

FIRST QUARTER ACTIVITIES REVIEW

For the period ending 30 September 2010



Talga Gold Ltd

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ASX Code: TLG

Capital Structure:

40.35m Ordinary Shares

1.1m Unlisted Options

Latest share price: \$0.30

Market Capitalisation \$12.4m

Projects:

Pilbara

Talga Talga (100%)

Warrawoona (100%)

Mosquito Creek (100%)

Yilgarn

Bullfinch (100%)

Directors:

Chairman – Sean Neary

MD – Mark Thompson

Non-Exec – Piers Lewis

Company Secretary:

Piers Lewis

HIGHLIGHTS

- Successful oversubscribed Initial Public Offering raises A\$5m
- Maiden drilling campaign at Talga Talga (WA) commenced within first quarter of listing
- Fieldwork and geochemical surveys underway at three projects

Successful IPO

Talga Gold Ltd ("Talga Gold" or "the Company") was admitted to the Australian Securities Exchange on 7 July 2010 after successfully completing a A\$5 million Initial Public Offering.

The Offer was oversubscribed and closed early due to the strong support received from the market. As a result Talga Gold has 40.35m ordinary shares on issue and 1.1m unlisted options.

The Company was formed with a vision of maintaining a tight capital structure while actively pursuing low cost, high profit gold deposits with mine potential. Talga Gold now owns 100% of four highly prospective projects in renowned goldfields of Western Australia where the Company is targeting exceptional gold grades in structurally controlled settings that may persist for significant depth.

Maiden Drilling Campaign at Talga Talga

The Company commenced its maiden drilling campaigns at its **Talga Talga** and **Warrawoona** projects (both in WA) in the first quarter after listing. Subsequent to the period, the Company has completed a 41-hole 2,123 metre Reverse Circulation (RC) drilling campaign with all holes successfully sampling the target zones as planned.

Overview of McPhees prospect during drill campaign, Talga Talga project.

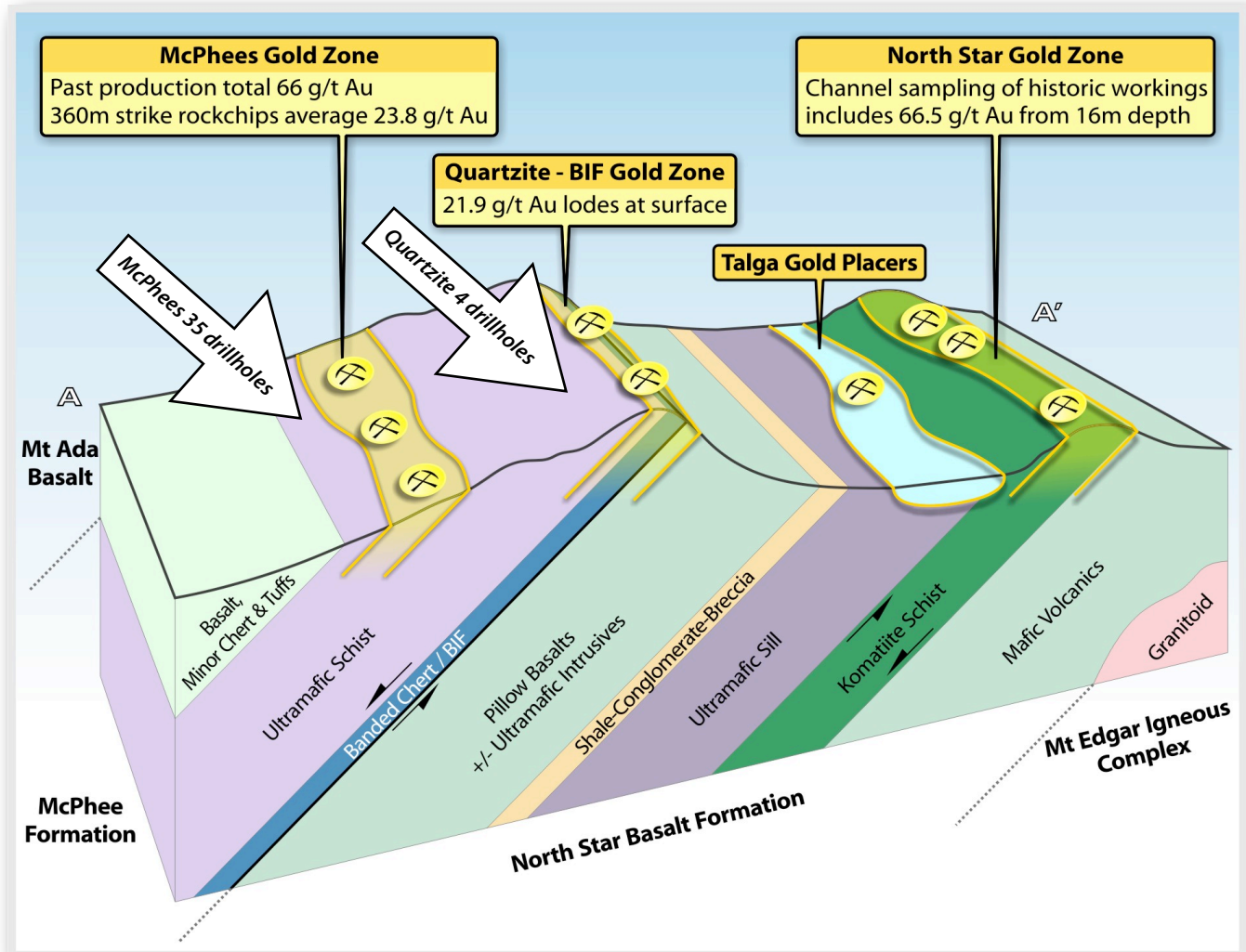


ALS-Chemex in Malaga is currently undertaking detailed assays of the samples for gold and base metals. Assay results are expected in **November** and will be released to the market pending their receipt and analysis by the Company.

