



Talga Resources Ltd

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Corporate Information

ASX Code **TLG**

Shares on issue **55.3m**

Options (unlisted) **3.75m**

Company Directors

Sean Neary

Non-Executive Chairman

Mark Thompson

Managing Director

Piers Lewis

Non-Executive Director

 **ASX Code: TLG**

TALGA DOUBLES SWEDISH IRON ORE RESOURCES TO 236MT

Highlights:

- Maiden JORC Inferred resource estimate of 124 Mt grading 33%Fe_{mag} across Vittangi project magnetite iron deposits in northern Sweden.
- Doubles Talga's Swedish iron resources – from 112Mt to 236 Mt.
- Vittangi located just 45kms east of Kiruna –the world's largest, most modern underground iron mine.
- Major potential to extend Vittangi iron deposits along strike and at depth.
- 100% owned by Talga.
- Additional Exploration Targets¹ of 50-83 Mt grading 30 - 34% Fe_{mag} defined at Vittangi project.

Talga Resources Limited (ASX:TLG) ("Talga" or "the Company") is pleased to report the results of new iron ore resource estimates across its Vittangi project magnetite deposits in northern Sweden. As foreshadowed in the Talga announcement dated 5 July 2013, the opportunity to review historical data at Vittangi had not arisen until now and the positive outcomes achieved will allow Talga to package a material resource inventory across two projects ready for divestment.

Managing Director's comment:

"The new Vittangi resources are higher grade than Talga's Masugnsbyn iron ore project and lie 40kms closer to rail infrastructure. The new combined resource across both projects delivers an attractive opportunity for development, joint venturing or sale. Both iron projects are contained within the Kiruna mineral district, a mining province hosting the largest iron mines in Europe and are supported by established bulk commodity infrastructure including magnetite concentrators, iron pellet plants, grid power, public access rail and port infrastructure. Talga's priority in Sweden remains development of our high grade graphite deposits, but these new iron results deliver another development or asset realisation opportunity."

Next actions:

- Reviewing Vittangi's high grade sections for any ore suitable for transport to a toll treatment facility (Vathanvaara drillhole Vath_71_202 returned 64m @ 50.1% Fe_{mag} including 5m @ 71.6% Fe_{mag}).
- Maintaining ongoing negotiations to attract partner to develop or buy both iron ore projects.



Fig 1. Talga Resources project locations in north Sweden.

Doubling of Talga's total magnetite iron resources in Sweden to 236Mt

The new JORC compliant maiden Inferred Resource estimates totalling **123.6Mt @ 32.6%Fe_{mag}** at Talga's wholly-owned Vittangi iron deposits in northern Sweden (See Fig 1) arose from review of the historic drilling, geophysics and other data compiled by the Swedish Geological Survey ("SGU"). The resource estimation was independently compiled by Perth-based consultancy, CoxsRocks Pty Ltd and reviewed a total of **37 diamond drill holes for 6,055 metres**. Combined with the Company's existing JORC resource at the Masugnsbyn iron project, 50km southeast of Vittangi, brings the Company's total Swedish iron resources to **235.6 Mt @ 30.7% Fe_{mag}** (See Table 1 and 3). The historic exploration data also defined additional JORC code compliant Exploration Targets¹ of 50-83 Mt grading 30 - 35% Fe_{mag} present within the Vittangi project (See Table 2).

The Vittangi iron project falls within the Kiruna mineral district which includes the Kiruna underground iron mine with an annual production capacity of over 26 million tonnes of ore. Iron deposits in the district typically utilise 25-45% Fe magnetite ore which is then milled and concentrated to 68-70% Fe for domestic steel mills or export markets.

Vittangi Iron project

Talga's Vittangi project mineral licences cover in excess of **325km²** and include the majority of known iron deposits in the Vittangi field (See Fig 2). There are several separate deposits of skarn style iron ore located within metasedimentary rocks of the Vittangi Greenstone Group, which have been subjected to complex folding and faulting. The majority of the deposits are associated with magnetic anomalies (>55,000 nanoteslas) which are related to predominantly coarse grained magnetite (See Fig 4).

