



### 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](http://www.talgaresources.com)

### Corporate Information

ASX Code TLG

Shares on issue 54.40m

Options (unlisted) 3.75m

52 week high A\$0.77

52 week low A\$0.20

### Company Directors

Sean Neary

Non-Executive Chairman

Mark Thompson

Managing Director

Piers Lewis

Non-Executive Director

 **ASX Code: TLG**

## GRAPHITE DRILLING UPDATE AND NEW JUMBO FLAKE PROJECT

- Diamond core drilling program at the Raitajärvi coarse flake graphite project progressing well, with all 15 drill holes completed to date intercepting coarse flake graphite in widths exceeding expectations.
- The first 12 holes of drill core have been processed and consigned to assay laboratory with results expected in four to six weeks time.
- New project 'Piteå' granted.
- Historic drill samples from Piteå report 70-90% of graphite exceeds 0.3mm flake size (+50 mesh, also known as extra-large or 'jumbo' size).
- Located just 50km from port the early stage Piteå project offers significant potential to expand Talga's graphite inventory to suit wider market segments.
- Nunasvaara scoping study commenced.

Talga Resources Limited (ASX: TLG; "Talga" or "the Company") is pleased to report progress on its 100% owned graphite projects in northern Sweden. This includes an update on drilling progress at Raitajärvi, details of the recently granted Piteå project and commencement of the Nunasvaara scoping study.

### RAITAJÄRVI DRILLING PROGRESS

The diamond core drilling program at Raitajärvi is proceeding (see ASX:TLG releases 4<sup>th</sup> Feb and 1<sup>st</sup> March 2013) with 15 of the planned 31 holes completed. The size of the flake graphite zones intercepted to date is exceeding expectations, with **much wider** zones being intercepted along strike and at depth than reported by the historic drilling (see Fig 1).

*Photo 1. Coarse flake graphite in Hole RAI13002, 14m depth, Raitajärvi Project.*

