



## TALGA INVESTOR PRESENTATION - MINING IN SWEDEN SEMINAR

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### Corporate Information

ASX Code **TLG**

Shares on issue **84.8m**

Options (unlisted) **3.75m**

### Company Directors

**Keith Coughlan**

Non-Executive Chairman

**Mark Thompson**

Managing Director

**Piers Lewis**

Non-Executive Director

Talga Resources Limited (ASX:TLG) ("Talga" or "the Company") is pleased to provide a copy of the presentation delivered today by Managing Director Mr Mark Thompson at the "Mining in Sweden" seminar in Perth.

The presentation summarises Talga's graphite and iron ore projects in Sweden and will be available on the Company's website [www.talgaresources.com](http://www.talgaresources.com)

- **"Talga Resources Investor Presentation"**  
Mining in Sweden seminar  
19 November 2013.

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 **ASX Code: TLG**



# INVESTOR PRESENTATION

TALGA RESOURCES LTD

MINING IN SWEDEN SEMINAR  
PERTH, 19 NOVEMBER 2013

 ASX: TLG

**2.1Mt**

Total JORC contained graphite

**2-3km**

Distance to sealed road

**20-25km**

Distance to rail

**1-2 days**

Delivery time to market

**100%**

Owned by Talga

**200 kta**

European natural graphite consumption

**22%**

Corporate Tax Rate

**0.2%**

Minerals Tax Rate

GRAPHITE DEPOSITS SWEDEN

\* Cover picture; Outcropping graphite at Nunasvaara.



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# Executive Summary

- ▶ Talga Resources Ltd (“Talga”) is a **mineral exploration & development** company listed on the Australian Stock Exchange (“ASX”) since July 2010.
- ▶ The Company **wholly owns** multiple **graphite, iron ore and copper/gold** projects in **Sweden** gained through the acquisition of a Teck Resources subsidiary in 2012, as well as **Australian gold** assets owned since listing.
- ▶ Talga’s **graphite deposits** include the world’s **highest grade JORC resource** of **7.6Mt at 24.4% graphite “Cg”** at Nunasvaara, plus a **coarse flake graphite JORC resource** of **4.3Mt at 7.1% Cg** at Raitajärvi. Additional **117-178Mt at 17-23% Cg** in JORC compliant exploration targets<sup>1</sup> provides further scope for increasing resources if required.
- ▶ Talga’s skarn magnetite **iron deposits** have combined total JORC mineral resources **235.6Mt @ 30.7% Fe with 87.0Mt @ 28.3% Fe in JORC Indicated category.**
- ▶ Upcoming material catalysts, including **economic studies** on two graphite projects and further finance expected from **divestment of gold and iron projects.**



<sup>1</sup> **Exploration Targets:** The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004) and should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

# Talga Resources Corporate Overview



## Board of Directors

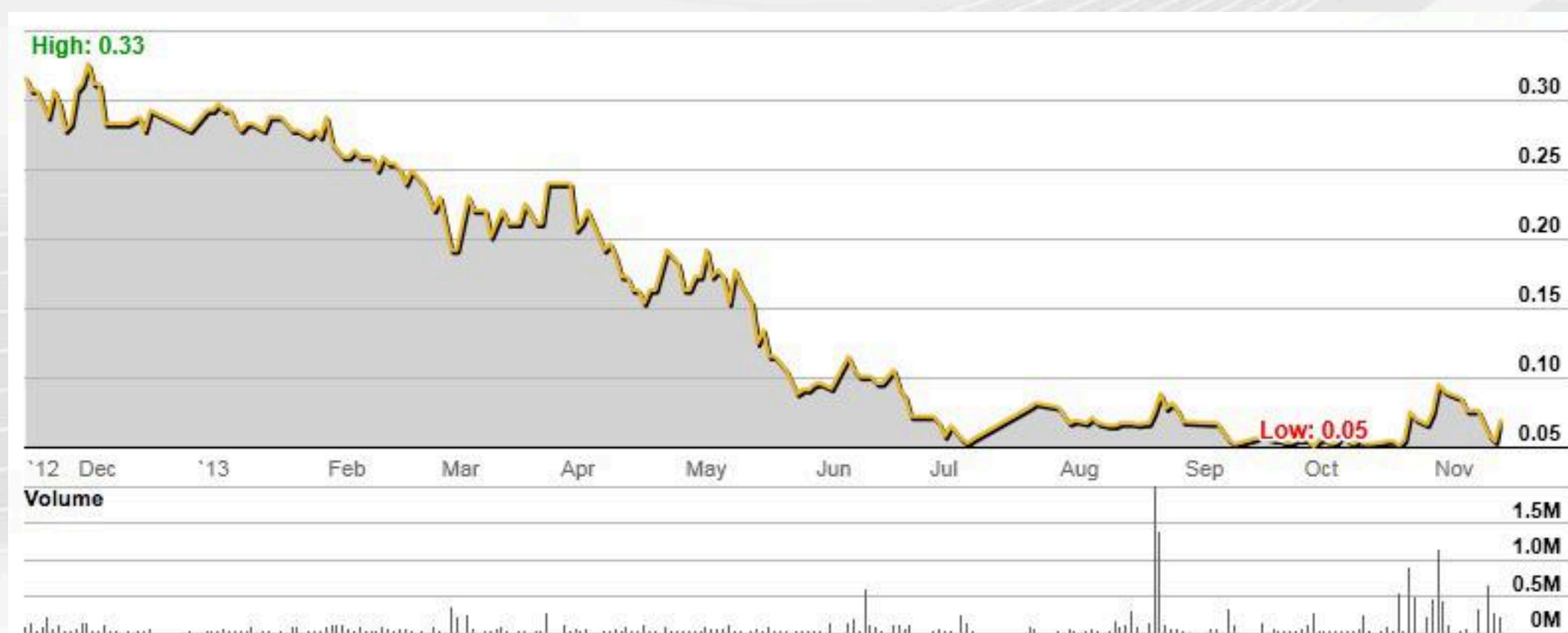
<b>Keith Coughlan*</b>	<i>Non-executive Chairman</i>	Perth
<b>Mark Thompson</b>	<i>Managing Director</i>	Perth
<b>Piers Lewis</b>	<i>Non-executive Director</i>	Perth

\* Appointed 26 Sept 2013

## Capitalisation Summary

Ordinary Shares ASX:TLG	84.8M
Unlisted Options <sup>1</sup>	3.75M
Cash at end of Sept 2013 <sup>2</sup>	\$0.4M
Debt	\$0.0M
Market Capitalisation (undiluted @ \$0.05)	\$4.2M

## Share Price 12 Months ASX:TLG



## Top Shareholders (+3%) at 20 September 2013

Lateral Minerals Pty Ltd (Mark Thompson)	10.9%
Yandal Investments Pty Ltd	4.2%
Hereford Group Ltd	4.0%
Two Tops Pty Ltd	3.5%
Mr Kin Chun Wong	3.1%

**Top 20 own 50.0%**

<sup>1</sup> 2.75m @ 40c director exp 30.11.2014, 0.5m @ 35c employee exp 21.7.2015, 0.5m @ 45c employee exp 3.10.2016

<sup>2</sup> In October 2013 \$1.06 million in proceeds received from a fully underwritten entitlement offer



# Advantages of Northern Sweden for Mining

- ▶ Ranked **2<sup>nd</sup> best mining jurisdiction in world** by Fraser Institute 2012-13
- ▶ Corporate tax rate **22%**, Mineral Production tax **0.2%**.
- ▶ **Established** bulk commodity **infrastructure** with open access rail, road and ports.
- ▶ **Low cost power** from hydroelectricity and nuclear grid.
- ▶ Well established **quality mining province** with **highly skilled** workforce, neighbouring **producers** and **support industries**.
- ▶ Fennoscandian Shield hosts **world-class mineral deposits** but remains under-explored relative to peers.

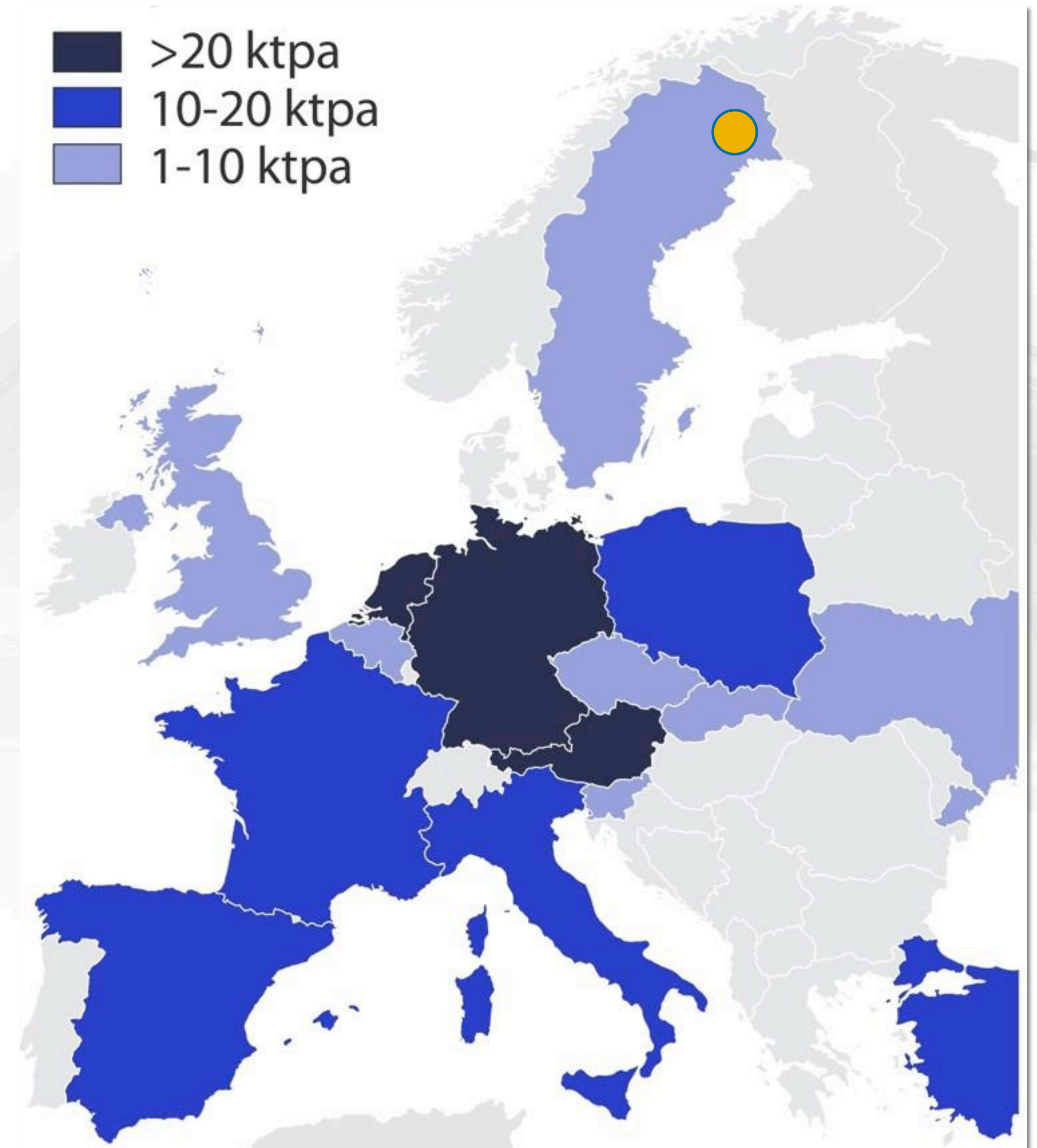
The 36Mtpa 'Aitik' Cu-Au mine, northern Sweden.

