



Talga Gold Ltd

ABN 32 138 405 419

First Floor, 2 Richardson Street,
West Perth, WA 6005

T: +61 8 9481 6667

F: +61 8 9322 1935

www.talgagold.com

ASX Code: TLG

Capital Structure:

40.35m Ordinary Shares

1.1m Unlisted Options

Latest share price: \$0.35

Market Capitalisation \$14.5m

Directors:

Chairman – Sean Neary

MD – Mark Thompson

Non-Exec – Piers Lewis

Projects:

Pilbara, Western Australia

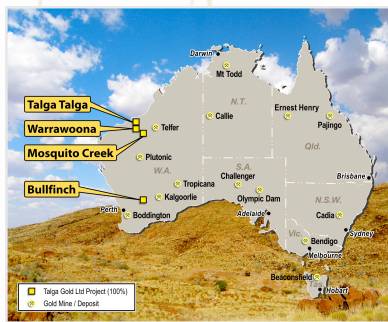
Talga Talga (100%)

Warrawoona (100%)

Mosquito Creek (100%)

Yilgarn, Western Australia

Bullfinch (100%)



HIGH GRADE GOLD INTERCEPTS FROM INAUGURAL DRILLING AT TALGA TALGA

HIGHLIGHTS

- Further high grade gold at shallow depth evident as first drilling completed at Pilbara projects
- New results include:
 - ▷ 11 metres @ 9.28 grams/tonne gold from 54m
 - ▷ including 1m @ 73.5 g/t Au (TTRC029)
- New mineralisation intercept is 160 metres along strike from previously announced:
 - ▷ 3m @ 24.8 g/t Au from 32m
 - ▷ including 1m @ 66.9 g/t Au (TTRC003)
- Further Diamond and RC drilling planned for New Year.

New Field Potential Unfolding

Further high grade gold intercepts emerging during completion of the first round of exploration drilling in Western Australia's Pilbara by Talga Gold Ltd (ASX: "TLG") have advanced the Company's aspirations for the province to host potentially commercial goldfields.

Talga is pleased to announce today that the additional intercepts are across several of its wholly owned projects in the Pilbara district and resulted from a campaign to drill the McPhees and Quartzite prospects at Talga Talga, 25 kilometres north of Marble Bar, and two reconnaissance holes at the Cutty Sark prospect at Warrawoona, 20 kilometres south of Marble Bar.

Talga Talga Managing Director, Mr Mark Thompson:

"It is early days yet but we have a level of confidence about what we have seen in this first pass work and that is high grades at shallow levels of less than 100 metres and in areas never previously drilled by any company.

"Our next step is to focus on what controls where the highest grade gold deposition is and to that end, we are now planning a diamond drilling campaign to commence in the New Year.

"This will help define our pursuit of what Talga believes are similar or better high grade gold targets down dip and along strike from the intersections reported today. We have gold targets emerging over 5000 metres strike that remain untested.

Pending analysis of the diamond core from next quarter's program, it would be our intent to schedule further Reverse Circulation drilling programs in the Pilbara as a priority."

PROJECT SUMMARY - Q3 PILBARA DRILLING PROGRAM

The Company previously announced it had completed its maiden 41 hole 2,123 metre Reverse Circulation (RC) drilling campaign at its 100% owned Talga Talga and Warrawoona projects (both in WA). All drill sample assay results have now been received. A summary of drilling and significant gold intercepts is below in Table 1 and details of all holes are in Table 2.

Talga Talga - McPhees Prospect

This first pass drilling at McPhees targeted two panels within a 360 metre strike zone of historic gold workings in sheared ultramafics and interflow cherts. The majority of drill holes intersected gold mineralised quartz-carbonate-sulphide veins, shear zones and interflow cherts dipping shallowly (-35°) to the northwest, with gold intercept thicknesses ranging from one to eleven metres.

