



TALGA TO COMMENCE DRILLING RAITAJÄRVI COARSE FLAKE GRAPHITE PROJECT

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\$0.77
52 week low	A\$0.12

Company Directors

Sean Neary
 Non-Executive Director &
 Chairman

Mark Thompson
 Managing Director

Piers Lewis
 Non-Executive Director

 **ASX Code: TLG**

- Maiden 3,800m diamond core drilling programme at the Raitajärvi graphite project scheduled to commence in February 2013.
- Targeting increase in size and classification of current JORC flake graphite resource that includes 49% large to jumbo size flake.
- New resource estimate will allow scoping studies to commence on targeting potential 10 year minelife operation

The board of Talga Resources Limited ("Talga") is pleased to announce its approval of a 31 drill hole program comprising 3,800m diamond drilling at its 100% owned Raitajärvi coarse flake graphite deposit in north Sweden (see Fig 1).

Site environmental surveys and stakeholder approvals have been completed and work permits received. Talga's field staff have mobilised to Sweden to join the Company's local staff for drilling scheduled to commence on February 15.

Photo 1. Coarse flake graphite exposed in historic surface trench at Raitajärvi.



Historical Exploration at Raitajärvi

The Raitajärvi project contains graphite mineralisation defined by historic work including mapping, trenching, geophysical surveys and diamond drilling conducted primarily by the geological survey of Sweden (SGU).

In 1974-78 SGU geophysics defined three large (6.0 x 1.5km) elongate conductors. Trenching over the anomalies revealed coarse flake graphite at surface, suggesting potential for open-pit style development.

The SGU completed 20 diamond drill holes (1,791m) in 1990-91 along with microscopy and enrichment tests. Both the drilling and trench samples were only selectively assayed. Most drilling was constrained to the western limb of the three anomalies. Although graphite was confirmed in the adjacent central and eastern anomalies, they were not followed up at the time.

In 2012 Talga used the historic drilling to define an initial JORC Inferred resource of 0.5Mt @ 10.8% graphite ("Cg"), calculated over approximately 300m strike and to 70m depth. The resource is open both along strike and at depth.

The remainder of 3,000m of strike is yet to be comprehensively tested. The widths and grades of graphite detected outside the current resource highlight the potential for a significant increase in the size of the resource (see Table 1-2).

Coarse Flake Graphite

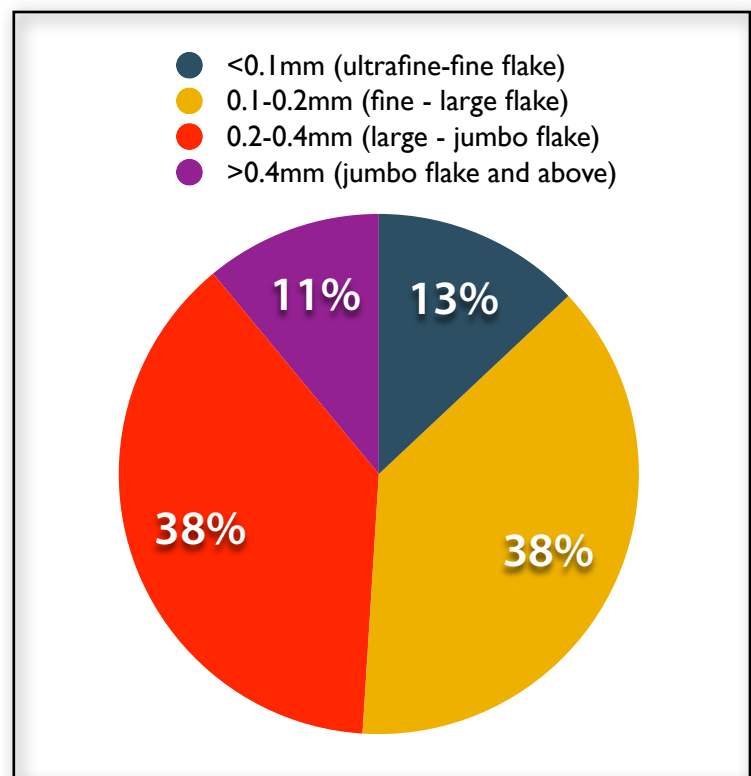
The SGU and local universities conducted preliminary microscopy of flake size distribution (n=87). Graphite flake size was predominantly coarse with a maximum size of 1.2mm and 11% of the samples >0.4mm (40 mesh, jumbo flake). 49% of the samples measured >0.1mm (80 mesh, large flake). See Fig 2 and Appendix 2 for details.