# Sweden is Proximal to Major Graphite Markets

- ▶ EU consumes 20% of world's natural graphite production, and imports 95% of its needs (vast majority from China).
- ▶ EU has classified graphite as a "critical raw material".
- ▶ EU graphite consumers looking for new reliable supply outside of China.
- ▶ Sweden is currently a major supplier of iron ore, copper, gold and other minerals to the EU markets and is a historic graphite producer.
- ▶ Graphite deposits in Sweden can enjoy a distinct order/delivery time advantage compared to China and other jurisdictions.

## Europe Natural Graphite Imports

(,000t/annum) Industrial Minerals 2012 Report Data Subset 1+2



# Established bulk commodity mining and transport infrastructure



440Kv grid power.



Mineral reclaimer at port of Luleå.



Electrified rail transport of iron ores from Kiruna district to port of Narvik. Photo Mark Thompson/Talga



# Direct Road and Rail Advantages

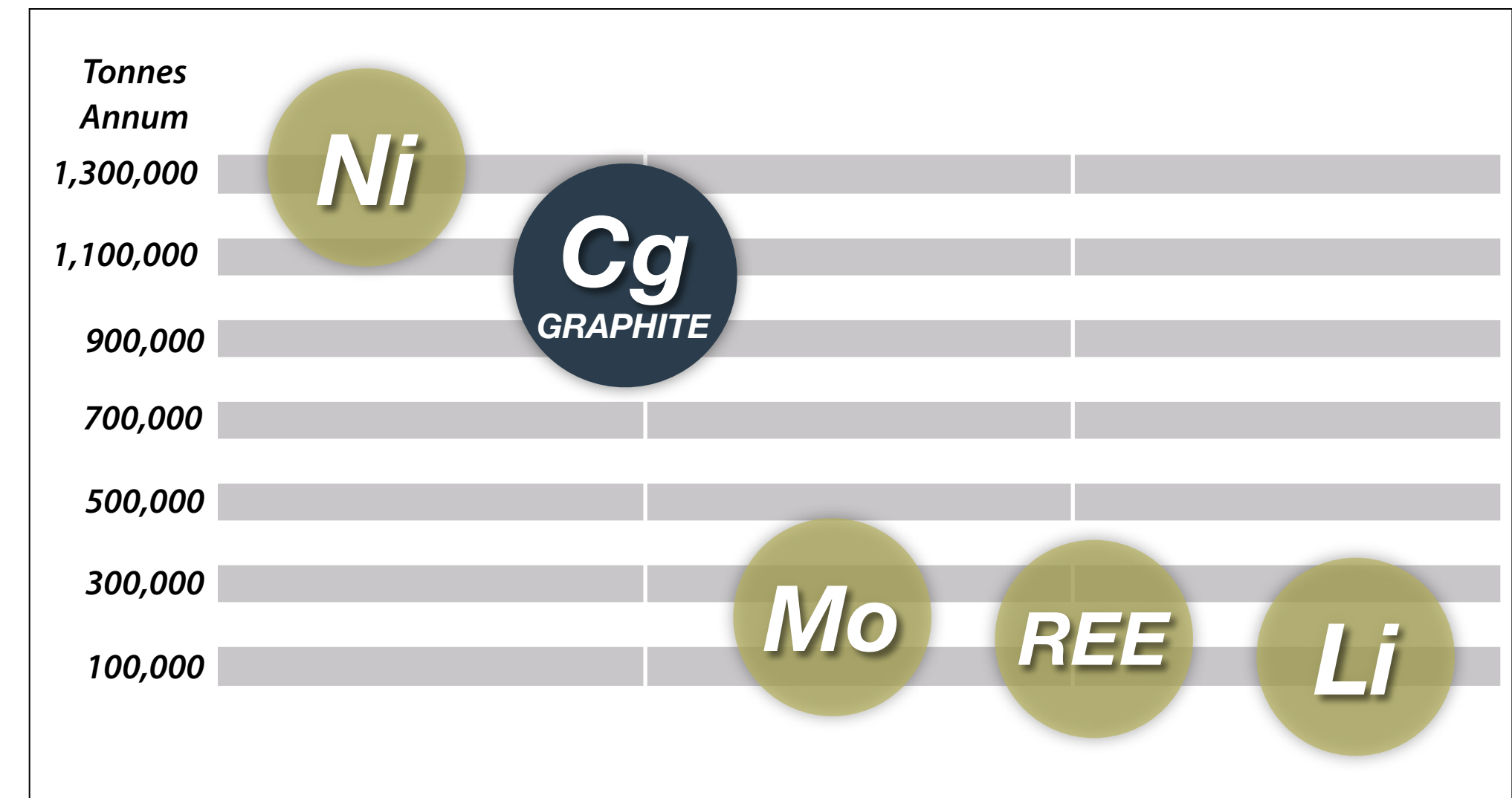
- ▶ Graphite projects located **proximal** to high quality sealed **roads** and open access heavy haulage **railway**.
- ▶ Option to **road/rail direct** to major customers as Sweden **links to mainland Europe markets**.
- ▶ Potential \$100-200/tonne **cost advantage** on delivered graphite compared to shipments from China or other jurisdictions.



# Natural graphite market

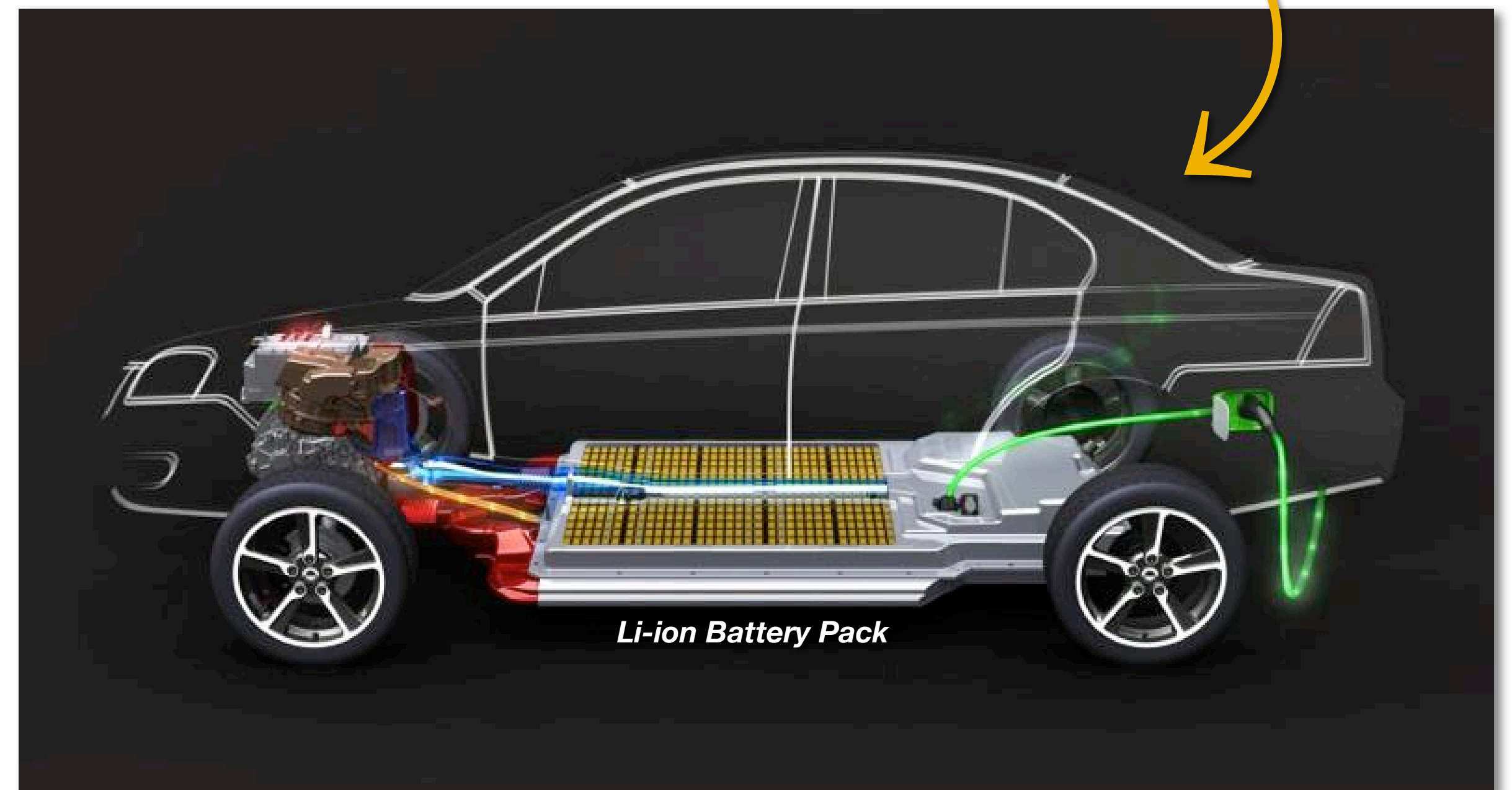
- ▶ **Natural graphite market (1.0Mt/yr) worth US\$1B/yr** with main consumption in steel and refractories, batteries, automotive parts and lubricants.
- ▶ Annual **consumption** is split approximately **45%** for microcrystalline flake (particle size <75 micron; also called **amorphous** in the trade) and **55%** for macrocrystalline flake (>75 micron size, also generically called just **flake**).
- ▶ Graphite is most commonly sold as a concentrate by private contract and therefore prices are not transparent. Industry prices are surveyed and published by **Industrial Minerals** magazine.
- ▶ Graphite price is determined by **particle (flake) size, carbon content (purity) and in some products; shape**. Most natural graphite is sold to traders who upsell to refiners/purifiers, polishers and shapers before it is retailed to end user.
- ▶ Historical graphite **market growth** related to diverse industrial demand of 3-5% annum; **new markets growing 7-10%** annum.