The Vittangi project covers five principal deposits – Vathanvaara, Kuusi Nunasvaara, Mänty Vathanvaara, Sorvivuoma and Jänkkä. A number of additional areas have been tested by limited drilling with encouraging results returned, suggesting that additional exploration may lead to further discoveries. The JORC resource deposits are summarised below:

Vathanvaara

The Vathanvaara deposit was found in 1901 with the SGU drilling 17 diamond holes for 2,037 metres in the area between 1971 and 1979. Hole depths ranged from 50-334 metres with a nominal drill spacing of 100m x 200m. The host rock is a layered graphite-bearing biotite schist containing pyrite, pyrrhotite and minor chalcopyrite. The sequence is cut by porphyritic mafic dykes with the mineralisation occurring as magnetite banding.

Kuusi Nunasvaara ("Kuusi")

The Kuusi deposit was discovered in 1972 with mineralisation occurring as 10-15 metre wide layers of skarn magnetite. The ore horizon has been identified over 3 kilometres of strike length. The host rocks are banded amphibole bearing sediments and biotite rich amphibolites. The potential to expand the resource along strike is apparent.

Mänty Vathanvaara ("Mänty")

The Mänty Vathanvaara deposit occurs within bedded sedimentary rocks containing minor graphite. The sequence is cut by porphyritic mafic dykes with the mineralisation occurring as skarn-layered magnetite containing local impregnations of pyrite and pyrrhotite.

Jänkkä

The Jänkkä deposit occurs as intercalations of banded magnetite skarn in basaltic lavas and pyroclastic sediments intruded by granodiorite.

Vittangi resource estimate methodology

CoxsRocks imported the historic drilling data into Micromine mining software and validated the drilling database using the original drill logs and analytical data. Plots of all drilling were completed and incorporated with GIS datasets featuring magnetics, gravity and geology. Representative plans and sections are shown in Figures 3 and 5.

Cross sectional interpretations of the drilling were used to generate wireframes with the weighted average grades lying within the wireframes used for the grade estimations. In situ bulk density (ISBD) measurements of the diamond core

were used in the tonnage/volume conversions. In areas where there was no ISBD data, an ISBD of 3.5 t/bcm was used based on the regional datasets. All resources were classified as JORC compliant "Inferred Resources" with additional Exploration Targets¹ generated from a review of the magnetics and geology. The Exploration Targets¹ assume additional exploration success with further drilling either along strike or at depth. The review of the magnetics has provided solid support for the potential extension of the known resources, generally along strike.

For further information, please contact:

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Table 1. Vittangi iron project In-Situ JORC Resources July 2013

Deposit	Tonnes (Mt)	Grade %Fe _{mag}	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
Total	123.6	32.6	

Table 2. Vittangi iron project In-Situ JORC Exploration Targets¹ July 2013

Exploration Target ¹ Name	Tonnage Range		Grade Range	
	Lower (Mt)	Upper (Mt)	%Fe _{mag}	%Fe _{mag}
Vathanvaara	18.8	31.2	34	38
Kuusi Nunasvaara	15.0	25.0	26	30
Nunasjärvenmaa	7.0	11.0	31	40
Mänty Vathanvaara	6.0	10.0	28	32
Sorvivuoma	1.9	3.1	36	40
Jänkkä	1.5	2.5	30	35
Total	50.2	82.8	30.4	35.1

Table 3. Masugnsbyn iron project In-Situ JORC Resource Estimate May 2013

Deposit	Tonnes (Mt)	Grade %Fe _{mag}	JORC Category
Masugnsbyn	87.0	28.3	Indicated Resource
Masugnsbyn	25.0	29.5	Inferred Resource
Total	112.0	28.6	

