Family Office (“**Smedvig**”), (together, “**Placement Subscribers**”); and
- B) a proposed entitlement issue (“**Rights Issue**”) of 45,463,769 quoted options at an issue price of \$0.02 per option (“**Rights Options**”), on the basis of one (1) Rights Option for every four (4) ordinary fully paid shares held on the record date. The Rights Issue is intended to be conditionally underwritten by the Placement Subscribers and the Rights Options will be exercisable at \$0.45 each on or before 31 December 2018. Full details of the terms and conditions of the Rights Issue are contained in the Prospectus lodged with ASX today, which will be despatched to shareholders in due course.



As the issue date of the Placement Shares under the Placement will be prior to the record date for the Rights Issue, the Placement Subscribers will be entitled to participate and intend to participate in the Rights Issue.

The Placement pricing reflects a slight discount in the range of 2.0 - 6.5% to the 15, 30, 60 and 90 day volume weighted average Talga share price calculated on the 15 June 2016. The Company intends to apply Transaction funds towards Talga's technical, commercial and mineral development programs in Germany and Sweden, as well as for general working capital.

Talga Managing Director, Mr Mark Thompson commented:

*“Talga has been actively looking for supportive, long-term cornerstone investment partners and we are delighted to welcome the Smedvig-led investor group onto Talga’s register during this time of significant operational progress. The predominantly Scandinavian based investment group shares our vision to make Talga a world-class graphene technology and production house, and brings new strength to our investor base. In addition, these investors provide commitment to long term financial support as we grow and allows Talga to accelerate its business plans. Importantly, the investment comes after a lengthy and detailed due diligence exercise. Talga looks forward to leveraging from the new European connections that will come from this transaction, particularly in Scandinavia.*

*The proposed Rights Issue is seeking to raise a small quantum of funds and has been structured with a nominal issue price to provide a new opportunity for existing supportive shareholders. Importantly for shareholders, the Rights Options are intended to be quoted and will otherwise share the same terms as the Placement.”*

## Capital Structure

The total number and class of all securities of the Company quoted and unquoted on ASX will be as follows (assuming the Placement and Rights Issue are fully subscribed and no options are exercised):

	Shares (m)	Unlisted Options (m)	Listed Options (m)	Raised Total A\$(m)
Securities on issue	146.30	23.30		
Placement (ASX Listing Rule 7.1 capacity) (A\$0.28)	20.95	5.20		5.86
Placement (ASX Listing Rule 7.1A capacity) (A\$0.28)	14.65	3.70		4.10
<b>Sub Total</b>	<b>181.90</b>	<b>32.20</b>		<b>9.96</b>
Rights Issue (A\$0.02)			45.50	0.91
<b>Total (before fees)</b>	<b>181.90</b>	<b>32.20</b>	<b>45.50</b>	<b>10.87</b>

## Indicative Placement

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date of the Rights Issue will have a consequential effect on the date of issue of the Rights Options.

Event	Date
Lodgement of Appendix 3B and Prospectus for Rights Issue with ASX, ASX Announcements, Notice to Option Holders	20 June 2016
Placement Funds Due, Notice to Eligible and Ineligible Share Holders	21 June 2016
Expected allotment of Placement Shares, Shares quoted on an “EX” basis	22 June 2016
Record Date for determining Entitlements under Rights Issue	23 June 2016
Rights Issue Offer Documentation dispatched to shareholders	28 June 2016
Closing Date of Rights Issue (5pm AWST)*	7 July 2016
Notification of Shortfall	12 July 2016
Settlement of Shortfall to Underwriters, Anticipated date for issue of the Securities Deferred settlement trading ends	14 July 2016
Anticipated date for commencement of Rights Options trading on a normal settlement basis	15 July 2016
Shareholder Meeting to Approve Placement Options, Allotment and Issue of Placement Options	27 July 2016

## About Smedvig

Smedvig is a Norwegian family office that has considerable experience in successfully investing in the natural resources sector globally. Smedvig, which had its 100-year anniversary last year, makes direct investments in property, private equity and thematically related investments, as well as co-investing with third-party private equity funds. Current thematically related investments include Green Mountain AS (Data Centers), Navtor AS (E-navigation) and Sedibelo (Platinum Group Metals). Assets under management are in excess of A\$1.8 billion.

Smedvig invests directly in fast-growing innovative businesses, backing ambitious teams with the potential to become market leaders. The team at Smedvig enjoys working with entrepreneurs, and a common belief that deeper involvement leads to greater success. Smedvig's model is to invest in a small number of businesses, and then commit time to working closely with management, providing advice and hands-on support.

For further information, visit [www.talgaresources.com](http://www.talgaresources.com) or contact:

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Managing Director  
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## About Talga

**Talga Resources Ltd** ("Talga") (ASX: TLG) is an industrial minerals company developing graphene and micrographite products for the advanced materials market.

*Target markets include coatings, energy storage, construction products and composites, with Talga products having significant potential advantages in value and application range - owing to unique ore and patent pending technology.*

*Talga sources graphite ore from its 100% owned deposits in Sweden, with processing at the Company's pilot test facility in Germany.*

*Construction of commercial scale mining operations and on site processing plant in Sweden will commence post mine permitting and completion of commercial supply agreements. Collaborative testing is underway with a range of corporations including Indian conglomerate Tata and UK listed Haydale.*