

Issue of Placement Shares

Talga Resources Ltd

ABN 32 138 405 419

1st Floor, 2 Richardson St,
West Perth, WA 6005

T: +61 8 9481 6667

F: +61 8 9322 1935

www.talgaresources.com

Corporate Information

ASX Code **TLG**

Shares on issue **182m**

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

Talga Resources Ltd ("Talga") (ASX Code: TLG) is pleased to advise that subsequent to the announcement on 20 June 2016, it has now issued a total of 35,571,015 fully paid ordinary shares ("**Placement Shares**") at an issue price of \$0.28 per share. A total of 20,942,609 Placement Shares are being issued in accordance with Talga's placement capacity under ASX Listing Rule 7.1 and a total of 14,628,406 of the above Placement Shares were issued under Talga's 10% placement capacity pursuant to ASX Listing Rule 7.1A.

An Appendix 3B is attached with respect to these Placement Shares.

The 8,892,500 free-attaching unquoted placement options, exercisable at \$0.45 each on or before 31 December 2018, will be issued pursuant to Talga's prospectus dated 17 June 2016 following shareholder approval at a general meeting to be called in the coming weeks.

Additional disclosure under ASX Listing Rule 3.10.5A

Talga provides the following additional information as required under ASX Listing Rule 3.10.5A in respect of the shares issued under Talga's 10% placement capacity pursuant to ASX Listing Rule 7.1A:

1. The dilutive effect of the Placement on existing shareholders is as follows:

	Shares	%
Number of shares on issue prior to Placement	146,284,060	80
Dilution as a result of issue under ASX LR 7.1A	14,628,406	8
Dilution as a result of issue under ASX LR 7.1	20,942,609	12
Number of shares on issue following Placement	181,855,075	100

2. The 14,628,406 Placement Shares issued under ASX Listing Rule 7.1A were issued to sophisticated and professional investors under the Placement as this was considered to be the most efficient and expedient mechanism for raising capital to fund technical, commercial and mineral development programs in Sweden and Germany.
3. There were no underwriting arrangements entered into.
4. The fee payable by Talga to Majesky Finance Corporation in connection with the Placement comprises a cash fee of 5% of the funds raised pursuant to the Placement.

SECONDARY TRADING NOTIFICATION - NOTICE PURSUANT TO SECTION 708A(5)(E) OF THE CORPORATIONS ACT 2001 ("ACT")

Re: 35,571,015 Placement Shares

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By Talga giving this notice, sale of the Placement Shares will fall within the exemption in section 708A(5) of the Act.

Talga hereby gives notice under Section 708A(5)(e) of the Corporations Act 2001 that:

- (a) the Placement Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this notice Talga has complied with: (a) the provisions of Chapter 2M of the Act as they apply to Talga and (b) section 674 of the Act; and
- (c) as at the date of this notice there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - A. the assets and liabilities, financial position and performance, profits and losses and prospects of Talga; or
 - B. the rights and liabilities attaching to Talga's securities.

Please contact me should you have any queries in relation to the above.

Yours sincerely



Dean Scarparolo
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

TALGA RESOURCES LTD

ABN

32 138 405 419

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 35,571,015 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes.</p>
<p>5 Issue price or consideration</p>	<p>\$0.28 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued to sophisticated and professional investors pursuant to a placement as announced 20 June 2016 to raise working capital to fund technical, commercial and mineral development programs in Germany and Sweden.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>27 November 2015</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>20,942,609</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>14,628,406</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Nil				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>Yes</p> <p>Issue agreement date: 16 June 2016</p> <p>VWAP: \$0.301</p> <p>75% of VWAP: \$0.226</p> <p>VWAP calculation provided by IRESS software</p>				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>Listing rule 7.1 – nil</p> <p>Listing rule 7.1A – nil</p> <p>See Annexure 1 for details</p>				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	22 June 2016				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">181,855,075</td> <td>Ordinary fully paid shares</td> </tr> </tbody> </table>	Number	+Class	181,855,075	Ordinary fully paid shares
Number	+Class					
181,855,075	Ordinary fully paid shares					

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	500,000	Unlisted \$0.45 options, expiry 3 October 2016
	2,000,000	Unlisted \$0.52 options, expiring 31 December 2016
	2,000,000	Unlisted \$0.52 options, expiring 31 December 2016
	2,000,000	Unlisted \$0.60 options, expiring 31 December 2016
	2,000,000	Unlisted \$0.65 options, expiring 31 December 2016
	2,400,000	Unlisted \$0.60 options, expiring 4 October 2018
	4,500,000	Unlisted \$0.60 options, expiring 4 October 2018
	2,500,000	Unlisted \$0.54 options, expiring 23 June 2019
	1,400,000	Unlisted \$0.54 options, expiring 20 August 2019
	1,000,000	Unlisted \$0.54 options, expiring 26 March 2020
	1,000,000	Unlisted \$0.54 options, expiring 17 December 2020
	2,000,000	Unlisted \$0.42 options, expiring 3 May 2019

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements in full through a broker?
- 31 How do security holders sell part of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities (tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

⁺ See chapter 19 for defined terms.

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought N/A

39 +Class of +securities for which quotation is sought N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:Date: 23 June 2016
(Company secretary)

Print name: Dean Scarparolo

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Part 1 Introduced 01/08/12 Amended 04/03/13

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<i>Insert</i> number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	138,356,150
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 	<ul style="list-style-type: none"> - 215,000 issued on exercise of options 16/7/15 - 304,987 issued on exercise of options 4/11/15 - 548,165 issued on exercise of options 16/11/15 - 1,919,322 issued on exercise of options 2/12/15 - 4,940,436 issued 7/12/15 pursuant of options underwriting agreement
<ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval 	<ul style="list-style-type: none"> - Nil
<ul style="list-style-type: none"> • Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period 	<ul style="list-style-type: none"> - Nil
<p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	- Nil
“A”	146,284,060

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	21,942,609
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	<ul style="list-style-type: none"> - 1,000,000 unlisted options issued 17/12/15 - 20,942,609 placement shares issued 22/6/16
“C”	21,942,609
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	21,942,609
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	21,942,609
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	146,284,060
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	14,628,406
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	14,628,406 placement shares issued 22/6/16
“E”	14,628,406

+ See chapter 19 for defined terms.

Appendix 3B
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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	14,628,406
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	14,628,406
Total ["A" x 0.10] – "E"	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.