*Volume Comparison of Natural Graphite Market*



# New Demand Driver

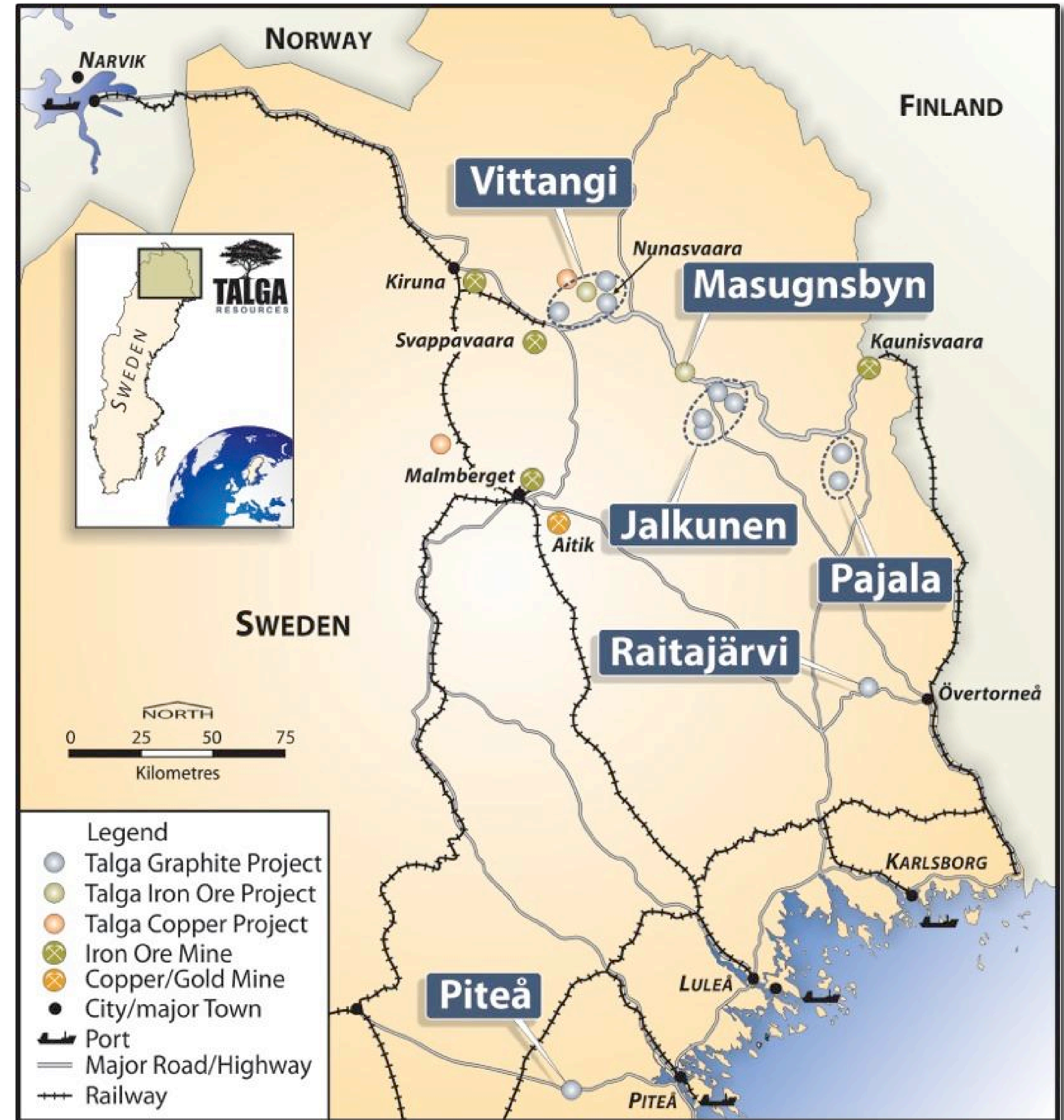
- ▶ **Graphite** is a significant component of many types of battery, particularly Li-ion.
- ▶ Commonly there is **10x more graphite than lithium** in a Li-ion battery anode.
- ▶ Battery grade graphite is currently made by shaping and treating **large flake graphite**.
- ▶ **Rapid growth**; global graphite-rich anode materials market **US\$500M** (2012), up from **US\$375M** (2011)\*.
- ▶ Electric vehicles currently use **10kg to 90+kg graphite per vehicle** in batteries alone.
- ▶ Increases in mobility of energy plus use of graphite, storage devices, graphene and other new technologies offer a **carbon age** that is expected to impact positively on future demand for natural graphite.



\*IDC Energy Insights "Business Strategy: Lithium Ion Manufacturing Global"

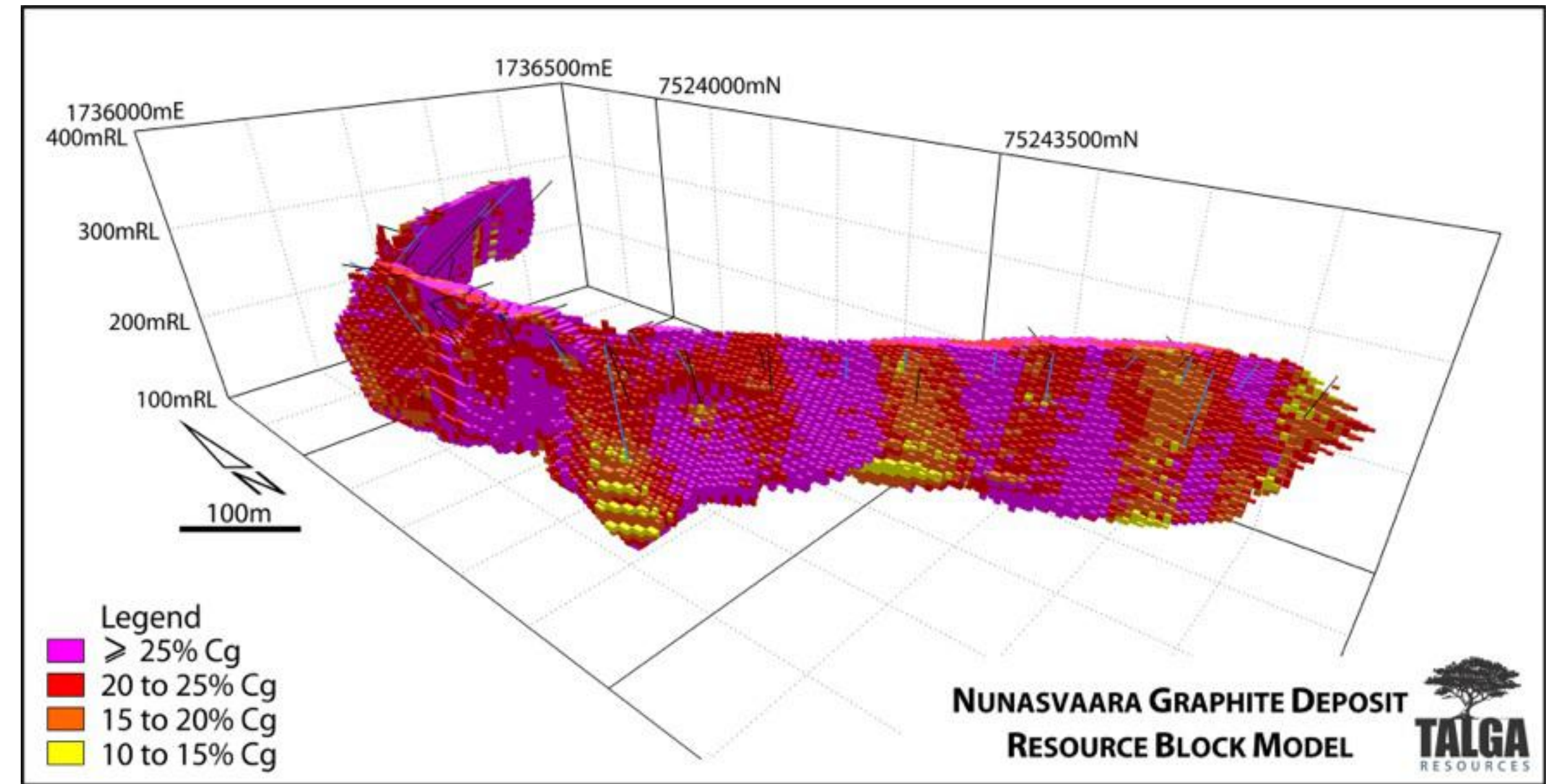
# Talga's Swedish Graphite Projects

- ▶ **100% ownership** of five graphite projects with multiple deposits offering a **full range** of market size specifications.
- ▶ **Two advanced stage** projects in the **development pipeline**. These are drilled to **JORC Indicated** status and preliminary **economic studies** are underway;
  - **Nunasvaara** is a microcrystalline flake deposit with the **highest resource grade** in the world. It is located within the **Vittangi** project.
  - **Raitajärvi** is a **coarse flake deposit** with 49% of flake classified large to jumbo size.
- ▶ **Piteå** is our third high priority project; At an earlier stage of drilling but exceptionally **well located** and contains **predominantly XL-size** (jumbo) flake graphite.



# Vittangi Project - Nunasvaara Graphite Deposit

- ▶ Current total JORC resource **7.6Mt @ 24.4% Cg**.
- ▶ Mineralisation **commences at surface**. Current strike **1.2km and open**; average true width over strike **20m** (range 10-50m). Drilled to 165m depth and remains **open**.
- ▶ Predominantly **microcrystalline graphite** for bulk volume industrial market. China exports have dropped, **prices 60% above long term average**.
- ▶ Utilisation of the resource is aided by **exceptional grade**, open-pit **bulk mining** option, **low-cost grid power** and **nearby road/rail/port** options.
- ▶ Potential **10+ year mine life** at 400ktpa milling rate to produce **50-70ktpa concentrate** defined from first drill program.
- ▶ A scoping study has commenced, with first phase **pit optimisation** and **mine scheduling** work **completed**. Product specification studies, metallurgy and final economic inputs are pending. Results expected **Q1 2014**.