Hole TTRC029 returned a significant intersection of 11m @ 9.28 g/t Au, including 1m @ 73.5 g/t Au from a depth of 54m. This is 160m along strike from the previously announced hole TTRC003 with 3m @ 24.8 g/t Au that included 1m @ 66.9 g/t Au. These high grade intercepts occur down dip from historic workings and rockchip channel sampling suggesting the gold mineralised structures continue from surface (see Fig1).

Encouragingly the highest gold grades at McPhees develop in the thickest mineralised structures and free gold visible in RC chips is of very fine particle size. The base of oxidation is approximately 5 metres depth and there is no evidence of supergene enrichment based on the multi-element geochemistry results, suggestive that the gold mineralisation reported here is of a primary (not secondary) nature. Together the grade, size and nature of mineralisation found to date is considered highly encouraging towards the discovery of potentially viable gold deposits at Talga Talga.

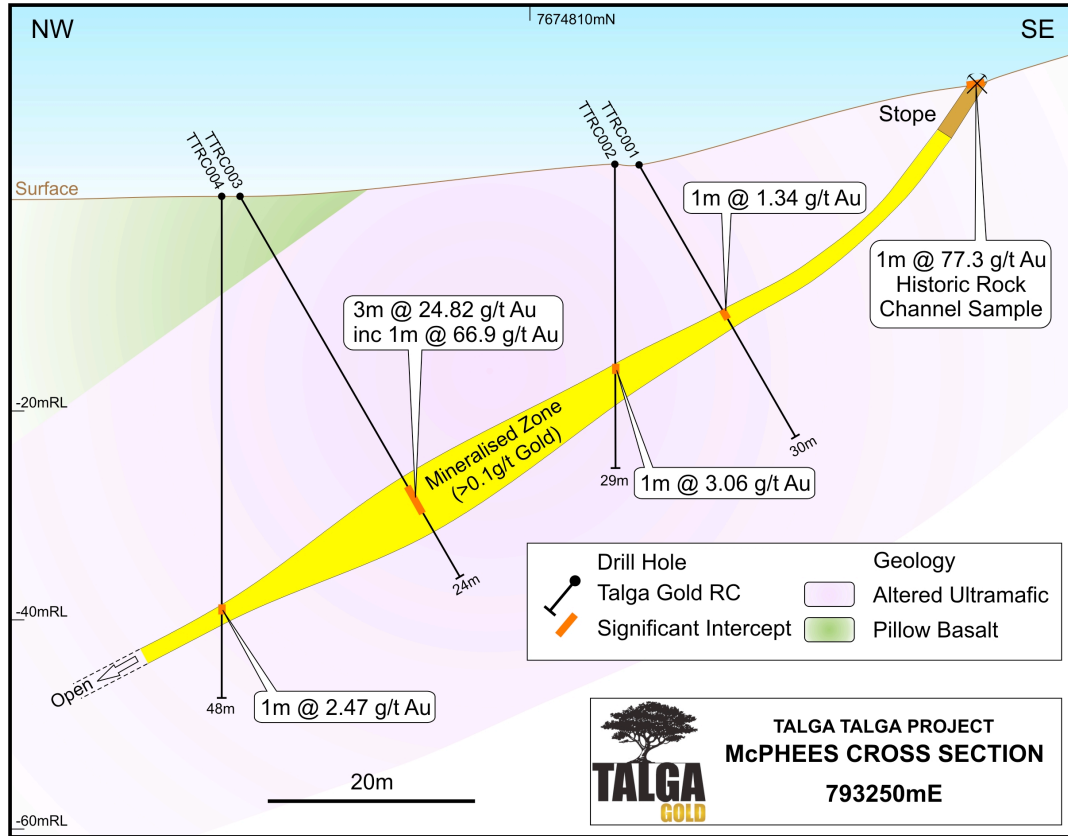
Table 1. Summary of significant RC drill results from Q3 program - Talga Talga and Warrawoona Projects, Western Australia.