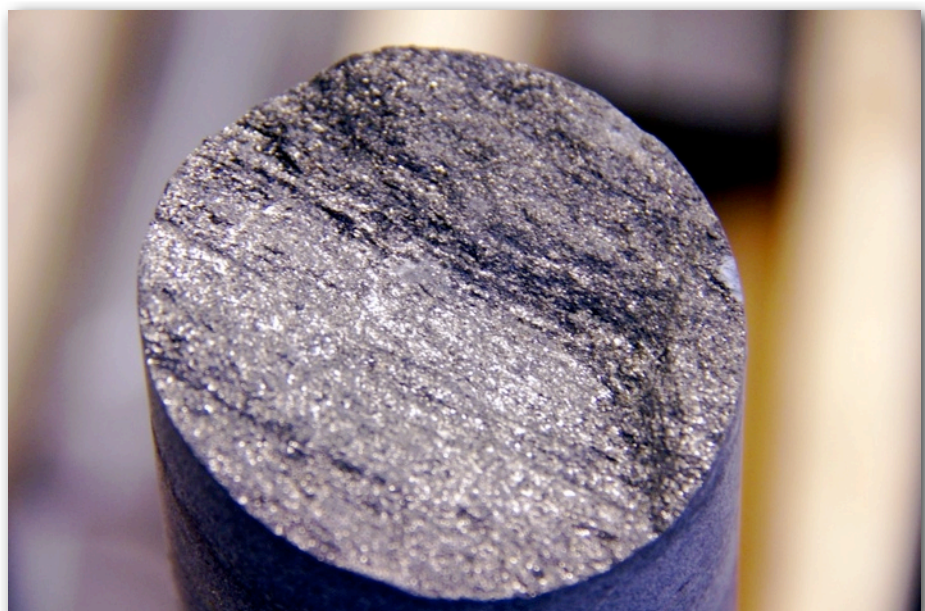
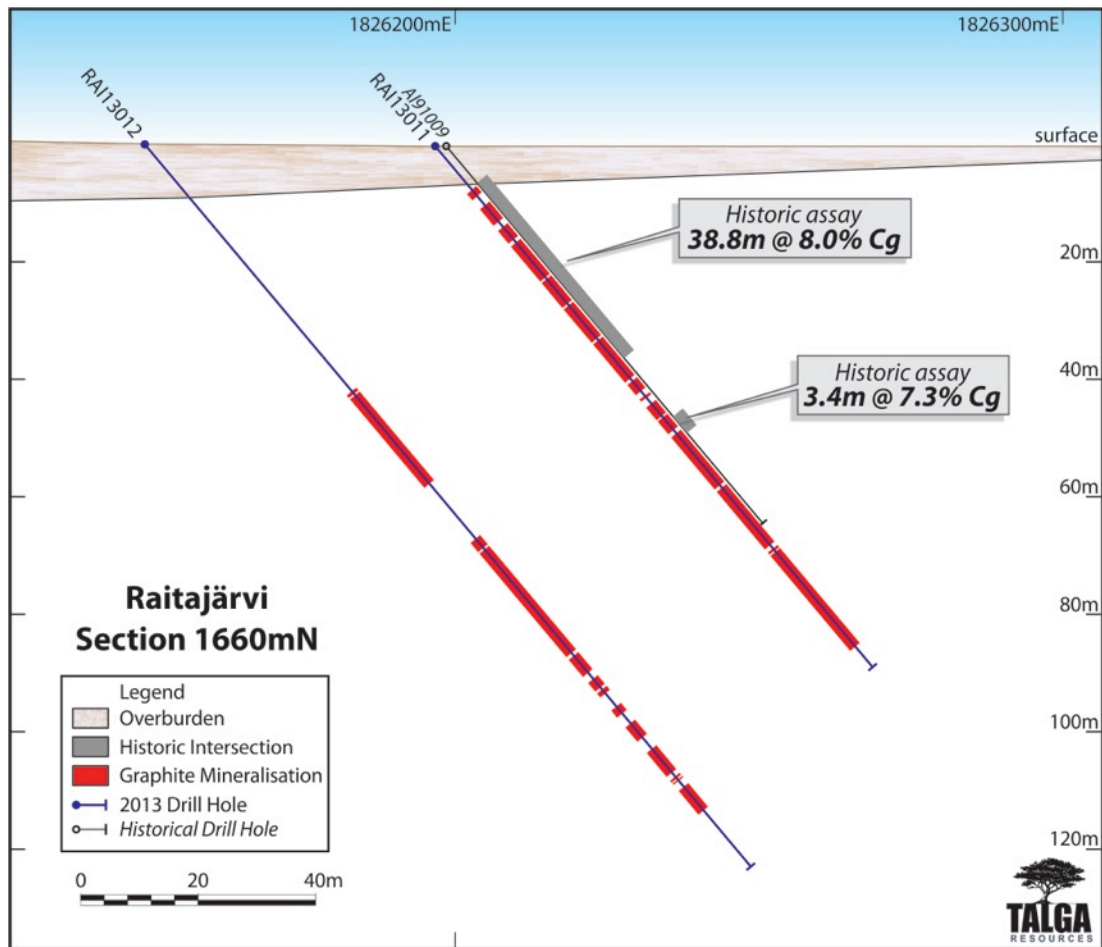


Fig 1. Schematic section showing logged graphite mineralisation in Talga's drilling (red) compared to historic graphite intercepts (grey). Raitajärvi deposit; for location of section see Fig 2.



This drilling, the first at Raitajärvi since 1992, targets 600m of strike of a graphite mineralised horizon that occurs within a 3,000m graphite anomaly in a package of gneissic and metasedimentary rocks.

In the 15 holes completed to date, multiple zones of graphite have been intersected, with downhole widths of up to 105m of graphite logged (RAI13011). These holes are located in extension and down-dip positions from the JORC inferred resource of 0.5Mt at 10.8% Cg confirming the potential for a significantly larger resource to be present (see Fig 3). The zones of graphite mineralisation logged in the current holes are much wider and more disseminated than those reported in historic drilling (see Fig 1 and historic drillhole data in Appendix 3), which were only selectively sampled at the time by the Geological Survey of Sweden ("SGU").