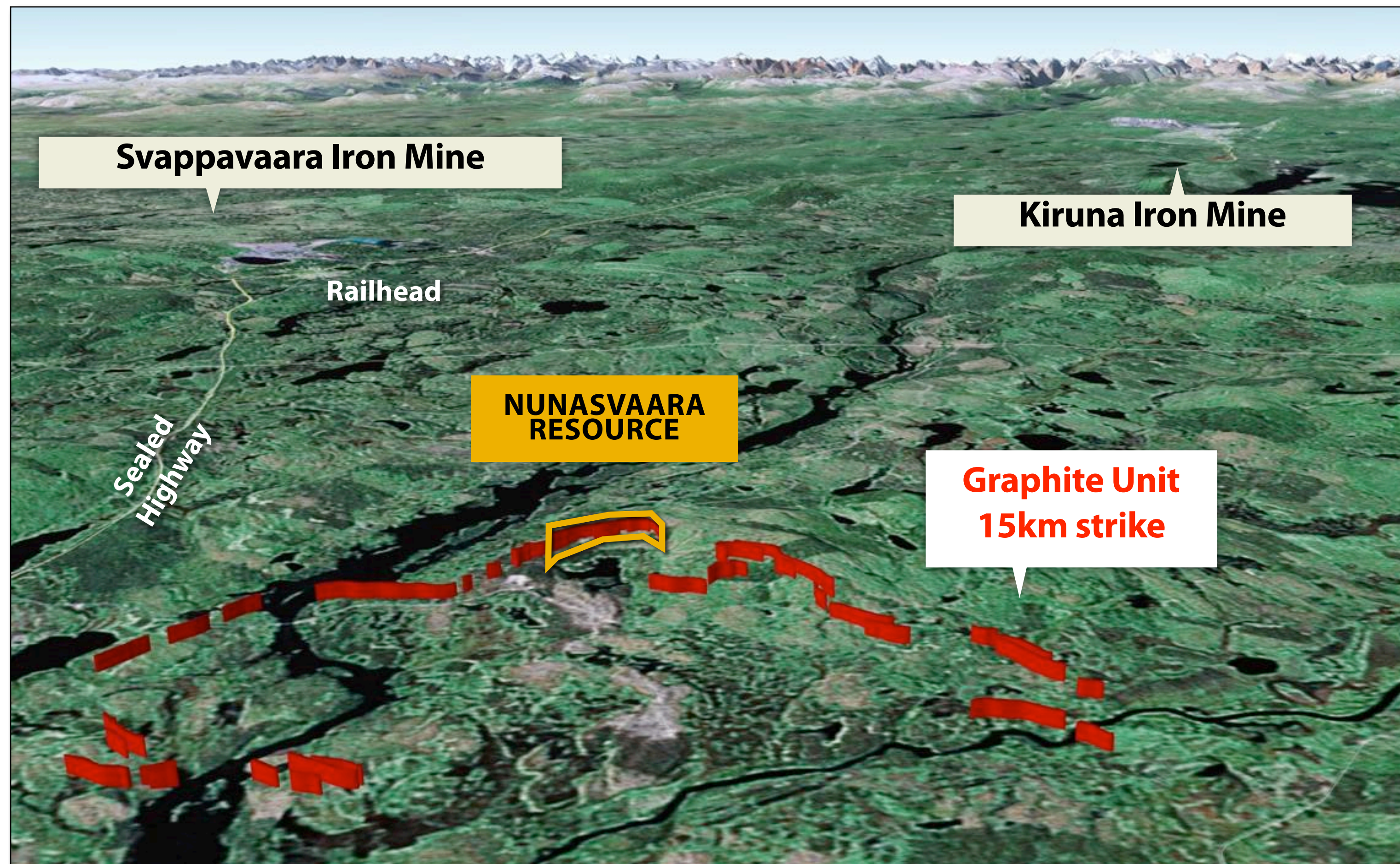
Nunasvaara Mineral Resource (10% Cg lower cut-off grade) Nov 2012

JORC Classification	Tonnes (Mt)	Grade (%Cg)	Contained Graphite (tonnes)
Indicated	5.6	24.6	1,377,600
Inferred	2.0	24.0	480,000
<b>Total</b>	<b>7.6</b>	<b>24.4</b>	<b>1,857,600</b>

# Nunasvaara growth potential

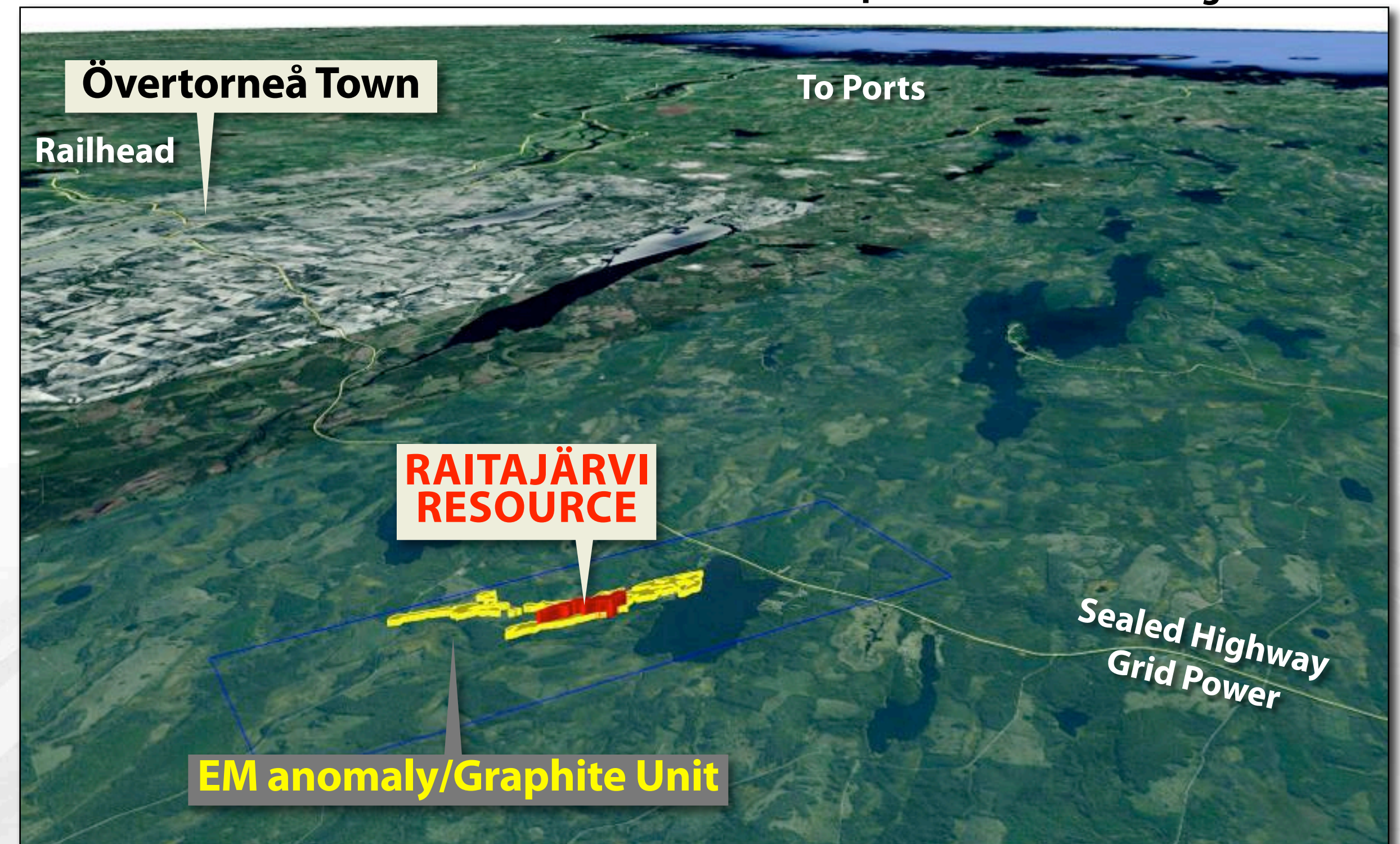
- ▶ Nunasvaara graphite unit extends over 15km strike. Talga rock chips average 26.2% Cg with grades up to 46.7% Cg.
- ▶ Less than 8% of graphite unit drill tested to date.
- ▶ Additional JORC Exploration Target<sup>1</sup> of 34-51Mt @ 20-25% Cg for 0-100m portion only defined along strike. Further satellite deposits exist nearby.

Project	Exploration Target <sup>1</sup>	Tonnage Range (Mt)	Grade Range (%Cg)
Vittangi	Nunasvaara	34-51	20-25
	Mörttjärn	10-16	15-20
	Maltosrova	2-3	20-30
<b>Total 0-100m depth</b>		<b>46-70Mt</b>	<b>15-25%Cg</b>



<sup>1</sup> **Exploration Targets:** The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004) and should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

# Raitajärvi Graphite Project



- ▶ Advantageously located 2km from the Överkalix - Övertorneå Highway and grid power, 25km to town and railway, 130km to port.
- ▶ Current total JORC resource of 4.3Mt @ 7.1% Cg.
- ▶ A high proportion of resource is coarse flake and at JORC Indicated status. Less than 25% of EM anomaly drill tested.
- ▶ 87% of graphite flake size >100 micron ("µm") and 49% >200µm.
- ▶ Historic metallurgical tests produced excellent results with graphite concentrate grading 90-94% C from simple (unoptimised) flotation and 99% C in basic enrichment test.
- ▶ Potential 10+ year mine life at 400ktpa milling rate to produce 25ktpa coarse flake graphite concentrate. Scoping study planned to commence.

Raitajärvi Mineral Resource (5% Cg lower cut-off) Aug 2013

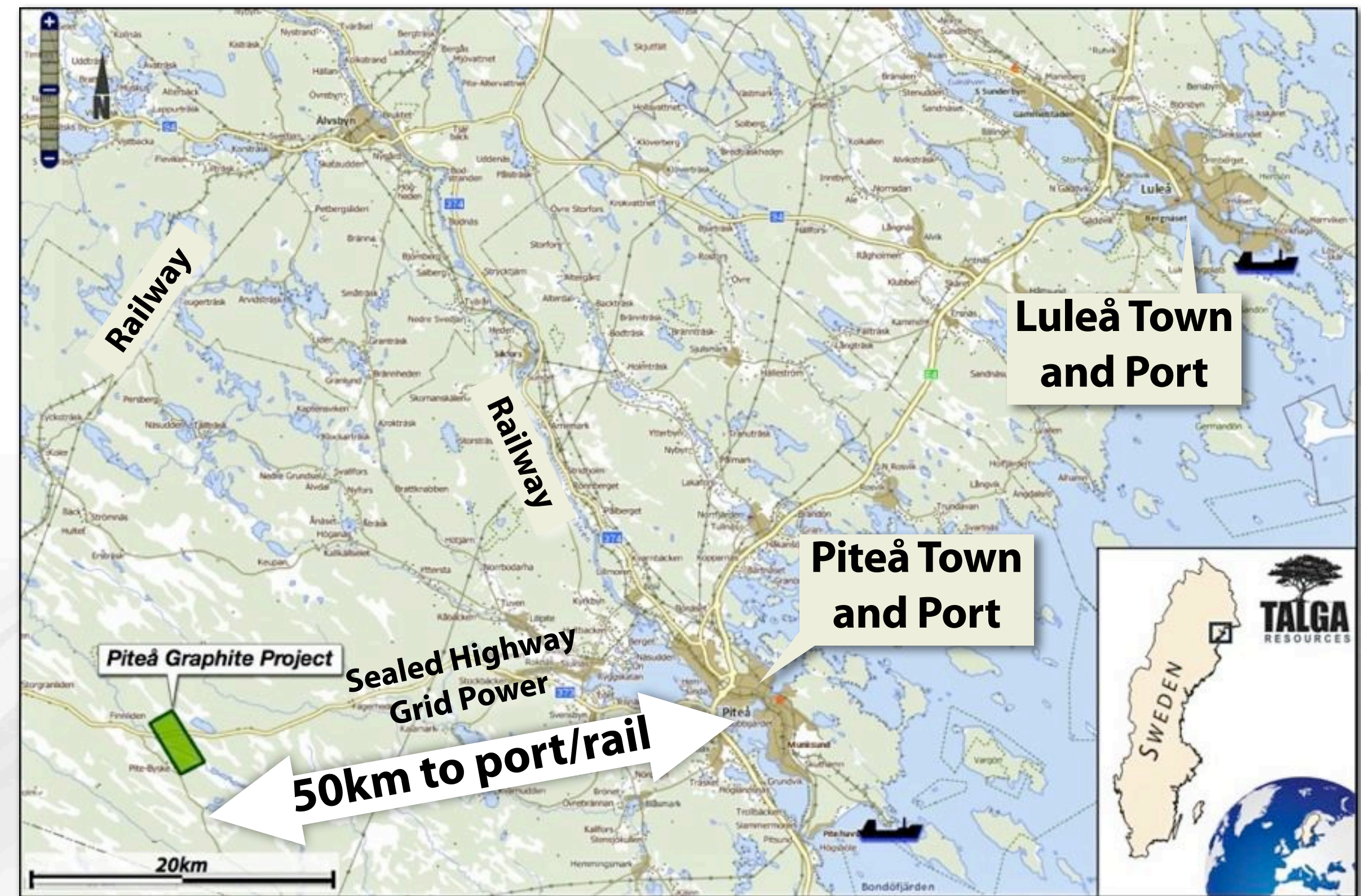
JORC Classification	Tonnes (Mt)	Grade (%Cg)	Contained Graphite (t)
Indicated	3.4	7.3	246,400
Inferred	0.9	6.4	60,900
<b>Total</b>	<b>4.3</b>	<b>7.1</b>	<b>307,300</b>