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

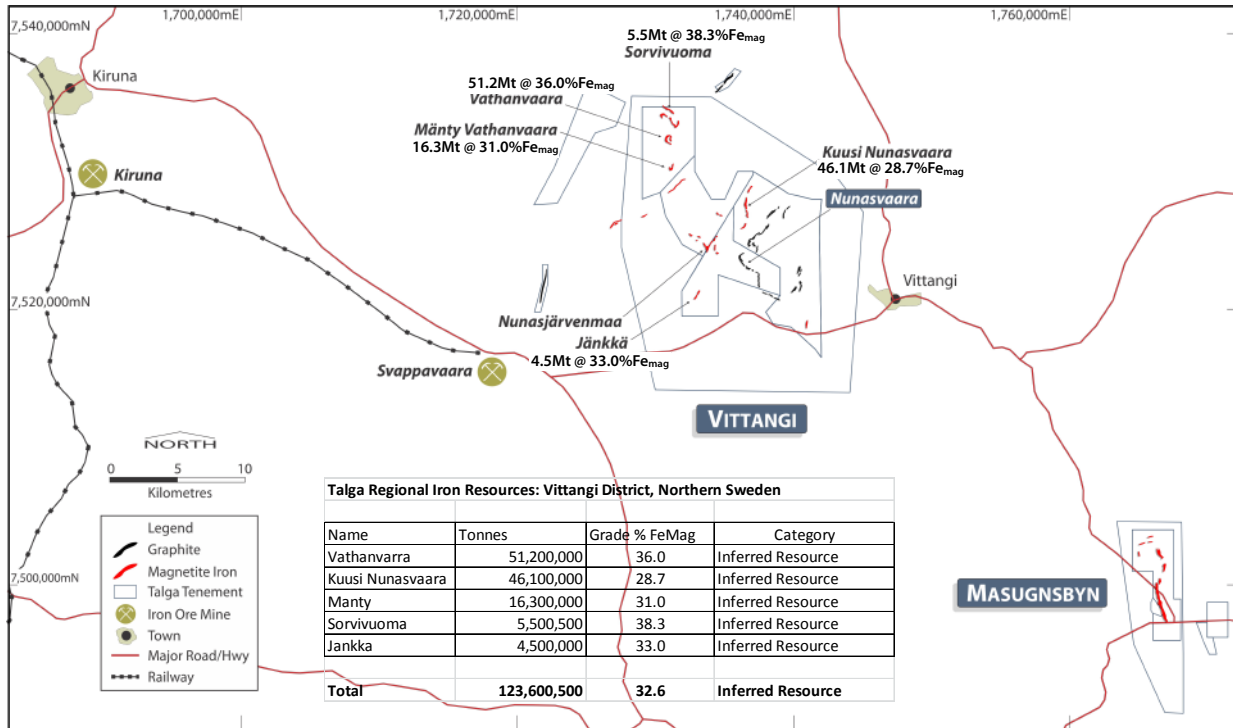


Fig 3. Vathannaara plan showing mineralisation wireframe and historic drill holes.