Benchtop beneficiation tests of the flake graphite resulted in concentrate with a carbon content of 90-93%C using unoptimised simple flotation. Enrichment tests of this concentrate showed excellent results with a

Fig 1. Location map showing Talga's mineral projects in Sweden.



Fig 2. Graphite flake size distribution (historic drill sample microscopy, n=87)



final concentrate grade of 99%C, a purity of graphite in high demand for the growing lithium-ion battery markets.

Strategy

Talga aims to capitalise on its strengths which include owning multiple graphite resources in a stable mining jurisdiction, and the location synergies of potential shared processing infrastructure. In addition, the complete product suite of graphite flake sizes available from Talga's deposits will allow the company to take advantage of multiple market segments.

The advanced status of the Raitajärvi deposit (resource in place with preliminary metallurgical testwork completed), the nature of the product (predominant large flake with significant jumbo size that attracts market premiums) and the scope to significantly increase the size of the resource makes the upcoming drilling program at Raitajärvi a priority. Moreover, historic investigations of Raitajärvi graphite concentrates by the SGU indicated broadly similar grade, flake size distribution and carbon purity as the Woxna deposits in central Sweden, currently in re-development by Flinders Resources (TSXV:FDR).

Next Steps

Talga's Phase 1 drill program aims to define a deposit with potential 10 year mine life (See Fig 3). It is anticipated the drilling program will take approximately eight weeks to complete and samples will be sent in batches to the ALS-Chemex laboratory in Sweden for processing. Talga would expect results to start becoming available in Q2 with positive results enabling a new resource estimate in Q3.

The Raitajärvi drilling results and impact on the resource base will drive the decision to incorporate the data into a scoping study which contemplates economics based upon shared processing facilities between Nunasvaara and Raitajärvi.

For further information, please contact:

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Fig 3. Plan of central part of Talga's Raitajärvi graphite project showing graphite intercepts in drilling and trenches outside the current JORC resource using lower cut-off 5% Cg. Phase 1 drilling area subject to drilling commencing Feb 2013.

