



ASX Code: TLG

Talga Gold Ltd

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Share Capital

as of Sep 30, 2011

Shares 46.35 million

Options (unlisted) 1.1 million

Cash Position: \$3.76 million

Projects:

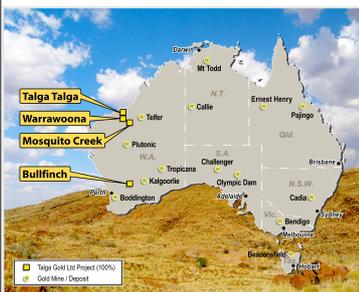
Western Australia

Talga Talga (100%)

Warrawoona (100%)

Mosquito Creek (100%)

Bullfinch (100%)



QUARTERLY ACTIVITIES REVIEW

For the period ending 30 September 2011

HIGHLIGHTS - W.A. GOLD PROJECTS

- Reverse Circulation (RC) drilling results at Talga Talga include 4m @ 30.0g/t gold.
- First pass drilling at Kiwi Ridge strikes new primary gold zone.
- Fieldwork confirms Mosquito Creek gold and copper potential.

Summary

During the period, Talga Gold Limited (ASX: TLG) continued exploration on the Company's three 100% owned projects in the Pilbara region of Western Australia. This included completing RC drilling at the Talga Talga gold project and reporting results from RC drilling at the Kiwi Ridge prospect.

Drill highlights included 4 metres (m) @ 30.0 grams/tonne (g/t) gold from 56m downhole depth (TTRC075) at McPhees prospect, Talga Talga Project and 11m @ 0.57g/t gold from 24m depth (including 1m @ 3.83g/t gold) at Kiwi Ridge prospect, Warrawoona Project. The results are encouraging considering the early stage of exploration at these discoveries.

Additional fieldwork during the period included geological, geochemical, cultural and digital terrain surveys in preparation for drill testing of new gold targets in future.

The company has advanced its gold projects and continues to explore aggressively but with low overheads. The company has 46.35m shares on issue and \$3.76 million cash at bank.

Fig 1. RC drilling at the Kiwi Ridge prospect, Warrawoona gold project.



Talga Talga Project (TLG 100%)

The Talga Talga Project is located 150km southeast of Port Hedland in Western Australia's Pilbara region. The project comprises a five kilometre long zone of historic gold mines and workings where gold mineralised veins, carbonate and chert are hosted within sheared ultramafic rocks. The Company conducted the first drill testing of the project for gold in 2010 after listing and discovered significant mineralisation including 1m @ 73.5g/t gold from 54m downhole depth and 1m @ 66.9g/t gold from 32m depth (see ASX releases 9th and 25 November 2010).

During the period the Company completed a 2,626m RC drill program and reported composite assay results (for details see ASX release 17 October 2011). The drilling was conducted predominantly at the McPhees prospect to test along strike and down dip from the limits of previous RC drilling over approximately 650m strike and to maximum down-dip depth of 250m. Additional reconnaissance holes were completed 1400m northeast along strike in the Quartzite prospect area (see location map ASX release 25 November 2010).

The highlight intercept was from drill hole TTRC075 that returned 4m @ 30.0g/t gold from 56m downhole depth and is considered significant in that it is located approximately 100m along strike from previous hole TTRC029 that returned 1m @ 73.5g/t gold. Geological logging also suggests the mineralisation may be higher in stratigraphic position within the ultramafic host, suggesting some potential for multiple lode horizons that has not been observed in prior drilling.

Multiple other gold mineralised lodges and shears have been identified in and around historic workings along strike from McPhees and in parallel zones to the south (North Star-Galatea shear zone). It is envisaged that further drilling of the new targets within the Talga Talga project area will commence after the geochemical sample results are analysed.

During the period the Company received assay results of a 1,408 sample soil geochemical survey over the project area to assist delineating new drill targets along strike and parallel of the McPhees zone. Analysis is underway subsequent to the period. The results of semi-global matching (SGM) method digital elevation surveys and orthoimagery were received and processed during the period and will greatly assist in further development of the project.

Warrawoona Project (TLG 100%)

During the period, assay results from a reconnaissance 1,118 metre RC drilling program at the Kiwi Ridge gold and copper targets were received (for details see ASX release 30 September 2011). The drilling intercepted a broad cohesive zone of primary gold mineralisation (interpreted true-width up to 12 metres) that is significant for the first pass drill test of a soil anomaly.

Key intercepts include KRRC006 that returned 11m @ 0.57g/t gold from 24m including 1m @ 3.83g/t gold. Directly below this interval, hole KRRC007 returned 15m @ 0.35g/t gold from 62m including 2m @ 1.18g/t gold with the hole ending in anomalous mineralisation at 78m (for drillhole details see ASX release 30 September 2011). Further work is warranted to focus on finding the higher grade portions of the zone to be prioritised in conjunction with other prospects in the Warrawoona gold project.

