



\$1.7M RAISING TO ADVANCE HIGH GRADE SWEDISH GRAPHITE-GRAPHENE PROJECTS

Talga Resources Ltd
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Corporate Information

ASX Code **TLG**

Shares post issue **105.1m**

Options (unlisted) **3.75m**

Company Directors

Keith Coughlan

Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director

 **ASX Code: TLG**

HIGHLIGHTS

- A\$1.7M placement to sophisticated investors at 8.5 cents per share
- Proceeds to advance development test work and economic studies on Company's wholly-owned flagship graphite projects in northern Sweden
- Results to enable economic studies with dual graphite-graphene focus

Perth-based graphite and graphene developer, **Talga Resources Limited** (ASX:TLG) ("Talga" or "the Company"), is pleased to announce it has received commitments to raise up to A\$1.7 million (before costs) via a placement ("Placement").

The offer of 20 million ordinary shares has been made to sophisticated investors at an offer price of 8.5 cents per ordinary share. The Placement will be made pursuant to Talga's current capacity under ASX Listing Rules 7.1 and 7.1A. The Placement is anticipated to be completed and shares issued on Thursday 20th March, 2014.

Proceeds of the Placement are intended to be applied to graphite and graphene metallurgy, upscaling tests, economic studies, exploration and working capital.

Talga Managing Director, Mr Mark Thompson:

"The proceeds will ensure the momentum already evident early in 2014 continues as we are now at the exciting stage of upscaling tests on graphene produced from our supergrade Nunasvaara deposit, as well as further metallurgical testwork on both the Nunasvaara and Raitajärvi graphite projects, both in Sweden. We look forward to using the results to complete the preliminary economic study underway on Nunasvaara with a dual graphite-graphene focus."

"The strong support we attracted for the Placement follows Talga's outstanding raw ore-to-graphene results from last month and world-wide excitement in the graphite space following the Tesla Motor car company's announcement of its plans for a Li-ion battery gigafactory (*Tesla Motor Company 26 February 2014*). "Lithium-ion batteries for electric vehicles can require up to 100kg of graphite per unit and industry commentators have calculated that 6 new graphite mines are required for the Tesla battery factory alone (*Industrial Minerals 7 March 2014*). "The long-held promise of electric vehicle demand impacting the graphite market appears to be crystallising."

Graphene

Last month, Talga announced exceptional results from graphene test work conducted by the University of Adelaide on drillcore from the Company's wholly-owned Nunasvaara graphite deposit (see ASX:TLG 19 Feb 2014).

Among the testwork conclusions were that unoxidised graphene could be directly and rapidly liberated from unprocessed Nunasvaara graphite ore in a one-step process, the quality of the graphene produced was outstanding and comparable to graphene made from synthetic routes, and, the test work used a processing method well suited for upscaling to bulk production.

"We now have a very well defined development pathway for 2014," Mr Thompson said.

"With the new funds and support, we will soon commence upscaling the Nunasvaara test work to measure both graphite and graphene yield and characteristics. The new process we are testing liberates both graphite and graphene with graphite being the major product by volume.

The data will enable initial capex and potential production costs to be calculated incorporating a graphene production stream into Nunasvaara's current graphite Preliminary Economic Assessment and complete the study with a dual graphite-graphene focus."

Completion of the study will allow Talga to access project development, financing and offtake agreements in Europe's high demand industrial and technology markets.

For further information, contact:

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Managing Director

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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 which is being undertaken to qualify as a "Competent Person" as defined in the 2012 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 2012 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.