Given this exciting progress, Talga's Raitajärvi drilling program will be completed early by deferring some of the exploration holes planned for the parallel eastern zone to focus more on the resource definition holes with a view to fast-tracking a new resource estimate. Given the enhanced prospectivity of the Raitajärvi project since commencing drilling, a new exploration licence of approximately 14km<sup>2</sup> has been applied over the current licence to cover potential strike extensions of the deposit. During the process it was noted that Raitajärvi and Nunasvaara are designated an Area of National Interest for minerals by the SGU. The designation legislates that these graphite deposits are afforded state protection against competing land use to the benefit of potential mineral extraction and development.

The first twelve drill holes have been processed and transported to the laboratory where assay results are expected within four to six weeks and will be released when received.

## NEW 'JUMBO FLAKE' PROJECT-PITEÅ

Talga has received notice of grant for a new exploration licence called Önusträsket, that forms a prospect of the new 100% owned project area called *Piteå* (see Fig 2). The Company acquired this project on the basis that the remarkably high proportion of 'jumbo' flake present offers a very large upside potential in its own right, as well as being complementary to Talga's other graphite projects in the region. A summary of the Piteå project is provided below:

- The Piteå project is advantageously located **50km by road to the operating port** of Piteå, which has 12.6m depth approach and advanced infrastructure, that itself lies 50km south from Luleå where Talga has an MOU for export of graphite (see Fig 2).
- The Piteå project lies between 170-275km from Talga's other projects in north Sweden, promoting the potential for the development of multiple graphite projects with different flake size and characteristics to **supply multiple segments of the graphite market**.
- In historic drilling for **base metals** two diamond drill holes (total 267.8m) intercepted graphite bearing biotite gneiss within a geophysical anomaly 4km long and 1km wide.
- The Geological Survey of Sweden undertook limited selective sampling of the graphite zones, assaying 13 samples (Leco) and conducting microscopy of five polished thin sections to determine flake size characterisation.
- The historic results revealed coarse flake graphite, with **70-90% of flake size observed larger than 0.3mm** (equivalent of +50 mesh, also referred to as extra-large or 'jumbo' flake). Flake size assessment is detailed in Table 1, shown in Photo 2 and drillhole location and assay data provided in Appendix 3.
- The historic core has been reviewed by Talga staff (see photo 3), confirming the nature of the graphite flake size and potential of the project when graphite is the targeted commodity instead of base metals.
- Very large average flake size can be used in higher price markets (>US\$1800/t at 94-97%C purity; source Industrial Minerals Group, March 2013) and can be strategic for Europe, thus making lower grade deposits potentially economic.

Table 1. SGU observed graphite flake size (length) classification in historic drill samples, Piteå Project.

Sample	0.1-0.3mm	0.3mm-0.6mm	>0.6mm
<b>Drill Hole ÖNU89001</b>			
27.2m	10%	50%	40%
44.2m	10%	70%	20%
<b>Drill Hole ÖNU89002</b>			
53.6m	20%	70%	10%
103.0m	20%	70%	10%
107.6m	30%	60%	10%

Photo 2. Photomicrograph of polished thin section, 40x magnification, drill hole ÖNU 89001, 44.2m showing coarse flake graphite (light grey blades) with sub parallel orientation in gneissic silicates (dark grey) with pyrrhotite (white blebs).

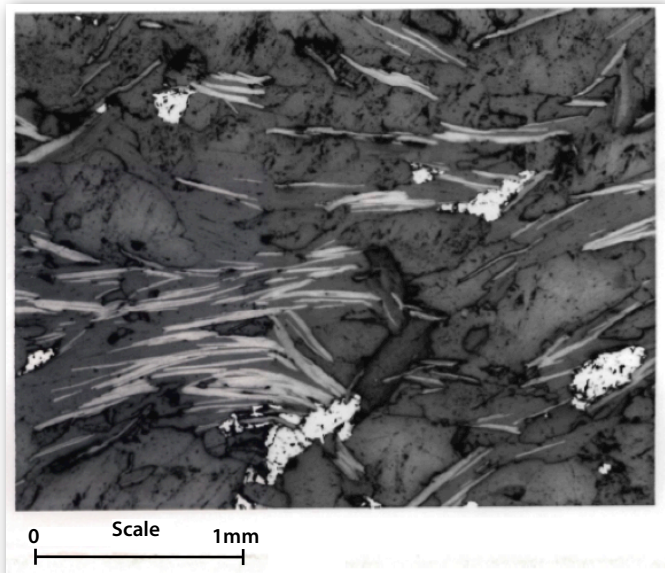


Photo 3. Coarse flake graphite present in historic drill core from the Piteå project stored at the SGU. Hole ÖNU89001, 44.2m depth.



