



MASUGNSBYN IRON PROJECT DRILLING RESULTS

Talga Resources Ltd

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Corporate Information

ASX Code **TLG**

Shares on issue **54.40m**

Options (unlisted) **3.75m**

Company Directors

Sean Neary

Non-Executive Chairman

Mark Thompson

Managing Director

Piers Lewis

Non-Executive Director

 **ASX Code: TLG**

- **Encouraging assay results received at the Masugnsbyn magnetite iron project.**
- **Best intercepts include 69.3m @ 30.2% Fe and 45.9m @ 44.0% Fe.**
- **Results support the commencement of a new JORC resource estimate, expected to be received within weeks.**

MASUGNSBYN IRON PROJECT (TLG 100%)

Talga Resources Limited (ASX: TLG) ("Talga" or "the Company") is pleased to report that it has received assays from its maiden drilling program at the 100% owned *Masugnsbyn* iron project in north Sweden (Fig 1).

As previously announced Talga conducted a 9 hole 1,428m diamond drilling program at Masugnsbyn in late 2012 to extend/infill historic drill intercepts and gain fresh samples for metallurgical work/concentrate development (See ASX:TLG 10th October 2012 and 31st January 2013). The drilling was designed to infill and test previously untested updip positions in the northern 1,100 metres of strike of the *Junosuando* deposit, one of five historic magnetite iron deposits within the 48km² Masugnsbyn project. (See Figs 2-3).

Due to the Company's graphite projects taking priority the processing and analysis of samples was deferred. However, as a result of recent interest in the Company's non-graphite assets, processing has now been completed and assay results received. Key results are summarised below.

Results

Best intercepts include 69.3m @ 30.2% Fe from 31m downhole (MAS1204) and 45.9m @ 44.0% Fe from 33m downhole (MAS1216). The new intercepts largely exceed the widths and grade of the historic drilling, and occur at shallow depths (See Figs 4-5). For details of these drill holes and results see Tables 1-2. Note that hole numbers are not sequential.

The drill results have advanced the project at low cost by indicating a larger resource may be present while at the same time potentially allowing for the upgrade of the majority of the existing resource to the Indicated category. If forthcoming, both outcomes should support the potential for the Company to raise funds via divestment of non-core assets including the Swedish iron projects.

A new resource estimate is currently being calculated and is expected over the coming weeks.

Discussion

Talga's Managing Director, Mark Thompson said, "Talga's multiple iron projects are located in the Kiruna district, an active mining province with several magnetite iron mines, mills and pelletising plants in operation. This offers good

potential for the Company to gain further value gained in the acquisition of TCL Sweden Ltd from Teck Resources Ltd in June 2012. The district's magnetite iron ore bodies differ from the common Australian 'BIF' style in that they are largely hydrothermal in origin, and commonly attain higher in-situ grades and coarser grain sizes. Deposits in the district grade from 25-45% Fe and are open cut operations although the largest are mined underground to as much as 1,300m depth.

The magnetite ore is usually beneficiated to form a concentrate or pelletised for export. Beneficiated concentrates from several mines in production are reported as amongst the highest in the world, at 69-70% Fe content. Mining takes place year round, aided by a workforce skilled in operating in the region, and high quality established transport infrastructure in roads and rail.

The region also has exceptional low cost power supply from hydroelectricity and nuclear sources, with other companies nearby having reported electricity costs as AUD equivalent 3-4c/Kwh. With power being a major cost to mines, this is a large advantage and approximately 90% of the district's iron ore production is exported to countries within Europe and the Middle-East, with the remainder feeding steel mills within Sweden.

Masugnsbyn is not the largest or highest grade iron deposit in the Company's portfolio, but it is the most advanced stage and offers benefits in being adjacent to major transport infrastructure. With this context one should see that Talga's recent iron drilling results are encouraging and have advanced the potential value of our Sweden iron assets for divestment or joint venture."

For further information, please contact:

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Fig 1. Talga Resources project locations in north Sweden.



Fig 2. Talga Resources iron project locations in the Kiruna mineral district of north Sweden.

