



Talga Resources Ltd

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Corporate Information

ASX Code **TLG**
 Shares on issue **54.40m**
 Options (unlisted) **3.75m**
 52 week high **A\$0.49**
 52 week low **A\$0.06**

Company Directors

Sean Neary
 Non-Executive Chairman

Mark Thompson
 Managing Director

Piers Lewis
 Non-Executive Director

 **ASX Code: TLG**

SWEDISH PROJECTS AND CORPORATE UPDATE

- New graphite resource estimate to be completed with all Raitajärvi drill assays now received.
- Ongoing prudent expenditure on the Nunasvaara scoping study in line with Company's stated cash preservation and capital raising initiatives.
- Review and potential divestment of Swedish copper-gold and iron projects to allow continued primary focus on graphite projects.
- Board adoption of a strategic process to establish the most appropriate funding mechanism for Talga's flagship Swedish graphite projects.

UPGRADE OF RAITAJÄRVI COARSE FLAKE GRAPHITE RESOURCE PENDING

Talga Resources Limited (ASX:TLG) ("Talga" or "the Company") is pleased to report that a new graphite resource estimate is now being prepared following receipt by the Company of remaining assays from the 2013 drilling program at the 100% owned Raitajärvi graphite deposit ("Raitajärvi") in north Sweden.



Fig 1. Talga Resources project locations in north Sweden.

The Talga drilling program consisted of 28 diamond core drill holes totalling 3,666 metres, with the results from the first 14 holes previously announced via an ASX release dated 10 May, 2013 (see Table 1).

These first 14 holes were located in the southern half of the current resource, with the new results announced today designed to test parallel zones and extensional positions along strike to the north (see Fig 3 and Table 2) with the aim of expanding the resource to support a potential mine life of at least eight years.

The latest results are largely in line with those previously announced and have intercepted meaningful zones of graphite mineralisation as expected for the extensional positions. See Table 1 for the previously released drilling results of the 2013 program.

The current JORC resource estimate at Raitajärvi is based on historical graphite drilling by the Swedish Geological Survey, which defines a JORC inferred resource of 0.5Mt @ 10.8%Cg. This historic resource was calculated over 300m of strike, whereas Talga's 2013 drilling campaign has intersected graphite over 650m of strike. The recently completed drilling program has also increased the known extent of graphite mineralisation from 55m to 140m vertical depth. The deposit remains open along strike and at depth. Graphite is present at or near surface and would likely be amenable to open-pit style development.

Raitajärvi is located 2km from the Överkalix - Övertorneå Highway, 25km by road to the nearest railway and 130km by road to the Port of Luleå where Talga has signed a MoU for the export of up to 80,000 tonnes per annum of graphite concentrate or products. As the deposit is advantageously located close to established transport and infrastructure, even a modest sized resource may be capable of being mined profitably. There is also the potential for co-development with Talga's Pajala flake graphite project, located 80km away by road.

All drilling results have been provided to mineral resource consultant CoxsRocks to establish a new JORC resource estimate. Due to the coarse nature of the graphite flake, and positive logistics for the mining and processing of graphite, the potential for the development of a larger, lower grade resource at Raitajärvi will be investigated.

NUNASVAARA SCOPING STUDY PROGRESS

Work on the economic scoping study for Talga's graphite resource at Nunasvaara remains ongoing but, in line with similar peer group decisions, is being slowed a little to ensure prudent expenditure rates. It is however, near complete.

CORPORATE ACTIVITY

In addition to the potential iron and/or gold divestments already approved by the board and announced to the market, the Company is broadening the range of options in funding initiatives including joint venturing of core and non-core assets. Corporate level transactions over any assets may be considered where they result in a significant injection of cash to further develop Talga's flagship graphite projects.

Talga acquired a number of iron and copper-gold assets in its purchase of Teck Resources' subsidiary in June 2012. Talga continues to focus primarily on its graphite deposits, but is now taking the opportunity to fully review the copper gold projects and the Vittangi iron ore deposits. The Board is heartened in this

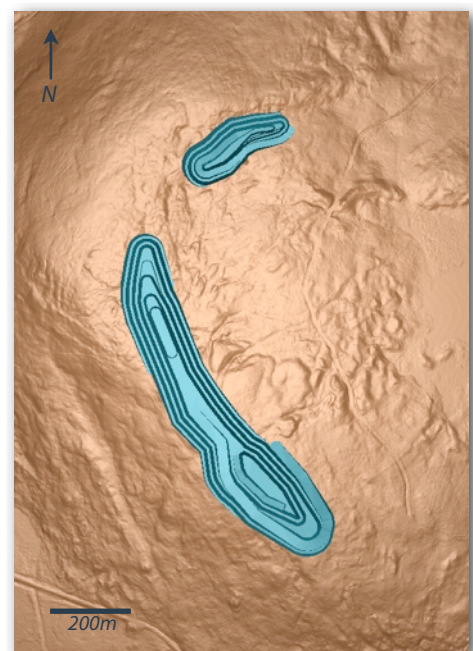


Fig 2. Preliminary pit design under review in Nunasvaara scoping study.

purpose by recent elevated activity by copper mining companies in north Sweden, and interest by some parties in Talga's magnetite iron deposits. The data for these projects is currently being extracted and reviewed in order that the projects can be 'packaged' ready for divestment or corporate transaction to support the Company's graphite focus.