## NUNASVAARA SCOPING STUDY

The company is pleased to announce the commencement of a scoping study on the Nunasvaara project, which contains a total JORC graphite resource of 7.6Mt @ 24.4% Cg of predominantly ultra-fine flake, with 5.6Mt @ 24.6% Cg in the Indicated category and 2.0Mt @ 24.0% Cg Inferred. This study is utilising internal staff and external consultants, and will initially evaluate Nunasvaara as a stand-alone project to suit the large and robust industrial natural graphite market. However this may later be integrated into a multi-project scoping study. Whether this course will be followed will depend upon the outcome of the present scoping study, the progress of Talga's other graphite exploration projects in the region, discussions with potential off take partners and the likely availability of development capital.

### SUMMARY AND STRATEGY

Managing Director, Mark Thompson said, "The drilling at Raitajärvi to date confirms our interpretation that the graphite mineralised zones are much larger than previously thought. I thank our staff and contractors for the timely and safe execution of the drilling program to date and ongoing support from local stakeholders in our third drilling program in northern Sweden since July 2012. We are confident that the value of the drilling will be ultimately realised in a revised resource and preliminary economic model in the near term.

In addition, we look forward to exploring the 'jumbo flake' project at Piteå. Such large flake size is a relatively rare commodity in Europe that imports 95% of its natural graphite from distant countries. With the Piteå project we will gain a valuable size component to our graphite inventory thereby maximising our market opportunities, and taking advantage of our Swedish location which was recently voted No.2 in the world by the 2012-13 Fraser Institute study on mining investment jurisdictions."

For further information, please contact:

#### **Talga Resources Ltd.**

Mark Thompson  
Managing Director  
+61 (08) 9481 6667  
admin@talgaresources.com

#### **Media:**

Warrick Hazeldine  
Cannings Purple +61 (08) 6314 6300  
whazeldine@canningspurple.com.au

## ABOUT TALGA RESOURCES

Talga Resources (**Talga**) (ASX: "TLG") is a diversified mineral explorer and developer with a portfolio of 100% owned graphite, iron, copper and gold projects in Sweden and Western Australia.

### Graphite

Talga wholly owns multiple advanced and high grade graphite projects in the Kiruna Mineral District of northern Sweden. The immediate focus is to advance these projects towards development, utilising the advantages of established quality infrastructure including power, road, rail and ports. Initially this will entail economic studies on the JORC Indicated and Inferred 7.6Mt @ 24.4% Cg Nunasvaara resource and upgrading of the size and status of the Raitajärvi graphite Inferred resource.

### Iron

Talga owns multiple JORC compliant iron resources and exploration targets located in the Kiruna mineral district. The iron ore deposits are of significant scale and strategic importance, with considerable growth upside based on historic drilling. Talga's strategy is to commercialise these assets to provide funds for the graphite projects.

### Gold

Talga owns multiple high grade gold projects located in the Yilgarn and Pilbara regions of Western Australia. Additionally the Company owns several copper-gold projects within its Sweden portfolio.

Fig 2. Talga Resources project locations in north Sweden.