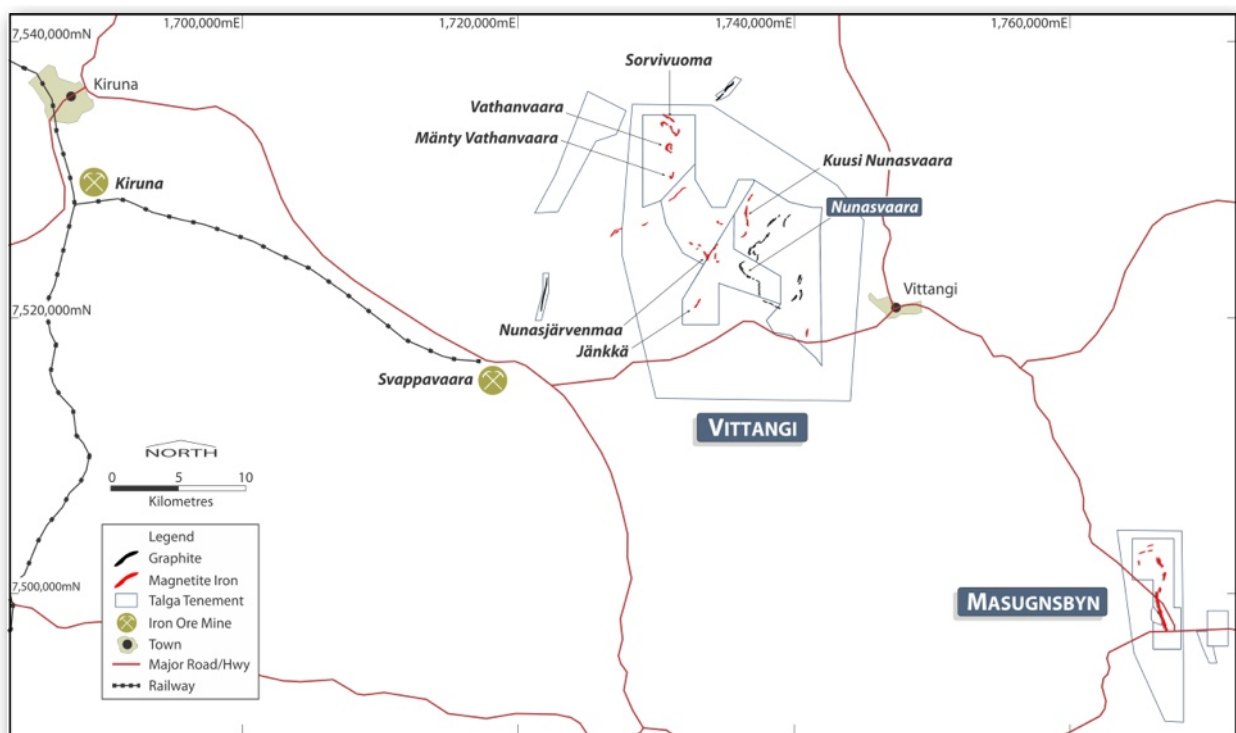


Fig 3. Masugnabyrn iron project summary geology map and Talga Resources drill holes.

