



ASX Code: TLG

Talga Gold Ltd

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Issued Capital:

40.35m Shares

1.1m Options (unlisted)

Market Cap (diluted) **\$17.4m**

@ last TLG share price: **\$0.42**

Cash as at 31 Mar 2011: **\$3.1m**

Projects:

Pilbara, Western Australia

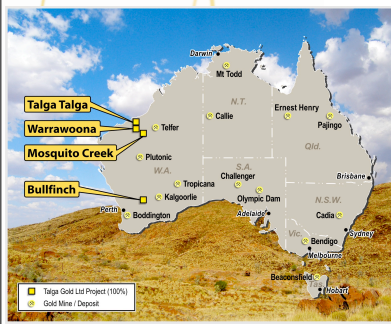
Talga Talga (100%)

Warrawoona (100%)

Mosquito Creek (100%)

Yilgarn, Western Australia

Bullfinch (100%)



Talga Gold Placement raises A\$2.1 million to expand drill testing of high grade gold targets

Highlights

- Placement of approximately 6m shares to raise A\$2.1 million.
- Funds raised to expand and accelerate drilling programs.
- Post raise cash increased to \$5.0m with capital structure of 46.3m shares, 1.1m options.
- Drilling to commence in current quarter.

Placement

Talga Gold Limited ("Talga" or "the Company") will raise \$A2.1 million in a share placement at \$A0.35 a share. The funds will be used to accelerate exploration across the Company's WA gold projects including the Talga Talga project where first pass drilling has returned 7 metres @ 14.4 grams/tonne gold from 54m depth including 1m @ 73.5 g/t Au and 3m @ 24.8 g/t Au including 1m @ 66.9 g/t Au from 32m depth.

Accordingly, the Company is resuming trading with immediate effect.

E.L. & C. Baillieu Stockbroking Ltd acted as Lead Manager to the placement, that has been made to institutional and sophisticated investors in Australia and overseas.

The placement will be completed in two tranches with the first tranche of up to 1.85 million shares to be issued pursuant to the Company's 15% capacity under ASX Listing Rule 7.1, and the second tranche of up to 4.15 million shares to be issued subject to shareholder approval at the Company's General Meeting currently scheduled for 7 June 2011.

In total, Talga will issue 6.0 million new ordinary shares at A\$0.35 per share. The issue price represents an approximate 6.9% discount to the 4 week VWAP of Talga shares prior to the raising.

Talga Gold welcomes an overseas strategic investor taking a 9% holding in the Company and the participation of new and existing institutions in the placement. Talga's share register is now 15% institutional interests and the Company is well poised for future growth.

The funds raised by Talga in the placement will be used in expanding the scope and pace of exploration of the Company's four exciting gold projects. At Talga Talga in WA's Pilbara, drill testing shall now be expanded to over 2km strike from the initial discovery at the McPhees prospect.

For more information about Talga and its projects please visit our website www.talga.com or contact:

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About Talga Gold Ltd

- ▶ **High grade near surface gold targets defined for drill testing**
- ▶ **Active WA gold projects with TLG equity 100%**
- ▶ **Capital structure positively leveraged for success**

Talga Gold (ASX: "TLG") is an Australian gold explorer aiming to establish near surface, high margin gold mines by applying modern day exploration techniques to under explored terrains, focusing primarily on the fertile gold-enriched structures of the Pilbara and Yilgarn regions of Western Australia.

Listing on the ASX in July 2010 after an over-subscribed IPO, Talga also pursues gold projects elsewhere and proactively assesses new opportunities.

An aggressive 2011 drill program includes campaigns on the high grade Talga Talga project east of Port Hedland in the Pilbara where first pass drilling returned high grades at shallow depth including 7m @ 14.4 g/t Au from 54m depth and 3m @ 24.8 g/t Au from 32m depth. Further drilling is also planned for the nearby Warrawoona gold project, which together with the Mosquito Creek project forms the Pilbara focus of the Company. In the Yilgarn province the Company is planning drilling at the Bullfinch project where outcropping zones of strong gold/bismuth/tellurium mineralisation have been discovered.

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.