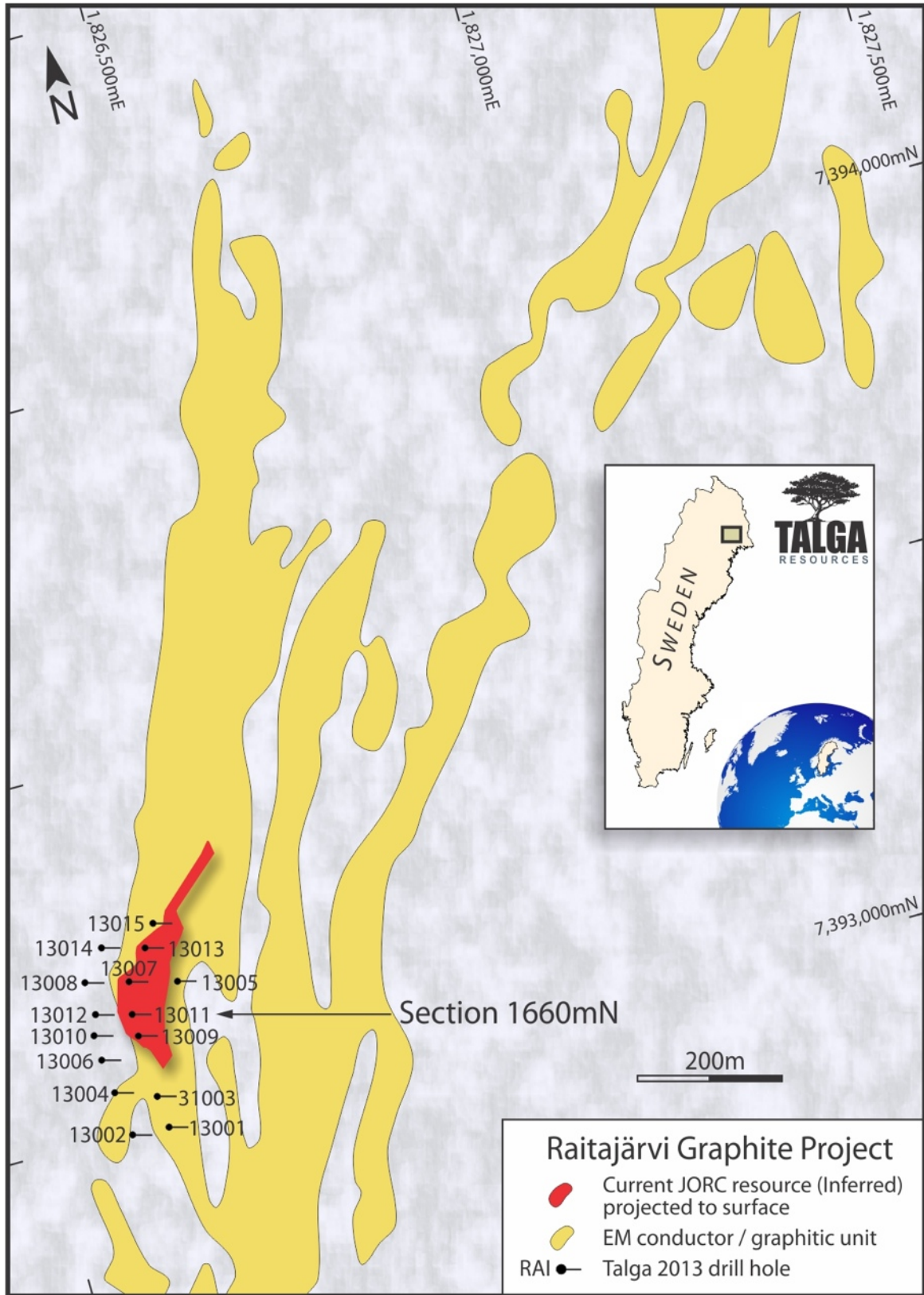


### Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Darren Griggs and Mr Mark Thompson, who are members of the Australian Institute of Geoscientists. Mr Griggs and Mr Thompson are employees of the Company and have sufficient experience which is relevant to the activity to which is being undertaken 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" ("JORC Code"). Mr Griggs and Mr Thompson consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Resource Estimation is based on information compiled and reviewed by Mr Simon Coxhell. Mr Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity 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" ("JORC Code"). Mr Coxhell consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Fig 3. Plan map of central portion of Talga's Raitajärvi graphite project showing drill holes completed to date in 2013.



Appendix 1. Historic diamond drill sampling results at Raitajärvi, where interval grade >5% Cg and up to 5m internal waste permitted when compositing.