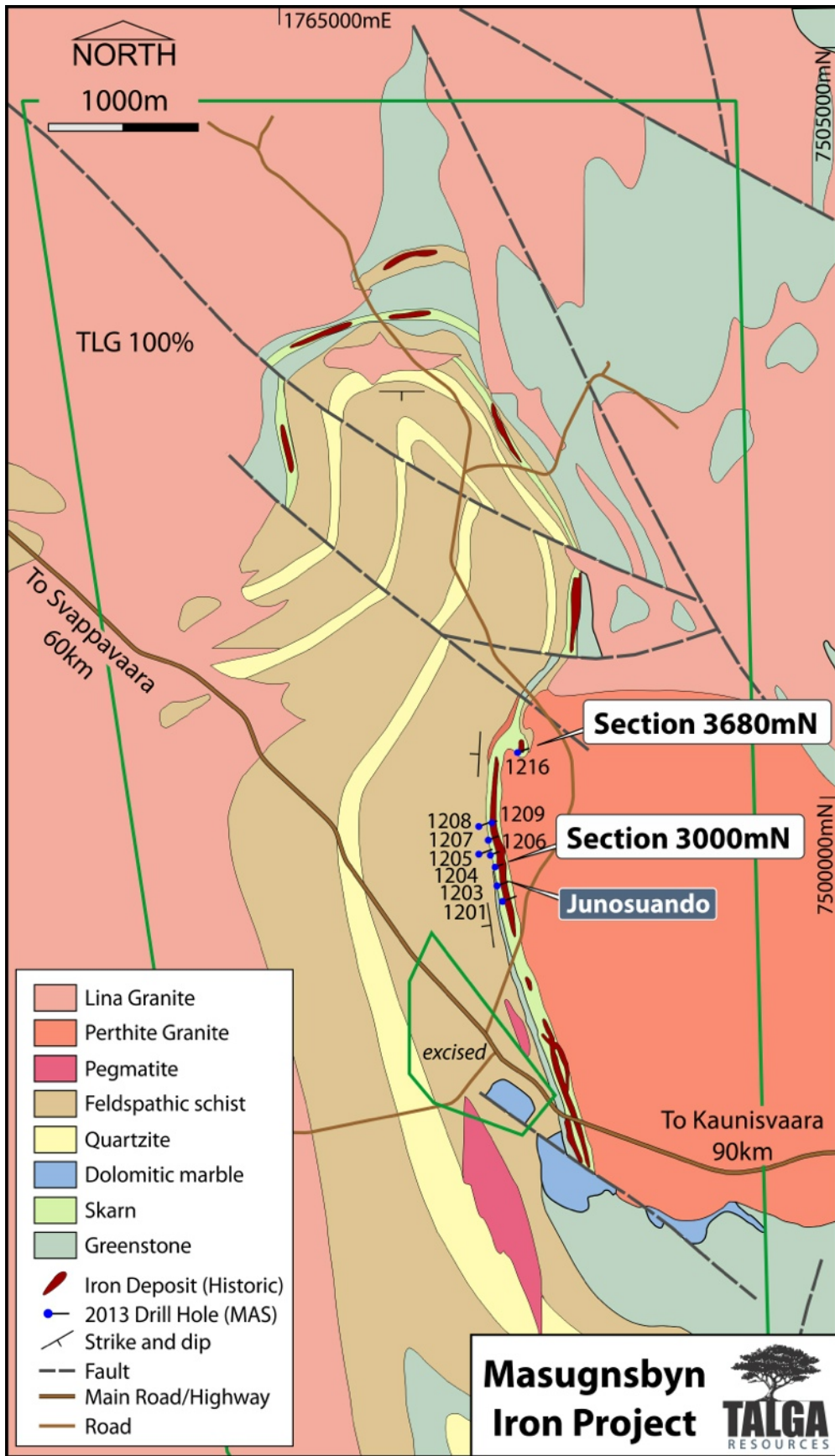


Fig 4. Section 3000mN showing historic (67-series) drill holes and Talga (MAS-series) drill hole.

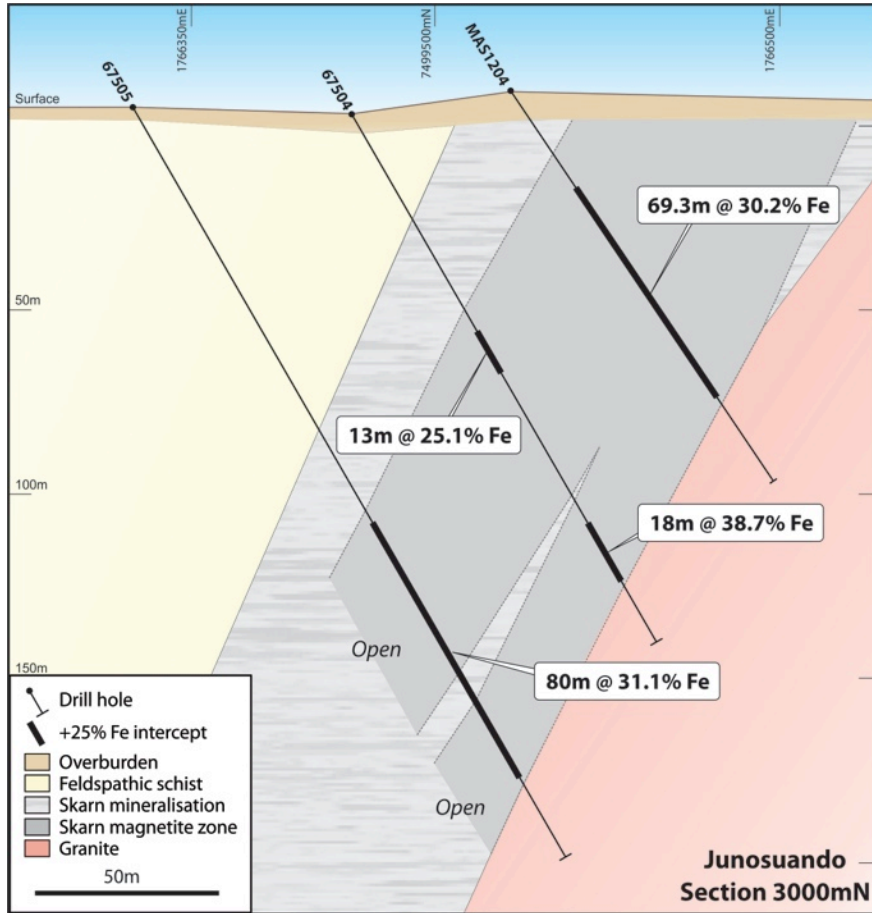


Fig 5. Section 3680mN showing historic (68-series) drill hole and Talga (MAS-series) drill hole.