Hole Id	Easting	Northing	Depth EOH	Azi	Dip	From (m)	To (m)	Width	Grade g/t Au
TTRC010	793421	7674929	26	0	-90	20	23	3	2.04
TTRC017	794462	7675480	92	185	-60	36	41	5	1.14
TTRC018	794475	7675487	94	130	-60	51	53	2	2.44
TTRC023	793223	7674747	30	125	-60	17	18	1	13.75
TTRC024	793223	7674749	36	0	-90	21	24	3	1.41
TTRC029	793362	7674983	114	125	-60	54	65	11	9.28
		<i>including</i>				54	61	7	14.40
		<i>includes</i>				54	55	1	73.50
CSRC001	794095	7641142	42	205	-60	13	18	5	1.96
		<i>including</i>				13	15	2	4.35
CSRC002	794108	7641163	72	205	-60	39	50	11	1.56
		<i>including</i>				39	44	5	3.29
		<i>includes</i>				40	41	1	14.60
TTRC001*	793285	7674808	30	130	-60	16	17	1	1.34
TTRC002*	793283	7674809	29	0	-90	19	20	1	3.06
TTRC003*	793251	7674826	42	125	-60	32	35	3	24.82
		<i>including</i>				32	33	1	66.90
TTRC004*	793251	7674829	48	0	-90	39	40	1	2.47
TTRC006*	793256	7674786	32	0	-90	23	25	2	3.82
TTRC007*	793228	7674807	41	125	-60	35	36	1	1.05

Notes.

- All holes sampled at riffle-split 1m intervals and assayed as 1m intervals by ALS-Chemex in Perth, Western Australia.
 - All samples assayed by Aqua Regia methods with >1.0 g/t Au grade samples assayed by 50 gram ore-grade Fire Assay method.
 - Mineralised intercepts are calculated with no cutoffs and significant intercepts are reported where total intersection >1.0g/t Au.
- * Announced previously

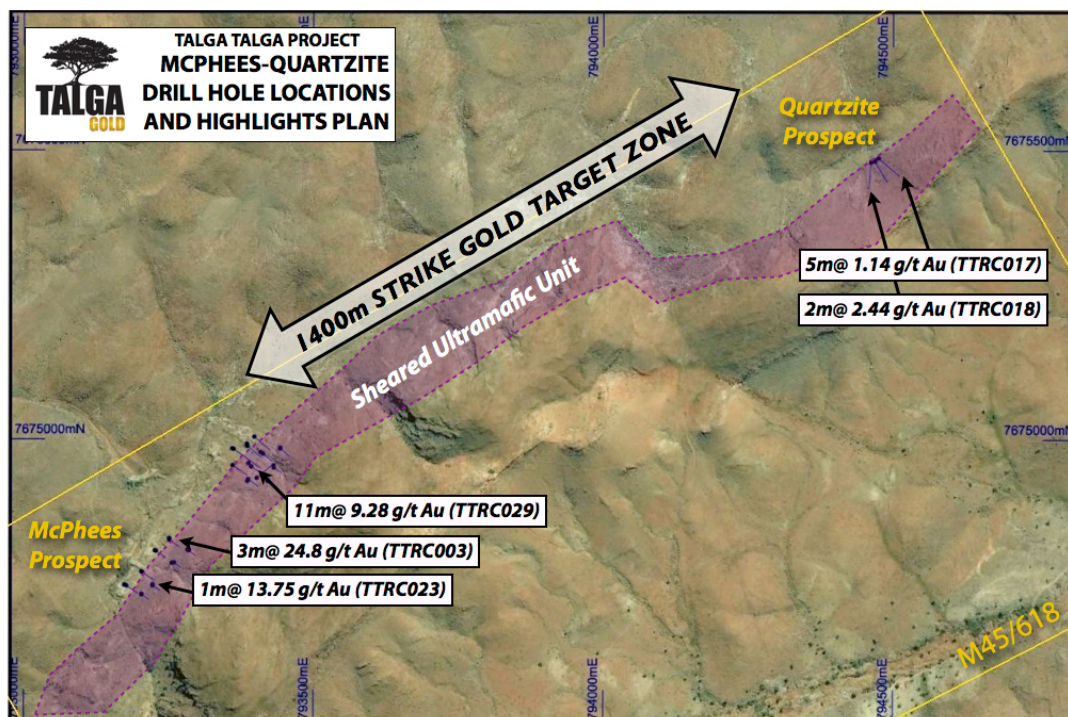
Fig 1. Cross section, significant results and interpreted geology for McPhees prospect, Talga Talga Project.