Fig 2. Gold panned from a drill sample at the Talga Talga gold project.

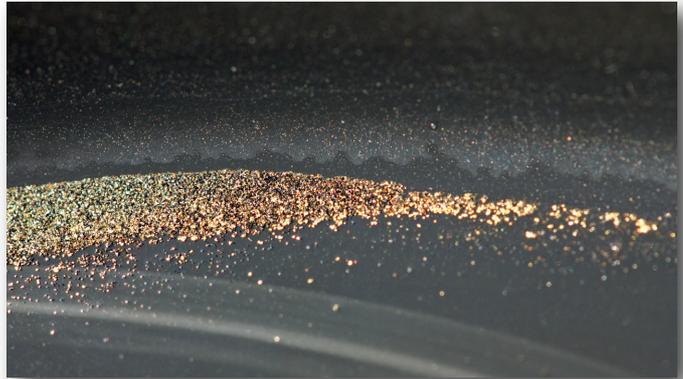
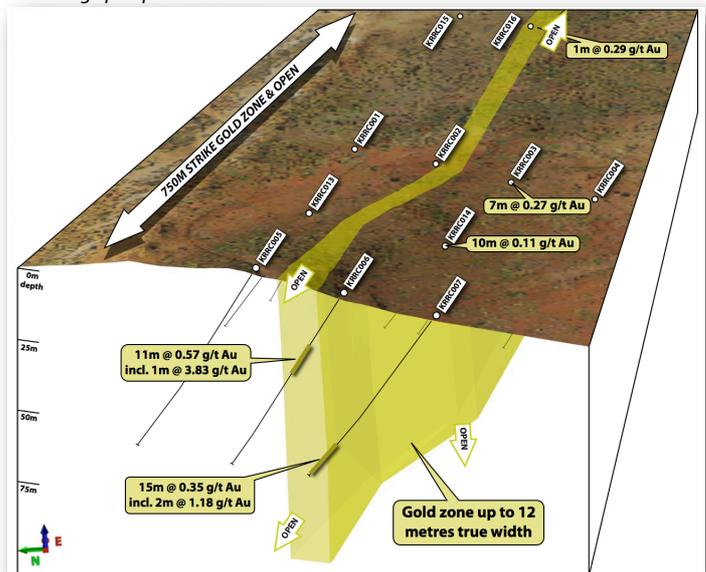


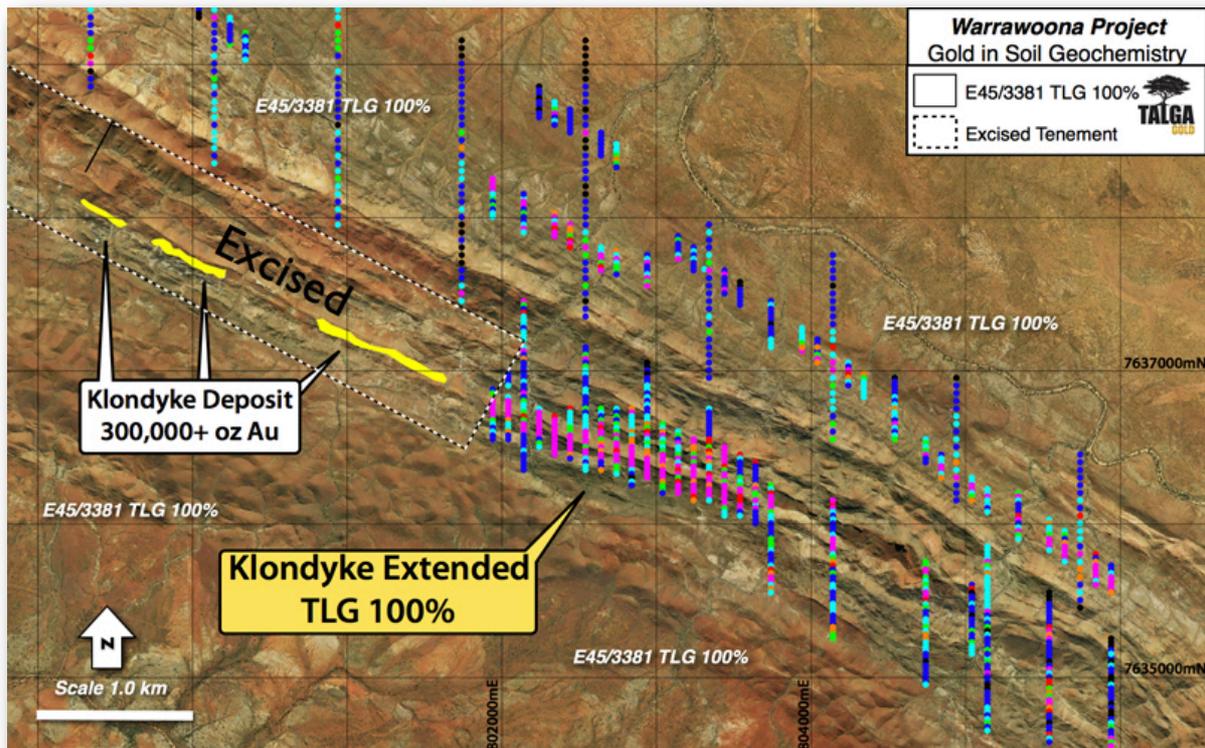
Fig 3. 3D Schematic view of drill highlights and interpreted primary gold zone at Kiwi Ridge prospect.