Raitajärvi graphite flake size (historic drill sample microscopy, n=87)

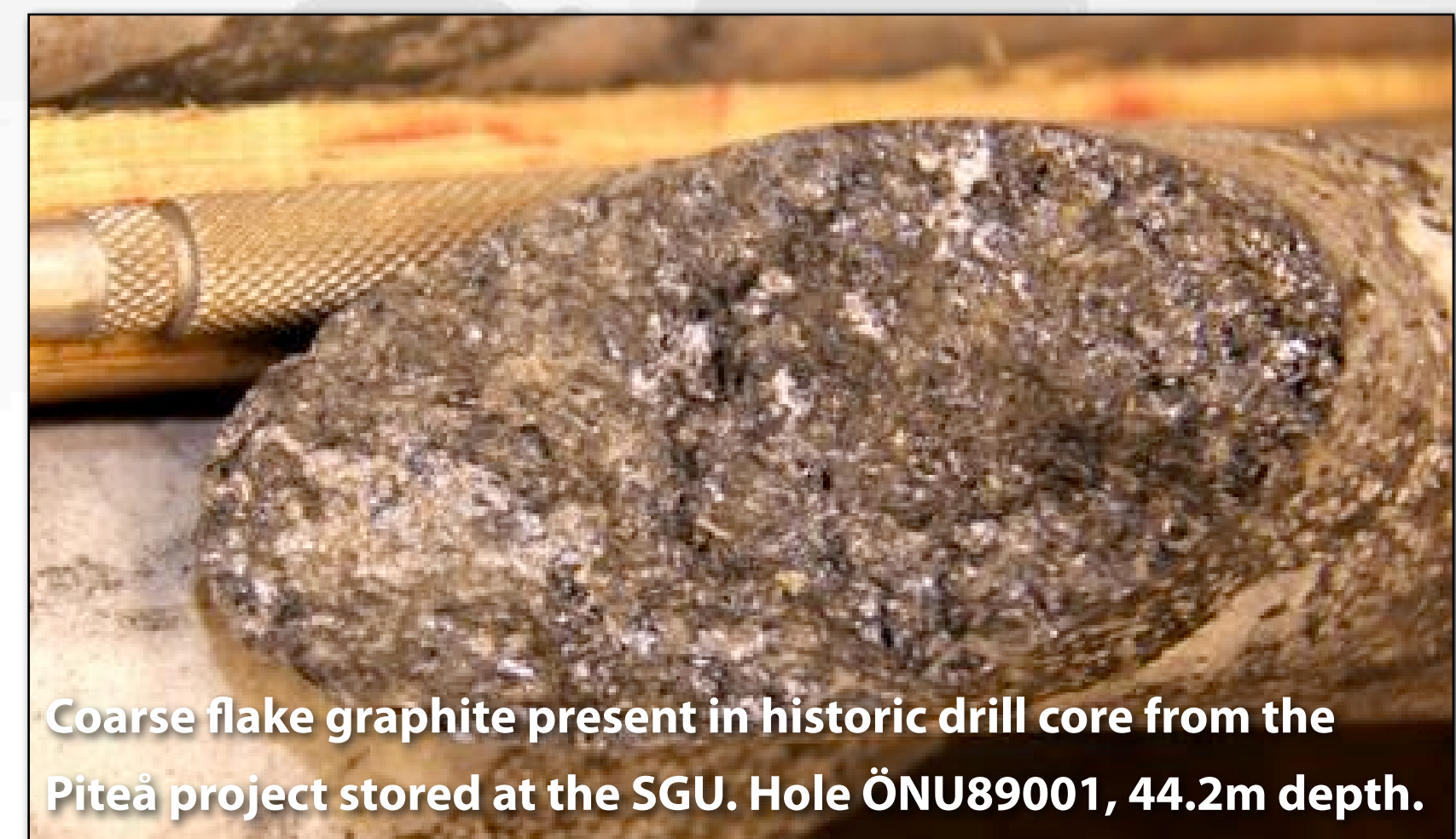
Deposit	< 100µm	100-200µm	200-400µm	>400µm
Raitajärvi	13%	38%	38%	11%

# Piteå Jumbo Flake Project

- ▶ Located on sealed road 50km from port of Piteå and adjacent to grid power.
- ▶ 3 historic drillholes targeting base metals intercepted coarse flake graphite within a 4 x 1 km EM anomaly.
- ▶ **70-90% of flake graphite at Piteå exceeds 300 µm size (“jumbo”).**
- ▶ Such large flake graphite is premium product for spherical graphite production and commands higher prices (>\$2500/t).



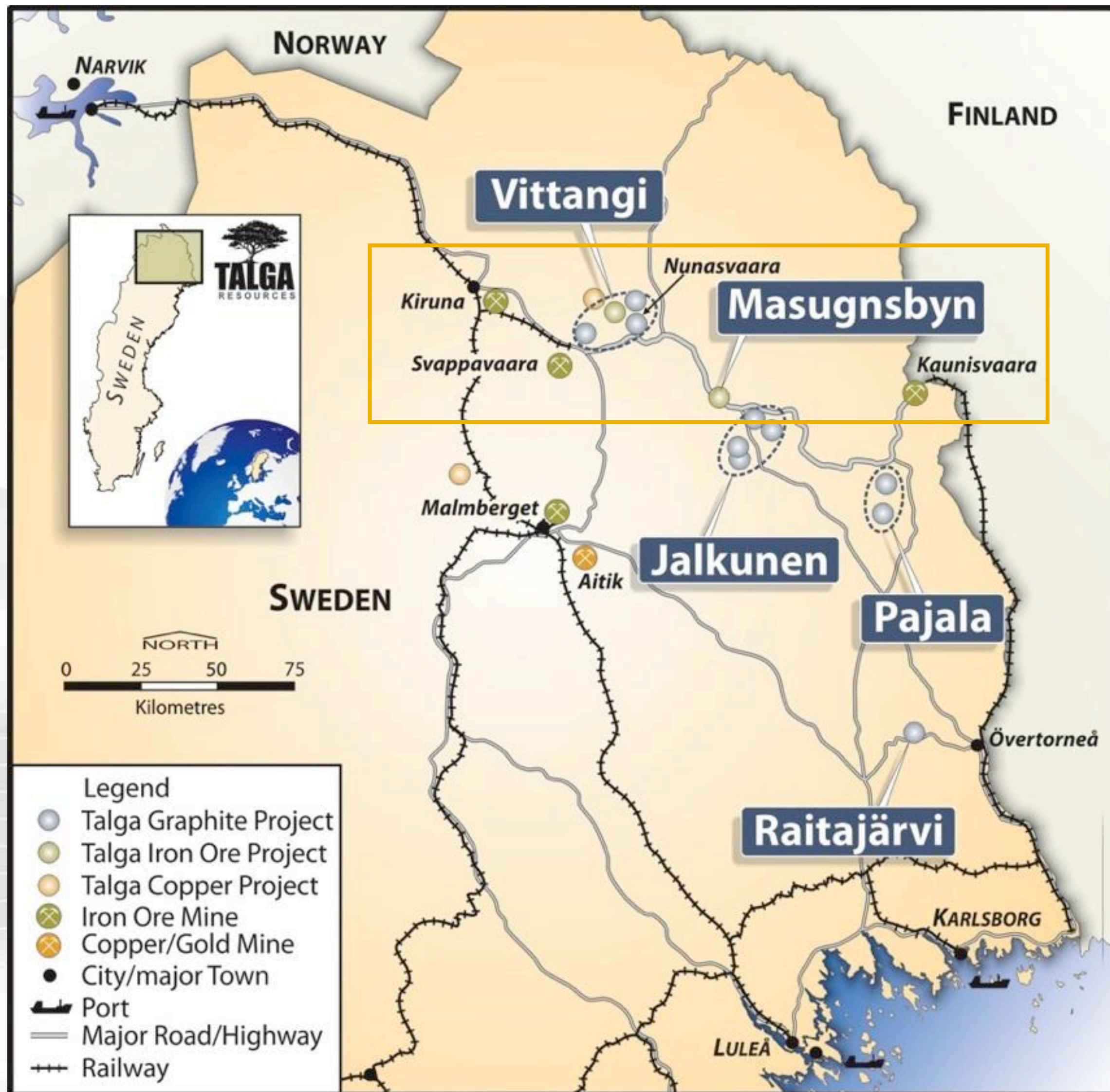
Sample	Flake Size		
	100-300 µm	300-600 µm	> 600 µm
ÖNU89001 27.2m	10%	50%	40%
ÖNU89001 44.2m	10%	70%	20%
ÖNU89002 53.6m	20%	70%	10%
ÖNU89002 103.0m	20%	70%	10%
ÖNU89002 107.6m	30%	60%	10%



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



# Talga's Swedish Iron Projects



- ▶ Talga's skarn iron deposits are well located adjacent to high quality transport & power supplies, and are situated between producing magnetite iron mines.
- ▶ In skarn type deposits the iron is emplaced by magmatic-hydrothermal activity at high temperature. As a result the coarser magnetite grain size can have substantial advantages over sedimentary style deposits (BIF type).
- ▶ Currently the most advanced project is **Masugnbyn** with a JORC resource 112Mt @ 28.6% iron as magnetite\* ("Fe"). Additional JORC resources total 124Mt @ 32.6% Fe at **Vittangi**, with further growth targets defined.
- ▶ Talga is targeting modest but high grade magnetite concentrate production, and believes the total JORC resource inventory of 236Mt @ 30.7% Fe is strategically located to become a supplier to the Middle East and Asia.

\*Fe or Fe<sub>mag</sub>, both refer to the calculated iron grade which is total iron less forms of iron other than magnetite (sulphides, silicates etc).