Talga Talga - Quartzite Prospect

The Quartzite prospect is east along the ridge from the McPhees prospect within the Talga Talga project, at the eastern end of the granted Mining Lease 45/618. Four holes were drilled at Quartzite, with all holes striking modest but geologically significant amounts of gold at shallow depths. Highlights included 5m @ 1.14 g/t Au from 36m including 2m at 2.44 g/t Au in TTRC017 and 2m @ 1.02 g/t Au from 51m in TTRC018. This indicates that the gold bearing structures encountered at McPhees continue along the base of ridge to Quartzite, forming a large but untested gold target zone 1400 metres length in the sheared and altered ultramafic schist unit between the prospects.

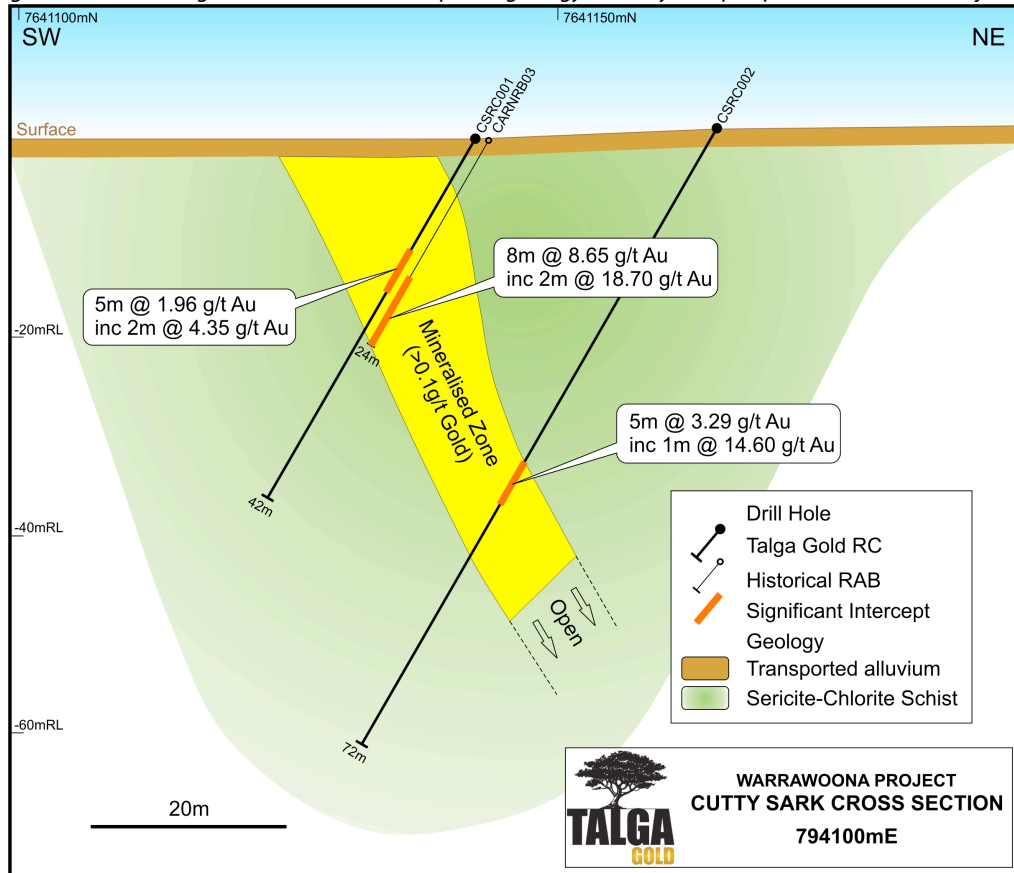
Fig 2. Plan of McPhees to Quartzite area at Talga Talga Project with drilling highlights.