The substantial widths of near-surface gold mineralisation intercepted at Kiwi Ridge enhances the potential for the discovery of larger tonnage gold deposits amenable to open-cut extraction to be present in the Company's 147km² project area.

During the period the results of an aerial orthoimagery and SGM method digital elevation model survey over all the Warrawoona project tenements was received and processed. The detailed elevation model assisted the compilation of historic geochemical and drill data to develop drill targets including the Klondyke Extended gold prospect as a priority. This prospect contains a well defined 2km long zone of gold mineralisation adjacent to and along strike from the Klondyke prospect owned by Jupiter Mines that has previously been published as a 300,000oz gold deposit. Cultural heritage surveys were completed to facilitate RC drilling after various statutory permitting is complete.

Fig 4. Soil geochemical anomalies highlighting the Klondyke Extended prospect along strike from other gold deposits, Warrawoona project.



Mosquito Creek Project (TLG 100%)

The Mosquito Creek Project comprises eighteen mostly contiguous tenements over 109km² of the Nullagine gold field in the east Pilbara of WA. Within the Company's project multiple zones of gold mineralisation have been outlined by historic workings, drilling and geochemistry that have received scant technical work for over a decade. The gold mineralisation is hosted by the Mosquito Creek Formation, the same host formation to more than 1.24 million ounces of gold in resources currently being developed by Millennium Minerals (see ASX release 10 October 2011). Their planned 1.5 million tonne per annum Carbon-In-Leach (CIL) processing facility and associated infrastructure may create new opportunities for gold deposits discovered in the area by other companies.

During the quarter the results of a SGM method digital elevation model and orthoimagery aerial survey were received and processed. Extensive historical data research was completed and the disparate datasets compiled into a new database. Interpretation of the historical results in modern contexts outlined significant new and untested gold targets that were the subject of fieldwork including geological reconnaissance and rock geochemical sampling. Results of the fieldwork were highly encouraging in the location of visibly copper-mineralised gossans and gold mineralised quartz vein systems. Cultural heritage surveys were initiated to clear walk-up targets for future drilling. Assay results of the rock geochemistry samples are pending.

Fig 5. Rock geochemical sampling Mosquito Creek project.



Bullfinch Project (TLG 100%)

The Bullfinch Project is located 40km north of Southern Cross in a prolific gold producing district of the Yilgarn Craton. The Company is exploring the area for high metamorphic grade gold deposits similar in style to that of the Edna May (1.5m+ oz Au) gold deposit currently being mined approximately 70km to the west of Bullfinch. The tenements are additionally prospective for high metamorphic grade gold deposits such as Big Bell and Yilgarn Star.

During the period the results of an auger drilling program were received and independent reviews of the geochemical orientation work completed. A significant part of the Company's 1,200km² tenements were granted during the period and as a result the planned geochemical programs and drill site permitting will be expanded, delaying the programs to the next period. Results of reconnaissance rock geochemical samples were received subsequent to the period and are being analysed at the time of this report.

Corporate

At the end of the quarter, Talga Gold has cash deposits of approximately \$3.76m. The Company is encouraged by the results of exploring its 100% owned gold assets and in addition has reviewed new opportunities in Africa and Europe to complement Talga's goals of becoming a profitable mining company.

For further information, please contact:

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About Talga Gold Ltd

- ▶ **High grade near surface gold targets defined for drill testing**
- ▶ **Active WA gold projects with TLG equity 100%**
- ▶ **46.35 m shares & 1.1 m unlisted options on issue**

Talga Gold (ASX: "TLG") is an Australian gold explorer aiming to establish near surface, high margin gold mines by applying modern day exploration techniques to under explored terrains, focusing primarily on the fertile gold-enriched structures of the Pilbara and Yilgarn regions of Western Australia. Listing on the ASX in July 2010 after an over-subscribed IPO, Talga is well funded and proactively assesses new opportunities.

Competent Person Statement

The information in this announcement that relates to Exploration Results has been compiled by Mr Mark Thompson MAIG MSEG who is a Director of the Company. Mr Thompson is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to 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". Mr Thompson consents to the inclusion of information in this announcement in the form and context in which it appears.