# Magnetite mining district with established milling and transport infrastructure



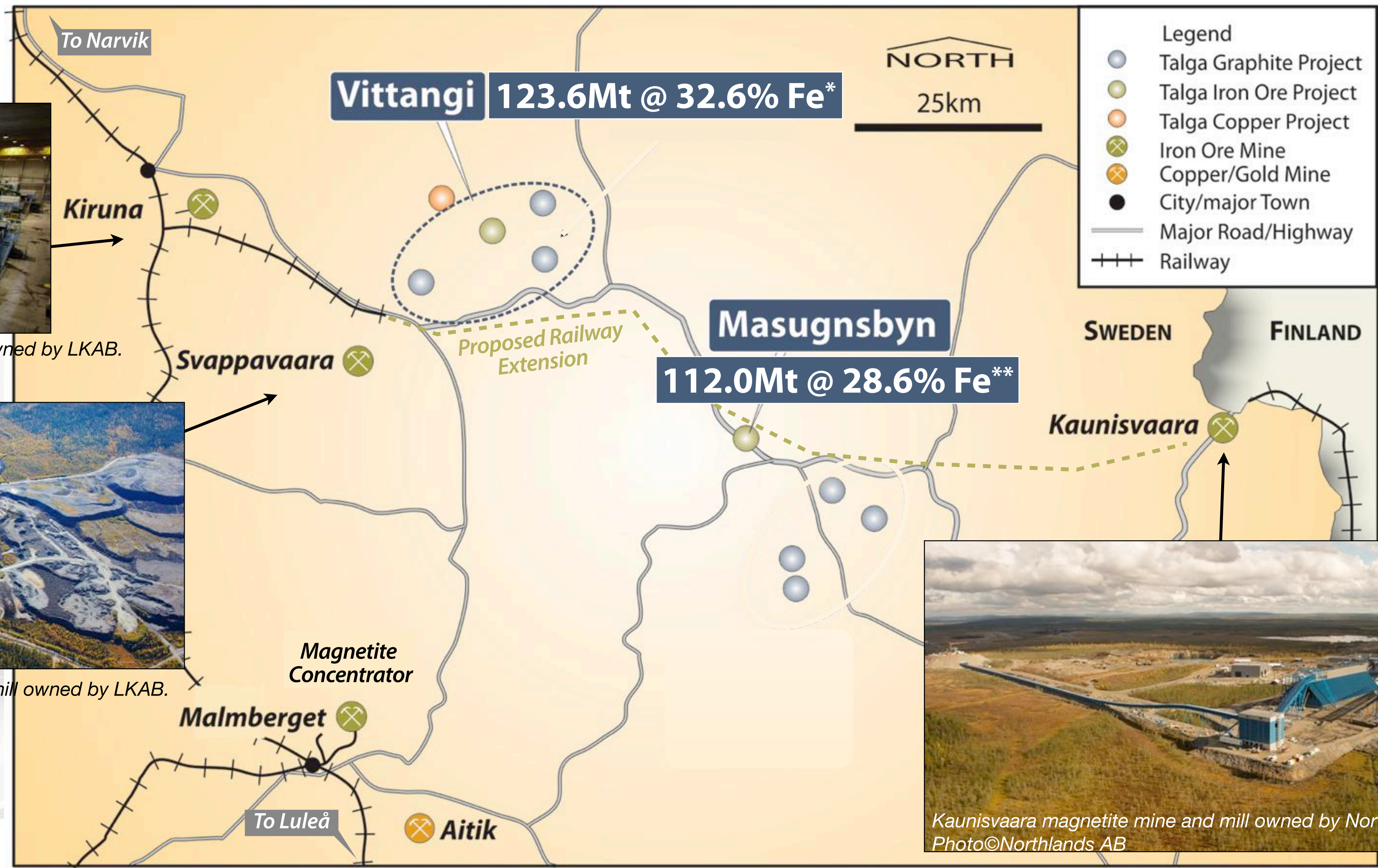
Kiruna magnetite mine and mill owned by LKAB.  
Photo©Fredric Alm/LKAB



Svappavaara magnetite mine and mill owned by LKAB.  
Photo©Fredric Alm/LKAB



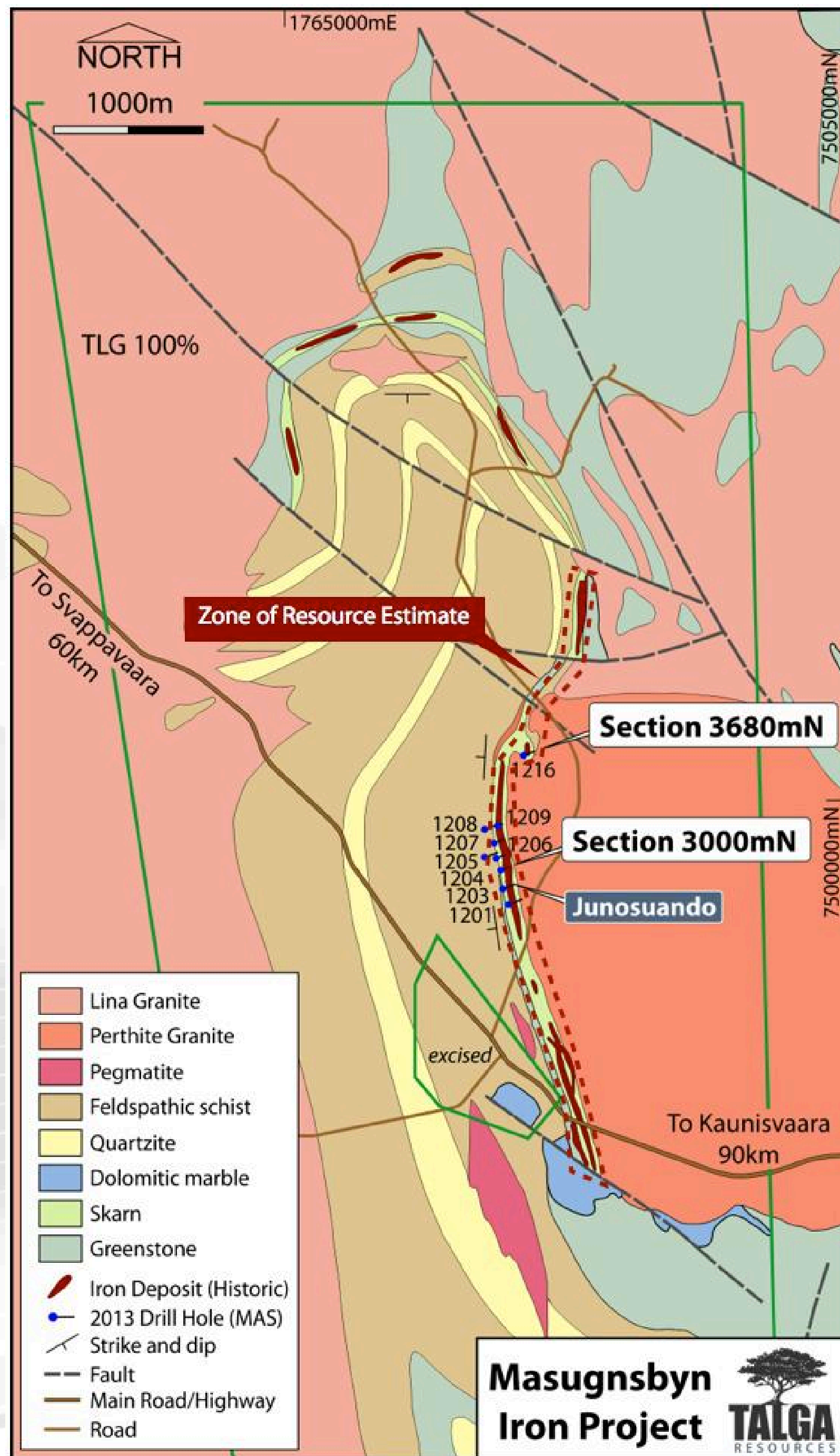
Kaunisvaara magnetite mine and mill owned by Northlands AB.  
Photo©Northlands AB



\*Combined total JORC Inferred Resources \*\* JORC Inferred and Indicated Resource. See following pages and Appendix for resource classification details.

# Masugnaby Project - Work to Date

- ▶ Tested by the Swedish Geological Survey ("SGU") last in 1965-1970.
- ▶ 68 historic diamond core holes focussed on the largest single deposit, Junosuando, over approximately 3km strike.
- ▶ Talga completed a further nine diamond core holes in Oct 2012 to upgrade the deposit to JORC Code Indicated and Inferred status.
- ▶ Remains open at depth and along strike. **Zoned mineralisation** suggests **early production** can be scheduled to mine **higher grade** footwall zone.