Encouraging Results from Cutty Sark

The final part of the drilling campaign was to drill two 'scout' holes at the Cutty Sark prospect on the Company's Warrawoona project where historic open hole drilling had intercepted 8m at 8.5 g/t Au from 16-24m EOH. The Cutty Sark prospect is located approximately 45 kilometres south of the Talga Talga project and consists of numerous zones of historic gold workings developed in strongly sheared and deformed volcanic schists. The Cutty Sark mine recorded average production grades of approximately 57 g/t Au. Both holes of the current program returned encouraging results at shallow depth. The results included 5m @ 3.29 g/t Au including 1m @ 14.6 g/t Au from 38m (CSRC002) and 5m @ 1.96 g/t Au including 2m @ 4.35g/t Au from 18m depth (CSRC001). The gold is hosted in veining within an extremely sheared sericite-chlorite schist and the mineralised zone is marked by historic workings over 300m strike. Further drilling is planned to test the structure which remains open in all directions.

Fig 3. Cross section, significant results and interpreted geology for Cutty Sark prospect, Warrawoona Project.



Further Drilling Planned

Following the success of this campaign the Company will continue developing the Talga Talga and Warrawoona projects. A program of diamond drilling for the McPhees prospect at Talga Talga is being planned and will start in the next quarter. The aim of diamond drilling is to gain structural geologic information of the highest grade gold-bearing structures prior to pursuing them with further RC drilling. Additional target zones are open down dip and along strike for over 1400 metres to the Quartzite prospect, where veins of the McPhees zone are interpreted to extend at shallow depths. In conjunction with the drilling the Company completed an extensive soil sampling program covering the McPhees and Quartzite prospects (i.e. an area 2.0km by 0.8km). The results of this work due in December will assist defining new targets for further work in conjunction with plans for the remaining 5000 metres of highly prospective formations at Talga Talga. Further RC drilling at the Cutty Sark prospect is being planned and permitted to take place in conjunction with drilling the nearby Kiwi Ridge prospect when the drill rig has completed the Talga Talga program.

For shareholders wanting further information, please contact:

Mark Thompson
Talga Gold Ltd
+61 (08) 9481 6667 / 0424 043 380

Kevin Skinner
Field Public Relations
+61 (08) 8234 9555 / 04141 822 631

Table 2. All drillhole details and summary assays from Q3 program at Talga Talga and Warrawoona Projects.