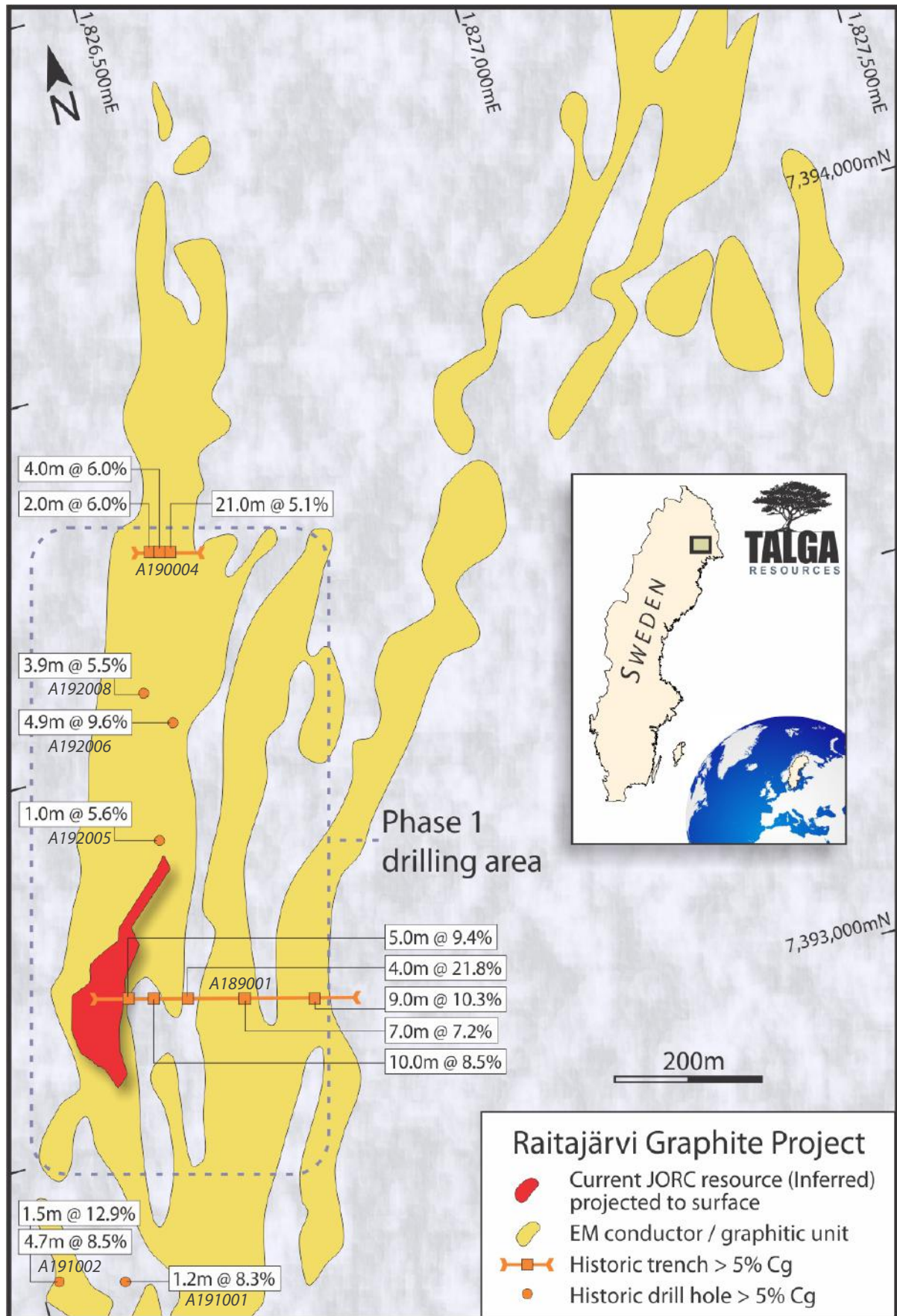


Table 1. Historical trench sampling results at Raitajärvi, selected where interval >5%Cg and located outside the current JORC resource.

Trench ID	East (RT90 2.5)	North (RT90 2.5)	Collar RL (m)	Azi	Dip	Trench length (m)	From (m)	To (m)	Interval (m)	Grade %Cg
AI89001	1826173	7393200	115	105	5	358	47	52	5	9.4
							80	90	10	8.5
							128	132	4	21.8
							204	211	7	7.2
							303	312	9	10.3
AI90004	1826387	7393769	130	105	4	90	20	22	2	6
							26	30	4	6
							33	54	21	5.1

Table 2. Historical diamond drill sampling results at Raitajärvi, selected where interval >5%Cg and located outside the current JORC resource.

Trench ID	East (RT90 2.5)	North (RT90 2.5)	Collar RL (m)	Azi	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Grade %Cg
AI91001	1826112	7392818	110	105	-50	71	46.5	47.7	1.2	8.3
AI91002	1826025	7392841	106	105	-50	81	33.0	34.5	1.5	12.9
							70.0	74.6	4.7	8.5
AI92005	1826315	7393384	142	105	-45	52.5	19.4	20.4	1.0	5.6
AI92006	1826376	7393534	146	105	-45	36	14.3	19.2	4.9	9.6
AI92008	1826348	7393583	139	105	-45	53	27.0	30.9	3.9	5.5

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 multiple graphite 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 advance the iron ore projects with further drilling to attain larger JORC resources before considering options to commercialise these assets, either in their own right or in conjunction with other parties.

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.