SGU Drillhole 67505: 25m @ 50% Fe

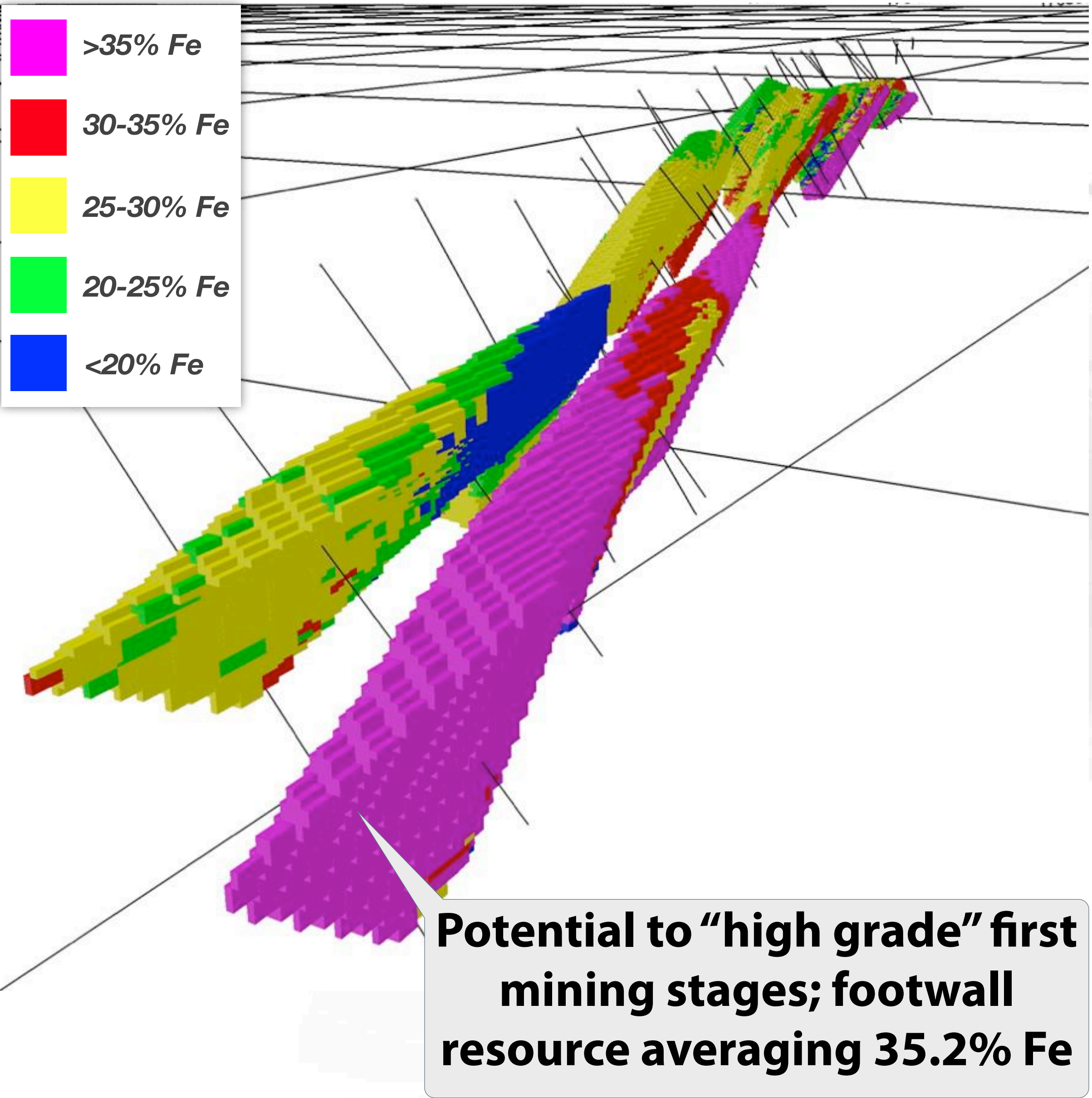
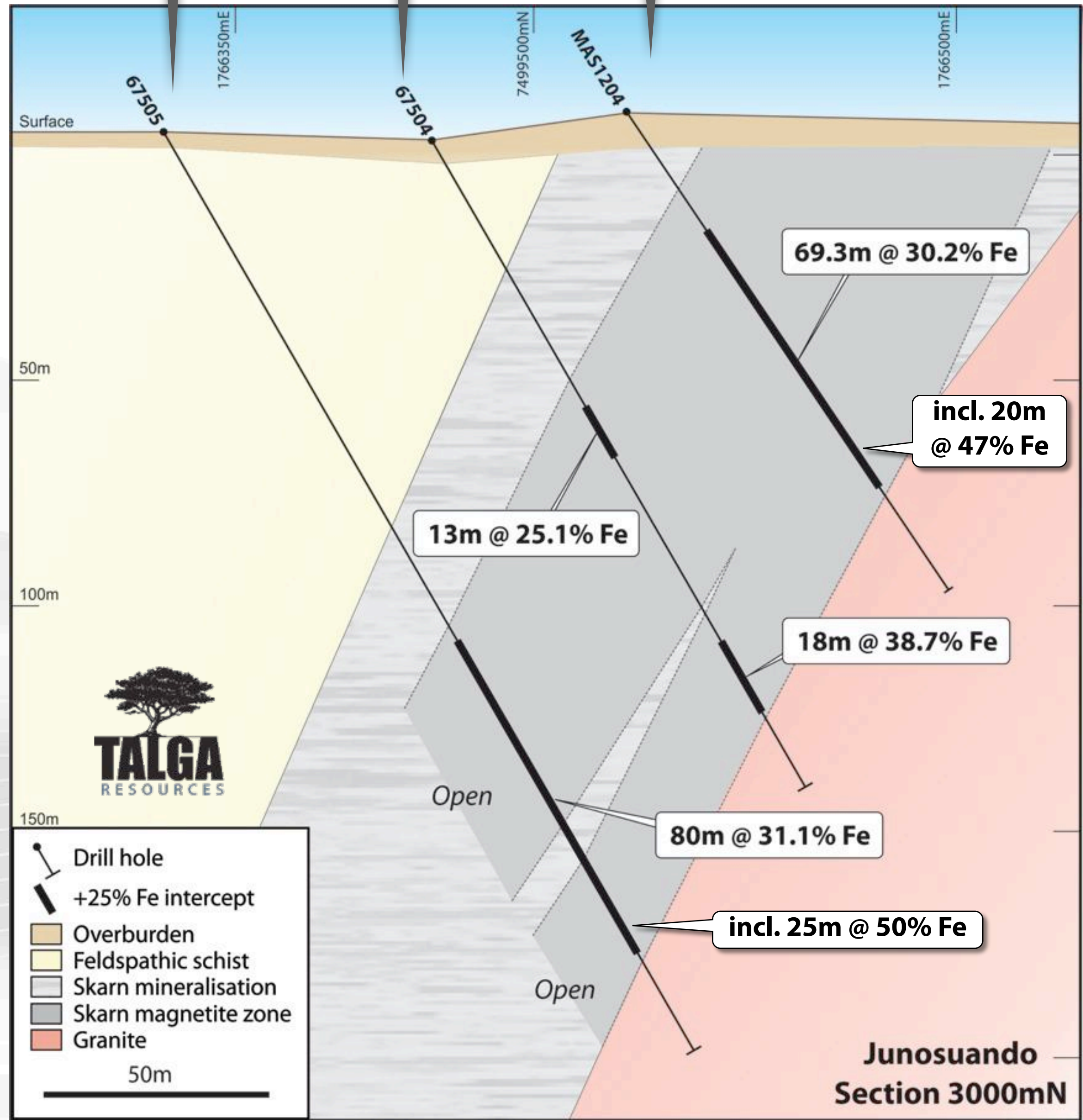
## JORC Resource May 2013

Masugnaby Global Resource (See Appendix for details)

Resource Classification	Tonnes (Mt)	%Fe
Indicated	87.0	28.3
Inferred	25.0	29.5
<b>Total</b>	<b>112.0</b>	<b>28.6</b>

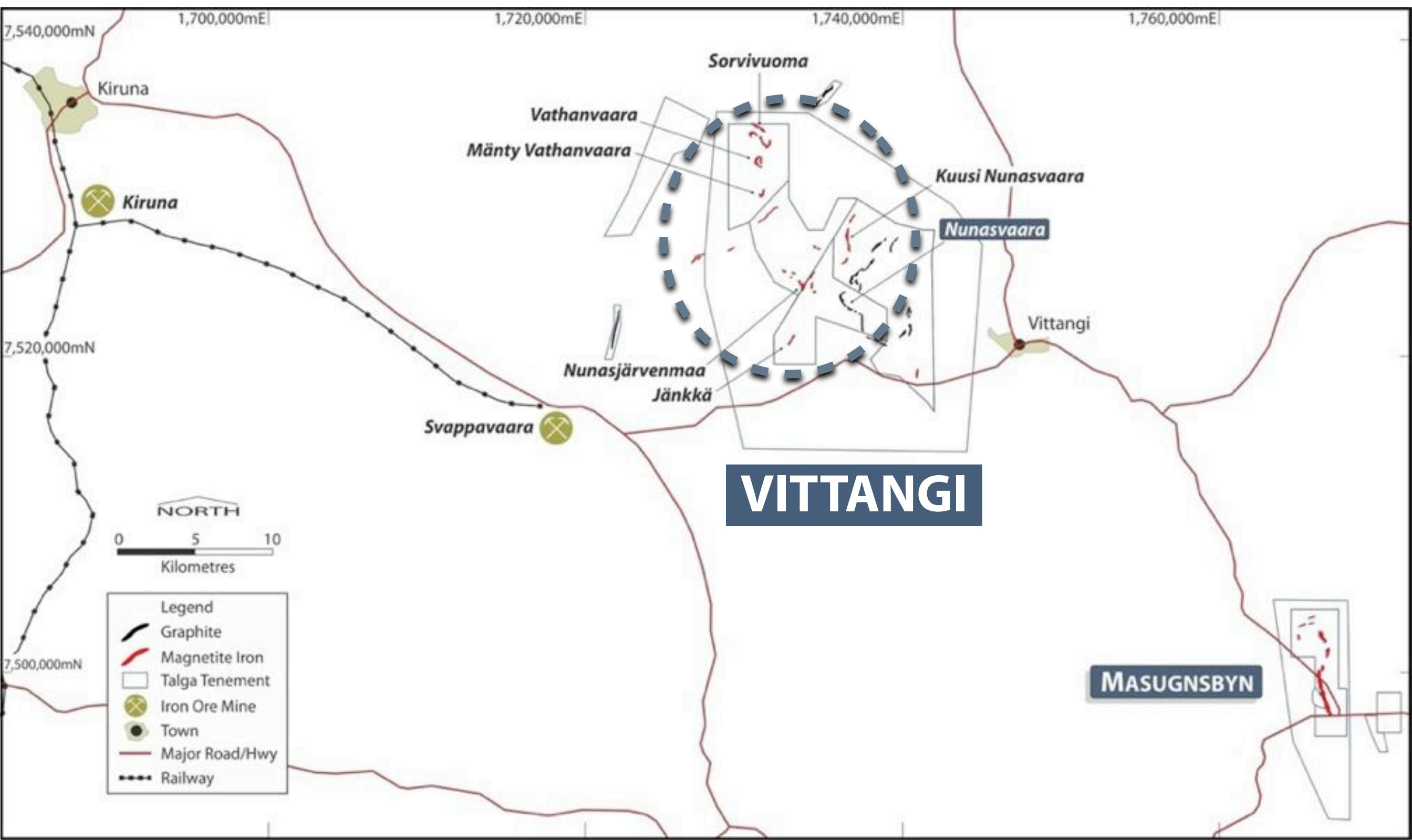
Historic Drilling

Talga Drilling



# Vittangi Project - Iron

- ▶ The Vittangi project comprises five skarn iron deposits defined by the Swedish Geological Survey in the 1970's with geophysics, trenching and 37 diamond drill holes for 6,055 metres.
- ▶ Based on this work JORC compliant maiden Inferred Resources totalling **123.6Mt @ 32.6% Fe** have been estimated by Talga, bringing the Company's total Swedish iron resources to **235.6Mt @ 30.7% Fe**.
- ▶ The historic exploration data also defined **additional** JORC compliant Exploration Targets<sup>1</sup> of 50-83Mt grading 30-35% Fe within the project.
- ▶ Favourably located 30km from railhead and LKAB magnetite mill at Svappavaara.