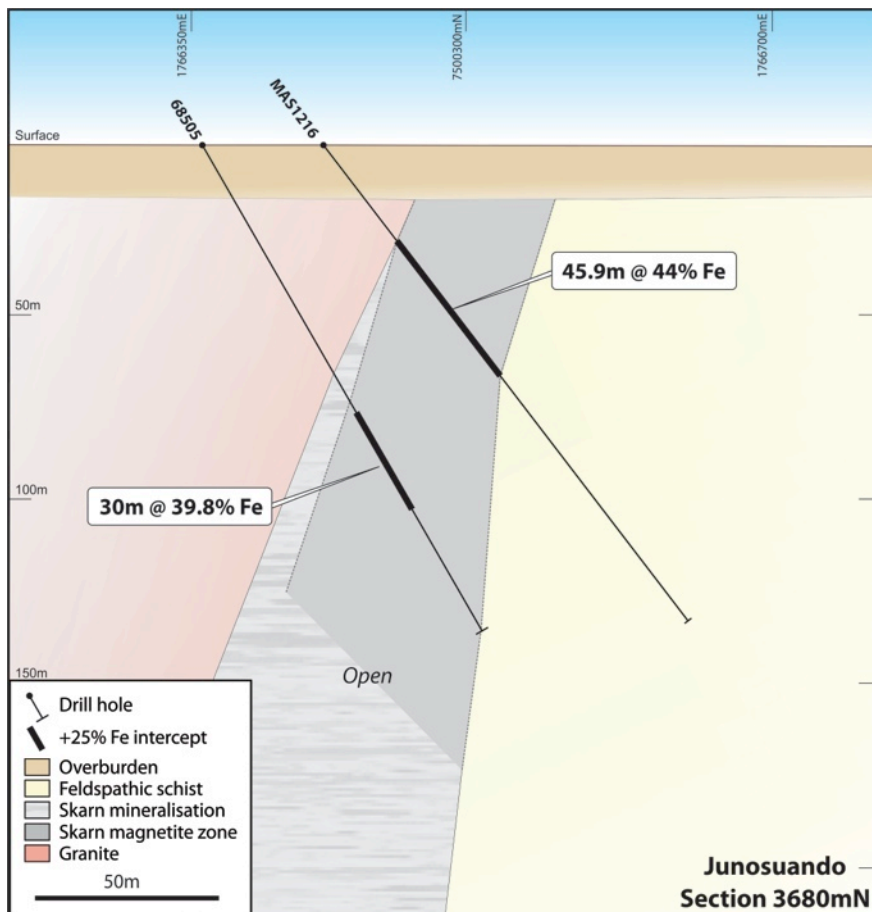


Table 1. Details of diamond drill holes completed at Masugnsbyn by Talga Resources.

Hole ID	East (RT90 2.5gv)	North (RT90 2.5gv)	Collar RL (m)	Azi	Dip	Length (m)
MAS1201	1766485	7499293	309.2	70	-50	177.00
MAS1203	1826154	7393004	309.1	70	-60	193.45
MAS1204	1826199	7393047	309.3	70	-55	127.55
MAS1205	1826145	7393066	310.0	70	-56	199.80
MAS1206	1826271	7393192	310.4	70	-57	148.85
MAS1207	1826140	7393114	306.0	70	-47	127.65
MAS1208	1826208	7393208	306.2	70	-55	187.50
MAS1209	1826146	7393224	305.9	70	-59	103.70
MAS1216	1826198	7393133	296.5	70	-53	162.90

Table 2. Iron assay results of diamond drill holes completed at Masugnsbyn by Talga Resources.

Hole ID	From (m)	To (m)	Interval (m)	% Fe
MAS1201	12.6	33.6	21.0	25.7
MAS1203	47.0	63.0	16.0	26.0
MAS1204	31.7	101.0	69.3	30.2
MAS1205	131.1	189.1	58.0	29.5
MAS1206	104.9	128.6	23.7	40.5
MAS1207	29.8	55.8	26.0	27.4
	67.9	83.3	15.4	25.2
MAS1208	101.5	111.6	10.1	46.1
MAS1209	100.8	168.5	67.7	29.9
MAS1216	32.9	78.8	45.9	44.0

Note. Intercepts selected based on minimum composite width of 10m, minimum composite grade of 20% Fe and maximum width of internal waste of 10m. Assay values were determined using a Lithium Borate fusion, followed by X-Ray Fluorescence Spectroscopy (XRF) analysis.

ABOUT TALGA RESOURCES LTD

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

Graphite

Talga wholly owns multiple advanced and high grade graphite projects in 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 Nunasvaara and Raitajärvi graphite deposits.

Iron

Talga owns multiple magnetite iron deposits located in the Kiruna mineral district of northern Sweden. The iron 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, which the Company is divesting to focus on the Swedish assets. Additionally the Company owns several copper-gold projects within its Sweden portfolio.

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.