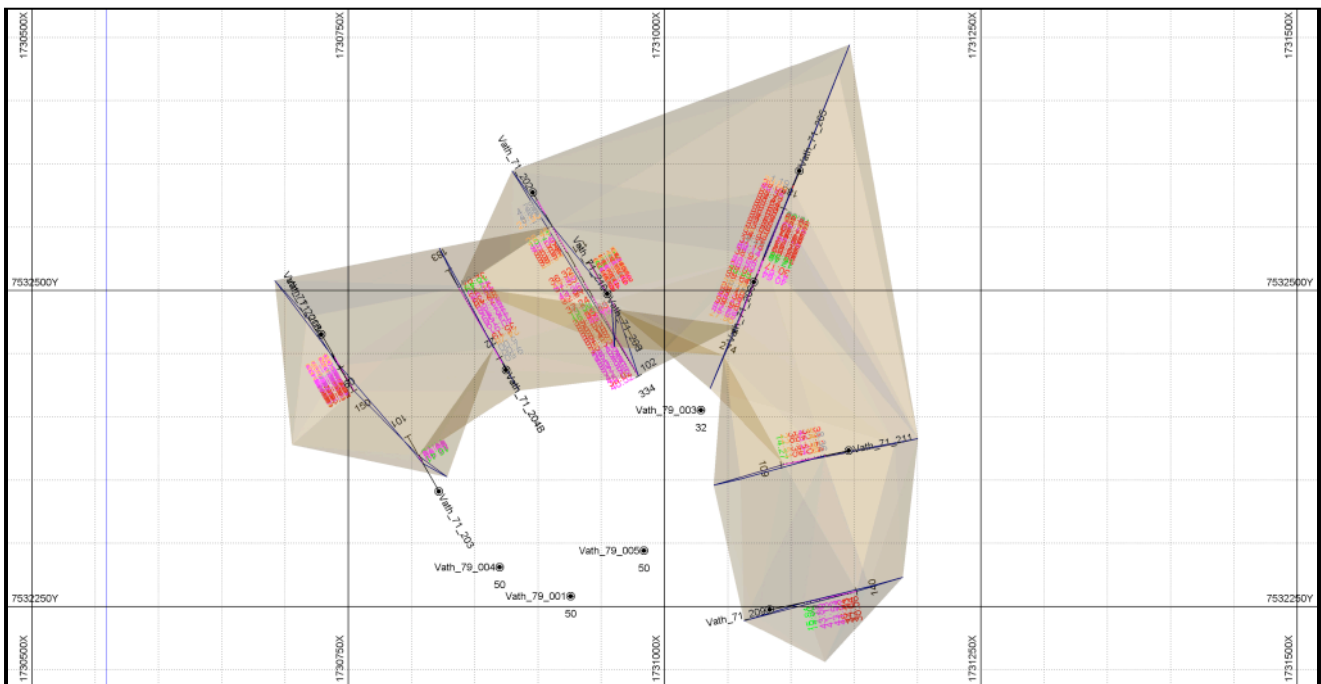


Fig 4. Vittangi iron project summary geology map, historic drillhole locations and magnetic anomalies.