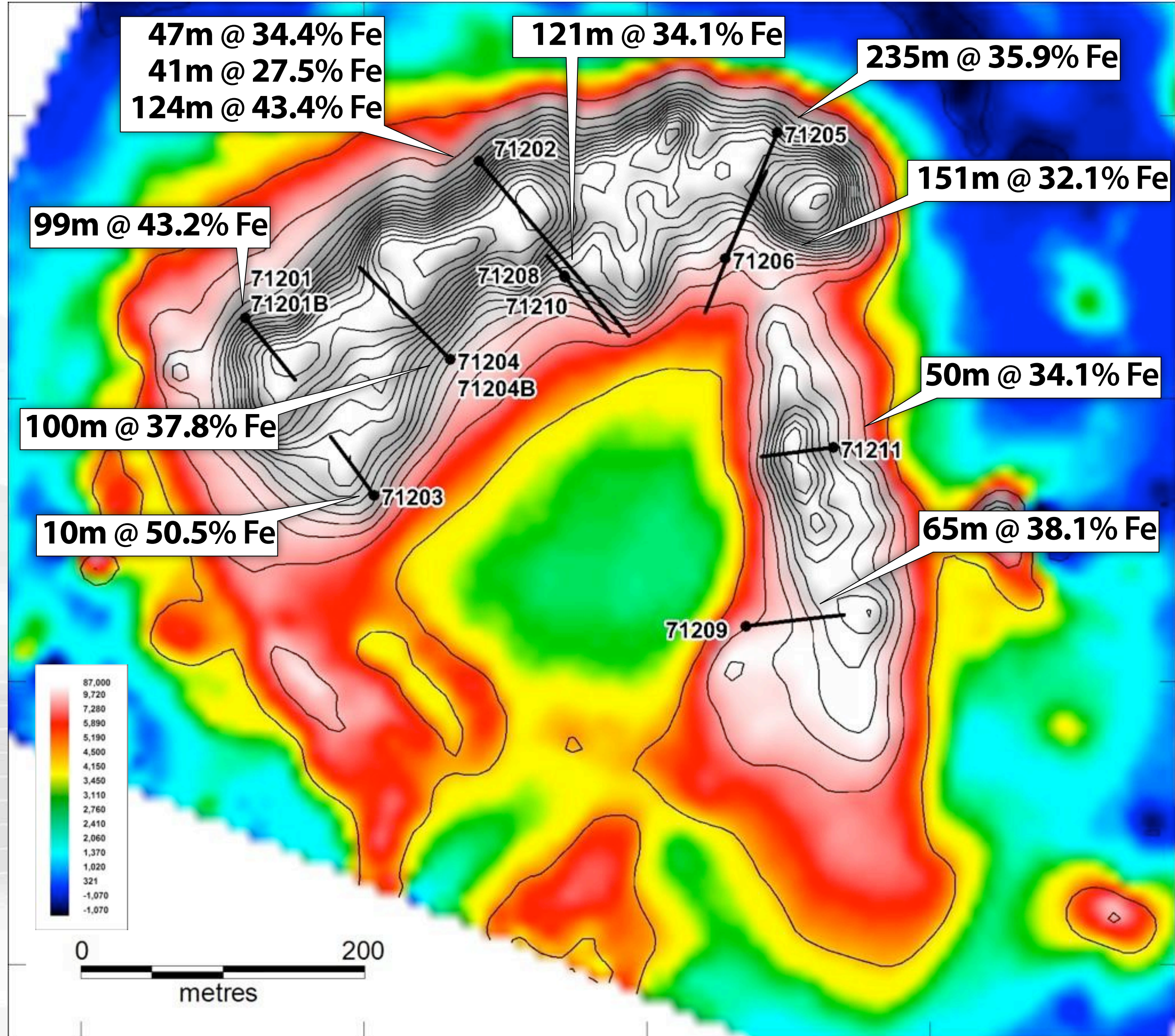


*Vittangi iron project In-Situ JORC Resources July 2013*

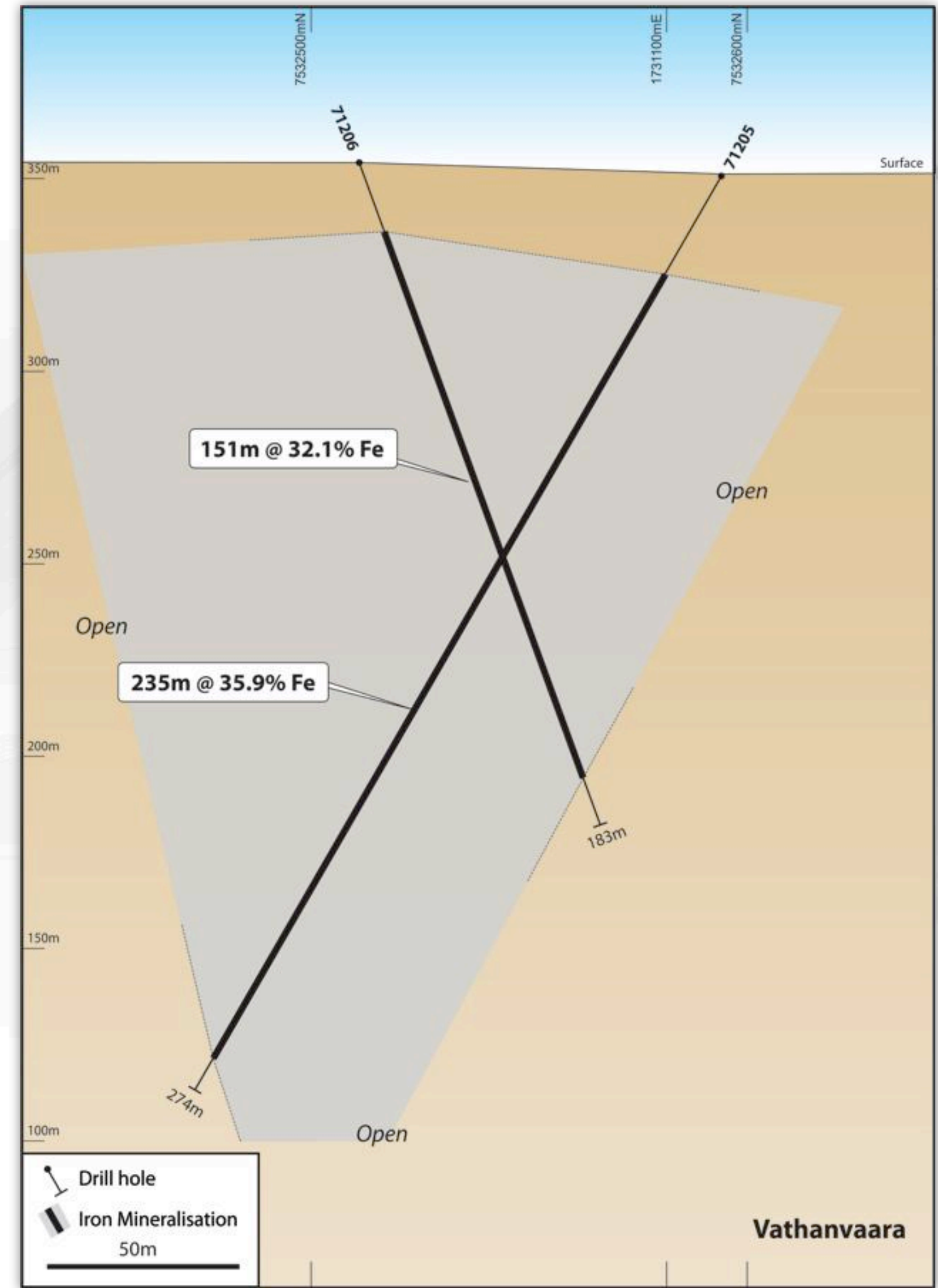
Deposit	Tonnes (Mt)	Grade %Fe	JORC Category
Vathanvaara	51.2	36.0	Inferred Resource
Kuusi Nunasvaara	46.1	28.7	Inferred Resource
Mänty Vathanvaara	16.3	31.0	Inferred Resource
Sorvivuoma	5.5	38.3	Inferred Resource
Jänkkä	4.5	33.0	Inferred Resource
<b>Total</b>	<b>123.6</b>	<b>32.6</b>	

<sup>1</sup> **Exploration Targets:** The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004) and should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

# Vittangi project, Vathanvaara deposit



Historic drill intercepts on ground magnetic image.



Cross-section 71205-06



# Development Potential

- ▶ Relatively simple and proven processing of the magnetite ore is expected to deliver a high quality concentrate at coarse grain sizes.
- ▶ Proximal to road and open access rail infrastructure.
- ▶ Rail lines connect to open access ports which currently load up Panamax to Cape-sized vessels.
- ▶ Located close to European and Middle East iron ore markets.
- ▶ Deposits situated between two magnetite concentrators belonging to LKAB and Northlands; toll treatment potential.

*Svappavaara magnetite mine and mill owned by LKAB, approximately 30km by road from the Vittangi project and 60km from Masugnsbyn project. After an earlier phase of open pit mining the mill remained operational for Kiruna ore. The open pit is currently being dewatered to be put back into production. Photo©Fredric Alm/LKAB.*



## Contact details:

### In Australia

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# Appendices

## Talga Asset Structure and JORC Resources

### GRAPHITE

TALGA RESOURCES LTD

100%

Talga Mining Pty Ltd

100%

Talga Mining Pty Ltd  
Filial (Sweden)

100%

### IRON

*Nunasvaara Graphite Mineral Resource @ 10% Cg lower cut-off Nov 2012*

Classification	Tonnes (Mt)	Graphite (%Cg)
Indicated	5.6	24.6
Inferred	2.0	24.0
<b>Total</b>	<b>7.6</b>	<b>24.4</b>

*Raitajärvi Graphite Mineral Resource @ 5% Cg lower cut-off Aug 2013*

Classification	Tonnes (Mt)	Graphite (%Cg)
Indicated	3.4	7.3
Inferred	0.9	6.4
<b>Total</b>	<b>4.3</b>	<b>7.1</b>

*Iron Mineral Resources @ 20% Fe lower cut-off July 2013*

Deposit	Tonnes (Mt)	Grade %Fe	JORC Category
Vathanvaara	51.2	36.0	Inferred Resource
Kuusi Nunasvaara	46.1	28.7	Inferred Resource
Mänty Vathanvaara	16.3	31.0	Inferred Resource
Sorvivuoma	5.5	38.3	Inferred Resource
Jänkkä	4.5	33.0	Inferred Resource
Masugnsbyn	87.0	28.3	Indicated Resource
Masugnsbyn	25.0	29.5	Inferred Resource
<b>Total</b>	<b>235.6</b>	<b>30.7</b>	

## Graphite market size classification.

Trade Name	microns	US Mesh Size
Amorphous/Ultrafine	<10	na
Amorphous/Fine	10-75	-200
Small	75-150	200-100
Medium	150-180	100-80
Large	180-300	80-50
XL/Jumbo	>300	50+

Source: Industrial Minerals Natural Graphite Report 2012 cross referencing various sources. Many terms are proprietary or mixed use; there are few if any industry standards in naming principles.

## Common natural graphite concentrate product sizes, grades and prices

Size (microns)	Size US Mesh	Purity % C	Quote US \$/tonne
300+	50+	94-97	>1800
180-300	80-50	94-97	1350
		90	1200
150-180	100-80	94-97	1200
		90	1025
		85-87	900
75-150	200-100	94-97	1050
		90	850
-75	-200	80-85	525

Source: Industrial Minerals Magazine Aug 2013.

Most prices FCL, CIF European Port.

Note prices averaged from low-high range and selected as common commercial products where natural graphite sold as concentrate. Many specialty grades with much higher prices are traded but do not represent the bulk of market demand.

# References & Qualified Persons

<sup>1</sup> **Exploration Targets:** The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004) and should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

## 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 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 of CoxsRocks Pty Ltd. 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.