Hole ID	East (RT90)	North (RT90)	Collar RL (m)	Azi	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Grade %Cg
AI91001	1826154	7392824	110	105	-50	71	46.50	47.70	1.20	8.3
AI91002	1826067	7392848	106	105	-50	81	33.00	34.50	1.50	12.9
							69.95	74.60	4.65	8.5
AI91003	1826207	7393209	120	105	-50	69	14.05	15.15	1.10	9.3
							22.85	55.80	32.95	10.6
							63.55	65.45	1.90	8.9
AI91004	1826188	7393214	117	105	-50	61	25.65	52.95	27.30	10.6
AI91005	1826241	7393298	126	105	-50	93	45.45	48.20	2.75	7.5
							59.50	68.00	8.50	8.2
AI91006	1826320	7393360	136	105	-50	84	45.00	46.80	1.80	5.7
							54.80	57.40	2.60	6.8
AI91008	1826189	7393105	114	105	-50	77	10.70	12.80	2.10	8.2
							13.60	14.95	1.35	5.4
							32.60	58.00	25.40	8.2
AI91009	1826196	7393165	117	105	-50	83	8.55	47.35	38.80	8.0
							60.80	64.15	3.35	7.3
AI92001	1826189	7393136	115	105	-45	57	10.00	15.35	5.35	7.9
							23.00	49.00	26.00	7.3
							51.00	52.90	1.90	5.5
							55.00	56.85	1.85	6.0
AI92002	1826239	7393247	126	105	-45	55	6.25	9.15	2.90	15.3
							15.85	44.70	28.85	14.2
AI92003	1826272	7393290	130	105	-45	45	8.55	10.50	1.95	6.4
							12.20	21.30	9.10	5.9
AI92004	1826343	7393353	140	105	-45	45	20.25	21.50	1.25	5.0
AI92005	1826359	7393390	142	105	-45	53	19.40	20.40	1.00	5.6
AI92006	1826421	7393540	146	105	-45	36	14.30	19.15	4.85	9.6
AI92008	1826394	7393589	139	105	-45	53	27.00	30.85	3.85	5.5
AI92009	1826253	7393269	127	105	-45	51	16.65	19.15	2.50	13.5
							37.00	42.20	5.20	9.4
AI92010	1826225	7393251	123	105	-45	67	16.75	19.05	2.30	11.3
							42.65	44.00	1.35	13.5
							50.35	61.80	11.45	14.1
AI92011	1826222	7393226	121	105	-45	52	11.40	45.80	34.40	9.9
							47.70	49.20	1.50	5.9

Note. Historical diamond drill sampling conducted by Geological Survey of Sweden. Graphitic carbon assay by LECO detector.

Appendix 2. Diamond drill holes completed by Talga at Raitajärvi in 2013.

Hole ID	East (RT90)	North (RT90)	Collar RL (m)	Azi (RT90)	Dip	EOH (m)
RAI13001	1826205	7393000	114	105	-50	121
RAI13002	1826154	7393004	111	105	-50	142
RAI13003	1826199	7393047	115	105	-50	116
RAI13004	1826145	7393066	111	105	-50	163
RAI13005	1826271	7393192	128	105	-50	116
RAI13006	1826140	7393114	112	105	-50	140
RAI13007	1826208	7393208	120	105	-50	131
RAI13008	1826146	7393224	113	105	-50	195
RAI13009	1826198	7393133	115	105	-45	123
RAI13010	1826139	7393150	115	105	-50	157
RAI13011	1826197	7393165	117	105	-50	116
RAI13012	1826149	7393177	117	105	-50	161
RAI13013	1826240	7393248	126	105	-45	122
RAI13014	1826182	7393263	122	105	-45	193
RAI13015	1826258	7393277	130	105	-45	139

Appendix 3. Historic diamond drill sampling results at Önusträsket prospect, Piteå project.

Hole ID	East (local grid)	North (local grid)	Azi	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Grade %Cg
ÖNU89001	536	-1015	90	-50	138.3	24.1	26.05	1.95	3.2
						27.9	29.20	1.3	8.4
						42.35	44.70	2.35	7.1
						45.75	47.95	2.20	3.3
						48.65	52.80	4.15	2.7
ÖNU89002	207	-1041	90	-45	138.5	102.2	105.55	3.35	7.9
						106.90	109.30	2.40	8.9
						113.5	115.30	1.80	6.0
						116.90	117.90	1.00	8.8
						126.9	132.00	5.10	3.3
						132.9	135.50	2.60	3.2

Note. Historical diamond drill sampling conducted by Geological Survey of Sweden. Graphitic carbon assay by LECO detector.