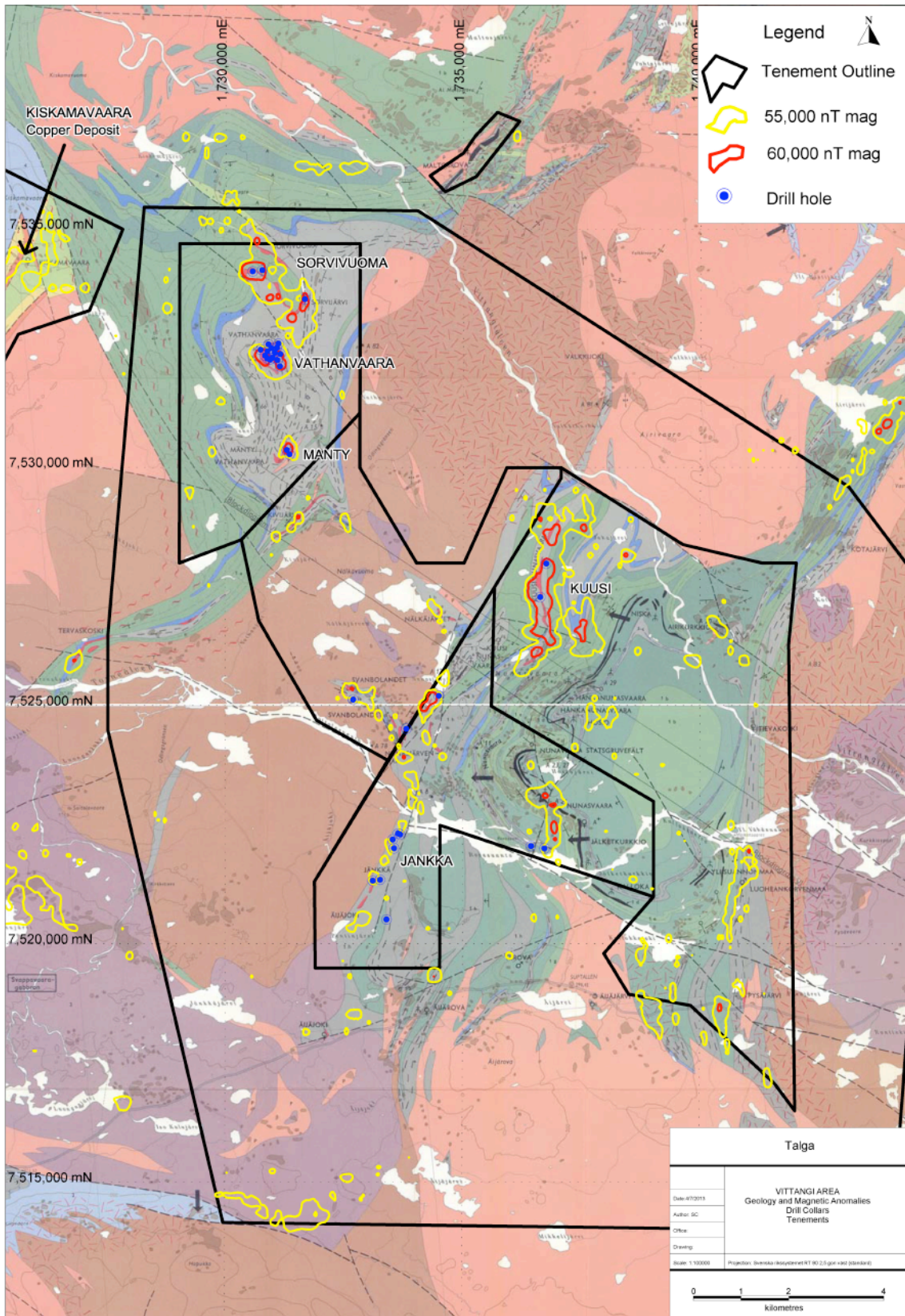
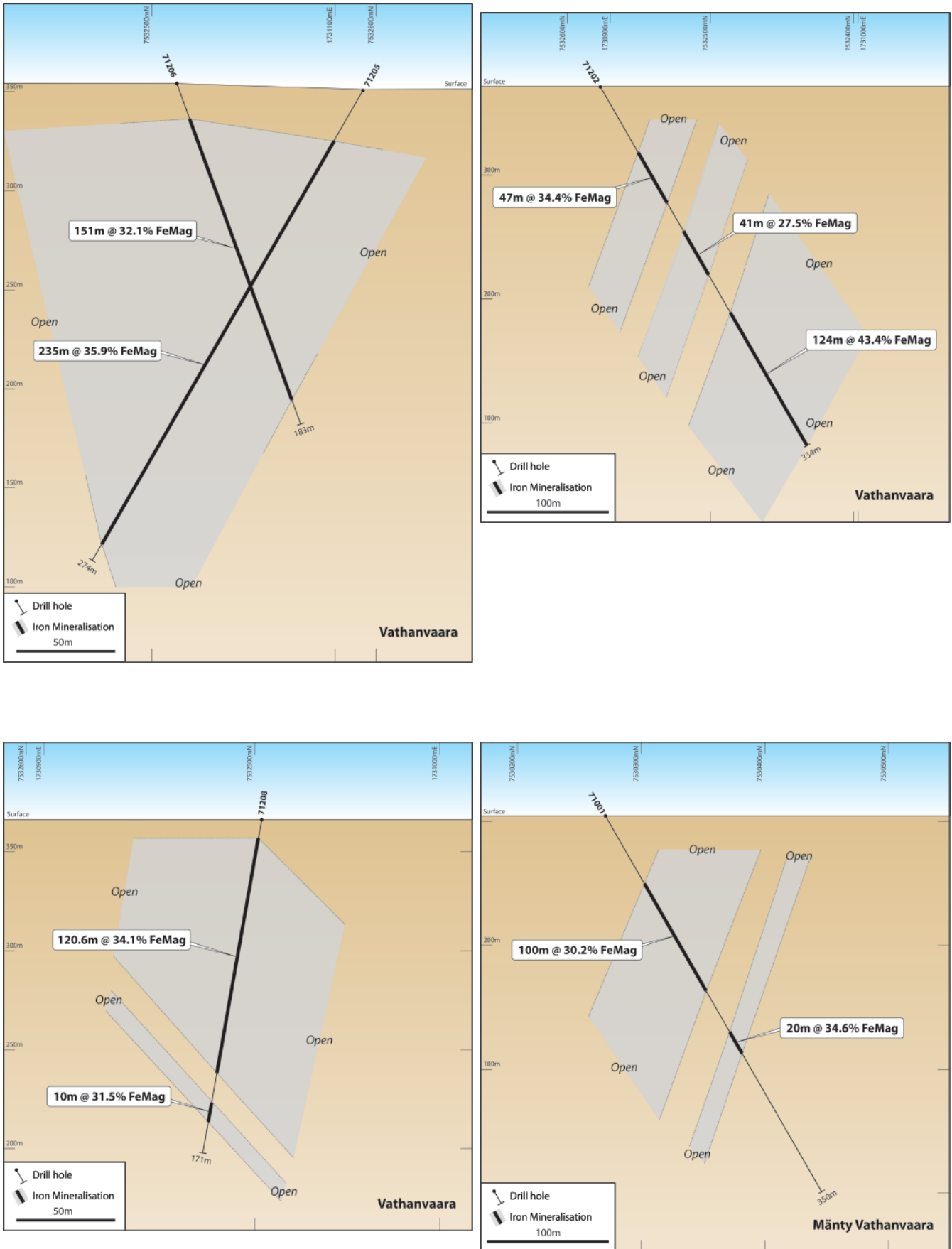


Fig 5. Selected historic drill intercept sections from Vittangi project iron deposits.



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 divest or find a strategic partner for 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.

1 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 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.