Talga is cognisant of the current difficult economic environment and is investigating every avenue to manage funding requirements for its Swedish graphite projects. To this end, in addition to Talga's general steps to reduce overhead costs, as at 1 July 2013, the Company will implement a 20-40% reduction in base salary for all senior management, employees and Directors until further notice to protect the Company's cash resources.

Talga's management team has been downsized to one full time employee (Managing Director) and three part-time staff (Senior Exploration Geologist, Field Manager and Country Manager in Sweden). The office manager role has been relinquished and book-keeping duties outsourced.

Talga Managing Director Mark Thompson commented "We recognise that cost discipline is essential in order to preserve the Company's cash position, even while continuing to be very active in building new mineral resources. Sentiment is at very low levels across the small cap mining space and Talga is working very hard to secure funding certainty through the mechanisms highlighted above. We have a number of quality assets that should assist in this, and are meeting a number of interested parties to review opportunities for project or corporate scale transactions."

For further information, please contact:

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Fig 3. Plan of Talga's 100% owned Raitajärvi graphite project showing drill hole locations (Talga 2013) over EM conductors.

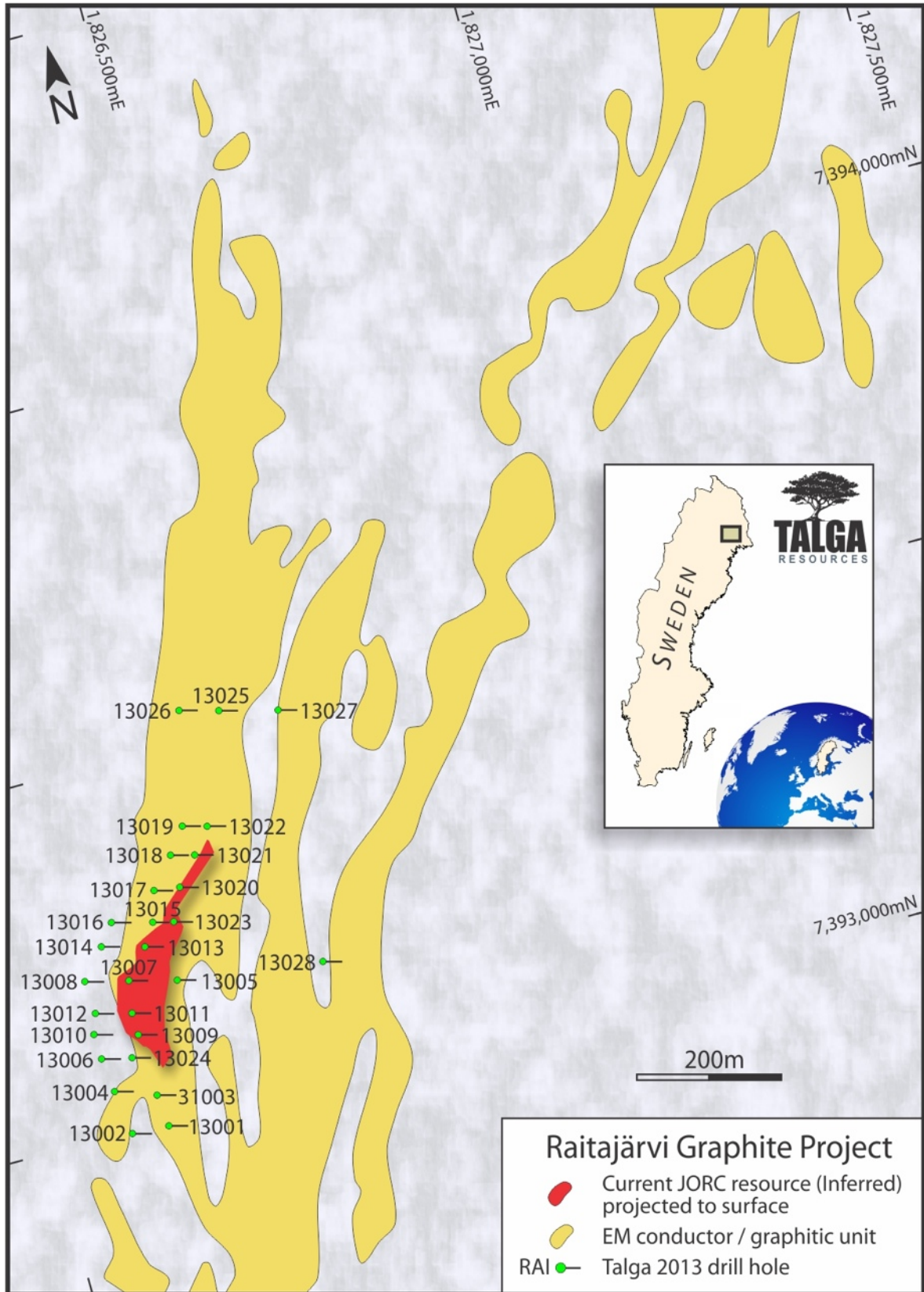


Table1. Previously announced Talga 2013 significant diamond core drill hole sampling results at Raitajärvi, Sweden. Significant intervals calculated using a minimum width of 5m and minimum grade of 2.5%Cg.

