



30 May 2014

Dear Shareholder

Notice to Ineligible Shareholders of Entitlement Offer

We write to you as the registered holder of shares in Talga Resources Limited (ASX: TLG) ("**Talga**" or the "**Company**") whose registered address is outside Australia, New Zealand, Hong Kong, Germany and the People's Republic of China.

As advised in the Company's ASX announcement dated 21 May 2014, the Company is undertaking a non-renounceable pro-rata Entitlement Offer to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.20 per share and on the basis of one (1) new share ("**New Share**") for every ten (10) shares held together with free attaching options on the basis of one (1) new option for every two (2) New Shares ("**Free Attaching Options**") ("**Entitlement Offer**"). Pursuant to the Entitlement Offer, the Company will issue up to 10,506,008 New Shares and 5,253,004 Free Attaching Options to raise up to \$2,101,202 before costs.

The Free Attaching Options will be exercisable at \$0.35 each and expire on 30 November 2015. The Entitlement Offer is available to all Talga shareholders ("**Shareholders**") registered on the Record Date (4 June 2014) whose registered address is in Australia, New Zealand, Hong Kong, Germany or the People's Republic of China ("**Eligible Shareholders**"). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions ("**Ineligible Shareholders**").

The Company has determined that it would be unreasonable on this occasion to extend the Entitlement Offer to you as an Ineligible Shareholder having regard to:

- (a) the number of holders in your jurisdiction;
- (b) the number and value of securities the holder in your jurisdiction would be offered; and
- (c) the cost of complying with the legal requirements and the requirements of the regulatory authorities in your jurisdiction.

For your information only, details of the Entitlement Offer are contained in the prospectus lodged with ASIC on 28 May 2014 ("**Prospectus**") and the supplementary prospectus lodged with ASIC on 30 May 2014 ("**Supplementary Prospectus**"). The Prospectus can be accessed from the ASX and Talga websites, www.asx.com.au and www.talgaresources.com respectively.

You are not required to do anything in respect to this letter.

Yours sincerely
Mark Thompson
Managing Director