The majority of the drilling targeted two prospects within a 2000m strike of the **Talga Talga** project where historic production grades averaged 35.1 grams/tonne gold.

At the **McPhees prospect** 35 drill holes were completed on a 25m x 40m spaced grid over 400m strike. Most of the drill holes targeted the near-surface (5-75m depth) historic quartz vein lode that may be amenable to potential open cut or shallow decline mine development. In addition several deeper holes (75-120m depth) tested for potential repetitions and parallel gold bearing structures within sheared ultramafics and chert below the main lode position.

Reconnaissance drilling of the **Quartzite prospect** approximately 1500m northeast from McPhees was also conducted where gold shoots are outlined by historic gold workings and channel sampling by the Company that had returned up to 21.5 grams/tonne gold. Four drill holes tested a 200m long zone of quartz veined BIF/Chert that strikes for over 5000m through the project with potential for large tonnage gold deposits associated with early stage hydrothermal systems. All four holes intersected the target zone BIF/Chert package and associated veined and sulphidic structures.



Idealised geology model of Talga Talga project showing approximate stratigraphic relationship of drilled prospects.

In addition to the main program at Talga Talga, two reconnaissance drill holes were completed at the Cutty Sark prospect of the **Warrawoona project** while the drill rig was in the area, testing a historic open drillhole (RAB) intercept and to gather ground condition information for planning future drilling.

Geochemical Sampling at Talga Talga, Warrawoona and Bullfinch

During the quarter the Company completed detailed grids of geochemical soil sampling on six prospects across the **Talga Talga**, **Warrawoona** and **Bullfinch** projects. The sampling will assist in identifying drill targets for forthcoming drill campaigns by providing metallogenic data on the gold systems at each prospect, better defining known targets for more efficient testing and potentially discovering new gold mineralised structures. A total of 1,688 geochemical samples was collected and has been submitted for assaying with results expected in the next quarter.

Geochemical sampling in the Pilbara projects included a 2,000m x 800m zone at **Talga Talga** prospective for further gold zones in the BIF/Chert unit. At the **Kiwi Ridge** prospect of the Warrawoona project the historic (low-quality) soil grid was infilled and extended to cover the length of the tenement while an extensive survey grid was completed over the southern half of the **Cutty Sark** tenement targeting gold, copper and nickel mineralisation associated with shear zones in ultramafic rocks.

At the **Bullfinch** project an orientation soil geochemistry survey was completed over the Harold Holt, Jumbuck and Reynolds Find prospects to test the sampling media available in the regolith. Results will aid in both defining drill targets at the prospects and developing a low-impact exploration technique for the multiple prospective zones extending around the known prospects. At Harold Holt highly anomalous levels of bismuth and tellurium occur in weakly ferruginous and veined granitoid that grades up to 20 grams/tonne gold. This prospect sits in a large structural corridor outlined by aeromagnetic data to strike for over 16 kilometres through Talga's tenement and the orientation sampling will assist rapid development of drill targets for testing in the first half of next year.

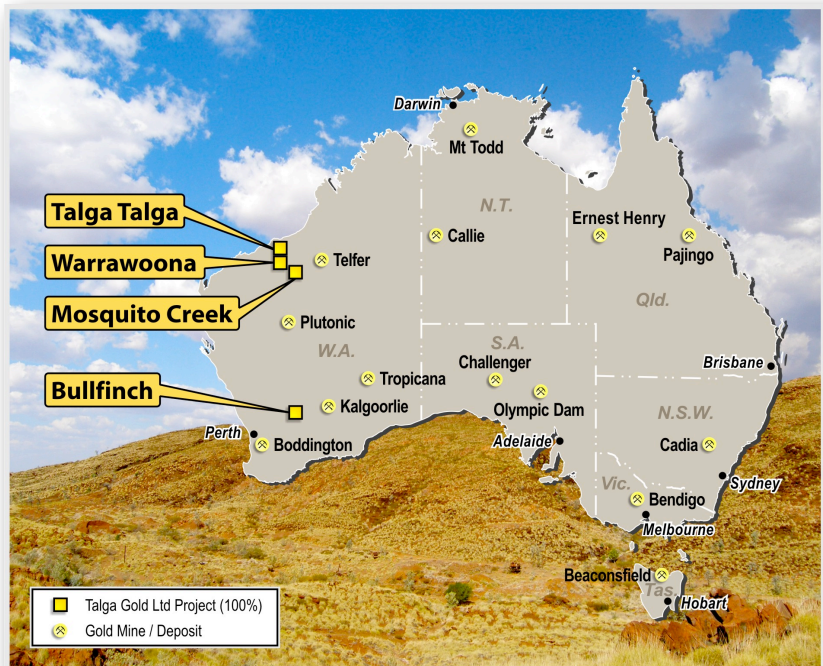
Corporate Update

Talga Gold has a strong cash position with approximately \$3.95m in cash assets as at 30 September 2010. With only 40.35m shares and 1.1m options on issue and all projects held 100% by the Company, Talga Gold shareholders are well leveraged for any exploration success. Talga Gold has a market capitalisation of \$12.4 based on the latest share price of 30c.

For shareholders wanting further information, please contact:

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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.