Hole ID	East (RT90 2.5gv)	North (RT90 2.5gv)	Collar RL (m)	Azi	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Cg (%)	
RAI13001	1826205	7393000	114	105	-50	120.8	27.7	48.8	21.1	3.0	
RAI13002	1826154	7393004	111	105	-50	142.3	7.7	16.9	9.2	2.5	
							41.5	49.1	7.6	6.9	
							87.0	94.7	7.7	4.7	
RAI13003	1826199	7393047	115	105	-50	116.3	37.9	58.9	21.1	3.5	
RAI13004	1826145	7393066	111	105	-50	162.8	55.5	68.4	12.9	4.2	
							98.6	126.2	27.6	3.6	
RAI13005	1826271	7393192	128	105	-50	115.5	2.3	10.5	8.2	2.7	
RAI13006	1826140	7393114	112	105	-50	139.5	77.1	92.9	15.8	5.5	
RAI13007	1826208	7393208	120	105	-50	131.2	26.2	106.9	80.7	4.6	
							including	26.2	39.2	13.0	12.0
RAI13008	1826146	7393224	113	105	-50	194.7	60.7	71.6	10.9	3.6	
							116.8	164.3	47.5	10.1	
							including	129.1	135.2	6.1	16.8
							including	143.3	152.9	9.6	22.1
RAI13009	1826198	7393133	115	105	-45	122.9	13.0	75.0	62.0	4.8	
							including	17.0	31.0	14.0	10.2
RAI13010	1826139	7393150	115	105	-50	157.3	72.7	147.0	74.3	3.5	
							including	72.7	79.2	6.5	8.6
							including	105.6	108.0	2.4	16.5
RAI13011	1826197	7393165	117	105	-50	115.8	9.4	88.4	79.0	4.7	
							including	25.8	46.0	20.2	8.6
RAI13012	1826149	7393177	117	105	-50	160.6	87.4	144.2	56.8	5.7	
							including	94.1	102.3	8.2	25.0
RAI13013	1826240	7393248	126	105	-45	121.5	5.6	104.5	98.9	5.5	
							including	16.4	45.5	29.1	11.2
RAI13014	1826182	7393263	122	105	-45	192.7	103.1	154.5	51.4	5.3	
							including	112.0	125.1	13.1	9.9

Table2. New significant diamond core drill hole sampling results at Raitajärvi, Sweden. Significant intervals calculated using a minimum width of 5m and minimum grade of 2.5%Cg.

Hole ID	East (RT90 2.5gv)	North (RT90 2.5gv)	Collar RL (m)	Azi	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Cg (%)	
RAI13015	1826259	7393277	130	105	-45	138.6	16.9	92.4	75.6	2.6	
RAI13016	1826204	7393294	123	105	-45	178.2	37.1	47.8	10.7	2.8	
							92.4	100.2	7.8	6.1	
							143.2	149.6	6.5	2.9	
RAI13017	1826271	7393323	130	105	-45	159.4	20.1	35.5	15.4	5.0	
							64.1	105.4	41.3	2.6	
RAI13018	1826308	7393363	136	105	-50	150.5	64.7	116.5	51.7	3.2	
RAI13019	1826335	7393396	140	105	-45	121.2	41.4	100.6	59.2	4.2	
							including	96.1	100.6	4.5	16.8
RAI13020	1826309	7393315	137	105	-45	98.5	32.8	49.8	17.0	2.5	
							60.4	65.5	5.1	4.8	

Table2. Continued..

Hole ID	East (RT90 2.5gv)	North (RT90 2.5gv)	Collar RL (m)	Azi	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Cg (%)	
RAI13021	1826341	7393354	142	105	-45	90.4	19.4	26.0	6.6	4.3	
							48.0	70.8	22.8	2.8	
RAI13022	1826369	7393388	146	105	-45	80.9	4.9	53.4	48.5	3.5	
							including	41.2	46.0	4.8	10.8
RAI13023	1826288	7393272	133	105	-45	92.4	3.5	39.2	35.7	2.5	
							53.2	60.0	6.8	3.4	
RAI13024	1826181	7393105	116	105	-50	109.3	19.4	82.5	63.0	4.0	
							including	59.1	64.8	5.7	9.2
RAI13025	1826425	7393540	148	105	-45	119.8	5.4	24.1	18.8	4.5	
RAI13026	1826376	7393554	139	105	-45	111.1	29.1	36.5	7.3	2.6	
							59.0	68.9	10.0	4.1	
RAI13027	1826507	7393518	156	105	-45	109.5				NSR	
RAI13028	1826475	7393162	151	105	-45	112.5	34.8	49.9	15.2	3.0	
							74.7	80.5	5.8	2.6	

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 developing 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.

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.