Hole Id	Easting	Northing	Depth EOH	Azi	Dip	From (m)	To (m)	Interval	Grade g/t Au
TTRC001	793285	7674808	30	130	-60	16	18	2	0.74
		<i>including</i>				16	17	1	1.34
TTRC002	793283	7674809	29	0	-90	19	23	4	0.90
		<i>including</i>				19	20	1	3.06
TTRC003	793251	7674826	42	125	-60	31	37	6	12.50
		<i>including</i>				32	35	3	24.82
		<i>includes</i>				32	33	1	66.90
TTRC004	793251	7674829	48	0	-90	39	41	2	1.41
						39	40	1	2.47
TTRC005	793259	7674787	29	125	-60	19	20	1	0.12
TTRC006	793256	7674786	32	0	-90	23	26	3	2.62
TTRC007	793228	7674807	41	125	-60	34	36	2	0.63
		<i>including</i>				35	36	1	1.05
TTRC008	793227	7674808	47	0	-90	38	39	1	0.14
TTRC009	793421	7674928	23	125	-60	11	15	4	0.14
TTRC010	793421	7674929	26	0	-90	20	23	3	2.04
TTRC011	793387	7674931	44	125	-60	4	7	3	0.12
TTRC012	793386	7674928	47	0	-90	28	29	1	0.47
TTRC013	793432	7674951	29	125	-60	17	20	3	0.48
TTRC014	793431	7674955	35	0	-90				no sig
TTRC015	794469	7675482	83	150	-60	51	52	1	0.31
TTRC016	794468	7675483	104	0	-90	39	42	3	0.25
TTRC017	794462	7675480	92	185	-60	36	41	5	1.14
		<i>including</i>				38	40	2	2.44
TTRC018	794475	7675487	94	130	-60	48	55	7	0.35
		<i>including</i>				51	53	2	1.02
TTRC019	793203	7674732	30	125	-60	17	19	2	0.36
TTRC020	793204	7674732	30	0	-90	22	24	2	0.21
TTRC021	793177	7674747	48	125	-60				no sig
TTRC022	793174	7674748	60	0	-90				no sig
TTRC023	793223	7674747	30	125	-60	17	18	1	13.75
TTRC024	793223	7674749	36	0	-90	21	24	3	1.41
		<i>including</i>				21	22	1	3.57
TTRC025	793205	7674770	48	125	-60	34	39	1	0.39
TTRC026	793203	7674771	48	0	-90				no sig
TTRC027	793393	7674953	42	125	-60				no sig
TTRC028	793388	7674959	60	0	-90	45		1	0.29
						56		1	0.29
TTRC029	793362	7674983	114	125	-60	54	65	11	9.28
		<i>including</i>				54	61	7	14.40
		<i>includes</i>				54	55	1	73.50
						101	107	6	0.19

Table 2. Continued on following page...

Table 2. Continued...

Hole Id	Easting	Northing	Depth EOH	Azi	Dip	From (m)	To (m)	Interval	Grade g/t Au
TTRC030	793360	7674984	96	0	-90	67	69	2	0.55
						87	90	3	0.18
TTRC031	793361	7674955	60	125	-60				no sig
TTRC032	793413	7674975	42	130	-60	34	37	3	0.46
TTRC033	793409	7674978	48	0	-90				no sig
TTRC034	793443	7674984	42	130	-60	20	24	4	0.23
TTRC035	793443	7674985	36	0	-90	28	29	1	0.39
TTRC036	793398	7675004	72	130	-60	64	65	1	0.20
TTRC037	793386	7674989	66	130	-60				no sig
TTRC038	793385	7674992	78	0	-90	52	54	2	0.66
						67	71	4	0.19
TTRC039	793402	7674933	48	50	-45	5	11	6	0.14
CSRC001	794095	7641142	42	205	-60	5	10	5	0.26
						13	18	5	1.96
						13	15	2	4.35
CSRC002	794108	7641163	72	205	-60	39	50	11	1.56
						39	44	5	3.29
						40	41	1	14.60

Notes.

- All holes sampled at riffle-split 1m intervals and assayed as 1m intervals by ALS-Chemex in Perth, Western Australia.
 - All samples assayed by Aqua Regia methods with >1.0 g/t Au grade samples assayed by 50 gram ore-grade Fire Assay method.
 - Mineralised intercepts are calculated with no cutoffs and significant intercepts are reported where total intersection >1.0g/t Au.
- * Announced previously

Competent Person Statement

The information in this announcement that relates to Exploration Results has been compiled by Mr Mark Thompson who is a Director of the Company. Mr Thompson is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a "Competent Person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Thompson consents to the inclusion of information in this announcement in the form and context in which it appears.